POWER FINANCE CORPORATION LIMITED

(A Government of India undertaking)

Our Company was incorporated as Power Finance Corporation Limited on July 16, 1986 as a public limited company under the Companies Act, 1956, as amended and was granted a certificate of incorporation by the Registrar of Companies, National Capital Territory of New Delhi and Haryana and was granted certificate of commencement of business on December 31, 1987. For further details, see the section titled "History and Certain Corporate Matters" on page 105.

Registered and Corporate Office: 'Urjanidhi', 1 Barakhamba Lane, Connaught Place, New Delhi 1100017, India.
Telephone: +91 11 2345 6000; **Facsimile**: +91 11 2341 2545
Company Secretary and Compliance Officer: Mr. Manohar Balwani; **Telephone**: +91 11 2345 6000; **Facsimile**: +91 11 2341 2545
E-mail: taxfreebonds13-14@pfcindia.com; **Website**: www.pfcindia.com

PUBLIC ISSUE BY POWER FINANCE CORPORATION LIMITED ("COMPANY" OR THE "ISSUER") OF TAX FREE BONDS OF FACE VALUE OF ₹ [●] EACH IN THE NATURE OF SECURED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES, HAVING BENEFITS UNDER SECTION 10(15)(iv)(h) OF THE INCOME TAX ACT, 1961, AS AMENDED ("BONDS") AGGREGATING UP TO ₹ 3875.90 CRORES ("ISSUE"). THE BONDS WILL BE ISSUED AT PAR IN ONE OR MORE TRANCHES UP TO ₹ 3875.90 CRORES ("SHELF LIMIT")*, ON TERMS AND CONDITIONS AS SET OUT IN SEPARATE TRANCHE PROSPECTUS(ES) FOR EACH TRANCHE ISSUE, WHICH SHOULD BE READ TOGETHER WITH THIS DRAFT SHELF PROSPECTUS AND THE SHELF PROSPECTUS.

****Our Company is also considering raising funds through private placements of the Bonds in one or more tranches during the process of the present Issue, within the Shelf Limit, at its discretion. Our Company will ensure that Bonds issued through public issue and/or on private placement basis together shall not exceed the ₹5000 crores.***

The Issue is made under the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended ("**SEBI Debt Regulations**") and pursuant to notification No. 61/2013/F. No.178/37/2013-(ITA.I) dated August 8, 2013 issued by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, Government of India, by virtue of powers conferred upon it by item (h) of sub-clause (iv) of clause (15) of section 10 of the Income Tax Act, 1961, as amended.

GENERAL RISKS

Investors are advised to read the section titled "Risk Factors" on page 14 carefully before taking an investment decision in relation to this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue, including the risks involved. This Draft Shelf Prospectus has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), any registrar of companies or any stock exchange in India.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Shelf Prospectus read together with the relevant Tranche Prospectus for a Tranche Issue does contain and will contain all information with regard to the Issuer and the relevant Tranche Issue, which is material in the context of the relevant Tranche Issue; that the information contained in this Draft Shelf Prospectus and together with the relevant Tranche Prospectus for a Tranche Issue will be true and correct in all material respects and is not misleading in any material respect; that the opinions and intentions expressed herein are honestly held and that there are no other material facts, the omission of which makes this Draft Shelf Prospectus read with the relevant Tranche Prospectus as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect at the time of the relevant Tranche Issue.

CREDIT RATING

ICRA Limited ("**ICRA**") has assigned a rating of '[ICRA]AAA' to the long term borrowings programme of our Company (including bonds and long term bank borrowings) for Fiscal 2014, by its letter dated July 15, 2013 and revalidated the said rating vide its letter dated August 13, 2013 and September 16, 2013. CRISIL Limited ("**CRISIL**") has assigned a rating of 'CRISIL AAA/ Stable' to the long term borrowings programme of our Company for Fiscal 2014, by it letter dated July 11, 2013 and revalidated the said rating vide its letter dated August 06, 2013 and September 03, 2013. Credit Analysis & Research Ltd. ("**CARE**") has assigned its rating of 'CARE AAA' to the long term borrowing programme of our Company for Fiscal 2014 by its letter dated July 12, 2013and revalidated the said rating vide its letter dated August 08, 2013 and September 04, 2013. Instruments with these ratings are considered to have the highest degree of safety regarding timely servicing of financial obligations and such instruments carry lowest credit risk. For details, see the section titled "Terms and Conditions in Connection with the Bonds" on page 159. For the rationale for this rating, see Annexure C of this Draft Shelf Prospectus. This rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. This rating is subject to revision or withdrawal at any time by the assigning rating agencies and should be evaluated independently of any other ratings.

PUBLIC COMMENTS

This Draft Shelf Prospectus dated September 17, 2013 has been filed with BSE, the Designated Stock Exchange, pursuant to the provisions of the SEBI Debt Regulations. This Draft Shelf Prospectus is open for public comments and all comments on this Draft Shelf Prospectus are to be forwarded to the attention of the Compliance Officer within a period of seven Working Days (i.e., until 5 p.m.) from the date of filing of this Draft Shelf Prospectus with the Designated Stock Exchange.

LISTING

The Bonds are proposed to be listed on the BSE, which is also the Designated Stock Exchange for the Issue. BSE has given its in-principle listing approval *vide* its letter dated [●], 2013.

LEAD MANAGERS TO THE ISSUE

ICICI SECURITIES LIMITED
H.T. Parekh Marg, Churchgate
Mumbai 400 020, India
Tele: +91 22 2288 2460
Facsimile: +91 22 2282 6580
Email: pfc.taxfreebonds@icicisecurities.com
Investor Grievance Email: customercare@icicisecurities.com
Website: www.icicisecurities.com
Contact Person: Mr. Ayush Jain
Compliance Officer: Mr. Subir Saha
SEBI Registration No.: INM000011179

A.K. CAPITAL SERVICES LIMITED
30-39 Free Press House, 3rd Floor, Free Press Journal Marg, 215, Nariman Point,
Mumbai 400021
Tel: +91 22 6754 6500;
Facsimile: +91 22 6610 0594
Email: pfcttfbonds3@akgroup.co.in
Investor Grievance Email: investor.grievance@akgroup.co.in
Website: www.akcapindia.com
Contact Person: Ms. Akshata Tambe/Mr. Mandeep Singh
Compliance Officer: Mr. Vikas Agarwal
SEBI Registration No.: INM000010411

AXIS CAPITAL LIMITED
First Floor, Axis House, C-2, Wadia International Centre, P B Marg , Worli
Mumbai 400025
Tel: +91 22 4325 2525;
Facsimile: +91 22 4325 3000
Email: pfctaxfree@axiscap.in
Investor Grievance Email: complaints@axiscap.in
Website: www.axiscapital.co.in
Contact Person: Akash Aggarwal
Compliance Officer: Mr. M. Natarajan
SEBI Registration No.: INM000012029

EDELWEISS FINANCIAL SERVICES LIMITED
14th Floor, Edelweiss House
Off CST Road, Kalina, Mumbai 400 098
Maharashtra, India Tel: +91 22 4086 3535;
Facsimile: +91 22 4086 3610
Email: pfc.tfbonds@edelweissfin.com
Investor Grievance Email: customerservice.mb@edelweissfin.com
Website: www.edelweissfin.com
Contact Person: Mr. Sumeet Lath / Mr. Viral Shah
Compliance Officer: Mr. B. Renganathan
SEBI Registration No.: INM0000010650

TRUSTEE FOR THE BONDHOLDERS

IL & FS TRUST COMPANY LIMITED*
The IL & FS Financial Centre, Plot C – 22,
G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051
Telephone: +91 22 2659 3333; Facsimile +91 22 2653 3297
Email: subhash.jha@ilfsindia.com
Website: www.itclindia.com
Investor Grievance ID: investorgrievancesitcl@ilfsindia.com
Contact Person : Mr. Subhash Jha
SEBI Registration Number: IND0000000452

REGISTRAR

Karvy Computershare Private Limited
Plot No. 17 to 24, Vittal Rao Nagar, Madhapur, Hyderabad – 500 081
Toll Free No.1-800-3454001; Tel: +91 40 4465 5000;Facsimile: +91 40 2343 1551
Investor Grievance Email: pfc.bonds@karvy.com
Website: http:\\karishma.karvy.com
Contact Person: M Murali Krihsna – General Manager
SEBI Registration Number: INR000000221

ISSUE PROGRAMME**

ISSUE OPENS ON: [●] **ISSUE CLOSES ON: [●]**

**IL&FS Trustee Company Limited has by its letter dated August 13,2013 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in the Draft Shelf Prospectus/Shelf Prospectus/Tranche Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Issue. A copy of the final Shelf Prospectus shall be filed with the Registrar of Companies, National Capital Territory of Delhi and Haryana, in terms of section 56 of the Act and section 31of Companies Act, 2013t, along with the endorsed/certified copies of all requisite documents. For further details please refer to the section titled "Material Contracts and Documents for Inspection" beginning on page 213 of this Draft Shelf Prospectus.*

***The Issue shall remain open for subscription* on *Working Days during banking hours for the period indicated above, except that the Issue may close on such earlier date or extended date as may be decided by the Board or a duly*

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DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, all references in this Draft Shelf Prospectus to "the Issuer", "our Company" or "the Company" or "PFC" or "the Issuer" are to Power Finance Corporation Limited, a public limited company incorporated under the Companies Act. Unless the context otherwise indicates, all references in this Draft Shelf Prospectus to "we" or "us" or "our" are to our Company and the Subsidiaries, the Joint Ventures and associates, on a consolidated basis.

Unless the context otherwise indicates or implies, the following terms have the following meanings in this Draft Shelf Prospectus, and references to any statute or regulations or policies includes any amendments or re-enactments thereto, from time to time.

Company related terms

Term	Description
Articles/ Articles of Association/AoA	Articles of association of our Company.
Board/ Board of Directors	Board of directors of our Company.
Director	Director of our Company, unless otherwise specified
Equity Shares	Equity shares of our Company of face value of ₹ 10 each.
Joint Ventures	The joint ventures of our Company, being National Power Exchange Limited and Energy Efficiency Services Limited.
Memorandum/ Memorandum of Association/ MoA	Memorandum of association of our Company.
"Registered Office" or "Corporate Office" or "Registered Office and Corporate Office"	The registered office and corporate office of our Company, situated at 'Urjanidhi', 1 Barakhamba Lane, Connaught Place, New Delhi 110001, India.
RoC	Registrar of Companies, National Capital Territory of Delhi and Haryana.
Statutory Auditors/Auditors	The statutory auditors of our Company being N.K. Bhargava & Co. and M/s K.B. Chandna & Co.
Subsidiaries	The direct and indirect subsidiaries of our Company, as mentioned in the section titled "History and Certain Corporate Matters" on page 105.

Issue related terms

Term	Description
Allotment/ Allot/ Allotted	The issue and allotment of the Bonds to successful Applicants pursuant to the Issue.
Allotment Advice	The communication sent to the Allottees conveying details of Bonds allotted to the Allottees in accordance with the Basis of Allotment.
Allottee	A successful Applicant to whom the Bonds are Allotted either in full or part, pursuant to the Issue
Applicant/ Investor	A person who applies for the issuance and Allotment of Bonds pursuant to the terms of the Shelf Prospectus, relevant Tranche Prospectus(es) and the Application Form for any Tranche Issue.
Application	An application to subscribe to the Bonds offered pursuant to the Issue by submission of a valid Application Form and payment of the Application Amount by any of the modes as prescribed under the respective Tranche Prospectus.
Application Amount	The aggregate value of the Bonds applied for, as indicated in the Application Form for any Tranche Issue.
Application Form	The form in terms of which the Applicant shall make an offer to subscribe to the Bonds and which will be considered as the Application for Allotment of Bonds in terms of respective Tranche Prospectus(es).
"ASBA" or "Application Supported by Blocked Amount"	The application (whether physical or electronic) used by an ASBA Applicant to make an Application by authorizing the SCSB to block the bid amount in the specified bank account maintained with such SCSB.

Term	Description
ASBA Account	An account maintained with an SCSB which will be blocked by such SCSB to the extent of the appropriate Application Amount of an ASBA Applicant.
ASBA Applicant	Any Applicant who applies for Bonds through the ASBA process.
Banker(s) to the Issue/ Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as bankers to the issue, with whom the Escrow Accounts and/or Public Issue Accounts will be opened in respect of the Issue, in this case being [●].
Base Issue Size	As specified in the Tranche Prospectus for each Tranche Issue.
Basis of Allotment	The basis on which Bonds will be allotted to successful Applicants through the Issue and which is described in the section titled "Issue Procedure – Basis of Allotment" at page 198.
Bond Certificate(s)	A certificate issued to the Bondholder(s) who has applied for Allotment of the Bonds in physical form or in case the Bondholder(s) has applied for rematerialisation of the Bonds held by him.
Bondholder(s)	Any person holding the Bonds and whose name appears on the list of beneficial owners provided by the Depositories (in case of bonds in dematerialized form) or whose name appears in the Register of Bondholders maintained by the Issuer (in case of bonds in physical form).
Bonds	Tax free bonds in the nature of secured redeemable non-convertible debentures of face value of ₹ [●] each having benefits under section 10(15)(iv)(h) of the Income Tax Act, proposed to be issued by the Company under the terms of the Shelf Prospectus and respective Tranche Prospectus(es).
BSE	BSE Limited.
Business Days	All days excluding Saturday, Sundays or a public holiday in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881.
CARE	Credit Analysis & Research Limited.
Category I*#	Qualified Institutional Buyers as defined in SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2009 as amended including: • Public Financial Institutions, scheduled commercial banks, multilateral and bilateral development financial institutions, state industrial development corporations, which are authorised to invest in the Bonds; • Provident funds and pension funds with minimum corpus of ₹ 25 crores, which are authorised to invest in the Bonds; • Insurance companies registered with the IRDA; • Foreign Institutional Investors and sub-accounts (other than a sub account which is a foreign corporate or foreign individual) registered with SEBI; • National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; • Insurance funds set up and managed by the army, navy or air force of the Union of India or set up and managed by the Department of Posts, India; • Mutual funds registered with SEBI; and • Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012. **With regard to Section 372A(3) of the Companies Act, 1956, kindly refer to Ministry of Corporate Affairs, GoI, General Circular No. 6/ 2013, dated March 14, 2013 which clarifies that in cases where the effective yield (effective rate of return) on tax free bonds is greater than the yield on the prevailing bank rate, there is no violation of Section 372A(3) of the Companies Act, 1956.*

Term	Description
Category II*#	• Companies within the meaning of section 3 of the Companies Act; • Statutory bodies/corporations; • Cooperative banks; • Trusts including Public/ private charitable/religious trusts; • Limited liability partnership; • Regional rural banks: • Partnership firms; and • Any other legal entities incorporated in India and authorised to invest in the Bonds, subject to relevant regulations applicable to such entities. **With regard to Section 372A(3) of the Companies Act, 1956, kindly refer to Ministry of Corporate Affairs, GoI, General Circular No. 6/ 2013, dated March 14, 2013 which clarifies that in cases where the effective yield (effective rate of return) on tax free bonds is greater than the yield on the prevailing bank rate, there is no violation of Section 372A(3) of the Companies Act, 1956.*
Category III#	The following investors applying for an amount aggregating to above ₹ 10 lakhs across all Series of Bonds in each Tranche Issue: • Resident Indian individuals; • Hindu Undivided Families through the Karta; and • Non Resident Indians on repatriation as well as non-repatriation basis.
Category IV#	The following investors applying for an amount aggregating upto and including ₹ 10 lakhs across all Series of Bonds in each Tranche Issue: • Resident Indian individuals; • Hindu Undivided Families through the Karta; and • Non Resident Indians on repatriation as well as non-repatriation basis.
# The category may include any other foreign/domestic legal entity(ies) or person as may be permissible under the CBDT Notification and other applicable laws.	
Consolidated Bond Certificate	A single certificate issued by the Issuer to the Bondholder(s) for the aggregate amount of the Bonds in each Series that are Allotted to them in physical form under each Tranche Issue(s) or rematerialized and held by them.
Consortium Members	[●]
Credit Rating Agencies	For the present Issue, the credit rating agencies, being ICRA, CRISIL and CARE.
CRISIL	CRISIL Limited.
Debenture Trustee Agreement	The agreement entered into between the Debenture Trustee and the Company.
Debenture Trust Deed	The trust deed to be entered into between the Debenture Trustee and the Company within one month from the Issue Closing Date.
Debenture Trustee/ Trustee	Debenture Trustee for the Bondholders, in this case being IL & FS Trust Company Limited.
Debt Application Circular	Circular no. CIR/IMD/DF – 1/20/ 2012 issued by SEBI on July 27, 2012.
Debt Listing Agreement	The listing agreement entered into between our Company and the relevant stock exchange(s) in connection with the listing of the debt securities of our Company.
Deemed Date of Allotment	The date on which the Board of Directors/or any committee thereof approves the Allotment of the Bonds for each Tranche Issue or such date as may be determined by the Board of Directors/ or any committee thereof and notified to the Designated Stock Exchange. The actual Allotment of Bonds may take place on a date other than the Deemed Date of Allotment. All benefits relating to the Bonds including interest on Bonds (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Bondholders from the Deemed Date of Allotment.

Term	Description
Demographic Details	The demographic details of an Applicant, such as his address, bank account details, Category, PAN for printing on refund orders and occupation.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Applications and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Designated Date	The date on which Application Amounts are transferred from the Escrow Accounts and Non Resident Escrow Accounts to the Public Issue Accounts, Non Resident Public Issue Accounts or the Refund Account, as appropriate and the Registrar to the Issue issues instruction to SCSBs for transfer of funds from the ASBA Accounts to the Public Issue Account(s) or Non Resident Public Issue Accounts following which the Board of Directors shall Allot the Bonds to the successful Applicants, provided that the sums received in respect of the Issue will be kept in the Escrow Accounts and Non Resident Escrow Accounts up to this date.
Designated Stock Exchange	BSE.
Draft Shelf Prospectus	The draft shelf prospectus dated September 17, 2013 filed by the Company with the Designated Stock Exchange for receiving public comments, in accordance with the provisions of the SEBI Debt Regulations.
Equity Listing Agreement	The agreement entered into between the Company and each Stock Exchange in relation to listing of the Equity Shares on the Stock Exchange(s).
Escrow Accounts	Accounts opened with the Escrow Collection Bank(s) into which the Members of the Syndicate and the Trading Members, as the case may be, will deposit Application Amounts from resident non-ASBA Applicants, in terms of the Shelf Prospectus, relevant Tranche Prospectus and the Escrow Agreement.
Escrow Agreement	Agreement dated [●] entered into amongst the Company, the Registrar to the Issue, the Lead Managers and the Escrow Collection Banks for collection of the Application Amounts from non-ASBA Applicants and where applicable, refunds of the amounts collected from the Applicants on the terms and conditions thereof.
ICRA	ICRA Limited.
Interest Payment Date	Interest payment date as specified in the relevant Tranche Prospectus for the relevant Tranche Issue.
Issue	Public issue by our Company of tax free bonds of face value of ₹ [●] each, in the nature of secured, redeemable, non-convertible debentures having benefits under section 10(15)(iv)(h) of the Income Tax Act, aggregating up to ₹ 3875.90 crores*. **Our Company is also considering the raising of funds through private placements of the Bonds in one or more tranches during the process of the present Issue, within the Shelf Limit, at its discretion. Our Company will ensure that Bonds issued through public issue and/ or on private placement basis together shall not exceed the ₹5000 crores.*
Issue Closing Date	Issue closing date as specified in the relevant Tranche Prospectus for the relevant Tranche Issue.
Issue Opening Date	Issue opening date as specified in the relevant Tranche Prospectus for the relevant Tranche Issue.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days, during which prospective Applicants may submit their Application Forms.
Lead Managers/ LMs	ICICI Securities Limited, A.K. Capital Services Limited, Axis Capital Limited, Edelweiss Financial Services Limited.

Term	Description
Market Lot	One Bond.
Maturity Amount/ Redemption Amount	In respect of Bonds Allotted to a Bondholder, the face value of the Bonds along with interest that may have accrued as on the Redemption Date.
Members of the Syndicate	The Lead Managers, the Consortium Members (for the purpose of marketing of the Issue), sub - consortium members, brokers and sub – brokers registered with the sub - consortium members.
Non Resident Escrow Accounts	Accounts opened with the Escrow Collection Bank(s) into which the Members of the Syndicate and the Trading Members, as the case may be, will deposit Application Amounts from non resident non-ASBA Applicants, in terms of the Shelf Prospectus, relevant Tranche Prospectus and the Escrow Agreement.
Non Resident Public Issue Account	An account opened with the Banker(s) to the Issue to receive monies from the Non Resident Escrow Accounts for the Issue and/ or the SCSBs on the Designated Date.
Notification/ CBDT Notification	Notification No. 61/2013/F. No.178/37/2013-(ITA.I) dated August 08, 2013 issued by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, Government of India.
NSE	National Stock Exchange of India Limited.
Public Issue Account	An account opened with the Banker(s) to the Issue to receive monies from the Escrow Accounts for the Issue and/ or the SCSBs on the Designated Date.
Record Date	15 (fifteen) days prior to the relevant interest payment date, relevant Redemption Date for Bonds issued under the relevant Tranche Prospectus. In the event the Record Date falls on a Saturday, Sunday or a public holiday in New Delhi or any other payment centre notified in terms of the Negotiable Instruments Act, 1881, the succeeding Business Day will be considered as the Record Date.
Redemption Date/ Maturity Date	The date on which the Bonds will be redeemed, as specified in the relevant Tranche Prospectus.
Reference G sec rate	The average of the base yield of G – sec for equivalent maturity reported by the Fixed Money Market and Derivative Association of India on a daily basis (working day) prevailing for two weeks ending on Friday immediately preceding the filing of the Tranche Prospectuses with the Designated Stock Exchange and the RoC.
Refund Account	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Application Amount shall be made.
Refund Banks	The Bankers to the Issue, with whom the Refund Account(s) will be opened, in this case being [•].
Register of Bondholders	The register of Bondholders maintained by the Issuer in accordance with the provisions of the Companies Act and as more particularly detailed in the section titled "Terms of the Issue – Register of Bondholders" on page 165.
Registrar to the Issue/ Registrar	Karvy Computershare Private Limited
Registrar MoU	Memorandum of understanding dated August 12, 2013 entered into between our Company and the Registrar to the Issue.
Security	The security for the Bonds proposed to be issued, being a charge on the book debts of the Company by a first/pari passu charge, and/ or any other security, pursuant to the terms of the Debenture Trust Deed, to be created within one month of Deemed Date of Allotment, in accordance with the SEBI Debt Regulations.
"Self Certified Syndicate Banks" or "SCSBs"	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account, a list of which is available on

Term	Description
	http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Series of Bonds	A series of Bonds which are identical in all respects including, but not limited to terms and conditions, listing and ISIN number (in the event that Bonds in a single Series of Bonds carry the same coupon rate) and as further referred to as an individual Series of Bonds in the relevant Tranche Prospectus.
Shelf Limit	The aggregate limit of the Issue, being ₹ 3875.90 crores* to be issued under this Draft Shelf Prospectus, through one or more Tranche Issues. **Our Company is also considering raising of funds through private placements of the Bonds in one or more tranches during the process of the present Issue, within the Shelf Limit, at its discretion. Our Company will ensure that Bonds issued through public issue or on private placement basis together shall not exceed the ₹ 5000 crores.*
Shelf Prospectus	The Shelf Prospectus to be filed by the Company with the RoC in accordance with the provisions of the Companies Act, 2013 and the SEBI Debt Regulations.
Stock Exchanges	BSE and NSE
Syndicate ASBA Application Locations	Applications centers at Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodra and Surat.
Syndicate SCSB Branches	In relation to ASBA Applications submitted to a Member of the Syndicate, such branches of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the members of the Syndicate, and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website as may be prescribed by SEBI from time to time.
"Transaction Registration Slip" or "TRS"	The slip or document issued by any of the Members of the Syndicate, the SCSBs, or the Trading Members as the case may be, to an Applicant upon demand as proof of registration of his application for the Bonds.
Trading Members	Individuals or companies registered with SEBI as "trading members" who hold the right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on Stock Exchanges, who's list is available on Stock Exchanges.
Tranche Issue	Issue of the Bonds pursuant to the respective Tranche Prospectus(es).
Tranche Prospectus	The tranche prospectus containing the details of Bonds including interest, other terms and conditions, recent developments, general information, objects, procedure for application, statement of tax benefits, regulatory and statutory disclosures and material contracts and documents for inspection, in respect of the relevant Tranche Issue.
Tripartite Agreements	Agreements entered into between the Issuer, Registrar and each of the Depositories under the terms of which the Depositories agree to act as depositories for the securities issued by the Issuer.
Working Days	All days excluding Sundays or a public holiday in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881, except with reference to Issue Period, Interest Payment Date and Record Date, where working days shall mean all days, excluding Saturdays, Sundays and public holiday in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881.

Conventional and general terms or abbreviations

Term/Abbreviation	Description/ Full Form
₹ or Rupees or Rs. or Indian Rupees or INR	The lawful currency of India.
AGM	Annual General Meeting.
AS	Accounting Standards issued by Institute of Chartered Accountants of India.
ASBA	Application Supported by Blocked Amount.
CAGR	Compounded Annual Growth Rate.
CBDT	Central Board of Direct Taxes, Department of Revenue, MoF.
CDSL	Central Depository Services (India) Limited.
Companies Act/ Act	Companies Act, 1956.
CRAR	Capital to Risk-Weighted Assets Ratio.
CSR	Corporate Social Responsibility.
Depositories Act	Depositories Act, 1996.
Depository(ies)	CDSL and NSDL.
DIN	Director Identification Number.
DP/ Depository Participant	Depository Participant as defined under the Depositories Act, 1996.
DRR	Debenture Redemption Reserve.
DTC	Direct Tax Code.
FCNR Account	Foreign Currency Non Resident Account.
FDI	Foreign Direct Investment.
FEMA	Foreign Exchange Management Act, 1999.
FII	Foreign Institutional Investor (as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995), registered with the SEBI under applicable laws in India.
FIMMDA	Fixed Income Money Market and Derivative Association of India.
Financial Year/ Fiscal/ FY	Period of 12 months ended March 31 of that particular year.
FIR	First Information Report
GDP	Gross Domestic Product.
GoI or Government	Government of India.
HNI	High Networth Individual.
HUF	Hindu Undivided Family.
IAS	Indian Administrative Service.
ICAI	Institute of Chartered Accountants of India.
IFRS	International Financial Reporting Standards.
Income Tax Act	Income Tax Act, 1961.
India	Republic of India.
Indian GAAP	Generally accepted accounting principles followed in India.
IRDA	Insurance Regulatory and Development Authority.
IT	Information technology.
JV	Joint Venture
LIBOR	London Inter-Bank Offered Rate.
MCA	Ministry of Corporate Affairs, GoI.
MoF	Ministry of Finance, GoI.
MoP	Ministry of Power, GoI.
NBFC	Non Banking Financial Company, as defined under applicable RBI guidelines.
NECS	National Electronic Clearing System.
NEFT	National Electronic Fund Transfer.

Term/Abbreviation	Description/ Full Form
NHPC	National Hydro-Electric Power Corporation Limited.
NPCIL	Nuclear Power Corporation of India Limited.
NPEL	National Power Exchange Limited.
NRI or "Non-resident"	A person resident outside India, as defined under the FEMA.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
NTPC	National Thermal Power Corporation.
p.a.	Per annum.
PAN	Permanent Account Number.
PAT	Profit After Tax.
PCG	Partial Credit Enhancement Guarantee.
PECAP	Power Equity Capital Advisors Private Limited.
PESB	Public Enterprises Selection Board.
PFCCAS	PFC Capital Advisory Services Limited.
PFCCL	Power Finance Corporation Consulting Limited.
PFCGEL	PFC Green Energy Limited.
PFI	Public Financial Institution, as defined under section 4A of the Companies Act.
PGCIL	Power Grid Corporation of India Limited.
PPP	Public Private Partnership.
PTC	PTC India Limited.
PXIL	Power Exchange India Limited.
RBI	Reserve Bank of India.
RBI Act	Reserve Bank of India Act, 1934 as amended.
RTGS	Real Time Gross Settlement.
SEBI	Securities and Exchange Board of India.
SEBI Act	Securities and Exchange Board of India Act, 1992 as amended.
SEBI Debt Regulations	Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended.

Business/ Industry related terms

Term/Abbreviation	Description/ Full Form
ADB	Asian Development Bank.
ALCO	Asset Liability Management Committee.
APDP	Accelerated Power Development Program.
APDRP	Accelerated Power Development Reform Program.
AT&C	Aggregated technical and commercial.
CEA	Central Electricity Authority.
DPE	Department of Public Enterprises, GoI.
ECBs	External Commercial Borrowings.
FCNR	Foreign Currency Non-Resident.
IFC	Infrastructure Finance Company
IPP	Independent Power Producer
IRM	Integrated Enterprise wide Risk Management.
ISO	International Organization for Standardization.
ITP	Independent Transmission Projects.
MNRE	Ministry of New and Renewable Energy.
MoU	Memorandum of Understanding.

Term/Abbreviation	Description/ Full Form
NPAs	Non-Performing Assets.
PSU	Public Sector Undertaking.
R-APDRP	Restructured Accelerated Power Development and Reform Programs.
SEB	State Electricity Boards.
SERC	State Electricity Regulatory Commission.
SPU	State Power Utilities.
SPV	Special Purpose Vehicle.
STL	Short Term Loan.
TRA	Trust and Retention Account.
UMPP	Ultra Mega Power Projects.
WCDL	Working Capital Demand Loan.
Yield	Ratio of interest income to the daily average of interest earning assets.

Notwithstanding anything contained herein, capitalised terms that have been defined in the sections titled "Capital Structure", "Regulations and Policies", "History and Certain Corporate Matters", "Statement of Tax Benefits", "Our Management", "Financial Indebtedness", "Outstanding Litigation and Material Developments" and "Issue Procedure" on pages 57, 100, 105, 63, 113, 131, 148 and 175 respectively will have the meanings ascribed to them in such sections.

CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references in this Draft Shelf Prospectus to "India" are to the Republic of India and its territories and possessions.

Financial Data

Unless stated otherwise, the financial data in this Draft Shelf Prospectus is derived from our audited standalone financial statements, prepared in accordance with Indian GAAP and the Companies Act for the Fiscals 2013, 2012, 2011, 2010 and 2009. All decimals have been rounded off to two decimal points. The current financial year of our Company commences on April 1 and ends on March 31 of the next year, so all references to particular "financial year", "fiscal year" and "Fiscal" or "FY", unless stated otherwise, are to the 12 months period ended on March 31 of that year. The degree to which the Indian GAAP financial statements included in this Draft Shelf Prospectus will provide meaningful information and is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Shelf Prospectus should accordingly be limited.

Currency and Unit of Presentation

In this Draft Shelf Prospectus, references to "₹", "Indian Rupees", "INR" and "Rupees" are to the legal currency of India, references to "US$", "USD", and "U.S. dollars" are to the legal currency of the United States of America, references to "Yen" and "JPY" are to the legal currency of Japan and references to "Euro" or "€ " or "EUR" are to the Euro, the single currency of the participating member states in the third stage of the European Economic and Monetary Union of the Treaty establishing the European Community, as amended from time to time. Except as stated expressly, for the purposes of this Draft Shelf Prospectus data will be given in ₹ in crores.

Industry and Market Data

Any industry and market data used in this Draft Shelf Prospectus consists of estimates based on data reports compiled by government bodies, professional organizations and analysts, data from other external sources and knowledge of the markets in which we compete. These publications generally state that the information contained therein has been obtained from publicly available documents from various sources believed to be reliable but it has not been independently verified by us or its accuracy and completeness is not guaranteed and its reliability cannot be assured. Although we believe the industry and market data used in this Draft Shelf Prospectus is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for purposes of presentation. Data from these sources may also not be comparable. The extent to which the industry and market data is presented in this Draft Shelf Prospectus are meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

Exchange Rates

The exchange rates (in ₹) of the USD, JPY and Euro as for last 5 years are provided below:

Currency	March 31, 2013	March 31, 2012*	March 31, 2011	March 31, 2010	March 31, 2009
USD	54.80	51.5300	45.1400	45.5800	51.45
JPY	0.5847	0.6318	0.5484	0.4900	0.5265
EURO	70.28	69.0500	63.9900	61.3100	68.43

(Source: SBI TT selling rates)

* *March 31 2012 was a trading holiday; hence exchange rates for March 30, 2012 have been used.*

In this Draft Shelf Prospectus, any discrepancy in any table between total and the sum of the amounts listed are due to rounding off.

FORWARD LOOKING STATEMENTS

Certain statements contained in this Draft Shelf Prospectus that are not statements of historical fact constitute "forward-looking statements". Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "may", "objective", "plan", "potential", "project", "pursue", "shall", "seek", "should", "will", "would", or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability, new business and other matters discussed in this Draft Shelf Prospectus that are not historical facts. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include, among others:

- our ability to manage our credit quality;
- interest rates and inflation in India
- growth prospects of the Indian power sector and related policy developments;
- changes in the demand and supply scenario in the power sector in India;
- general, political, economic, social and business conditions in Indian and other global markets;
- our ability to successfully implement our strategy, growth and expansion plans;
- competition in the Indian and international markets;
- availability of adequate debt and equity financing at reasonable terms;
- performance of the Indian debt and equity markets;
- changes in laws and regulations applicable to companies in India, including foreign exchange control regulations in India; and
- various other factors discussed in this Draft Shelf Prospectus, including under the section titled "Risk Factors" on page 14.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the section titled "Our Business" on page 79. The forward-looking statements contained in this Draft Shelf Prospectus are based on the beliefs of management, as well as the assumptions made by, and information currently available to, management. Although, we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

RISK FACTORS

Prospective investors should carefully consider all the information in this Draft Shelf Prospectus, including the risks and uncertainties described below, and under the section titled "Our Business" on page 79 and under "Financial Statements" in Annexure B of this Draft Shelf Prospectus, before making an investment in the Bonds. The risks and uncertainties described in this section are not the only risks that we currently face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business prospects, results of operations and financial condition. If any of the following or any other risks actually occur, our business prospects, results of operations and financial condition could be adversely affected and the price of, and the value of your investment in the Bonds could decline and you may lose all or part of your redemption amounts and/ or interest amounts.

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed below. However, there are certain risk factors where the effect is not quantifiable and hence has not been disclosed in the below risk factors. The numbering of risk factors has been done to facilitate ease of reading and reference, and does not in any manner indicate the importance of one risk factor over another.

In this section, unless the context otherwise requires, a reference to the "Company", "we", "us" and "our" is a reference to Power Finance Corporation Limited. Unless otherwise specifically stated in this section, financial information included in this section have been derived from our standalone financial statements for Fiscal 2009, 2010, 2011, 2012 and 2013. For further information, see the section titled "Certain Conventions, Use of Financial, Industry and Market Data and Currency of Presentation" on page 12.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

1. We have a significant concentration of outstanding loans to certain borrowers, particularly public sector power utilities, many of which are historically loss-making, and if these loans become non-performing, the quality of our asset portfolio may be adversely affected.

We are a PFI focused on financing of the power sector in India, which has a limited number of borrowers, primarily comprising of state power utilities ("**SPUs**") and state electricity boards ("**SEBs**"), many of which have been historically loss making. Our past exposure has been, and future exposure is expected to be, concentrated towards these borrowers. As of March 31, 2013, our state sector, central sector, joint sector and private sector borrowers accounted for 65.52%, 15.32%, 6.78% and 12.38% respectively, of our total outstanding loans. Historically, PSUs have had a relatively weak financial position and have in the past defaulted on their indebtedness. Consequently, we have had to restructure some of the loans sanctioned to certain SPUs and SEBs, including rescheduling of repayment terms. In addition, many of our public sector borrowers, particularly SPUs, are susceptible to various operational risks including low metering at the distribution transformer level, high revenue gap, high receivables, low plant load factors and high AT&C losses, which may lead to further deterioration in the financial condition of such entities.

As of March 31, 2013, our single largest borrower accounted for 7.39% (₹ 11855.53 crores) of our total outstanding loans, and our top five and top ten borrowers accounted for, in the aggregate, 29.15% (₹ 46753.50 crores) and 50.25% (₹ 76044.16 crores), respectively, of our total outstanding loans amounting to ₹ 160366.60 crores. In addition, we have additional exposure to these borrowers in the form of non-fund based assistance. Our most significant borrowers are primarily public sector power utilities. Any negative trends or financial difficulties, or an inability on the part of such borrowers to manage operational, industry and other risks applicable to such borrowers, could result in an increase in our non-performing assets ("**NPAs**") and adversely affect our business, financial condition and results of operations.

2. We may not be able to recover, or there may be a delay in recovering, the expected value from security and collaterals for our loans, which may affect our financial condition.

Although we endeavour to obtain adequate security or implement quasi-security arrangements in connection with our loans, we have not obtained such security or collateral for all our loans. In addition, in connection with certain of our loans, we have been able to obtain only partial security or have made disbursements prior to adequate security being created or perfected. There can be no assurance that any security or collateral that we have obtained will be adequate to cover repayment of

our loans or interest payments thereon or that we will be able to recover the expected value of such security or collateral in a timely manner, or at all. As of March 31, 2013, 75.13% of our outstanding loans were secured by a charge on the relevant project assets, 6.48% were unsecured but guaranteed by the relevant state government, and 18.39% were unsecured.

Our loans are typically secured by various movable and immovable assets and/ or other collaterals. We generally seek a first ranking pari passu charge on the relevant project assets for loans extended on a senior basis, while for loans extended on a subordinated basis we generally seek to have a second pari passu charge on the relevant project assets. In addition, some of our loans may relate to imperfect security packages or negative liens provided by our borrowers. The value of certain kinds of assets may decline due to operational risks that are inherent to power sector projects, the nature of the asset secured in our favour and any adverse market or economic conditions in India or globally. The value of the security or collateral obtained may also decline due to an imperfection in the title or difficulty in locating movable assets. Although some parts of legislations in India provide for various rights of creditors for the effective realization of collateral in the event of default, there can be no assurance that we will be able to enforce such rights in a timely manner, or at all. There could be delays in implementing bankruptcy or foreclosure proceedings. Further, inadequate security documentation or imperfection in title to security or collateral, requirement of regulatory approvals for enforcement of security or collateral, or fraudulent transfers by borrowers may cause delays in enforcing such securities.

Further, certain of our loans have been granted as part of a syndicate, and joint recovery action implemented by a consortium of lenders may be susceptible to delay or not favourable to us. In this regard, RBI has also developed a corporate debt restructuring process to enable timely and transparent debt restructuring of corporate entities. The applicable RBI guidelines contemplate that in the case of indebtedness aggregating ₹ 10 crores or more, lenders for more than 75% of such indebtedness by value and 60% by number may determine the restructuring of such indebtedness and such determination shall be binding on the remaining lenders. In circumstances where other lenders account for such indebtedness by value and number and are entitled to determine the restructuring of the indebtedness of any of our borrowers, we may be required by such other lenders to agree to such debt restructuring, irrespective of our preferred mode of settlement of our loan to such borrower. Any such debt restructuring could lead to an unexpected loss that could adversely affect our business, financial condition or results of operations.

3. We have granted loans to private sector borrowers on a non-recourse or limited recourse basis, which increases the risk of non-recovery and may adversely affect our financial condition.

As of March 31, 2013, ₹ 19849.60 crores, or 12.38% of our total outstanding loans were to private sector borrowers. Under the terms of our loans to private sector borrowers, our loans are secured by project assets, and in certain cases, we also obtain additional collateral in the form of a pledge of shares by the relevant promoter, or sponsor guarantee. We expect to increase our exposure to private sector borrowers in the future. The ability of such borrowers to perform their obligations under our loans will depend primarily on the financial condition and results of the relevant projects, which may be affected by many factors beyond the borrowers' control, including competition, operating costs, regulatory issues and other risks. If borrowers with non-recourse or limited recourse loans were to be adversely affected by these or other factors and were unable to meet their obligations, the value of the underlying assets available to repay the loans may become insufficient to pay the full principal and interest on the loans, which could expose us to significant losses.

4. With power sector financing industry becoming increasingly competitive, our growth will depend on our ability to maintain a low effective cost of funds; inability to do so could have a material adverse effect on our business, financial condition and results of operations.

We face increasing competition from public and private sector commercial banks in India and from other financial institutions that provide power sector finance products or services. Many of our competitors have greater and cheaper resources than us. Competition in our industry depends on, among other things, the ongoing evolution of government policies relating to the industry, the entry of new participants into the industry and the extent to which there is consolidation among banks and financial institutions in India. Our ability to compete effectively is dependent on our timely access to, and the costs associated with raising capital and our ability to maintain a low effective cost of funds in

the future that is comparable or lower than that of our competitors. Historically, we have been able to reduce our cost of capital and our reliance on commercial borrowings through issuance of Indian Rupee denominated bonds and loans guaranteed by the GoI. We also benefit from certain tax benefits extended by the GoI. As a government owned NBFC, loans made by us to central and state entities in the power sector are currently exempt from the RBI's prudential lending (exposure) norms that are applicable to other non-government owned NBFCs. Our borrowing costs have been competitive in the past initially due to the sizeable equity contribution by the GoI as a 100% owner, the availability of tax-free bonds, SLR bonds and loans guaranteed by the GoI and subsequently as a result of our strong credit ratings. With the growth of our business, we are increasingly reliant on funding from the debt capital markets and commercial borrowings. The market for such funds is competitive and our ability to obtain funds on acceptable terms will depend on various factors including our ability to maintain our credit ratings. If we are unable to access funds at an effective cost that is comparable to or lower than our competitors, we may not be able to offer competitive interest rates to our borrowers, which could adversely affect our business growth.

Further, there can be no assurance that we will continue to benefit from any direct or indirect support from the GoI and any adverse development in GoI policies may result in an increase in our cost of funds. Following a general decrease in the level of direct and indirect financial support by the GoI to us in recent years, we are fundamentally dependent upon funding from the equity and debt markets and commercial borrowings and are particularly vulnerable in this regard given the growth of our business. The market for such funds is competitive and there can be no assurance that we will be able to obtain funds on acceptable terms, or at all. Many of our competitors have greater and cheaper sources of funding than we do. Further, many of our competitors may have larger resources or balance sheet strength than us and may have considerable financing resources. In addition, since we are a non-deposit taking NBFC, we may have restricted access to funds in comparison to banks and deposit taking NBFCs. While we have generally been able to pass any increased cost of funds onto our customers, we may not be able to do so in the future. If our financial products are not competitively priced and in the case of financially stronger SPUs and SEBs and private sector borrowers, there is a risk of our borrowers raising loans from other lenders or raising funds directly from the market; which may adversely affect our business, financial condition and results of operations.

5. The escrow account mechanism and the trust and retention account arrangements implemented by us as a quasi- security mechanism in connection with the payment obligations of our borrowers may not be effective, which could adversely affect our financial condition and results of operations.

As of March 31, 2013, 87% of our outstanding loans to state and central sector borrowers involved such escrow account mechanism. Similarly, in the case of private sector borrowers, security is typically obtained through a first priority pari passu charge on the relevant project assets, and through a trust and retention mechanism.

The escrow account mechanism and the trust and retention account arrangements are effective in the event that revenue from the end users or other receipts, as applicable, is received by our borrowers and deposited in the relevant escrow account or trust and retention account. We do not have any arrangement in place to ensure that such revenue is actually received or deposited in such accounts and the effectiveness of the escrow account mechanism and the trust and retention account arrangements is limited to such extent. In the event that end users do not make payments to our borrowers, the escrow account mechanism and the trust and retention account arrangements will not be effective in ensuring the timely repayment of our loans, which may adversely affect our financial condition and results of operations. In addition, as we diversify our loan portfolio and enter into new business opportunities, we may not be able to implement such or similar quasi-security mechanisms or arrangements and there can be no assurance that even if such mechanisms and arrangements are implemented, they will be effective.

6. We are involved in a number of legal proceedings that, if determined against us, could adversely impact our business and financial condition.

Our Company is a party to various legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts, tribunals, statutory and regulatory authorities/ other judicial authorities, and if determined against our Company, could have an adverse impact on the business, financial condition and results of operations of our Company. No assurances can be given as

to whether these legal proceedings will be decided in our favor or have no adverse outcome, nor can any assurance be given that no further liability will arise out of these claims. For further information relating to outstanding litigation against our Company, see the section titled "Outstanding Litigation and Material Developments" on page 148.

7. Our borrowers' insurance of assets may not be adequate to protect them against all potential losses to which they may be subject, which could affect our ability to recover the loan amounts due to us.

Under our loan agreements, where loans are extended on the basis of charge on assets, our borrowers are required to create a charge on their assets in our favour in the form of hypothecation or mortgage or both. In addition, terms and conditions of the loan agreements require our borrowers to maintain insurance against damage caused by any disasters including floods, fires and earthquakes or theft on their charged assets as collateral against the loan granted by us. However, in most cases our borrowers do not have the required insurance coverage, or they have not renewed the insurance policies or the amount of insurance coverage may be less than the replacement costs of all covered property and is therefore insufficient to cover all financial losses that our borrowers may suffer. In the event the assets charged in our favour are damaged, it may affect our ability to recover the loan amounts due to us.

8. Our interest income and profitability is dependent on the continued growth of our asset portfolio. Any declines in our net interest margins in the future can have a material adverse effect on our business, financial condition and results of operations.

Our results of operations are substantially dependent upon the level of our net interest margins. Income from our financing activities is the largest component of our total income. Among other factors, volatility in interest rates can materially and adversely affect our financial performance. Interest rates are highly sensitive due to many factors beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions and other factors. Due to these factors, interest rates in India have historically experienced a relatively high degree of volatility. When interest rates decline, we are subject to greater re-pricing and prepayment risks as borrowers take advantage of the attractive interest rate environment. In periods of low interest rates and high competition among lenders, borrowers may seek to reduce their borrowing cost by asking lenders to re-price loans. If we are required to restructure loans, it could adversely affect our profitability. If borrowers prepay loans, the return on our capital may be impaired as any prepayment premium we receive may not fully compensate us for the costs of utilizing funds elsewhere. If interest rates rise we may have greater difficulty in maintaining a low effective cost of funds compared to our competitors, who may have access to lower cost funds. Thus in above cases, our net interest income and net interest margin would be adversely impacted.

Though, our net interest margin has increased from 3.89% in Fiscal 2012 to 4.40% for Fiscal 2013, however, a decline in our net interest margin in the future can have a material adverse effect on our business, financial condition and results of operations.

9. As an NBFC and an IFC, we are required to adhere to certain individual and borrower group exposure limits prescribed by the RBI. Any change in the regulatory regime may adversely affect our business, financial condition and results of operations.

We are a systemically important non-deposit taking NBFC and are subject to various regulations by the RBI as an NBFC. With effect from July 28, 2010, our Company has been classified as an IFC by the RBI, which classification is subject to certain conditions including (i) a minimum of 75% of the total assets of such NBFC should be deployed in infrastructure loans (as defined under the Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007), (ii) net owned funds of ₹ 300 crores or more, (iii) a minimum credit rating of "A" or an equivalent credit rating of CRISIL, FITCH, CARE, ICRA or equivalent rating by any other accrediting rating agencies, and (iv) CRAR of 15% with a minimum tier I capital of 10%. Tier I capital for such purposes means owned funds as reduced by investment in shares of other NBFCs and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, 10% of the owned fund and perpetual debt instruments issued by a systemically important non-deposit

taking NBFC in each year to the extent it does not exceed 15% of the aggregate tier I capital of such company as of March 31 of the previous accounting year.

As of March 31, 2013, the CRAR of our Company was 17.98%. Any inability to continue being classified as an IFC may impact our growth plans by affecting our competitiveness. As an IFC, we will have to constantly monitor our compliance with the necessary conditions, which may hinder our future plans to diversify into new business lines. In the event we are unable to comply with the eligibility condition(s), we may be subject to regulatory actions by the RBI and/ or cancellation of our registration as a systemically important non-deposit taking NBFC that is also an IFC. Any levy or fines or penalties or the cancellation of our registration as an NBFC or IFC may adversely affect our business prospects, results of operations and financial condition.

In addition, our ability to borrow from various banks may be restricted under guidelines issued by the RBI imposing restrictions on banks in relation to their exposure to NBFCs. According to the RBI, the exposure (both lending and investment, including off balance sheet exposures) of a bank to a single NBFC should not exceed 10% of the bank's capital funds as per its last audited balance sheet. Banks may, however, assume exposures on a single NBFC up to 15% of their capital funds provided the exposure in excess of 10% is on account of funds on-lent by the NBFC to the infrastructure sector. Further, exposure of a bank to IFCs should not exceed 15% of its capital funds as per its last audited balance sheet, with a provision to increase it to 20% if the same is on account of funds on-lent by the IFCs to the infrastructure sector. Banks may also consider fixing internal limits for their aggregate exposure to the power sector put together. Although we do not believe such exposure limits have had any adverse effects on our own liquidity, however, any change in regulatory regime may result in a situation where individual lenders from whom we currently borrow may not be able to continue to provide us funds.

As we grow our business and increase our borrowings we may face similar limitations with other lenders, which could impair our growth and interest margins and could therefore have a material adverse effect on our business, financial condition, results of operations.

10. We have been granted exemption from applicability of prudential norms by the RBI until March 2013. We cannot assure that such exemption shall continue to be granted by RBI which if not granted may affect our business.

Being a Government owned NBFC, RBI has exempted us from the applicability of prudential exposure in respect of lending to central and state entities in power sector till March 31, 2012 vide their letter dated March 18, 2010. Further, RBI has now extended the exemption from its prudential norms upto March 31, 2013 vide their letter dated April 4, 2012. In compliance with RBI's directive in this regard, we have prepared a roadmap for compliance with the RBI prudential norms and the Board approved roadmap has been submitted to the MoP, on May 28, 2012 requesting the MoP to forward the roadmap to RBI along with their recommendation. Accordingly, MoP has submitted the roadmap to RBI on February 12, 2013. On April 09, 2013, RBI has informed that they are examining the matter and have also stated that they shall keep MoP informed regarding further developments in the matter. We follow prudential lending norms and guidelines approved by the MoP with respect to loans made to central and state entities in the Indian power sector, while our loans made in respect of private sector utilities, our Company complies RBI's prudential exposure norms as advised by RBI vide their letter December, 2008. However, if above exemption in relation to applicability of prudential norms relating to central and state entities is not extended, our business prospects, financial condition and results of operations may be adversely affected.

11. Our contingent liabilities in the event they were to materialize could adversely affect our business, financial condition and results of operations.

As of March 31, 2013, we had contingent liabilities of ₹ 4748.45 crores including non-funded contingent exposure of ₹ 376.91 crores in the form of guarantees and ₹ 4247.61 crores in the form of letters of comfort issued to borrowers' banks in connection with letters of credit and other contingent liabilities of ₹ 123.93 crores. If any or all of these contingent liabilities materialize, our financial condition could be adversely affected.

12. ***If the level of non-performing assets in our loan portfolio were to increase, our financial condition would be adversely affected.***

In the past, our gross NPAs have been as indicated below:

Particulars as of	Amount of Gross NPA (₹ in crores)	NPA as % of total loan assets
As of March 31, 2010	13.16	0.02
As of March 31, 2011	230.65	0.23
As of March 31, 2012	1358.47	1.04
As of March 31, 2013	1134.52	0.71

The provisioning has been made in terms of prudential norms laid down internally by us. In the event we are required to follow a borrower-wise NPA determination policy for our government sector borrowers, our NPA levels may increase substantially, which may have a material adverse effect on our business, financial condition and results of operations. In addition, we may, from time to time, amend our policies and procedures regarding asset classification or rescheduling of our loans, which may also increase our level of NPAs. In addition, we are required to assign risk weight of 20% to the state government guaranteed loans not in default. However, if such loans have remained in default for a period of more than 90 days, a risk weight of 100% is assigned. For further information on RBI regulations and guidelines applicable to us, see the section titled "Regulations and Policies" on page 100. If RBI provisioning norms were to become applicable to us, our level of NPAs and provisions with respect thereto could be significantly higher. If we are not able to prevent increases in our level of NPAs, our business and our future financial condition could be adversely affected.

13. ***The power sector in India and our business and operations are regulated by, and are directly and indirectly dependent on, GoI policies and support, which make us susceptible to any adverse developments in such GoI policies and support.***

We are a government company operating in a regulated industry, and the GoI (being a principal shareholder holding 73.72% as on June 30, 2013, of our paid up equity share capital), acting through the MoP, exercises significant influence on key decisions relating to our operations, including with respect to the appointment and removal of members of our Board, and can determine various corporate actions that require the approval of our Board or majority shareholders, including proposed budgets, transactions with other Government companies or GoI entities and agencies, and the assertion of any claim against such entities. The GoI has also issued directions in connection with the payment of dividends by government companies.

The power sector in India and our business and operations are regulated by, and are directly or indirectly dependent on the GoI policies and support for the power sector. The GoI has implemented various financing schemes and incentives for the development of power sector projects, and we, like other Government companies, are responsible for the implementation of, and providing support to, such GoI schemes and initiatives. We may therefore be required to follow public policy directives of the GoI by providing financing for specific projects or sub-sectors in the public interest which may not be consistent with our commercial interests. In addition, we may be required to provide financial or other assistance and services to public sector borrowers and GoI and other government agencies in connection with the implementation of such GoI initiatives, resulting in diversion of management focus and resources from our core business interests. Any developments in GoI policies or in the level of direct or indirect support provided to us or our borrowers by the GoI in these or other areas could adversely affect our business, financial condition and results of operations.

14. ***We currently engage in foreign currency borrowing and lending and we are likely to continue to do so in the future, which will expose us to fluctuations in foreign exchange rates, which could adversely affect our financial condition and results of operations.***

As of March 31, 2013, we had foreign currency borrowings outstanding of USD 1040.30 million, Japanese Yen 41,643.20 million and Euro 22.80 million, the total of which was equivalent to ₹ 8423.75 crores, or 6.03% of our total borrowings. As of March 31, 2013, our outstanding foreign currency borrowing is approximately 5.78% of our total liabilities. We may continue to be involved in foreign currency borrowing and lending in the future, which will further expose us to fluctuations in

foreign currency rates. Our Company has put in place a currency risk management ("**CRM**") policy, which has been approved by RBI, to manage risks associated with foreign currency borrowings, there is no assurance that it will remain effective over a period of time. Our Company enters into hedging transactions to cover exchange rate and interest rate risk through various instruments like currency forward, option, principal swap, interest rate swap and forward rate agreements. As of March 31, 2013, we had entered into hedging transaction or lent on back-to-back basis to cover 15% of our foreign currency principal exposure which is in compliance with our CRM policy. Volatility in foreign exchange rates could adversely affect our business and financial performance. We are also affected by adverse movements in foreign exchange rates to the extent they impact our borrowers negatively, which may in turn impact the quality of our exposure to these borrowers. Foreign lenders may also impose conditions more onerous than domestic lenders.

15. Certain of our SEB borrowers have been restructured and we have not yet entered into definitive loan agreements with such restructured entities, which could affect our ability to enforce applicable loan terms and related State government guarantees.

We have granted long–term loans to various SEBs that were guaranteed by the respective state governments. Pursuant to certain amendments to the Electricity Act 2003 ("**Electricity Act**"), the respective state governments have restructured these SEBs into separate entities formed for power generation, transmission and/ or distribution activities. As part of such restructuring process, all liabilities and obligations of the restructured SEBs relating to our loans were transferred, pursuant to a notification process, to the respective state government, which in turn transferred such liabilities and obligations to the newly formed state government-owned transmission, distribution and/ or generation companies. However, the relevant notification transferring such liabilities and obligations under our loans necessitates the execution of a transfer agreement among us, the respective state government and the relevant newly formed transferee entity. We have not yet executed such transfer agreements with respect to some of these loans. In such circumstances, as the state government guarantees have not been reaffirmed to cover the debt obligations of such newly formed transferee entities, we may not be able to enforce the relevant state guarantees in case of default on our loans by such transferee entities. Although we intend to enter into such transfer agreements to ensure that the terms of our original loan agreements entered into with the SEBs continue to apply to such transferee entities, there can be no assurance that we will be able to execute such transfer agreements in a timely manner, or at all. In addition, the relevant state government may not reaffirm such guarantees with respect to the debt obligations assumed by such restructured transferee entities. There may also be delay, due to factors beyond our control, with respect to the establishment of relevant trust and retention account arrangements with such restructured transferee entities. In addition, we have restructured loans sanctioned to certain SPUs and other SEBs, including rescheduling of repayment terms. Any negative trends or financial difficulties faced by such SPUs and SEBs could increase our NPAs and adversely affect our business, financial condition and results of operations.

16. We may incur shortfalls in the advance subsidy received under the Accelerated Generation and Supply Programme ("AG&SP") scheme of the GoI, which may affect our financial condition.

In Fiscal 1998, the GoI started the AG&SP, a scheme for providing interest subsidies for various projects. We oversee and operate this scheme on behalf of the GoI. The scheme subsidizes our normal lending rates on loans to SPUs. The subsidy is paid in advance directly to us from the central government budget and is to be passed on to the borrowers against their interest liability arising in future under the AG&SP scheme.

We maintain an interest subsidy fund account on account of the subsidy claimed from the GoI at net present value which is calculated at certain pre-determined and indicative discount rates, irrespective of the actual repayment schedule, moratorium period and duration of repayment. The impact of the difference between the indicative discount rate and period considered at the time of drawal and the actual can be ascertained only after the end of the respective repayment period in relation to that particular loan. There might be instances where there is a shortfall or a surplus in the subsidy received from the GoI. In the event of there being a shortfall, we shall have to bear the difference, which may affect our financial condition.

17. If we are unable to manage our growth effectively, our business and financial results could be adversely affected.

Our business has grown since we began operations in March 1988. Our total loan assets increased from ₹ 64428.99 crores as of March 31, 2009 to ₹ 160366.60 crores as of March 31, 2013. We intend to continue to grow our business, which could place significant demands on our operational, credit, financial and other internal risk controls. It may also exert pressure on the adequacy of our capitalization, making management of asset quality increasingly important.

Our asset growth will be primarily funded by the issuance of new debt. We may have difficulty in obtaining funding on attractive terms. Adverse developments in the Indian credit markets, such as increase in interest rates, may significantly increase our debt service costs and the overall cost of our funds.

Any inability to manage our growth effectively on favourable terms could have a material adverse effect on our business and financial performance. Because of our growth and the long gestation period for power sector investments, our historical financial statements may not be an accurate indicator of our future financial performance.

18. We might not be able to develop or recover costs incurred on our Ultra Mega Power Projects and our failure to do so may have an adverse effect on our profitability.

We have been appointed as the nodal agency for the development of UMPPs, each with a contracted capacity of 4,000 MW or more. As of March 31, 2013, we have a total of thirteen wholly-owned subsidiaries as SPVs incorporated for these projects. These SPVs have been established to undertake preliminary site investigation activities necessary for conducting the bidding process for these projects and also to undertake preliminary studies and obtain necessary linkages, clearances, land and approvals including for water, land and power sale arrangements, prior to transfer of the projects to successful bidders. The objective is to transfer these SPVs to successful bidders, through a tariff based international competitive bidding process, who will then implement these projects, on payment of development costs incurred by each SPV. Our Company has and is likely to continue to incur expenses in connection with these SPVs. There may be delays in the development of such UMPPs or we may be unable to transfer these UMPPs due to various factors, including environmental issues, resistance by local residents, changes in related laws or regulatory frameworks, or our inability to find a developer for such projects. In addition, we may not be able to fully recover our expenses from the successful bidder, which may result in financial loss to us, which could adversely affect our financial condition and results of operations.

19. Our agreements regarding certain of our joint venture arrangements or investments in other companies contain restrictive covenants, which limit our ability on transfer our shareholding in such ventures.

Our Company has entered into two joint venture arrangements, pursuant to which certain joint venture companies have been incorporated, namely, National Power Exchange Limited and Energy Efficiency Services Limited. Further, PTC India Limited has been promoted by our Company along with PGCIL, NTPC and NHPC Limited pursuant to promoters' agreement dated April 8, 1999 and a supplementary agreement dated November 20, 2002. Our Company has also entered into a share subscription and shareholders agreement with the NSE and National Commodity & Derivates Exchange Limited subscribing to the equity shares of Power Exchange India Limited. Furthermore, our Company has investments in the Small is Beautiful Fund, a venture capital fund established with the objective to invest in equity and equity like instruments of SPVs involved in the development of power projects. For further information see the section titled "History and Certain Corporate Matters" on page 105.

Further, as we hold minority interests in each of these joint venture companies, our joint venture partners will have control over such joint venture companies (except to the extent agreed under the respective joint venture agreements). These joint ventures are dependent on cooperation of our joint partners and subject to risk of non-performance by our joint venture partners of their obligations, including their financial obligations, in respect of the joint venture. Any disputes that may arise between our joint venture partners and us may cause delays in completion or the suspension or abandonment of the venture. Further, though our joint ventures confer rights on us, our joint venture

partners have certain decision-making rights that may limit our flexibility to make decisions relating to such business, and may cause delays or losses In addition, we have not made provisions for the decline in value of such investments. Under the terms of the relevant agreements our Company is not permitted to transfer its shareholding in the joint ventures to a third party for a specified lock-in period and such agreements also contain "Right of First Refusal" provisions, by virtue of which our Company is required, post-expiry of the relevant lock-in periods, to offer its shareholding in such joint ventures to the other parties to these agreements in proportion to their shareholding in the joint ventures, prior to offering its shareholding for sale to third parties. Such covenants limit our ability to make optimum use of our investments or exit these joint ventures and thereby liquidating our investments at our discretion, which may have an adverse impact on our financial condition.

20. We benefit from certain tax benefits available to us as a lending institution. If these tax benefits are no longer available to us it would adversely affect our business, financial condition and results of operations.

We have received and currently receive tax benefits by virtue of our status as a lending institution, including as a result of our lending within the infrastructure sector, which have enabled us to reduce our effective tax rate. In Fiscals 2009, 2010, 2011, 2012 and 2013, our effective tax liability, calculated on the basis of our tax liability as a percentage of profit before tax, was 24.7%, 26.6%, 25.37%, 26.09% and 25.87% respectively, compared to statutory corporate tax rates (including surcharge and cess) of 33.99%, 33.99%, 33.22%, 32.44% and 32.44% respectively in such periods. The availability of such tax benefits is subject to the policies of the GoI, among other things, and there can be no assurance as to any tax benefits that we will receive in the future. If the laws or regulations regarding these tax benefits are amended, our taxable income and tax liability may increase, which would adversely impact our financial condition and results of operations.

21. We may make equity investments in power sector in the future and such investments may erode/ depreciate.

We may make equity investments in the power sector either directly or indirectly. As of March 31, 2013, our investments in equity and equity linked instruments were ₹ 161.49 crores. The value of these investments depends on the success and continued viability of these businesses. In addition to the project-specific risks described in the above risk factors, we have limited control over the operations or management of these businesses. Therefore, our ability to realize expected gains as a result of our equity interest in a business is highly dependent on factors outside our control. Write-offs or write-downs in respect of our equity investments may adversely affect our financial performance.

22. We are subject to restrictive covenants under our credit facilities that could limit our flexibility in managing our business.

There are restrictive covenants in the agreements we have entered into with certain banks and financial institutions for our short term borrowings, medium term borrowings, long term borrowings and bonds trust deeds. These restrictive covenants require us to maintain certain financial ratios and seek the prior permission of these banks/financial institutions for various activities, including, amongst others, selling, leasing, transferring or otherwise disposing of any part of our business or revenues, effecting any scheme of amalgamation or reconstitution, implementing a new scheme of expansion or taking up an allied line of business. Such restrictive covenants in our loan and bond documents may restrict our operations or ability to expand and may adversely affect our business. For further details, see the section titled "Financial Indebtedness" on page 131.

23. Our success depends in large part upon our management team and skilled personnel and our ability to attract and retain such persons. The loss of key personnel may have an adverse effect on our business, results of operations, financial condition and ability to grow.

Our future performance depends on the continued service of our management team and skilled personnel. We also face a continuous challenge to recruit and retain a sufficient number of suitably skilled personnel, particularly as we continue to grow. There is significant competition for management and other skilled personnel in our industry, and it may be difficult to attract and retain the personnel we need in the future. While, we have employee friendly policies including an incentive

scheme to encourage employee retention, the loss of key personnel may have an adverse effect on our business, results of operations, financial condition and ability to grow.

24. Power projects carry certain risks, which to the extent they materialize could adversely affect our business and financial performance.

Our business mainly consists of lending to and providing advisory services to power sector projects in India. Power sector projects carry project-specific as well as general risks. These risks are generally out of our control and include:

- political, regulatory, fiscal, monetary, legal actions and policies that may adversely affect the viability of projects to which we lend;
- changes in government and regulatory policies relating to the power sector;
- delays in the construction and operation of projects to which we lend;
- adverse changes in demand for, or the price of, power generated or distributed by the projects to which we lend;
- the willingness and ability of consumers to pay for the power produced by projects to which we lend;
- shortages of, or adverse price developments for, raw materials and key inputs for power production such as coal and natural gas;
- increased project costs due to environmental challenges and changes in environmental regulations;
- potential defaults under financing arrangements of project companies and their equity investors;
- failure of co-lenders with us under consortium lending arrangements to perform on their contractual obligations;
- failure of third parties such as contractors, fuel suppliers, sub-contractors and others to perform on their contractual obligations in respect of projects to which we lend;
- adverse developments in the overall economic environment in India;
- adverse fluctuations in interest rates or currency exchange rates; and
- economic, political and social instability or occurrences such as natural disasters, armed conflict and terrorist attacks, particularly where projects are located or in the markets they are intended to serve.

To the extent these or other risks relating to the power projects we finance materialize, the quality of our asset portfolio and our profitability may be adversely affected.

25. Negative trends in the Indian power sector or the Indian economy could adversely affect our business and financial performance.

Our Company was formed with the objective of extending finance to and promoting Indian power projects and related activities. For the foreseeable future, we expect to continue to be a sector specific PFI with a focus on the Indian power sector. Any negative trend or financial difficulty in the Indian power sector could adversely affect our business and financial performance.

We believe that further development of India's power sector is dependent on regulatory framework, policies and procedures that facilitate and encourage private and public sector investment in the power sector. Many of these policies are evolving and their success will depend on whether they properly address the issues faced and are effectively implemented.

Additionally, these policies will need continued support from stable and experienced regulatory regimes throughout India that not only stimulate and encourage the continued investment of capital into power development, but also lead to increased competition, appropriate allocation of risk, transparency and more efficient power supply and demand management to the end consumer.

The allocation of capital and the continued growth of the power sector are also linked to the continued growth of the Indian economy. Since much of the power supply in India has historically been provided by the central and state governments at a relatively low charge to consumers, the growth of the power

industry will be impacted by consumers' income levels and the extent to which they would be willing to pay or can be induced to pay for power.

If the central and state governments' initiatives and regulations in the power sector do not proceed to improve the power sector as intended or if there is any downturn in the macroeconomic environment in India or in the power sector, our business and financial performance could be adversely affected.

26. We have certain cash credit facilities which can be recalled by our lenders at any time that may affect our financial condition adversely.

We have certain cash credit facilities amounting to ₹ 2959.22 crores as of March 31, 2013 which can be recalled by our respective lenders at any time. In the event any of our lenders recall the cash credit facilities, we may face adverse liquidity problems and our financial condition may get affected to the extent of the financial assistance recalled.

27. A decline in our capital adequacy ratio could restrict our future business growth.

We are required under applicable laws and regulations to maintain a CRAR of at least 15% with the minimum requirement of tier I capital being 10%. Our CRAR was 17.98% as of March 31, 2013 with tier I capital being 16.83%. If we continue to grow our loan portfolio and asset base, we will be required to raise additional tier I and tier II capital in order to continue to meet applicable capital adequacy ratios. There can be no assurance that we will be able to raise adequate additional capital in the future on terms favourable to us or that we will be able to retain our IFC classification and this may adversely affect the growth of our business.

28. We have entered and may enter into certain transactions with related parties, which may not be on an arm's length basis or may lead to conflicts of interest.

We have entered and may enter into transactions with related parties, including our Directors. There can be no assurance that we could not have achieved more favourable terms on such transactions had they not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. The transactions we have entered into and any future transactions with related parties have involved or could potentially involve conflicts of interest.

Our subsidiary PFC Consulting Limited ("**PFCCL**") is engaged in the consultancy services business, and our own constitutional documents permit us to engage in similar business, and there is no relationship agreement or similar arrangement currently in place between PFCCL and us, which may result in potential conflicts of interest.

29. Our Directors may have interests in companies/ entities similar to ours, which may result in a conflict of interest that may adversely affect future financing opportunity referrals.

Some of our Directors have interests in other companies, which are in businesses similar to ours, which may result in potential conflict of interest. Our Director, Mr. M. K. Goel is also a director on the board of PTC India Financial Services Limited, a company that has business interest similar to ours. Further, our Director Mr. Badri Narayan Sharma is a government nominee director on the board of Rural Electrification Corporation Limited, which is also in a business similar to ours. For further information with respect to directorships of certain of our Directors, see the section titled "Our Management" on page 113. Accordingly, potential conflicts of interest may arise out of common business objectives shared by us and our Directors and there can be no assurance that these or other conflicts of interest will be resolved in an impartial manner.

30. We have negative cash flows from operations in recent periods. There is no assurance that such negative cash flows from operations shall not recur in the future.

Our cash outflows relating to loans and advances disbursed by our Company (net of any repayments we receive) are reflected in our cash flow from operating activities whereas the cash inflows from external funding we procure (net of any repayments of such funding) to disburse these loans and

advances are reflected in our cash flows from financing activities. The net cash flows from investing activities primarily represent sale and purchase of fixed assets, other investments and interest received.

The following table sets forth certain information with respect to our historical negative cash flows in the periods indicated:

(₹ in crores)

Particulars	As of March 31 (Consolidated)				
	2009	2010	2011	2012	2013
Net cash from operating Activities	(10737.68)	(13426.32)	(16640.60)	(27030.80)	(25129.46)
Net cash from investing activities	32.11	8.78	(21.21)	(35.54)	22.42
Net cash from financing activities	10449.28	14443.32	17580.46	26676.20	27947.36
Net increase/(decrease) in cash and cash equivalents	(256.29)	1025.78	918.65	(390.14)	2840.32

Our consolidated operating profits before allocation for working capital changes for Fiscals 2009, 2010, 2011, 2012 and 2013:

(₹ in crores)

Particulars	Amount
Fiscal 2009	2270.98
Fiscal 2010	2831.19
Fiscal 2011	3647.36
Fiscal 2012	4462.17
Fiscal 2013	6281.34

However, our net cash flow from operating activities was negative in these periods as a result of an increase in our lending operations and there is no assurance that such negative cash flows from operations shall not recur in the future.

31. Our insurance may not be adequate to protect us against all potential losses to which we may be subject.

We maintain insurance for our physical assets such as our office and residential properties against standard fire and special perils (including earthquake). In addition, we maintain a group personal accident insurance as well as Directors' and officers' insurance policy. However, the amount of our insurance coverage may be less than the replacement cost of such property and may not be sufficient to cover all financial losses that we may suffer should a risk materialize. If we were to incur a significant liability for which we were not fully insured, it could have a material adverse effect on our results of operations and financial position.

In addition, in the future, we may not be able to maintain insurance of the types or in the amounts which we deem necessary or adequate or at premiums which we consider acceptable. The occurrence of an event for which we are not adequately or sufficiently insured or the successful assertion of one or more large claims against us that exceed available insurance coverage, or changes in our insurance policies (including premium increases or the imposition of large deductible or co- insurance requirements), could have a material and adverse effect on our business, financial condition, results of operations, and cash flows.

32. We may face asset-liability mismatches which could affect our liquidity and consequently may adversely affect our operations, profitability and/or cash flows.

We may face potential liquidity risks due to varying periods over which our assets and liabilities mature. Our inability to obtain additional credit facilities or renew our existing credit facilities, in a timely and cost-effective manner or at all, may lead to mismatches between our assets and liabilities, which in turn may adversely affect our operations, financial performance and/or cash flows. Further, mismatches between our assets and liabilities are compounded in case of pre-payments of the financing facilities we grant to our customers.

33. We may not be able to identify attractive financing or investment opportunities, or provide financing to or make investments in such identified opportunities, which may adversely affect our financial condition and results of operations.

There can be no assurance that we will be able to identify attractive financing or investment opportunities that meet our financing and investment criteria, or provide financing to or make investments in such identified opportunities. The activity of identifying attractive financing and investment opportunities is highly competitive and providing financing to or making such investments may be subject to various factors beyond our control. In addition, we may not be able to fully ascertain the risks involved in the power sector projects we finance or invest in due to limited information.

Furthermore, any investment that we make in power sector projects may be subject to contractual, legal and other restrictions, such as pre-emption rights and the requirement to obtain consents and approvals on resale. Lack of liquidity in these investments may make it difficult to sell investments even if we determine that the sale is in our interest. In addition, if we are required to liquidate our entire or a portion of our investment portfolio quickly, we may not realize an appropriate value for our investments. We may also face other restrictions on our ability to liquidate an investment in an investee company to the extent that we have material non-public information regarding such company. In addition, the large number of competitors compared to the limited number of attractive investment opportunities in the Indian power sector may increase the cost at which investments may be made and reduce potential profits. We may also incur significant expenses identifying, investigating and seeking to acquire potential investments, which are ultimately not consummated, including expenses relating to due diligence, transportation, extended competitive bidding processes, legal expenses and the fees of other third-party advisors. Furthermore, in case of equity investments in the power sector, our competing entities may seek to sell assets at the same time as us, thereby resulting in a decline in the value of such assets.

34. We may fail to obtain certain regulatory approvals in the ordinary course of our business in a timely manner or at all, or to comply with the terms and conditions of our existing regulatory approvals and licenses which may have a material adverse effect on the continuity of our business and may impede our effective operations in the future.

We require certain regulatory approvals, sanctions, licenses, registrations and permissions for operating and expanding our business. We may not receive or be able to renew such approvals in the time frames anticipated by us, or at all, which could adversely affect our business. If we do not receive, renew or maintain the regulatory approvals required to operate our business it may have a material adverse effect on the continuity of our business and may impede our effective operations in the future.

In addition to the numerous conditions required for the registration as a NBFC with the RBI, we are required to maintain certain statutory and regulatory permits and approvals for our business. In the future, we will be required to renew such permits and approvals and obtain new permits and approvals for any proposed operations. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. Failure by us to renew, maintain or obtain the required permits or approvals may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations.

Further, the RBI has not provided for any ceiling on interest rates that can be charged by non-deposit taking NBFCs. There may be future changes in the regulatory system or in the enforcement of the laws and regulations including policies or regulations or legal interpretations of existing regulations, relating to or affecting interest rates, taxation, inflation or exchange controls, that could have an adverse effect on non-deposit taking NBFCs. In addition, we are required to make various filings with the RBI, the RoC and other relevant authorities pursuant to the provisions of RBI regulations, Companies Act and other regulations. If we fail to comply with these requirements, or a regulator claims we have not complied with such requirements, we may be subject to penalties. Moreover, these laws and regulations can be amended, supplemented or changed at any time such that we may be required to restructure our activities and incur additional expenses in complying with such laws and regulations, which could materially and adversely affect our business. In addition, any historical or future failure to comply with the terms and conditions of our existing regulatory or statutory approvals may cause us to lose or become unable to renew such approvals. For further details, see the section titled "Regulations and Policies" on page 100.

35. We are subject to stringent labour laws, thus making it difficult for us to maintain flexible human resource policies, which could have an adverse effect on our business, financial condition and results of operations.

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for employee removal and dispute resolution and imposes financial obligations on employers upon employee layoffs. This makes it difficult for us to maintain flexible human resource policies, discharge employees or downsize, which though not quantifiable, may adversely affect our business and profitability.

36. Some of the properties taken on lease by us may have certain irregularities in title, as a result of which our operations may be impaired.

We have taken on lease properties for the purposes of our branch offices and for residential purposes for our employees. Certain of these properties may not have been constructed or developed in accordance with local planning and building laws and other statutory requirements. In addition, there may be certain irregularities in title in relation to some of our owned/ leased properties. For example, some of the agreements for such arrangements may not have been duly executed and/ or adequately stamped or registered in the land records of the local authorities or the lease deeds have expired and have not yet been renewed. Our business may be adversely affected if we are unable to continue to utilize these properties as a result of any irregularity of title or otherwise.

37. We have not entered into any definitive arrangements to utilise the net proceeds of the Issue towards the objects of this Issue.

We intend to utilize the net proceeds raised through this Issue towards lending purposes, debt servicing and working capital requirements, after meeting the Issue expenses, subject to the terms and conditions of the CBDT Notification. Our Company has not entered into any definitive agreements for utilization of the net proceeds towards the object of this Issue. For further details in this regard, see the section titled "Objects of the Issue" on page 61.

38. We may become liable for the acts or omissions of external consultants engaged by PFCCL.

PFCCL provides consultancy services and may undertake execution and valuation of projects in the power distribution sector on behalf of its clients. For these purposes, PFCCL employs external consultants. In the event that any acts or omissions of these external consultants result in professional negligence or breach of contract, we could become liable to our clients or third parties for the acts or omissions of such external consultants which could have an adverse effect on our business, financial condition and results of operations.

39. Any cross default of financial indebtedness would trigger payment to all other borrowings made by PFC thereby adversely affecting the liquidity position of our Company.

Our Company has given cross default covenant in few of its borrowings which means that if our Company defaults in any of its obligations under a loan, the loan which has the cross default clause will also become payable even if there is no breach of covenant or default of payment on such loan. The risk may have an impact on the liquidity in case of happening of such event.

40. Significant differences exist between Indian GAAP and IFRS which may be material to investors' assessment of our financial condition.

We may be required to prepare annual and interim financial statements under IFRS in accordance with the roadmap for the adoption of, and convergence with IFRS announced by the MCA, GoI in January, 2010. The convergence of certain Indian accounting standards with IFRS was notified by the MCA on February 25, 2011. The date of implementing such converged Indian accounting standards has not yet been determined, and will be notified by the MCA in due course after various tax-related and other issues are resolved.

Our financial condition, results of operations, cash flows or changes in shareholders' equity may appear materially different under IFRS than under Indian GAAP. This may have a material adverse

effect on the amount of income recognized during that period and in the corresponding period in the comparative period. In addition, in our transition to IFRS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. Moreover, our transition may be hampered by increasing competition and increased costs for the relatively small number of IFRS experienced accounting personnel available as more Indian companies begin to prepare IFRS financial statements.

41. There is a significant risk due to changes in environment norms being followed for the thermal power projects with the corporation's main focus for financing of thermal projects, it may pose problems in future.

With the adoption of norms provided for the climate conservation in line with the global parameters there may be risk for the environmental norms being followed for the thermal power projects which is our Company's major focus in financing of power generation projects. This may pose a problem in the future sanctions/ disbursements and also the timely implementation of these power projects. Consequently any delay in implementation of these projects will have adverse impact on the financials of the Corporation.

42. As the Company adopts IT, the risk exists for the possibilities of IT frauds.

With the computerization of the accounting, payroll, human resource systems and other areas of our Company, there is every possibility of fraud related to hacking of internal systems, possibility of manual intervention which may lead to frauds.

RISKS RELATING TO THE INDIAN ECONOMY

43. A slowdown in economic growth in India could adversely impact our business.

We are dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. Any slowdown in economic growth in India could adversely affect us, including our ability to grow our loan portfolio, the quality of our assets, and our ability to implement our strategy.

Any slowdown in the growth or negative growth of sectors where we have a relatively higher exposure could adversely impact our performance. Any such slowdown could adversely affect our business prospects, financial condition and results of operations.

44. Private participation in the power sector in India is dependent on the continued growth of the Indian economy and regulatory developments in India. Any adverse change in policy/ implementation/ industry demand may adversely affect us.

Although the power sector is rapidly growing in India, we believe that further development of this sector is dependent upon the formulation and effective implementation of regulations and policies that facilitate and encourage private sector investment in power projects. Many of these regulations and policies are evolving and their success will depend on whether they are designed to adequately address the issues faced and are effectively implemented. In addition, these regulations and policies will need continued support from stable and experienced regulatory regimes that not only stimulate and encourage the continued investment of private capital into power projects, but also lead to increased competition, appropriate allocation of risk, transparency, and effective dispute resolution. The availability of private capital and the continued growth of the private power sector in India are also linked to continued growth of the Indian economy. Many specific factors in the power sector may also influence the success of power projects, including changes in policies, regulatory frameworks and market structures. Any adverse change in the policies relating to the power sector may leave us with unutilized capital and interest and debt obligations to fulfil. If the central and state governments' initiatives and regulations in the power sector do not proceed in the desired direction, or if there is any downturn in the macroeconomic environment in India, our business prospects, financial condition and results of operations could be adversely affected. In addition, it is generally believed that demand for power in India will increase in connection with expected increases in India's GDP. However, there can be no assurance that demand for power in India will increase to the extent we expect or at all. In the event demand for power in India does not increase as anticipated, the extent to which we are able to

grow our business by financing the growth of the power sector would be limited and this could have a material adverse effect on our business, financial condition and results of operations.

45. Significant shortages in the supply of crude oil, natural gas or coal could adversely affect the Indian economy and the power sector projects to which we have exposure, which could adversely affect our Company.

India imports approximately 75% of its requirements of crude oil. Crude oil prices are volatile and are subject to a number of factors such as the level of global production and political factors such as war and other conflicts, particularly in the Middle East, where a substantial proportion of the world's oil and natural gas reserves are located. Recent events in Middle East have increased political uncertainty in this region. Further, in June 2010, the GoI eliminated subsidies on certain petroleum products, and has initiated partial de-regulation since then.

Any significant increase in oil prices could affect the Indian economy, including the power sector, and the Indian banking and financial system. High oil prices could also add to inflationary pressures in the Indian economy. Additionally, increases in oil prices may have a significant impact on the power sector and related industries in which we have substantial exposure. This could adversely affect our business including our ability to grow, the quality of our asset portfolio, our financial performance and our ability to implement our strategy.

In addition, natural gas is a significant input for power projects. India has experienced interruptions in the availability of natural gas, which has caused difficulties in these projects. Continued difficulties in obtaining reliable, timely supply of natural gas could adversely affect some of the projects we finance and could impact the quality of our asset portfolio and our financial performance. Prices of other key raw materials, for example steel, coal and cement, have also risen in recent years and if the prices of such raw materials approach levels that project developers deem unviable, this will result in a slowdown in the infrastructure sector and thereby reduce our business opportunities, our financial performance and our ability to implement our strategy.

Continued shortages of fuel could adversely affect some of the projects we finance and could impact the quality of our asset portfolio and our financial performance.

46. Political instability or changes in GoI could delay the liberalization of the Indian economy and adversely affect economic conditions in India generally, which could impact our financial results and prospects.

Since 1991, successive Indian governments have pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector. Nevertheless, the role of the Indian central and state governments in the Indian economy as producers, consumers and regulators has remained significant. Although, the current government has announced policies and taken initiatives that support the economic liberalization policies, the rate of economic liberalization could change, and specific laws and policies affecting banking and finance companies, foreign investment and other matters affecting investment in our securities could change as well. Any major change in government policies might affect the growth of Indian economy and thereby our growth prospects. Additionally, as economic liberalization policies have been a major force in encouraging private funding of power sector development, any change in these policies could have a significant impact on power sector development, business and economic conditions in India, which could adversely affect our business and our future financial performance.

47. Difficulties faced by other financial institutions or the Indian financial sector generally could cause our business to suffer.

We are exposed to the risks consequent to being part of the Indian financial sector. This sector in turn may be affected by financial difficulties and other problems faced by Indian financial institutions. Certain Indian financial institutions have experienced difficulties during recent years, and some co-operative banks have also faced serious financial and liquidity difficulties in the past. Any major difficulty or instability experienced by the Indian financial sector could create adverse market perception, which in turn could adversely affect our business and financial performance.

48. Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.

India has from time to time experienced social and civil unrest and hostilities within itself and with neighbouring countries. India has also experienced terrorist attacks in some parts of the country. These hostilities and tensions and/ or the occurrence of terrorist attacks have the potential to cause political or economic instability in India and adversely affect our business and future financial performance. Further, India has also experienced social unrest in some parts of the country. If such tensions occur in other parts of the country, leading to overall political and economic instability, it could have an adverse effect on our business prospects, financial condition and results of operations. These acts may also result in a loss of business confidence, make travel and other services more difficult and ultimately adversely affect our business.

49. Natural calamities could have a negative impact on the Indian economy and cause our business to suffer.

India has experienced natural calamities such as earthquakes, floods, tsunami, and drought in the recent past. The extent and severity of these natural disasters determine their impact on the Indian economy. In previous years, many parts of India received significantly less than normal rainfall. As a result, the agricultural sector recorded minimal growth. Prolonged spells of below normal rainfall in the country or other natural calamities could have a negative impact on the Indian economy, thereby affecting our business, prospects, results of operation and financial condition.

50. Our ability to raise foreign currency borrowings may be constrained by Indian law.

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, if at all. Limitations on raising foreign debt may have an adverse effect on our business, financial condition and results of operations.

51. Any downgrading of our debt rating or India's sovereign rating by a credit rating agency could have a negative impact on our business.

Any adverse revisions to our credit rating or India's sovereign credit ratings for domestic and international debt by credit rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our business and financial performance, our ability to obtain financing for lending operations.

52. The Indian and global financial sector is very competitive and the ability of banks and financial institutions to grow depends on their ability to compete effectively.

There is heavy competition among Indian public and private sector banks, foreign banks operating in India and financial institutions to lend to power sector. Some of these institutions are smaller and may be more flexible and better positioned to take advantage of market opportunities than big banks. In particular, private banks may have operational advantages in implementing new technologies, rationalizing branches and recruiting employees through incentive-based compensation. Additionally, both the Indian and global financial sector may experience further consolidation, resulting in fewer banks and financial institutions. The GoI has recently permitted foreign banks to set up wholly owned subsidiaries in India. It has also allowed takeovers of Indian banks by permitting foreign banks to acquire up to 74% in an existing private bank. These developments are likely to further increase competition and may stimulate consolidation in the Indian financial sector. These competitive pressures affect the Indian financial sector and our growth will depend in large part on our ability to respond in an effective and timely manner to these competitive pressures.

53. There may be other changes to the regulatory framework that could adversely affect us.

The statutory and regulatory framework for the Indian power sector has changed significantly in recent years and the impact of these changes is yet to be seen. The Electricity Act, 2003 puts in place a framework for reforms in the sector, but in many areas the details and timing are yet to be determined. It is expected that many of these reforms will take time to be implemented. Furthermore, there could be additional changes in the areas of tariff and other policies, the unbundling of the SPUs, restructuring of companies in the power sector, open access and parallel distribution, and licensing requirements for, and tax incentives applicable to companies in the power sector. In 2004, the GoI reviewed the Electricity Act. We presently do not know what the nature or extent of review in future will be, and cannot assure that such review will not have an adverse impact on our financial condition and results of operations.

54. Direct capital market access by our borrowers could adversely affect us.

The Indian capital markets are developing and maturing and, as such, there may be a shift in the pattern of power sector financing. Financially stronger SPUs might source their fund requirement directly from the market. We have large exposure to SPUs and such changes may have an adverse impact on our business, financial condition and results of operations.

55. Recent global economic conditions have been unprecedented and challenging and have had, and continue to have, an adverse effect on the Indian financial markets and the Indian economy in general, which has had, and may continue to have, a material adverse effect on our business, financial condition and results of operations.

Recent global market and economic conditions have been unprecedented and challenging with tighter credit conditions and recession in most major economies. Continued concerns about the systemic impact of potential long-term and wide-spread recession, energy costs, geopolitical issues, the availability and cost of credit, and the global housing and mortgage markets have contributed to increased market volatility and diminished expectations for western and emerging economies.

As a result of these market conditions, the cost and availability of credit has been and may continue to be adversely affected by illiquid credit markets and wider credit spreads. Concern about the stability of the markets generally and the strength of counterparties specifically has led many lenders and institutional investors to reduce, and in some cases, cease to provide credit to businesses and consumers. These factors have led to a decrease in spending by businesses and consumers alike and corresponding decreases in global infrastructure spending and commodity prices. Continued turbulence in the United States, Europe and other international markets and economies and prolonged declines in business consumer spending may adversely affect our liquidity and financial condition, and the liquidity and financial condition of our customers, including our ability to refinance maturing liabilities and access the capital markets to meet liquidity needs.

These global market and economic conditions have had, and continue to have, an adverse effect on the Indian financial markets and the Indian economy in general, which may continue to have a material adverse effect on our business and our financial performance.

56. Companies operating in India are subject to a variety of central and state government taxes and surcharges.

Tax and other levies imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, value added tax, turnover tax, service tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. For example, a new direct tax code is proposed to be introduced before the Indian Parliament. Currently it is unclear what effect this would have on our financial statements but if the DTC bill is passed in its entirety, it may have material adverse effect on our business, financial conditions and result of operations. Further, under the proposed DTC Bill, the deduction under section 36(1)(viia)(c) and 36(1)(viii) of the Income Tax Act, which are currently available to the Company, would not be available, which will increase our tax liability. In addition, there is a proposal to introduce a new goods and services tax and the scope of the service tax is proposed to enlarge. The

central or state government may in future increase the corporate income tax it imposes. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our business and results of operations.

RISKS RELATING TO THE BONDS

57. There has been no prior public market for the Bonds and it may not develop in the future, and the price of the Bonds may be volatile.

The Bonds have no established trading market. There can be no assurance that an active public market for the Bonds will develop or be sustained. The liquidity and market prices of the Bonds can be expected to vary with changes in market and economic conditions, our financial condition and prospects and other factors that generally influence market price of Bonds. Such fluctuations may significantly affect the liquidity and market price of the Bonds, which may trade at a discount to the price at which you purchase the Bonds.

58. The Bonds are classified as 'tax free bonds' eligible for tax exemption under section 10(15)(iv)(h) of the Income Tax Act, up to an amount of interest on such bonds.

The Bonds are classified as 'tax free bonds' issued in terms of section 10(15)(iv)(h)of the Income Tax Act and the CBDT Notification. In accordance with the said section, the amount of interest on such bonds shall be entitled to exemption under the provisions of Income Tax Act. Therefore only the amount of interest on bonds is exempt and not the actual amount of investment.

59. There is no guarantee that the Bonds issued pursuant to this Issue will be listed on BSE in a timely manner, or at all.

In accordance with Indian law and practice, permissions for listing and trading of the Bonds issued pursuant to this Issue will not be granted until after the Bonds have been issued and allotted. Approval for listing and trading will require all relevant documents authorising the issuing of Bonds to be submitted. There could be a failure or delay in listing the Bonds on BSE.

60. You may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and/ or the interest accrued thereon, in connection with the Bonds.

Our ability to pay interest accrued on the Bonds and/ or the principal amount outstanding from time to time in connection therewith would be subject to various factors, including our financial condition, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the Bonds and/ or the interest accrued thereon in a timely manner, or at all.

61. A debenture redemption reserve will be created, only up to an extent of 25% for the Bonds.

In line with circular No.6/3/2001-CL.V dated 18.04.2002 of Department of Company affairs , the Company till FY 2011-12 had been creating Debenture redemption Reserve (DRR) upto 50% of the value of debentures issued through public issue, over the maturity period of such debentures.

In recent circular no. 11/02/2012 – CL-V(A) dated 11.02.2013, MoCA has prescribed that adequacy of DRR will be 25% of the value of debentures issued through public issue and no DRR is required in case of privately placed debentures.

In this regard, the Company has requested the MCA for clarification with respect to the retrospective applicability of the circular, which is awaited. Pending receipt of clarification, the Company has created and maintained DRR in line with the circular dated 18.04.2002 for the financial year 2012-13. Therefore, here onward our Company will maintain a DRR only to the extent of 25% of the Bonds or such a percentage as may be required under applicable regulation as amended from time to time issued and the Bondholders may find it difficult to enforce their interests in the event of or to the extent of a default in excess of such reserve.

62. Changes in interest rates may affect the price of the Bonds.

All securities where a fixed rate of interest is offered, such as the Bonds, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, that is, when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon rate, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the trading price of the Bonds.

63. Any downgrading in credit rating of our Bonds may affect the trading price of our Bonds and our ability to raise funds.

ICRA has assigned a rating of '[ICRA]AAA' to the long term borrowing programme of our Company (including bonds and long term bank borrowings) for the Fiscal 2014, by its letter dated July 15, 2013 and revalidated the said rating vide its letter dated August 13, 2013 and September 16, 2013. CRISIL has assigned a rating of 'CRISIL AAA/ Stable' to the long term borrowings programme of our Company for the Fiscal 2014, by its letter dated July 11, 2013 and revalidated the said rating vide its letter dated August 06, 2013 and September 03, 2013. CARE has assigned its rating of 'CARE AAA' to the long term borrowing programme of our Company for Fiscal 2014 by its letter dated July 12, 2013 and revalidated the said rating vide its letter dated August 08, 2013 and September 04, 2013. These ratings may be suspended, withdrawn or revised at any time. Any revision or downgrading in the credit rating may lower the trading price of the Bonds and may also affect our ability to raise further debt. For the rationale for these ratings, see Annexure C of this Draft Shelf Prospectus.

64. Payments made on the Bonds will be subordinated to certain tax and other liabilities preferred by law.

The Bonds will be subordinated to certain liabilities preferred by law such as to claims of the GoI on account of taxes, and certain liabilities incurred in the ordinary course of our transactions. In particular, in the event of bankruptcy, liquidation or winding-up, our assets will be available to pay obligations on the Bonds only after all of those liabilities that rank senior to these Bonds have been paid. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining, after paying amounts relating to these proceedings, to pay amounts due on the Bonds. Further, there is no restriction on the amount of debt securities that we may issue that may rank above the Bonds. The issue of any such debt securities may reduce the amount recoverable by investors in the Bonds on our bankruptcy, winding-up or liquidation.

65. Foreign investors, including NRIs and FIIs subscribing to the Bonds are subject to risks in connection with (i) exchange control regulations, and, (ii) fluctuations in foreign exchange rates.

The Bonds will be denominated in Indian rupees and the payment of interest and redemption amount shall be made in Indian rupees. Various statutory and regulatory requirements and restrictions apply in connection with the Bonds held by NRIs and FIIs (Exchange Control Regulations). The amounts payable to NRIs and FIIs holding the Bonds, on redemption of the Bonds and/or the interest paid/payable in connection with such Bonds would accordingly be subject to prevailing Exchange Control Regulations. Any change in the Exchange Control Regulations may adversely affect the ability of such NRIs and FIIs to convert such amounts into other currencies, in a timely manner or at all. Further, fluctuations in the exchange rates between the Indian rupee and other currencies could adversely affect the amounts realized by NRIs and FIIs on redemption or payment of interest on the Bonds by us.

66. Risks relating to any international regulations, taxation rules may apply on the FIIs/NRIs and other foreign entities as the Issue may be marketed to FIIs, NRIs and other foreign investors

The Bonds have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Draft Shelf Prospectus. Any representation to the contrary is a criminal offence in the United States and may be a criminal offence in other jurisdictions. The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities

Act") or any state securities laws in the United States and may not be offered or sold within the United States under the U.S. Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States. Further, any person making or intending to make an offer of Bonds within the European Economic Area ("EEA") which are the subject of the Issue contemplated in this Draft Shelf Prospectus should only do so in circumstances in which no obligation arises for the Issuer to produce a prospectus for such offer.

THE ISSUE

The CBDT has vide the CBDT Notification, authorised our Company to raise the Bonds aggregating to ₹ 5000 crores in Fiscal 2014. Our Company has raised ₹ 1124.10 crores by private placement. Our Company proposes to raise balance amount of upto ₹ 3875.90 crores through this Issue of the Bonds in one or more tranches prior to March 31, 2014, as approved by its Board by its resolution dated March 22, 2013.

**Our Company is also considering the raising of funds private placements of the Bonds in one or more tranches during the process of the present Issue, at its discretion. Our Company will ensure that Bonds issued through public issue or on private placement basis together should not exceed the ₹5000 crores.*

The following is a summary of the terms of the Bonds, to be issued for an amount not exceeding the Shelf Limit*. This section should be read in conjunction with, and is qualified in its entirety by, more detailed information in the section titled "Terms of the Issue" on page 163.

COMMON TERMS FOR ALL SERIES OF THE BONDS

Issuer	Power Finance Corporation Limited.
Type of instrument	Tax free bonds of face value of ₹ [?] each, in the nature of secured, redeemable, non-convertible debentures, having benefits under section 10(15)(iv)(h) of the Income Tax Act, to be issued in one or more tranches on the terms and conditions as set out in separate Tranche Prospectus(es) for each such Tranche Issue.
Nature of the instrument	Secured.
Seniority	*Pari passu* with other secured creditors.
Mode of the issue	Public issue.
Lead Managers	ICICI Securities Limited, A.K. Capital Services Limited, Axis Capital Limited, Edelweiss Financial Services Limited
Debenture Trustee	IL&FS Trust Company Limited.
Depositaries	NSDL and CDSL.
Registrar	Karvy Computershare Private Limited
Eligible investors	See the section titled "Issue Procedure – Who can apply?" on 175.
Details of utilization of the proceeds	See the section titled "Objects of the Issue" on page 61.
Interest rate	As specified in the Tranche Prospectus for a particular Series.
Step up/ Step down interest rates	As specified in the Tranche Prospectus for a particular Series.
Interest type	Fixed.
Interest reset process	Not applicable.
Frequency of interest payment	As specified in the Tranche Prospectus for a particular Series.
Interest payment date	As specified in the Tranche Prospectus for a particular Series.
Day count basis	Actual/ actual i.e. Interest will be computed on a 365 days-a-year basis on the principal outstanding on the Bonds. Where the interest period (start date to end date) includes February 29, interest will be computed on 366 days-a-year basis, on the principal outstanding on the Bonds.
Interest on application money	As specified in the Tranche Prospectus for a particular Series.
Default interest rate	As specified in Debenture Trust Deed.

Tenor	10 years, 15 years and 20 years from the Deemed Date of Allotment.
Redemption Date	As specified in the Tranche Prospectus for a particular Series.
Redemption Amount	The principal amount on the Bonds along with interest accrued on them as on the Redemption Date.
Issue Price (in ₹)	₹ [●].
Discount at which security is issued and the effective yield as a result of such discount.	As specified in the Tranche Prospectus for a particular Series.
Put option date	Not applicable.
Put option price	Not applicable.
Call option date	Not applicable.
Call option price	Not applicable.
Put notification time.	Not applicable.
Call notification time	Not applicable.
Face value	₹ [●] per Bond.
Minimum Application size	As specified in the Tranche Prospectus for a particular Series.
Market Lot/Trading Lot	One Bond.
Pay-in date	Application Date. The entire Application Amount is payable on Application.
Credit ratings	ICRA has assigned a rating of '[ICRA]AAA' to the long term borrowings programme of our Company (including bonds and long term bank borrowings) for Fiscal 2014 by its letters dated July 15, 2013 and revalidated the said rating vide its letter dated August 13, 2013 and September 16, 2013. CRISIL has assigned a rating of 'CRISIL AAA/ Stable' to the long term borrowings programme of our Company for Fiscal 2014, by its letter dated July 11, 2013 and revalidated the said rating vide its letter dated August 06, 2013 and September 03, 2013. CARE has assigned its rating of 'CARE AAA' to the long term borrowing programme of our Company for Fiscal 2014 by its letter dated July 12, 2013 and revalidated the said rating vide its letter dated August 08, 2013 and September 04, 2013.
Listing	BSE.
Security	The security for the Bonds proposed to be issued, being a charge on the book debts of the Company by a first/pari passu charge, and/ or any other security, pursuant to the terms of the Debenture Trust Deed, to be created within one month of the Deemed Date of Allotment, in accordance with the SEBI Debt Regulations.
Issue size	₹ 3875.90 crores.
Option to retain oversubscription	As specified in the respective Tranche Prospectuses for each Tranche Issue.
Security cover	At least 100% of the outstanding Bonds at any point of time.
Modes of payment	Please see the section titled "Issue Procedure – Payment Instructions" on page 186.
Issuance	Dematerialised form or physical form* as specified by an Applicant in the Application Form.
Trading	In dematerialised form only.
Issue opening date**	[●].

Issue closing date**	[•]. **The Issue shall remain open for subscription on Working Days during banking hours for the period indicated above, except that the Issue may close on such earlier date or extended date as may be decided by the Board or a duly constituted committee thereof. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a reputed daily national newspaper on or before such earlier or extended date of Issue closure. On the Issue Closing Date Application Forms will be accepted only between 10 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. or such extended time as may be permitted by the BSE.
Record date	15 (fifteen) days prior to the relevant interest payment date, relevant Redemption Date for Bonds issued under the relevant Tranche Prospectus. In the event the Record Date falls on a Saturday, Sunday or a public holiday in New Delhi or any other payment centre notified in terms of the Negotiable Instruments Act, 1881, the succeeding Business Day will be considered as the Record Date.
Business day convention	See the section titled "Terms of the Issue – Effect of holidays on payments" on page 168.
Transaction documents	This Draft Shelf Prospectus, the Shelf Prospectus, the Tranche Prospectus(es) read with any notices, corrigenda, addenda thereto, the Debenture Trust Deed and other security documents, if applicable, and various other documents/ agreements/ undertakings, entered or to be entered by the Company with Lead Managers and/or other intermediaries for the purpose of this Issue including but not limited to the Debenture Trust Deed, the Debenture Trustee Agreement, the Escrow Agreement, the MoU with the Registrar and the MoU with the Lead Managers and the Consortium Agreement. For further details please refer to "Material Contracts and Documents for Inspection" on page 213 of this Draft Shelf Prospectus**.**
Conditions precedent to disbursement	Not applicable.
Conditions subsequent to disbursement	Not applicable.
Events of default	See the section titled "Terms of the Issue – Events of default" on page 171.
Cross default provisions	Not applicable.
Deemed date of Allotment	The date on which the Board of Directors/or any committee thereof approves the Allotment of the Bonds for each Tranche Issue or such date as may be determined by the Board of Directors/ or any committee thereof and notified to the Designated Stock Exchange. The actual Allotment of Bonds may take place on a date other than the Deemed Date of Allotment. All benefits relating to the Bonds including interest on Bonds (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Bondholders from the Deemed Date of Allotment.
Roles and responsibilities of the Debenture Trustee	See the section titled "Terms of the Issue – Debenture Trustee" on page 173.
Governing law and jurisdiction	The governing law and jurisdiction for the purpose of the Issue shall be Indian law, and the competent courts of jurisdiction in New Delhi, India, respectively.

* *In terms of Regulation 4(2)(d) of the SEBI Debt Regulations, our Company will undertake this public issue of the Bonds in dematerialised form. However, in terms of section 8(1) of the Depositories Act, our Company, at the request of the Investors who wish to hold the Bonds in physical form will fulfil such request. However, trading in Bonds shall be compulsorily in dematerialized form.*

SPECIFIC TERMS FOR EACH SERIES OF BONDS

The terms of each series of Bonds are set out below:

Options	Series of Bonds*		
	Tranche [●] Series [●]	Tranche [●] Series [●]	Tranche [●] Series [●]
Security Name	[●]	[●]	[●]
Tenor	10 years	15 years	20 years
Redemption Date	10 years from Deemed Date of Allotment	15 years from Deemed Date of Allotment	20 years from Deemed Date of Allotment
Redemption Amount (₹/ Bond)	Repayment of the face value and any interest that may have accrued on the Redemption Date.	Repayment of the face value and any interest that may have accrued on the Redemption Date.	Repayment of the face value and any interest that may have accrued on the Redemption Date.
Frequency of interest payment	As specified in the Tranche Prospectus for a particular Series of Bonds.	As specified in the Tranche Prospectus for a particular Series of Bonds.	As specified in the Tranche Prospectus for a particular Series of Bonds.
Minimum application size	As specified in the Tranche Prospectus for a particular Series of Bonds.	As specified in the Tranche Prospectus for a particular Series of Bonds.	As specified in the Tranche Prospectus for a particular Series of Bonds.
In multiples of	As specified in the Tranche Prospectus for a particular Series of Bonds.	As specified in the Tranche Prospectus for a particular Series of Bonds.	As specified in the Tranche Prospectus for a particular Series of Bonds.
Face value (₹/ Bond)	₹ [●]	₹ [●]	₹ [●]
Issue price (₹/ Bond)	₹ [●]	₹ [●]	₹ [●]
Modes of interest payment	Through various available modes.**	Through various available modes.**	Through various available modes.**
Coupon rate (%) p.a.	As specified in the Tranche Prospectus for a particular Series of Bonds.	As specified in the Tranche Prospectus for a particular Series of Bonds.	As specified in the Tranche Prospectus for a particular Series of Bonds.
Annualised yield	As specified in the Tranche Prospectus for a particular Series of Bonds.	As specified in the Tranche Prospectus for a particular Series of Bonds.	As specified in the Tranche Prospectus for a particular Series of Bonds.
Put option and call option	None.	None.	None.

* The number of Series of Bonds will be decided at the time of filing the Tranche Prospectus(es).

** For various modes of interest payment, see the section titled "Terms of the Issue – Modes of Payment" on page 169.

SUMMARY OF FINANCIAL INFORMATION

POWER FINANCE CORPORATION LIMITED
STATEMENT OF STANDALONE ASSETS & LIABILITIES

(₹ in crore)

					Description	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009
I .	A				**EQUITY & LIABILITIES**					
		(1)			**Share Holders' Funds**					
			(i)		Share Capital	1320.02	1319.93	1147.77	1147.77	1147.77
			(ii)		Reserves & Surplus	22734.10	19387.59	14034.72	12113.02	10360.05
						24054.12	20707.52	15182.49	13260.79	11507.82
		(2)			**Non-Current Liabilities**					
			(i)		Long Term Borrowing					
					Secured	6636.67	5361.55	235.36	0.00	0.00
					Un-secured	114514.19	90505.43	69748.67	54913.28	43197.77
						121150.86	95866.98	69984.03	54913.28	43197.77
			(ii)		Deferred Tax Liabilities (Net)	219.79	87.43	82.97	46.95	55.47
			(iii)		Other Long Term Liabilities	539.80	550.64	678.38	777.98	930.62
			(iv)		Long Term Provisions	162.33	41.98	25.20	21.48	15.45
		(3)			**Current Liabilities**					
			(i)		Current Maturity of Long term Borrowing (Unsecured)	9612.08	10187.73	9323.50	9870.01	7562.38
			(ii)		Short -Term Borrowing					
					Secured	860.55	294.47	913.04	625.12	0.00
					Un-secured	7959.22	3776.73	5378.00	1700.00	1400.00
			(iii)		Other Current Liabilities	5063.82	3799.68	2783.10	2010.03	1838.91
			(iv)		Short Term Provisions	193.99	261.90	283.53	214.23	210.24
						23689.66	18320.51	18681.17	14419.39	11011.53
					Total	**169816.56**	**135575.06**	**104634.24**	**83439.87**	**66718.66**
II .	B				**ASSETS**					
		(1)			**Non-current Assets**					
			(i)		Fixed Assets					
					Tangible Assets	101.39	98.88	94.73	90.80	95.33
					Less: Accumulated Depreciation	30.83	27.13	22.95	19.62	21.79
						70.56	71.75	71.78	71.18	73.54
					Intangible Assets	7.87	6.86	4.21	2.41	2.00
					Less: Accumulated Amortization	4.09	2.60	1.56	0.82	0.39
						3.78	4.26	2.65	1.59	1.61
					Capital Works in Progress	0.00	0.45	2.28	1.73	0.00
					Non-Current Investments					
			(ii)		Trade	12.00	12.00	12.00	12.00	12.00
					Others	175.18	43.34	38.05	15.60	16.00
			(iii)		Long Term Loans					
					Secured	107157.80	73480.17	57074.51	45889.21	37343.29
					Un-Secured	35336.84	38536.75	30349.18	24852.64	19720.10
						142494.64	112016.92	87423.69	70741.85	57063.40
			(iv)		Other Non Current Assets	376.07	133.52	263.52	89.84	129.88
			(v)		Foreign Currency Monetary Item Translation Difference A/c	477.97	515.41	0.00	0.00	0.00
		(2)			**Current Assets**					
			(i)		Current Investments	3.83	3.83	3.83	3.83	7.57
			(ii)		Cash and Bank Balances	4753.81	1988.20	2350.26	1394.30	392.23

Description					As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009
			(iii)	Current Maturity of Long Term Loans					
				Secured	12318.01	9411.32	6290.27	3484.23	2785.55
				Un-Secured	3137.84	2465.71	3751.01	2680.69	2975.50
			(iv)	Short Term Loans					
				Secured	1,000.00	2,267.02	500.00	0.00	0.00
				Un-Secured	1,416.11	3,910.85	1,605.77	2,948.99	1,604.54
			(v)	Other Assets	3576.76	2730.48	2319.13	1994.04	1656.56
					26,206.36	22,777.41	16,820.27	12,506.08	9,421.95
				Total	**169816.56**	**135575.06**	**104634.24**	**83439.87**	**66718.66**

STATEMENT OF STANDALONE PROFITS

(₹ in crore)

	Description	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009
I.	**Revenue from Operations**					
	(a) Interest	17243.75	12975.70	10038.87	8005.83	6540.04
	(b) Other Financial Services	16.52	39.15	89.62	(3.73)	17.33
II.	**Other Income**					
	Other Income	12.28	22.26	32.07	74.76	26.17
III	**Total (I+II)**	**17272.55**	**13037.11**	**10160.56**	**8076.86**	**6583.54**
IV.	**EXPENSES**					
	Interest, Finance and Other Charges	10991.08	8464.66	6423.90	4912.24	4432.92
	Bond Issue expenses	97.33	196.89	63.05	43.79	65.68
	Employee benefit expenses	80.94	72.08	67.09	71.70	44.64
	Provision for contingencies	80.85	142.79	31.79	(0.57)	2.17
	Provision for decline in value of investments	(0.00)	(0.02)	(0.06)	(1.52)	1.49
	Depreciation and Amortization expenses	5.70	5.42	5.05	3.81	4.12
	Other Expenses	58.42	51.87	25.53	34.34	42.07
	Prior Period Items (net)	(8.81)	(0.83)	0.07	(0.13)	(0.02)
	Total	**11305.51**	**8932.86**	**6616.42**	**5063.66**	**4593.07**
V.	**Profit before exceptional and extraordinary items and tax (III-IV)**	**5967.04**	**4104.25**	**3544.14**	**3013.20**	**1990.47**
VI.	Exceptional items	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
VII.	**Profit before extraordinary items and tax (V-VI)**	**5967.04**	**4104.25**	**3544.14**	**3013.20**	**1990.47**
VIII.	Extraordinary items	0.00	0.00	0.00	0.00	0.00
IX.	**Profit Before Tax (VII-VIII)**	**5967.04**	**4104.25**	**3544.14**	**3013.20**	**1990.47**
X.	**Tax Expenses**					
	(1) Current Tax					
	for current year	1543.57	1070.87	898.99	800.27	492.02
	for earlier years	(128.49)	(2.82)	(10.45)	(135.79)	(32.61)
		1415.08	**1068.05**	**888.54**	**664.48**	**459.41**
	(2) Deferred Tax liability(+) / Asset(-)	**132.36**	**4.46**	**36.02**	(8.53)	(439.63)
	Less(-)/Add(+): Provision for fringe benefit tax	**0.00**	**0.00**	**0.00**	**0.00**	**0.73**
XI.	**Profit (Loss) for the period from continuing operations (IX-X)**	**4419.60**	**3031.74**	**2619.58**	**2357.25**	**1969.96**

STATEMENT OF STANDALONE CASH FLOWS

(₹ in crore)

	PARTICULARS	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009
I.	**Cash Flow from Operating Activities :-**					
	Net Profit before Tax and Extraordinary items	**5,967.04**	**4,104.25**	**3,544.14**	**3,013.20**	**1,990.47**
	ADD: Adjustments for					
	Loss on Sale of Assets (net)	0.03	0.02	0.06	0.02	0.01
	Depreciation / Amortisation	5.70	5.42	5.05	3.81	4.12
	Amortisation of Zero Coupon Bonds	26.18	24.48	22.52	20.83	19.27
	Foreign Exchange Loss/Gain	163.76	147.83	(2.47)	(248.27)	235.66
	Dimunition in value of investments	(0.00)	(0.02)	(0.06)	(1.52)	1.49
	Provision for Contingencies	80.85	142.79	31.79	(0.57)	2.17
	Dividend / Interest and profit on sale of investment	(8.29)	(2.89)	(3.49)	(5.50)	(5.41)
	Provision for CSR Expenditure & Sustainable Expenditure	16.30	0.00	0.00	0.00	0.00
	Provision for interest under IT Act	4.07	4.90	0.22	0.28	0.00
	Provision for Retirement Benefits/Other Welfare Expenses/Wage revision	**11.63**	**3.10**	10.68	16.74	8.16
	Operating profit before working Capital Changes:	**6267.27**	**4429.88**	**3608.44**	**2799.02**	**2255.94**
	Increase/Decrease :					
	Loans Disbursed (Net)	(30256.10)	(30587.60)	(19755.37)	(15496.04)	(12701.30)
	Other Current Assets	(1028.13)	(692.00)	(492.16)	(252.19)	(284.71)
	Foreign Currency Monetary Item Translation Difference A/c	37.44	(515.41)	0.00	100.14	(101.65)
	Liabilities and provisions	1438.89	972.69	901.54	216.44	665.25
	Cash flow before extraordinary items	**(23540.63)**	**(26392.44)**	**(15737.55)**	**(12632.63)**	**(10166.47)**
	Extraordinary items	0.00	0.00	0.00	0.00	0.00
	Cash Inflow/Outflow from operations before Tax	**(23540.63)**	**(26392.44)**	**(15737.55)**	**(12632.63)**	**(10166.47)**
	Income Tax paid	(1554.02)	(992.68)	(865.72)	(811.34)	(595.85)
	Income Tax Refund	5.56	388.21	0.00	0.00	0.00
	Net Cash flow from Operating Activities	**(25089.09)**	**(26996.91)**	**(16603.27)**	**(13443.97)**	**(10762.32)**
II.	**Cash Flow From Investing Activities :**					
	Sale / decrease of Fixed Assets	0.05	0.12	0.64	0.05	0.05
	Purchase of Fixed Assets	(4.13)	(7.14)	(7.42)	(1.51)	(2.60)
	Plant & Machinery (Lease Equalisation)	0.00	0.00	0.00	0.00	0.27
	Increase/decrease in Capital Works in Progress	0.45	1.83	(0.55)	(1.73)	
	Investments in Subsidiaries	(105.05)	(5.12)	0.00	(0.05)	(0.07)
	Dividend / Interest and profit on sale of investment	8.29	2.89	3.49	5.50	5.41
	Other Investments	7.22	(34.15)	(22.39)	5.95	28.31
	Net Cash Used in Investing Activities	**(93.17)**	**(41.57)**	**(26.23)**	**8.21**	**31.37**
III.	**Cash Flow From Financial Activities :**					
	Issue of Equity Shares	1.60	3413.73	0.00	0.00	0.00
	Issue of Bonds	31142.02	33165.07	14023.96	12283.30	12808.90
	Raising of Short Term Loans (Net) - Commercial	5000.00	(4050.00)	3400.00	(750.00)	(1080.00)

	PARTICULARS	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009
	paper					
	Repayment of Loan Against Fixed Deposits (Net) - Including WCL	(251.43)	1830.16	565.92	1675.12	0.00
	Raising of Long Term Loans	1700.00	2200.00	7855.00	8004.50	4750.00
	Repayment of Long Term Loans	(1239.50)	(3863.50)	(5870.00)	(4473.00)	(4449.00)
	Redemption of Bonds	(9753.90)	(5406.66)	(3710.91)	(1981.86)	(892.30)
	Raising of Foreign Currency Loans (Net)	2653.46	461.46	2214.60	486.88	(40.46)
	Interest Subsidy Fund	(230.43)	(75.66)	(211.62)	(245.45)	(157.81)
	Unclaimed Bonds (Net)	(0.56)	(1.25)	(16.31)	21.87	0.09
	Payment of Final Dividend (including Corporate Dividend Tax) of Previous year	(153.41)	(230.11)	(200.76)	(181.28)	(134.29)
	Payment of Interim Dividend (including Corporate Dividend Tax) of Current year	(920.49)	(767.03)	(468.44)	(402.85)	(355.85)
	Net Cash in-flow from Financing Activities	**27947.36**	**26676.21**	**17581.44**	**14437.23**	**10449.28**
	Net Increase/Decrease in Cash & Cash Equivalents	**2765.10**	**(362.27)**	**951.94**	**1001.47**	**(281.67)**
	Add : Cash & Cash Equivalents at beginning of the period	1983.97	2346.24	1394.30	392.83	674.50
	Cash & Cash Equivalents at the end of the period	**4749.07**	**1983.97**	**2346.24**	**1394.30**	**392.83**
	Details of Cash & Cash Equivalents at the end of the period:					
	Cheques in hand, Imprest with Postal authority & Balances with Banks	169.49	19.76	248.21	3.88	2.64
	Fixed Deposits with Scheduled Banks	4579.58	1964.21	2098.03	1390.42	390.19
		4749.07	**1983.97**	**2346.24**	**1394.30**	**392.83**

STATEMENT OF CONSOLIDATED ASSETS & LIABILITIES

(₹ in crore)

Description				As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009
I .	A.	EQUITY & LIABILITIES						
		(1)	**Share Holders' Funds**					
			(a) Share Capital	1320.02	1319.93	1147.77	1147.77	1147.77
			(b) Reserves & Surplus	22837.67	19473.02	14093.04	12143.80	10369.78
				24157.69	20792.95	15240.81	13291.57	11517.55
		(2)	**Non-Current Liabilities**					
			(a) Long Term Borrowing					
			Secured	6636.67	5361.55	235.36	0.00	0.00
			Unsecured	114514.19	90505.43	69748.67	54913.28	43197.77
				121150.86	95866.98	69984.03	54913.28	43197.77
			(b) Deferred Tax Liabilities (Net)	218.63	86.75	82.90	46.93	55.48
			(c) Other Long Term Liabilities	539.81	550.64	678.38	923.99	1143.04
			(d) Long Term Provisions	162.35	41.98	25.20	21.48	15.45
		(3)	**Current Liabilities**					
			Secured					
			a) Current Maturity of Long term Borrowing (Unsecured)	9612.08	10187.73	9323.50	9870.01	7562.38
			b) Short -Term Borrowing					
			Secured	860.55	294.47	913.04	625.12	0.00
			Un-secured	7959.22	3776.73	5378.00	1700.00	1400.00
			c) Trade Payables	1.15	1.22	0.80	1.20	0.74
			d) Other Current Liabilities	5067.76	3805.30	2801.42	1906.27	1645.74
			e) Short Term Provisions	195.50	276.98	283.99	214.35	212.71
				23696.26	18342.43	18700.75	14316.95	10821.57
			Total	**169925.60**	**135681.73**	**104712.07**	**83514.20**	**66750.86**
II .		ASSETS						
		(1)	**Non-current Assets**					
			(a) Fixed Assets					
			(i) Tangible Assets	102.40	99.63	94.92	90.90	95.37
			Less: Accumulated Depreciation	31.24	27.29	23.01	19.66	21.80
				71.16	72.34	71.91	71.24	73.57
			(ii) Intangible Assets	7.89	6.88	4.23	2.41	2.00
			Less: Accumulated Amortization	4.10	2.61	1.56	0.82	0.39
				3.79	4.27	2.67	1.59	1.61
			(iii) Capital Works in Progress	0.00	0.45	2.28	1.73	0.00
			(b) Non-Current Investments					
			Trade	12.00	12.00	12.00	12.00	12.00
			Others	40.55	11.00	10.80	14.19	15.50
			(c) Long Term Loans					
			Secured	107157.80	73480.17	57074.51	45889.22	37343.30
			Un-Secured	35336.84	38536.75	30349.18	24852.63	19720.11
				142494.64	112016.92	87423.69	70741.85	57063.41
			(d) Other Non Current Assets					
			(i) Fixed Deposits with Scheduled	22.85	13.26	59.32	13.93	0.80

Description				As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009
			Banks (original maturity more than twelve months)					
			(ii) Other	376.60	133.78	263.52	89.84	129.88
			(e) Foreign Currency Monetary Item Translation Difference A/c	477.97	515.41	0.00	0.00	0.00
		(2)	**Current Assets**					
			(a) Current Investments	3.83	3.83	3.83	3.83	7.57
			(b) Trade receivables	6.37	4.05	1.34	6.63	4.64
			(c) Cash and Bank Balances	4957.47	2087.71	2384.87	1446.48	418.20
			(d) Current Maturity of Long Term Loans					
			Secured	12318.01	9411.32	6290.27	3484.23	2785.55
			Un-Secured	3137.84	2465.71	3751.01	2680.69	2975.50
				15455.85	11877.03	10041.28	6164.92	5761.05
			(e) Short Term Loans					
			Secured	1,000.00	2,267.02	500.00	0.00	0.00
			Un-Secured	1,416.11	3,910.85	1,605.77	2,948.99	1,604.54
				2416.11	6177.87	2105.77	2948.99	1604.54
			(f) Other Assets	3586.41	2751.81	2328.79	1996.99	1658.09
			Total	**169925.60**	**135681.73**	**104712.07**	**83514.20**	**66750.86**

STATEMENT OF CONSOLIDATED PROFITS

(₹ in crore)

	Description	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009
I.	**Revenue from Operations**					
	(a) Interest	17256.87	12985.09	10038.87	8009.21	6541.54
	(b) Other Financial Services	45.74	87.08	136.08	37.91	31.98
II.	**Other Income**					
	Other Income	11.86	23.85	39.15	74.59	26.08
III	**Total (I+II)**	**17314.47**	**13096.02**	**10214.10**	**8121.71**	**6599.60**
IV.	**EXPENSES**					
	Interest, Finance and Other Charges	10992.87	8466.30	6426.46	4915.39	4436.62
	Bond Issue expenses	97.33	196.89	63.05	43.79	65.68
	Employee benefit expenses	90.91	81.68	72.97	77.66	46.50
	Provision for contingencies	80.85	142.79	31.79	-0.57	2.17
	Provision for decline in value of investments	(0.003)	-0.02	-0.06	-1.52	1.49
	Depreciation and Amortization expenses	5.96	5.54	5.08	3.83	4.13
	Other Expenses	61.95	55.59	29.14	37.27	37.52
	Preliminary Expenses written off	0.00	2.27	0.00	0.34	0.01
	Prior Period Items (net)	(8.92)	(0.87)	0.08	(0.10)	(0.02)
	Total	**11320.95**	**8950.17**	**6628.51**	**5076.09**	**4594.10**
V.	**Profit before exceptional and extraordinary items and tax (III-IV)**	**5993.52**	**4145.85**	**3585.59**	**3045.62**	**2005.50**
VI.	Exceptional items	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
VII.	**Profit before extraordinary items and tax (V-VI)**	**5993.52**	**4145.85**	**3585.59**	**3045.62**	**2005.50**
VIII.	Extraordinary items	0.00	0.00	0.00	0.00	0.00
IX.	**Profit Before Tax (VII-VIII)**	**5993.52**	**4145.85**	**3585.59**	**3045.62**	**2005.50**
X.	**Tax Expenses**					
	(1) Current Tax					
	for current year	1551.98	1085.96	912.94	811.66	497.27
	for earlier years	(128.08)	(2.77)	(10.45)	(135.79)	(32.61)
		1423.90	**1083.19**	**902.49**	**675.87**	**464.66**
	(2) Deferred Tax liability(+) / Asset(-)	**131.88**	**3.81**	**35.98**	**-8.55**	**-439.63**
	Less(-)/Add(+): Provision for fringe benefit tax	**0.00**	**0.00**	**0.00**	**0.00**	**0.78**
XI.	**Profit (Loss) for the period from continuing operations (IX-X)**	**4437.74**	**3058.85**	**2647.12**	**2378.30**	**1979.69**

STATEMENT OF CONSOLIDATED CASH FLOWS

(₹ in crore)

	PARTICULARS	Year Ended 31.03.2013	Year Ended 31.03.2012	Year Ended 31.03.2011	Year Ended 31.03.2010	Year Ended 31.03.2009
I.	**Cash Flow from Operating Activities :-**					
	Net Profit before Tax and Extraordinary items	**5,993.52**	**4,145.85**	**3,585.59**	**3,045.62**	**2,005.50**
	ADD: Adjustments for					
	Loss on Sale of Assets (net)	0.03	0.02	0.06	0.02	0.01
	Depreciation / Amortisation	5.96	5.54	5.08	3.82	4.13
	Amortisation of Zero Coupon Bonds	26.18	24.48	22.52	20.83	19.27
	Foreign Exchange Loss/Gain	163.76	147.83	(2.47)	(248.27)	235.66
	Dimunition in value of investments	(0.00)	(0.02)	(0.06)	(1.52)	1.49
	Provision for Contingencies	80.85	142.79	31.79	(0.57)	2.17
	Dividend / Interest and profit on sale of investment	(11.67)	(12.33)	(6.32)	(5.50)	(5.41)
	Provision for CSR Expenditure & Sustainable Expenditure	16.30	0.00	0.00	0.00	0.00
	Provision for interest under IT Act	4.07	4.90	0.22	0.28	0.00
	Provision for Retirement Benefits/Other Welfare Expenses/Wage revision	11.65	3.10	10.68	16.74	8.16
	Interest Received	(9.33)	0.00	0.00	0.00	0.00
	Interest paid	0.02	0.01	0.27	0.00	0.00
	Preliminary expenses written off	0.00	0.00	0.00	(0.26)	0.00
	Operating profit before working Capital Changes:	**6281.34**	**4462.16**	**3647.36**	**2831.19**	**2270.98**
	Increase/Decrease :					
	Loans Disbursed (Net)	(30256.10)	(30587.60)	(19755.37)	(15496.04)	(12701.30)
	Other Current Assets	(1070.37)	(743.52)	(554.04)	(255.66)	(289.48)
	Loans & Advances	0.00	0.00	0.00	99.31	(102.07)
	Miscellaneous Expenditure (not written off/adjusted)	0.00	0.00	0.00	0.00	(0.04)
	Foreign Currency Monetary Item Translation Difference A/c	37.44	(515.41)	0.00	0.00	0.00
	Liabilities and provisions	1437.64	970.89	901.05	234.90	685.03
	Cash flow before extraordinary items	**(23570.05)**	**(26413.47)**	**(15761.00)**	**(12586.30)**	**(10136.88)**
	Extraordinary items	0.00	0.00	0.00	0.00	0.00
	Cash Inflow/Outflow from operations before Tax	**(23570.05)**	**(26413.47)**	**(15761.00)**	**(12586.30)**	**(10136.88)**
	Income Tax paid	(1564.97)	(1005.54)	(879.60)	(825.00)	(599.42)
	Income Tax Refund	5.56	388.21	0.00	0.00	0.00
	Net Cash flow from Operating Activities	**(25129.46)**	**(27030.80)**	**(16640.60)**	**(13411.30)**	**(10736.30)**
II.	**Cash Flow From Investing Activities :**					
	Sale / decrease of Fixed Assets	0.05	0.12	0.64	0.05	0.05
	Purchase of Fixed Assets	(4.38)	(7.71)	(7.55)	(1.57)	(2.64)
	Increase/decrease in Capital Works in Progress	0.45	1.83	(0.55)	(1.73)	0.00
	Plant & Machinery (Lease Equalisation)	0.00	0.00	0.00	0.00	0.27
	Investments in Subsidiaries	(0.25)	(0.08)	0.10	(0.05)	(0.12)
	Interest Received	12.42	0.00	0.00	0.00	0.00

	PARTICULARS	Year Ended 31.03.2013	Year Ended 31.03.2012	Year Ended 31.03.2011	Year Ended 31.03.2010	Year Ended 31.03.2009
	Dividend / Interest and profit on sale of investment	8.29	6.79	7.18	5.50	5.41
	Other Investments	5.85	(36.49)	(21.03)	6.58	29.14
	Net Cash Used in Investing Activities	**22.42**	**(35.54)**	**(21.21)**	**8.78**	**32.11**
III.	**Cash Flow From Financial Activities :**					
	Issue of Equity Shares	1.60	3413.73	0.00	0.00	0.00
	Issue of Bonds	31142.02	33165.07	14023.96	12283.30	12808.90
	Raising of Short Term Loans (Net) - Commercial paper	5000.00	(4050.00)	3400.00	(750.00)	(1080.00)
	Repayment of Loan Against Fixed Deposits (Net) - Including WCL	(251.43)	1830.16	565.92	1675.12	0.00
	Raising of Long Term Loans	1700.00	2200.00	7855.00	8004.50	4750.00
	Repayment of Long Term Loans	(1239.50)	(3863.50)	(5870.00)	(4473.00)	(4449.00)
	Redemption of Bonds	(9753.90)	(5406.66)	(3710.91)	(1981.86)	(892.30)
	Foreign Currency Loans (Net)	2653.46	461.46	2214.60	486.88	(40.46)
	Interest Paid	0.00	(0.01)	(0.98)	0.00	0.00
	Interest Subsidy Fund	(230.43)	(75.66)	(211.62)	(245.45)	(157.81)
	Unclaimed Bonds (Net)	(0.56)	(1.25)	(16.31)	21.87	0.09
	Payment of Final Dividend (including Corporate Dividend Tax) of Previous year	(153.41)	(230.11)	(200.76)	(181.28)	(134.29)
	Payment of Interim Dividend (including Corporate Dividend Tax) of Current year	(920.49)	(767.03)	(468.44)	(402.85)	(355.85)
	Share Application Money	0.00	0.00	0.00	6.09	0.00
	Net Cash in-flow from Financing Activities	**27947.36**	**26676.20**	**17580.46**	**14443.32**	**10449.28**
	Net Increase/Decrease in Cash & Cash Equivalents	**2840.32**	**(390.14)**	**918.65**	**1040.80**	**(254.91)**
	Add : Cash & Cash Equivalents at beginning of the period	2016.89	2379.04	1460.39	419.59	674.50
	Cash & Cash Equivalents at the end of the period	**4857.21**	**1988.90**	**2379.04**	**1460.39**	**419.59**
	Details of Cash & Cash Equivalents at the end of the period:					
	Cheques in hand, Imprest with Postal authority & Balances with Banks	170.57	23.58	250.21	10.45	3.15
	Fixed Deposits with Scheduled Banks	4,686.64	1965.32	2128.83	1449.94	416.44
		4857.21	**1988.90**	**2379.04**	**1460.39**	**419.59**

SUMMARY OF BUSINESS

Background

We are a leading financial institution in India focused on the power sector. We were established as an integral part of, and continue to play a strategic role in the GoI's initiatives for the development of the power sector in India. We work closely with GoI instrumentalities, state governments and PSUs, other power sector intermediaries and private sector clients for the development and implementation of policies and structural and procedural reforms for the power sector in India. In addition, we are involved in various GoI programs for the power sector, including acting as the nodal agency for the UMPP program and the R-APDRP and as a bid process coordinator through our wholly owned subsidiary PFC Consulting Limited for the ITP scheme.

We provide a comprehensive range of financial products and related advisory and other services from project conceptualization to the post-commissioning stage to our clients in the power sector, including for generation (conventional and renewable), transmission and distribution projects as well as for related renovation and modernization projects. We provide various fund based financial assistance, including long-term project finance, short-term loans, buyer's line of credit, underwriting of debt and debt refinancing schemes as well as non-fund based assistance including default payment guarantees, credit enhancement guarantees and letters of comfort. We also provide various fee-based technical advisory and consultancy services for power sector projects through our wholly owned subsidiary PFC Consulting Ltd.

Our primary sources of funds include equity capital, internal resources and domestic and foreign borrowings. We currently enjoy the highest credit ratings of '[ICRA]AAA', and 'CRISIL AAA/ Stable' and 'CARE AAA' for our long term borrowings programme and '[ICRA]A1+', 'CRISIL A1+', 'CARE A1+' for our short term borrowing programme for Fiscal 2014 from ICRA, CRISIL and CARE, respectively (an associate of Moody's Investors Services), respectively. International credit rating agencies Moody's, Fitch and Standard & Poor's have granted us long-term foreign currency issuer ratings of "Baa3", "BBB-" and "BBB-", respectively, which are at par with the sovereign ratings for India.

We are a listed government company and a public financial institution under the Companies Act. We are registered with the RBI as a non-deposit taking systemically important NBFC and were classified as an IFC in July 2010. We believe that our NBFC and IFC classification enables us to effectively capitalize on available financing opportunities in the power sector in India. We believe our classification as an IFC enhances our ability to raise funds on a cost-competitive basis (including through issuance of Rupee-denominated infrastructure bonds that offer certain tax benefits to the bondholders), and increase our lending exposures to individual entities, corporations and groups, compared to other NBFCs that are not IFCs.

Our Company was conferred with the "Mini Ratna" (Category – I) status in the year 1998 and on June 22, 2007, our Company was notified as a Navratna company by the GoI. Our Company has been conferred with various awards including Dalal Street Investor Journal PSU Award 2012 in the category of Mighty Masters – Largest Balance sheet and Topline non–manufacturing Navratna, Dainik Bhaskar India Pride PSU award 2012-13 in the category of special recognition for contribution in power distribution, India Power Award 2012 in the Category of Large Financial Institution by Council of Power Utilities, Enertia Award 2012 in the category of Best Power Financial Institution, Dun & Bradstreet PSU Award 2012 in the Non-Banking Financial Company Category etc. For further details in relation to awards and recognition see the section titled as 'History and Certain Corporate Matters' on page no. 105.

We have an established track record of consistent financial performance and growth:

- Our total loan assets increased from ₹ 64428.99 crores as of March 31, 2009 to ₹ 160366.60 crores as of March 31, 2013. As of March 31, 2013, our total loans sanctioned pending disbursement (net of any loan sanctions cancelled) was ₹ 163720.17 crores.

- Our total income increased from ₹ 6583.54 crores as of March 31, 2009 to ₹ 17272.55 crores as of March 31, 2013, while our profit after tax increased from ₹ 1969.96 crores as of March 31, 2009 to ₹ 4419.60 crores as of March 31, 2013.

- We had gross NPAs of ₹ 13.16 crores, ₹ 13.16 crores, ₹ 230.65 crores, ₹ 1,358.47 crores and ₹1134.52 crores as of March 31, 2009, 2010, 2011, 2012 and 2013, respectively, which represented 0.02%, 0.02%, 0.23%, 1.04% and 0.71% of our total loan assets, respectively, as of such dates.

- Our net worth as of March 31, 2013 was ₹ 22351.41 crores.

- Our capital adequacy ratio was 15.71%, 16.29% and 17.98% as of March 31, 2011, 2012 and 2013, respectively.

Our Strengths

We believe that the following are our primary strengths:

- Comprehensive financial assistance platform focused on the Indian power sector.

- Strategic role in GoI initiatives and established relationships with power sector participants.

- Operational flexibility to capitalize on both fundraising and lending opportunities.

- Favourable credit rating and access to various cost-competitive sources of funds.

- Comprehensive credit appraisal and risk management policies and procedures.

- Track record of consistent financial performance and growth.

- Experienced and committed management and employee base with in-depth sector expertise.

Business Strategies

- Continue to leverage our industry expertise and relationships to capitalize on the expected growth in the Indian power sector.

- Strategically expand our business by way of equity investments and service offerings by consultancy and other fee-based services.

- To broaden our loan asset base and borrower profile in power sector related projects.

- Continue to develop strategic partnerships and evaluate new business opportunities in the power sector.

For details pertaining to our business operations, see the section titled as "Our Business" and for discussion on weaknesses and threats, and of factors that could adversely affect our future financial condition and results of operations, see the section titled "Risk Factors" on page 14.

GENERAL INFORMATION

Our Company was incorporated as Power Finance Corporation Limited on July 16, 1986 as a public limited company under the Companies Act and was granted a certificate of commencement of business on December 31, 1987. We were incorporated by the GoI in order to finance, facilitate and promote power sector development in India with the President of India, acting through the MoP, holding 100% of our paid up equity share capital at the time of incorporation. The President of India, acting through the MoP, currently holds 73.72% of our paid up Equity Share capital. For further details, see the section titled "History and Certain Corporate Matters" on page 105.

Registered and Corporate Office

'Urjanidhi',
1, Barakhamba Lane,
Connaught Place,
New Delhi - 110 001, India.
Telephone: + 91 11 2345 6000
Facsimile: + 91 11 2341 2545
Website: www.pfc.gov.in

For details on changes in our Registered Office, see the section titled "History and Certain Corporate Matters" on page 105.

Registration

Details	Registration/Identification number
Company registration number	24862
Corporate Identification Number	L65910DL1986GOI024862
RBI registration number classifying Company as an IFC	B-14.00004
RBI registration for carrying out the business of an NBFC	14.00004

Address of the Registrar of Companies

The Registrar of Companies
National Capital Territory of Delhi and Haryana
4th Floor, IFCI Tower, 61, Nehru Place
New Delhi 110 019, India
Telephone: +91 11 2623 5704
Facsimile: +91 11 2623 5702

Director (Finance)*
Mr. Radhakrishnan Nagarajan
'Urjanidhi',
1, Barakhamba Lane,
Connaught Place,
New Delhi - 110 001, India.
Telephone: +91 11 2345 6000
Facsimile: +91 11 2341 2545

* *Our Company does not have a designated Chief Financial Officer. Mr. Radhakrishnan Nagarajan is the whole – time finance director who heads the finance functions of our Company.*

Company Secretary and Compliance Officer

Mr. Manohar Balwani
'Urjanidhi',
1, Barakhamba Lane,
Connaught Place,
New Delhi - 110 001, India.
Telephone: +91 11 2345 6000
Facsimile: +91 11 2341 2545
E-mail: taxfreebonds13-14@pfcindia.com

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems, such as non-receipt of Allotment Advice, credit of Allotted Bonds in beneficiary accounts, Bond Certificates (for Applicants who have applied for Allotment in physical form), refund orders and interest on the Application Amounts.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, number of Bonds applied for, amount paid on application, Depository Participant and the collection centre of the Members of the Syndicate where the Application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB, giving full details such as name, address of Applicant, Application Form number, number of Bonds applied for, amount blocked on Application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA Applicant.

All grievances arising out of Applications for the Bonds made through Trading Members may be addressed directly to the Designated Stock Exchange.

Lead Managers to the Issue

ICICI Securities Limited
H.T. Parekh Marg, Churchgate
Mumbai 400 020, India
Tel: +91 22 2288 2460
Facsimile: +91 22 2282 6580
Email: pfc.taxfreebonds@icicisecurities.com
Investor Grievance Email:
customercare@icicisecurities.com
Website: www.icicisecurities.com
Contact Person: Mr. Ayush Jain
Compliance Officer: Mr. Subir Saha
SEBI Registration No.: INM000011179

A. K. Capital Services Limited
30-39 Free Press House, 3rd Floor,
Free Press Journal Marg, 215, Nariman Point,
Mumbai 400021
Tel: +91 22 6754 6500;
Facsimile: +91 22 6610 0594
Email: pfctfbonds3@akgroup.co.in
Investor Grievance Email: investor.grievance@akgroup.co.in
Website: www.akcapindia.com
Contact Person: Ms. Akshata Tambe/Mr. Mandeep Singh
Compliance Officer: Mr. Vikas Agarwal
SEBI Registration No.: INM000010411

Axis Capital Limited
First Floor, Axis House, C-2, Wadia International Centre,
P B Marg, Worli

Mumbai 400025
Tel: +91 22 4325 2525;
Facsimile: +91 22 4325 3000
Email: pfctaxfree@axiscap.in
Investor Grievance Email: complaints@axiscap.in
Website: www.axiscapital.co.in
Contact Person: Akash Aggarwal
Compliance Officer: Mr. M. Natarajan
SEBI Registration No.: INM000012029

Edelweiss Financial Services Limted
14th Floor, Edelweiss House
Off CST Road, Kalina, Mumbai 400 098
Maharashtra, India
Tel: +91 22 4086 3535;
Facsimile: +91 22 4086 3610
Email: pfc.tfbonds@edelweissfin.com
Investor Grievance Email: customerservice.mb@edelweissfin.com
Website: www.edelweissfin.com
Contact Person: Mr. Sumeet Lath / Mr. Viral Shah
Compliance Officer: Mr. B. Renganathan
SEBI Registration No.: INM0000010650

Consortium Members to the Issue

[•]

Debenture Trustee to the Issue

IL & FS Trust Company Limited
The IL & FS Financial Centre
Plot C – 22, G Block, Bandra Kurla Complex
Bandra (East), Mumbai – 400 051
Telephone: +91 22 2659 3333
Facsimile: +91 22 2653 3297
Email: subhash.jha@ilfsindia.com
Website: www.itclindia.com
Investor Grievance ID: investorgrievancesitcl@ilfsindia.com
Contact Person : Mr. Subhash Jha
SEBI Registration Number: IND0000000452

IL & FS Trust Company Limited has given its consent to the Issuer for its appointment under regulation 4 (4) of SEBI Debt Regulations. For the consent letter of the Debenture Trustee, see Annexure E of this Draft Shelf Prospectus.

Registrar to the Issue

Karvy Computershare Private Limited
Plot No. 17 to 24, Vittal Rao Nagar,
Madhapur,
Hyderabad – 500 081
Telephone: +91 40 44655000
Facsimile: +91 40 2343 1551
Email: pfc.bonds@karvy.com
Website: http:\\karisma.karvy.com
Investor Grievance ID: pfc.bonds@karvy.com
Contact Person : Mr. M Murali Krishna
SEBI Registration Number: INR000000221

Statutory Auditors

N.K. Bhargava & Co.
Chartered Accountants
C-31, Acharya Nikaten, 1st Floor
Opposite Pocket One, Mayur Vihar
Phase One, New Delhi – 110091, India.
Tel: +91 11 2279 3650; +91 11 2275 2376
Email: nkbhargavacompany@yahoo.co.in
ICAI Firm Registration no.: 000429N
Auditor since: August 17, 2011

M/s K.B. Chandna & CO.
Chartered Accountants,
E-27, South Extension – II,
New Delhi -110049
Tel: +91 11 26252762
Email: kbc.chandna@gmail.com
ICAI Firm Registration no.: 000862N
Auditor since: August 2, 2013

Legal Counsel to the Issue

M. V. Kini & Co.
Kini House
6/39, Jangpura 'B'
New Delhi 110 014
Telephone: + 91 11 2437 1038/39/40
Facsimile: + 91 11 2437 9484

Bankers to the Company

State Bank of India
Chanderlok Building
36, Janpath
New Delhi 110 001, India.
Tel: +91 11 2332 9831
Fax: +91 11 2373 9198
Email: sbi.01639@sbi.co.in
Website : www.statebankofindia.com
Contact Person: Mr. Dhanraj Chaudhary

Bank of India
Janpath Branch
66, Janpath
New Delhi – 110 001, India.
Tel: +91 11 2332 0986
Fax: +91 11 2335 0944
Email: janpath.newdelhi@bankofindia.co.in
Website: www.bankofindia.com
Contact Person: Mr. S.K. Sranagi/ Mr. A.N. Khurana

IDBI Bank Limited
Indian Red Cross Building
1, Red Cross Road
New Delhi - 110 001, India.
Tel: +91 11 6628 1027
Fax: +91 11 2375 2730
Email: rajiv.sharma@idbi.co.in
Website: www.idbi.com
Contact Person: Mr. Rajeev Sharma

ICICI Bank Limited
9-A, Phelps Building
Connaught Place
New Delhi - 110 001, India.
Tel: +91 11 4308 4067
Fax: +91 11 6631 0410
Email: vivek.ka@icicibank.com
Website: www.icicibank.com
Contact Person: Mr. Vivek Kaushal

HDFC Bank Limited
FIG – OPS Department
Lodha, I Think Techno Campus
O-3 Level (Next to Kanjurmarg Railway Station)
Kanjurmarg (East)
Mumbai – 400 042, India.
Tel: +91 22 3075 2928
Fax: +91 22 2579 9801
Email: uday.dixit@hdfcbank.com/
figdelhi@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Mr. Uday Dixit

Andhra Bank
M-35, Connaught Circus
Outer Circle
New Delhi - 110 001, India.
Tel: +91 11 2341 5616
Fax: +91 11 2341 6043
Email: bmdel084@andhrabank.co.in
Website: www.andhrabank.in
Contact Person: Mr. M. Sreenivasa Rao

Escrow Collection Banks/ Bankers to the Issue

[●]

Refund Bank to the Issue

[●]

Self Certified Syndicate Banks

The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account, a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website as may be prescribed by SEBI from time to time.

Trading Members

Individuals or companies registered with SEBI as "trading members" who hold the right to trade in stocks listed on Stock Exchanges, through whom investors can buy or sell securities listed on the Stock Exchanges, a list of which are available on Stock Exchanges.

Credit Rating Agencies

CRISIL Limited
CRISIL House, Central Avenue
Hiranandani Business Park, Powai
Mumbai 400 076, India.
Tel: +91 22 3342 3000
Fax: +91 22 3342 3050
Website: www.crisil.com
SEBI Registration Number: IN/CRA/001/1999

ICRA Limited
Building No. 8, 2nd Floor, Tower A,
DLF Cyber City, Phase- II,
Gurgaon 122 002, India
Tel: +91 124 4545 300
Fax: +91 124 4545 350
Website: www.icra.in
SEBI Registration Number: IN/CRA/003/1999

CREDIT ANALYSIS AND RESEARCH LIMITED
3rd Floor, B-47, Inner Circle, Connaught Place,
Near Plaza Cinema,
New Delhi – 110 001
Tel: +91 11 45333220
Facsimile: +91 11 4533238
Email: jasmeen.kaur@carerating.com
Website: www.careratings.com
Contact Person: Ms. Jasmeen Kaur
SEBI Registration No.: IN/CRA/004/1999

Credit Rating and Rationale

ICRA has assigned a rating of '[ICRA]AAA' to the long term borrowings programme of our Company (including bonds and long term bank borrowings) for Fiscal 2014 by its letter dated July 15, 2013 and revalidated the said rating vide its letter dated August 13, 2013 and September 16, 2013. CRISIL has assigned a rating of 'CRISIL AAA/ Stable' to the long term borrowings programme of our Company for Fiscal 2014, by its letter dated July 11, 2013 and revalidated the said rating vide its letter dated August 06, 2013 and September 03, 2013. CARE has assigned its rating of 'CARE AAA' to the long term borrowing programme of our Company for Fiscal 2014 by its letter dated July 12, 2013 and revalidated the said rating vide its letter dated August 08, 2013 and September 04, 2013. Instruments with these ratings are considered to have the highest degree of safety regarding timely servicing of financial obligations and such instruments carry lowest credit risk. For details, see

the section titled "Terms and Conditions in Connection with the Bonds" on page 159. For the rationale for this rating, see Annexure C of this Draft Shelf Prospectus.

Expert Opinion

Except for the report dated August 12, 2013 on our audited consolidated financial statements for the Fiscals 2013, 2012, 2011, 2010 and 2009 and the statement of tax benefits issued by our Auditors, our Company has not obtained any expert opinions in relation to the Issue.

Minimum Subscription

Under the SEBI Debt Regulations, our Company may stipulate a minimum subscription amount which it seeks to raise. Our Company has decided to set no minimum subscription for the Issue.

Issue Programme

ISSUE PROGRAMME*	
ISSUE OPENS ON	**ISSUE CLOSES ON**
[●]	[●]

* *The Issue shall remain open for subscription on Working Days during banking hours for the period indicated above, except that the Issue may close on such earlier date or extended date as may be decided by the Board or a duly constituted committee thereof. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a reputed daily national newspaper on or before such earlier or extended date of Issue closure. On the Issue Closing Date Application Forms will be accepted only between 10 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. or such extended time as may be permitted by the BSE.*

CAPITAL STRUCTURE

Details of Equity Share capital

The following table lays down details of our authorised, issued, subscribed and paid up Equity Share capital as of June 30, 2013:

(₹ in crores)

	Aggregate value
Authorised share capital	
2,000,000,000 Equity Shares	2000.00
Issued, subscribed and paid up Equity Share capital	
1,320,006,883 Equity Shares	1320.02
Securities premium account	4094.50

Details of change in authorized Equity Share capital

There has been no change in the capital structure of our Company in the last five years.

Notes to capital structure

1. Equity Share capital history of our Company

The following is the history of the paid up Equity Share capital of our Company for the last five years ended June 30, 2013:

Date of allotment	No. of Equity Shares	Face Value (₹)	Issue price (₹)	Consideration in cash/ Other than cash	Cumulative			Nature of Allotment	Remarks
					No. of Equity Shares	Equity Share Capital (₹)	Share premium account (₹)		
May 24, 2011	172,165,005	10	203#	Cash	1319931705	13199317050	40926714456	Further public offering (refer to note below)	Nil
August 8, 2012	75,178	10	186$	Cash	1320006883	13200068830	40939949543	Allotment pursuant to conversion of employee stock options (refer to note below)	Nil
November 9, 2012	5,631	10	186.058*	Cash	1320012514	13200125140	40940940881		Nil
February 11, 2013	2,497	10	186.05**	Cash	1320015011	13200150110	40941380478		Nil

Notes

In May 2011 our Company came up with a further public offering of the Equity Shares, comprising of a fresh issue of 172,165,005 Equity Shares and an offer for sale of 57,388,335 Equity Shares by the President of India, acting through the MoP. Subsequent to this further public offering, the President of India, acting through the MoP held 73.72% of the fully diluted paid-up Equity Share capital of our Company. Retail investors and eligible employees were issued Equity Shares at a price of ₹192.85 per Equity Share.

$ *These Equity Shares were allotted to 265 allottees pursuant to the conversion of employee stock options granted under the "PFC ESOP 2010" scheme of our Company*

* *These Equity Shares were allotted to 15 allottees pursuant to the conversion of employee stock options granted under the "PFC ESOP 2010" scheme of our Company*

** *These Equity Shares were allotted to 4 allottees pursuant to the conversion of employee stock options granted under the "PFC ESOP 2010" scheme of our Company*

As on July 15, 2013 our Company has allotted 4255 shares under employee stock option to 82 allottees at the rate of ₹ 186.05 per share.

2. Shareholding pattern of our Company.

The following is the shareholding pattern of our Company, as of June 30, 2013:

Category of shareholder	Number of shareholders	Total number of Equity Shares	Number of shares held in dematerialized form	Total shareholding as a % of total number of Equity Shares (A+B)	Shares pledged or otherwise encumbered		Total shareholding as a % of total number of Equity Shares
					Number of shares	As a %	
Shareholding of Promoter and Promoter Group (A)							
Indian							
Individuals/ Hindu Undivided Family	-	-	-	-	-	-	-
Central Government/ State Government(s)	1	973061665	973061665	73.72	-	-	73.72
Bodies Corporate	-	-	-	-	-	-	-
Financial Institutions/ Banks	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-
Foreign							
Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-
Bodies Corporate (OCB)	-	-	-	-	-	-	-
Institutions/ FII	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-
Total Shareholding of Promoter and Promoter Group (A)	**1**	**973061665**	**973061665**	**73.72**	**-**	**-**	**73.72**
Public shareholding (B)							
Institutions (B1)							
Mutual Funds/ UTI	104	27609636	27609636	2.09	-	-	2.09
Financial Institutions/ Banks	54	21759774	21759774	1.65	-	-	1.65
Central Government/ -State Government(s)	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-
Insurance Companies	6	60034678	60034678	4.55	-	-	4.55
Foreign Institutional Investors	374	165782596	165782596	12.56	-	-	12.56
Foreign Venture Capital Investor	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-
Sub-Total (B)(1)	**538**	**275186684**	**275186684**	**20.85**	**-**	**-**	**20.85**
Non-institutions (B2)							
Bodies Corporate	1424	31485970	31485970	2.39	-	-	2.39
Individual shareholders holding nominal share capital upto ₹ 1 lakh	210233	32018075	32007558	2.43	-	-	2.43
Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	102	4992280	4992280	0.38	-	-	0.38
Qualified Foreign Investors	-	-	-	-	-	-	-
Non Resident Indians	2053	1097521	1097521	0.08	-	-	0.08
Trusts	22	108553	108553	0.01	-	-	0.01

Category of shareholder	Number of shareholders	Total number of Equity Shares	Number of shares held in dematerialized form	Total shareholding as a % of total number of Equity Shares (A+B)	Shares pledge or otherwise encumbered		Total shareholding as a % of total number of Equity Shares
					Number of shares	As a %	
Clearing members	336	2063523	2063523	0.16	-	-	0.16
Foreign nationals	2	740	740	*Negligible*	-	-	*Negligible*
Others	-	-	-	-	-	-	-
Sub-Total (B)(2)	**214172**	**71766662**	**71756145**	**5.44**	**-**	**-**	**5.44**
Total Public Shareholding (B) = (B)(1)+(B)(2)	**214710**	**346953346**	**346942829**	**26.28**	**-**	**-**	**26.28**
(C) Shares held by custodians and against which Depository receipts have been issued	-	-	-	-	-	-	-
(1) Promoter and Promoter Group	-	-	-	-	-	-	-
(2) Public	-	-	-	-	-	-	-
GRAND TOTAL (A)+(B)+(C)	**214711**	**1320015011**	**1320004494**	**100.00**	**-**	**-**	**100.00**

3. ***Details of the top 10 shareholders of our Company.***

Given below are details of the top 10 shareholders of our Company as of June 30, 2013:

Sr. No.	Name	No. of Equity Shares	No. of shares held in dematerialised form	As % of total number of shares
1.	President of India	973061665	973061665	73.72
2.	Life Insurance Corporation of India	75264613	75264613	5.70
3.	Government Pension Fund Global	14491465	14491465	1.10
4.	HDFC Standard Life Insurance Company Limited	10435697	10435697	0.79
5.	Morgan Stanley Asia (Singapore) Pte.	7919244	7919244	0.60
6.	Vanguard Emerging Markets Stock Index Fund, Aseries of Vanguard International Equity Index Fund	6621504	6621504	0.50
7.	Robeco Capital Growth Funds	6300000	6300000	0.48
8.	Sanlam Universal Funds Plc	6106500	6106500	0.46
9.	DSP Blackrock Top 100 Equity Fund	5410023	5410023	0.41
10.	Goldman Sachs Investments (Mauritius) I Ltd	4651931	4651931	0.35
	TOTAL	**1110262642**	**1110262642**	**84.11**

4. ***Top 10 debenture holders/ bondholders of our Company.***

Given below are details of the top 10 debenture holders of our Company as of June 30, 2013:

Sr. No.	Name	Amount (in ₹ crore)
1.	Life Insurance Corporation of India	14218.00
2.	Coal Mines Provident Fund Organisation	2761.00
3.	State Bank of India	2285.00
4.	Punjab National Bank	2144.00
5.	CBT EPF-05-C-DM	1760.00
6.	CBT EPF-05-B-DM	1647.00
7.	Reliance Industries Limited	1635.00
8.	CBT EPF-05-A-DM	1611.00
9.	CBT EPF-05-D-DM	1520.00

Sr. No.	Name	Amount (in ₹ crore)
10.	Birla Sunlife Trustee Company private Limited A/c Birla Sunlife Dynamic Bond Fund	1500.00

5. Long term debt to equity ratio.

The long term debt to equity ratio of our Company prior to this Issue is based on a total long term outstanding debt of ₹ 121150.86 crores, and shareholders' funds, amounting to ₹ 24054.12 crores which was 5.04 times as of March 31, 2013. The long term debt to equity ratio post the Issue (assuming full subscription of ₹ 3875.90 crores is 5.20 times, based on a total long term outstanding debt of ₹ 125026.76 crores and shareholders' funds of ₹ 24054.12 crores.

(*In ₹ crores*)

Particulars	Prior to the Issue (as of March 31, 2013)	Post-Issue*
Debt		
Short term debt	18431.85	18431.85
Long term debt	121150.86	125026.76
Total debt	139582.71	143458.61
Shareholders' fund		
Share capital	1320.02	1320.02
Reserves and surplus excluding revaluation reserve	22734.10	22734.10
Total shareholders' funds	24054.12	24054.12
Long term debt/ equity	5.04	5.20
Total debt/ equity	5.80	5.96

* *Any change in total debt and shareholders' fund after March 31, 2013 has not been considered.*

6. None of the Equity Shares are pledged or otherwise encumbered by the Promoters.

7. Our Company has not undertaken any acquisition or amalgamation in the last one year prior to filing of this Draft Shelf Prospectus.

8. Our Company has not undergone any reorganisation or reconstruction in the last one year prior to filing of this Draft Shelf Prospectus.

9. Our Company has not issued any Equity Shares or debt securities for consideration other than cash, whether in whole or in part since its incorporation.

10. Our Company has not, since its incorporation, issued any debt securities at a premium or at a discount, or in pursuance of an option.

11. For details of the outstanding borrowings of our Company, please see the section titled "Financial Indebtedness" on page 131.

OBJECTS OF THE ISSUE

Issue Proceeds

The CBDT has by the CBDT Notification, authorised our Company to raise the Bonds aggregating to ₹ 5000 crores in Fiscal 2014. The funds raised through this Issue will be utilised towards general lending operations of the Company and other associated business objectives and to discharge existing debt obligations which were generally undertaken for business operations

The main objects clause of the Memorandum of Association permits our Company to undertake its existing activities as well as the activities for which the funds are being raised through the Issue. Further, in accordance with the SEBI Debt Regulations, our Company shall not utilize the proceeds of the Issue for providing loans to or acquisition of shares of any person who is a part of the same group as our Company or who is under the same management as our Company or any of our Subsidiaries. Our Company is a public sector enterprise and as such, there are no identifiable group companies or companies under the same management.

Further, the Company undertakes that Issue proceeds from the Bonds Allotted to banks shall not be used for any purpose which may be in contravention of the RBI guidelines on bank financing to NBFCs including those relating to classification as capital market exposure or any other sectors that are prohibited under extant RBI regulations.

The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, among other things, by way of a lease, of any property.

Utilisation of Issue Proceeds

The funds raised through this Issue will be utilised towards general lending operations of the Company and other associated business objectives and to discharge existing debt obligations which were generally undertaken for business operations. Such utilisation of Issue Proceeds shall be in compliance with various guidelines/regulations/ clarifications issued by RBI, SEBI or any other statutory authority from time to time.

Issue expenses

A portion of the Issue proceeds will be used to meet Issue expenses. The following are the estimated Issue expenses, which shall be finalized at the time of filing of the Tranche Prospectus in respect of each Tranche Issue:

Particulars	Amount (₹ in crores)	Percentage of net proceeds (Issue proceeds less Issue expenses) of the Issue (in %)	Percentage of total expenses of the Issue (in %)
Fees payable to Intermediaries			
Lead Managers	[●]	[●]	[●]
Registrar to the Issue	[●]	[●]	[●]
Debenture Trustee	[●]	[●]	[●]
SCSBs	[●]	[●]	[●]
Advertising and marketing	[●]	[●]	[●]
Selling and Brokerage commission	[●]	[●]	[●]
Other Miscellaneous Expenses	[●]	[●]	[●]
Total	[●]	[●]	[●]

The Company shall pay processing fees to the SCSBs for ASBA forms procured by Lead Managers/ Consortium Members/ Sub-Consortium Members/Brokers / Sub brokers/Trading Members and submitted to the SCSBs for blocking the application amount of the applicant, at the rate of ₹ [●] per Application Form procured, as finalized by the Company. However, it is clarified that in case of ASBA Application Forms procured directly by the SCSBs, the relevant SCSBs shall not be entitled to any ASBA Processing Fee.

Interim use of Proceeds

The Board of Directors, in accordance with the policies formulated by them from time to time, will have flexibility in deploying the proceeds received from the Issue. Pending utilization of the proceeds out of the Issue for the

purposes described above, our Company intends to temporarily invest funds in accordance with the existing procedure, laid down by our Company.

Monitoring of Utilization of Funds

There is no requirement for appointment of a monitoring agency in terms of the SEBI Debt Regulations. The Board of Directors of our Company shall ensure the utilisation of the proceeds of the Issue. Our Company will disclose in our Company's financial statements for the relevant financial year commencing from April 1, 2013, the utilization of the proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue. Further, in accordance with the Debt Listing Agreement, our Company will furnish to the Designated Stock Exchange on a half yearly basis, a statement indicating material deviations, if any, in the use of Issue proceeds and shall also publish the same in newspapers simultaneously with the half-yearly financial results. We shall utilize the proceeds of the Issue only upon execution of the documents for creation of security as stated in the section titled as "Terms of the Issue" on page 163 and upon the listing of the Bonds.

We propose to issue Bonds to NRIs (on a non repatriable as well as repatriable basis) and to FIIs. Under Foreign Exchange Management (Borrowing and Lending in Rupees) Regulation, 2000 as amended from time to time. Monies received from non residents shall be used as per relevant regulations/guidelines/clarifications by RBI from time to time.

To ensure compliance with the afore-mentioned our Company shall open and maintain separate escrow account with respect to non residents including NRIs and FIIs i.e. Non Resident Escrow Account. All application monies received from non residents including NRIs and FIIs shall be deposited in Non Resident Escrow Accounts to be maintained with one or more Escrow Collection Banks. Upon Allotment of Bonds, monies from Non Resident Escrow Accounts shall be transferred to separate Non Resident Public Issue Accounts which shall be different from Public Issue Account for Residents. Our Company shall ensure that any monies transferred to the Company's bank account from Non Resident Public Issue Accounts shall be utilized only in accordance with and subject to the restrictions contained in the Foreign Exchange Management (Borrowing and Lending in Rupee) Regulations, 2000, and various rules, regulations or clarification issued from time to time.

STATEMENT OF TAX BENEFITS

Under the current tax laws, the following possible tax benefits, inter alia, will be available to the Bond Holder. This is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of the Bond, under the current tax laws presently in force in India. The benefits are given as per the prevailing tax laws and may vary from time to time in accordance with amendments to the law or enactments thereto. The Bond Holder is advised to consider in his own case the tax implications in respect of subscription to the Bond after consulting his tax advisor as alternate views are possible interpretation of provisions where under the contents of his statement of tax benefit is formulated may be considered differently by income tax authority, government, tribunals or court. We are not liable to the Bond Holder in any manner for placing reliance upon the contents of this statement of tax benefits.

A. INCOME TAX

1. Interest from Bond do not form part of Total Income.

a) In exercise of power conferred by item (h) of sub clause (iv) of clause (15) of Section 10 of the Income Tax Act, 1961 the Central Government vide notification no 61/2013.F.No.178/37/2013-(ITA.1) dated 8th August, 2013 authorizes our Company to issue during the Financial year 2013 -14, tax free, secured, redeemable, non-convertible bonds for the aggregate amount of Rs 5000 crores subject to the other following conditions that –

i) Retail Individual Investors, Qualified Institutional Buyers, Corporates and High Net Worth Individuals shall be eligible to subscribe to the bonds.

- Qualified Institutional Buyers shall have the same meaning as assigned to them in the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000.

- Retail individual investors means those individual investors, Hindu Undivided Family (through Karta), and Non Resident Indians (NRIs), on repatriation as well as non repatriation basis, applying for upto rupees ten lakh in each issue and individual investors investing more than rupees ten lakh shall be classified as High Networth Individuals.

ii) It shall be mandatory for the subscribers to furnish their Permanent Account Number to the issuer.

iii) The holder of such bonds must register his or her name and the holding with the issuer.

iv) The tenure of the bonds shall be ten, fifteen or twenty years.

v) There shall be ceiling on the coupon rates based on the reference G-sec rate. The ceiling coupon rate for AAA rated issuers shall be reference G-sec rate less 55bps in case of Retail Institutional Investors and G-sec rate minus 80 bps in case of Qualified Institutional Buyers, Corporates and High Net worth Individuals. The interest shall be payable annually.

vi) The higher rate of interest, applicable to retail investors, shall not be available in case the bonds are transferred by Retail individual investors to non –retail investors.

b) Section 10(15)(iv)(h) provides that in computing the total income of a previous year of any person, interest payable by any public sector company in respect of such bonds or debentures and subject to such conditions, including the condition that the holder of such bonds or debentures registers his name and the holding with that company, as the Central Government may, by notification in the Official Gazette, specify in this behalf shall not be included;

Further as per Sec 14A (1), no deduction shall be allowed in respect of expenditure incurred by the assesse in relation to said interest, being exempt.

Section 2(36A) of the IT Act defines "Public Sector Company" as any corporation established by or under any state Central, State, Provincial Act or a Government company as defined section 617 of the Companies Act, 1956. Power Finance Corporation is a public sector company as it is a Government company as defined section 617 of the Companies Act, 1956.

c) Since the interest Income on these bonds is exempt, no Tax Deduction at Source is required on the same.

2. CAPITAL GAIN

a) Under section 2 (29A) of the I.T. Act, read with section 2 (42A) of the I.T. Act, a listed Bond is treated as a **long term capital asset** if the same is held for more than 12 months immediately preceding the date of its transfer.

Under section 112 of the I.T. Act read with third proviso to section 48, capital gains arising on the transfer of long term capital assets being listed bonds are subject to **tax at the rate of 10%** of capital gains calculated without indexation of the cost of acquisition. The capital gains will be computed by deducting expenditure incurred in connection with such transfer and cost of acquisition of the bonds from the sale consideration.

Securities Transaction Tax (STT) is a tax being levied on all transactions in specified securities done on the stock exchanges at rates prescribed by the Central Government from time to time. **STT is not applicable on transactions in the Bonds.**

In case of an **individual or HUF**, **being a resident,** where the total income as reduced by the long term capital gains is below the maximum amount not chargeable to tax i.e. Rs 200,000 in case of all individuals, Rs 250,000 in case of resident senior citizens and Rs.500,000 in case of resident very senior citizens, the long term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and the tax on the balance of such long-term capital gains shall be computed at the rate of ten per cent in accordance with and the proviso to sub-section (1) of section 112 of the I.T. Act.

A 2% education cess and 1% secondary and higher education cess on the total income tax (including surcharge wherever applicable) is payable **by all categories of tax payers.**

b) **Short-term capital** gains on the transfer of listed bonds, where bonds are held for a period of not more than 12 months would be taxed **at the normal rates of tax** in accordance with and subject to the provisions of the I.T. Act, 1961.

The provisions related to minimum amount not chargeable to tax, surcharge and education cess described in (a) above would also apply to such short-term capital gains.

c) Under **section 54 EC** of the Act and subject to the conditions and to the extent specified therein, **long term capital gains** arising to the **all bondholders** on transfer of their bonds in the company shall **not be chargeable to tax** to the extent such capital gains are **invested in certain notified bonds** within six months from the date of transfer. If only part of the capital gain is so invested, the exemption shall be proportionately reduced. However, if the said notified bonds are transferred or converted into money within a period of three years from their date of acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money. Where the benefit of section 54 EC of the Act has been availed of on investments in the notified bonds, a deduction from the income with reference to such cost shall not be allowed under section 80 C of the Act. The investment made in the notified bonds by an assessee in any financial year cannot exceed Rs 50 Lakh. At present notified bonds are issued by National Highways Authority of India (NHAI) and Rural Electricity Corporation Ltd.(REC).

d) As per the provisions of **section 54F** of the Income Tax Act, 1961 and subject to conditions specified therein, any long-term capital gains (not being residential house) arising to Bond Holder who is an **individual or Hindu Undivided Family**, are exempt from capital gains tax if

the entire net sales considerations is utilized, within a period of one year before, or two years after the date of transfer, in purchase of a new residential house, or for construction of residential house within three years from the date of transfer. If part of such net sales consideration is invested within the prescribed period in a residential house, then such gains would be chargeable to tax on a proportionate basis.

Provided that the said bond holder should not own more than one residential house at the time of such transfer. If the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred. Similarly, if the Bond Holder purchases within a period of two years or constructs within a period of three years after the date of transfer of capital asset, another residential house (other than the new residential house referred above), then the original exemption will be taxed as capital gains in the year in which the additional residential house is acquired.

e) Under section 195 of the Income Tax Act, Income Tax shall be deducted from sum payable to non residents on the long term capital gain at the rate of 20% (plus applicable surcharge and education cess) and short term capital gain at the normal rate of tax (plus applicable surcharge and education cess) arising on sale of bonds.

As per section 90(2) of the IT Act, the provision of the IT Act would not prevail over the provision of the tax treaty applicable to the non-resident to the extent such tax treaty provisions are more beneficial to the non resident. Thus, a non resident can opt to be governed by the beneficial provisions of an applicable tax treaty

f) As per Section 115AD of the Income Tax Act, 196, the income by way of short term capital gains or long term capital gains (not covered under Section 10(38) of the IT Act) realized by FIIs on sale of security in the Company would be taxed at the following rates.

1) Short term capital gains- 30% (plus applicable surcharge and education cess).

2) Long term capital gains - 10% without cost indexation (plus applicable surcharge and education cess)

g) However, as per section 196D, no deduction of tax shall be made from income arising by way of capital gain to Foreign Institutional Investors.

3. Bonds held as stock in trade

In case the Bonds are held as stock in trade, the income / loss on transfer of bonds would be treated as business income or loss in accordance with and subject to the provisions of the Income Tax Act, 1961.

4. Taxation on gift

As per section 56(2)(vii) of the I.T. Act, in case where **individual or Hindu undivided Family** receives bond from any person on or after 1st October, 2009

A. without any consideration, aggregate fair market value of which exceeds fifty thousand rupees, then the whole of the aggregate fair market value of such bonds/debentures or;

B. for a consideration which is less than the aggregate fair market value of the Bond by an amount exceeding fifty thousand rupees, then the aggregate fair market value of such property as exceeds such consideration;

shall be taxable as the income of the recipient.

Provided further that this clause shall not apply to any sum of money or any property received—

(a) From any relative including in case of HUF, any member thereof; or

(b) On the occasion of the marriage of the individual; or
(c) Under a will or by way of inheritance; or
(d) In contemplation of death of the payer or donor, as the case may be; or
(e) From any local authority as defined in the Explanation to clause (20) of section 10; or
(f) From any fund or foundation or university or other educational institution or hospital or other medical institution or any trust or institution referred to in clause (23C) of section 10; or
(g) From any trust or institution registered under section 12AA.

B. WEALTH TAX

Wealth-tax is not levied on investment in bond under section 2(ea) of the Wealth-tax Act, 1957.

C. Proposals made in Direct Taxes Code

The Hon'ble Finance Minister has presented the Direct Tax Code Bill, 2010 (_DTC Bill') on August 30, 2010. The DTC Bill is likely to be presented before the Indian Parliament in future. Accordingly, it is currently unclear what effect the Direct Tax Code would have on the investors.

For K.B. Chandna & Co.
Chartered Accountants
Firm's Regn. No.: 000862N

For N.K.Bhargava & Co.
Chartered Accountants
Firm's Regn. No.: 000429N

V.K. Gureja
Partner
Membership no. 016521

N.K.Bhargava
Partner
Membership no.080624

Dated: August 14, 2013

INDUSTRY OVERVIEW

The information in this section has not been independently verified by us, the Lead Managers or any of our or their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Accordingly, investment decisions should not be based on such information. Figures used in this section are presented as in the original sources and have not been adjusted, restated or rounded off for presentation in this Draft Shelf Prospectus.

The Indian Economy

India has an estimated population of 122.08 crore people as of July 2013, with an estimated GDP calculated on a purchasing power parity basis of approximately US $ 4.784 trillion in 2012. This makes it the fourth largest economy in the world in terms of GDP after the European Union, United States of America and China. *(Source: CIA World Factbook 2013)*

In 2012, the Indian economy grew at 6.5% compared to 7.7% in the previous year – the impact coming largely from global slowdown and challenges in the Euro-zone. (*Source: CIA World Factbook 2013*). By way of comparison, the below table illustrates the GDP growth in 2012 for certain other countries:

Country	GDP Growth in 2012 (%)*
China	7.80
India	**6.50**
Singapore	1.30
Brazil	0.90
United States	2.20
United Kingdom	0.20
Japan	2.00

* *GDP growth on an annual basis adjusted for inflation and expressed as a percent*
(Source: CIA World Factbook 2013)

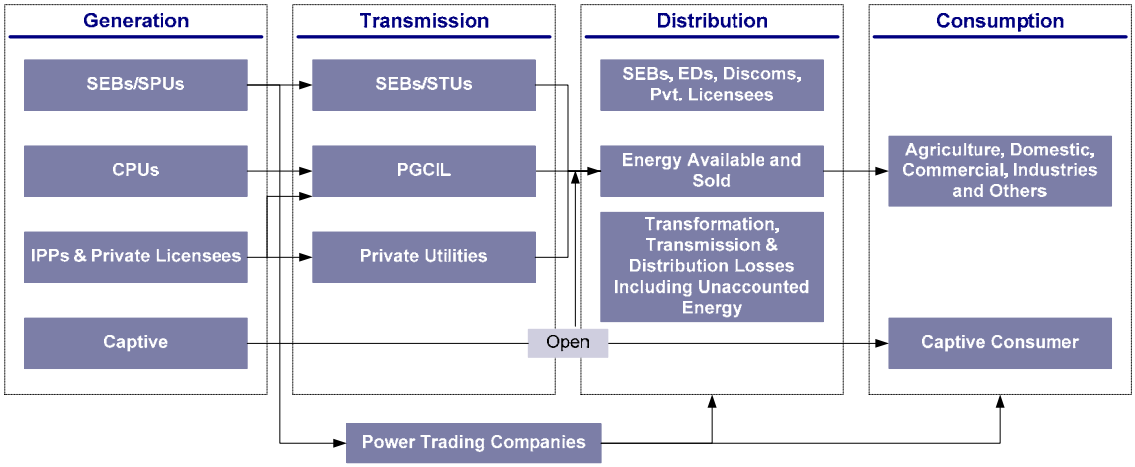
The Reserve Bank of India eased monetary policy during 2012-13 and first quarter of 2013-14 while guarding against re-emergence of inflation. The transmission of this easing has reduced lending rates significantly. There was marked easing in liquidity conditions in first quarter of 2013-14, which broadly remained in line with policy objectives. With headline inflation moderating, the Reserve Bank reduced the repo rate by 25 bps in May 2013, over and above the 50 bps reduction in fourth quarter of 2012-13, on top of a 100 bps rate cut during 2012-13.
[Source: RBI, Macroeconomic and Monetary Developments First Quarter Review 2013-14 dated July 29, 2013 (Issued with the First Quarter Review of Monetary Policy 2013-14)]

The Indian economy continued to remain sluggish in fourth quarter of 2012-13, though it still maintained a pace faster than most of the emerging and developing economies. The year 2012-13, as a whole, witnessed a moderated GDP growth of 5.0 per cent the lowest since 2002-03. Domestic policy uncertainties, governance concerns, the impact of earlier monetary tightening, slack external demand conditions and a weak monsoon, weighed down on the growth process during the year.
[Source: RBI, Macroeconomic and Monetary Developments First Quarter Review 2013-14 dated July 29, 2013 (Issued with the First Quarter Review of Monetary Policy 2013-14)]

THE INDIAN POWER SECTOR

Structure of the Indian Power Sector

The following diagram depicts the structure of the Indian power industry for generation, transmission, distribution and consumption:



Legend:

IPPs	Independent Power Producer
CPUs	Central Power Utilities
SEBs	State Electricity Boards
STUs	State Transmission Utilities
SPUs	State Power Utilities
PGCIL	Power Grid Corporation of India Limited
EDs	Electricity Departments
Discoms	Distribution Companies

Overview of the Indian power sector

India has continuously experienced shortages in energy and peak power requirements. According to CEA's monthly review of the power sector ("**CEA Monthly Review**") published in June, 2013, the provisional total energy deficit and peak power deficit during the month June, 2013 was approximately 4.1% and 4.5%, respectively. The shortages in energy and peak power have been primarily due to the sluggish progress in capacity addition. The Indian economy is based on planning through successive five year plans ("**Five Year Plans**") that set out targets for economic development in various sectors, including the power sector. During the 9th Five Year Plan (1997-2002) ("**9th Plan**"), capacity addition achieved was 19,119MW, which was 47.5% of the 40,245 MW targeted under the 9th Plan. During the course of the 10th Five Year Plan (2002 to 2007) ("**10th Plan**"), capacity addition achieved was 21,180 MW, which was 51.6% of the 41,110 MW targeted under the 10th Plan. During the 11th Five Year Plan (2007-2012) ("**11th Plan**") capacity addition achieved has been 88.1% of the target addition or 62,374 MW. *(Source: Power Scenario at a Glance, Ministry of Power Website www.powermin.nic.in).* The planned capacity addition in the 12th Five Year Plan is 75,785 MW comprising 62,695 MW of coal based projects, 1,086 MW of gas based projects, 9,204 MW of Hydro power projects and 2,800 MW of nuclear power projects. *(Source: Working Group Report on Power for 12th Five Year Plan from Ministry Power dated Jan 2012).* The total installed power generation capacity in India is 225,793.10 MW as on June 30, 2013. *(Source: CEA Monthly Review of June, 2013)*

Power Demand in India

Rapid growth of the economy places a heavy demand on electric power. Reforms in the power sector, to make it efficient and more competitive, have been under way for several years and while there has been some progress, shortage of power and lack of access continues to be a major constraint on economic growth. The persistent shortages of electricity both for peak power and energy indicate the need for improving performance of the power sector in the country [*Source: website of the Planning Commission of India ("**Planning Commission**")*].

The electricity generation target for the year 2012-2013 was fixed as 930 Billion Unit (BU). i.e. growth of around 6.04% over actual generation of 877 for the previous year (2011-2012). The generation during March, 2013 was 79.928 BU as compared to 77.619 BU generated during March 2012, representing a growth of about 2.97%.

Programme, actual achievement and growth in electricity generation in the country during 2009-10 to 2012-13

(the figures provided are in Billion Unit (BU) except for percentages)

Year	Target	Achievement	% of target	% growth
2009-10	789.511	771.551	97.73	6.60
2010-11	830.757	811.143	97.64	5.56
2011-12	855.00	876.887	102.56	8.11
2012-13	930.00	911.65	98.02	3.96

(Source: http://powermin.nic.in/indian_electricity_scenario/policy_initiatives.htm)

Power Supply in India

Historical Capacity Additions

Each successive Five Year Plan of the GoI has had increased targets for the addition of power generation capacity. The energy deficit in India is a result of insufficient progress in the development of additional energy capacity. In each of the last three Five Year Plans (the 8th, 9th, and 10th Five Year Plans, covering fiscal 1992 to fiscal 2007), less than 55.0% of the targeted additional energy capacity level was added. According to the White Paper, India added an average of approximately 20,000 MW to its energy capacity in each of the 9th Plan and 10th Plan periods.

The total capacity addition during the past 30 years between the 6th Five Year Plan and the 11th Plan was approximately 1,54,374 MW.

Current Capacity

Out of India's total installed capacity of 225,793.10 MW as on June 30, 2013, the installed capacity in respect of thermal projects, nuclear projects, hydro projects and renewable energy source projects accounts for approximately 68.14%, 2.12%, 17.55 and 12.20%, respectively. *(Source: CEA Monthly Review June 2013)*

The following table sets forth a summary of India's energy generation capacity as on June 30, 2013 in terms of fuel source and region:

(figures provided are in Mega Watts (MW))

Sl. No.	Region	THERMAL				Nuclear	Hydro (Renewable)	R.E.S @ (MNRE)	Total
		Coal	Gas	DSL	Total				
1.	Northern	33073.50	5031.26	12.99	38117.75	1620.00	15467.75	5589.25	60794.75
2.	Western	50244.51	8988.31	17.48	59250.30	1840.00	7447.50	8986.93	77524.73
3.	Southern	25182.50	4962.78	939.32	31084.60	1320.00	11353.03	12251.85	56009.48
4.	Eastern	23727.88	190.00	17.20	23935.08	0.00	4113.12	454.91	28503.11
5.	N. Eastern	60.00	1187.50	142.74	1390.24	0.00	1242.00	252.68	2884.92
6.	Islands	0.00	0.00	70.02	70.02	0.00	0.00	6.10	76.12
7.	**All India**	**132288.39**	**20359.85**	**1199.75**	**153847.99**	**4780.00**	**39623.40**	**27541.71**	**225793.10**

(Installed Generation Capacity: CEA website)

Demand-Supply Imbalance in India

The Indian power sector has historically been beset by energy shortages which have been rising over the years. The following table provides the power supply position in the country during 2009-10 to 2012-13:

Year	Energy				Peak			
	Requirement	Availability	Surplus/Deficits(-)		Peak Demand	Peak Met	Surplus/Deficits(-)	
	(MU)	(MU)	(MU)	(%)	(MW)	(MW)	(MW)	(%)
2009-10	8,30,594	7,46,644	83,950	10.1	1,19,166	1,04,009	15,157	12.7

Year	Energy				Peak			
	Requirement	Availability	Surplus/Deficits(-)		Peak Demand	Peak Met	Surplus/Deficits(-)	
	(MU)	(MU)	(MU)	(%)	(MW)	(MW)	(MW)	(%)
2010-11	8,61,591	7,88,355	73,236	8.5	1,22,287	1,10,256	12,031	9.8
2011-12	9,37,199	8,57,886	79,313	8.5	1,30,006	1,16,191	13,815	10.6
2012-13	9,95,500	9,08,574	86,926	8.7	1,35,453	1,23,294	12,159	9.0

(Source: http://www.powermin.nic.in/JSP_SERVLETS/internal.jsp)

The total Indian power deficit of 8.6% during April – October 2012 can be compared to power deficits of 8.5%, 8.5% and 10.1% in fiscal 2012, fiscal 2011 and fiscal 2010, respectively. Similarly, the October, 2012 peak deficit of 8.8% can be compared to peak deficits of 10.6%, 9.8% and 12.7% in fiscal 2012, fiscal 2011 and fiscal 2010 (*Source: www.powermin.nic.in*).

The deficits in electric energy and peak power requirements vary across different regions in India. The following table outlines the power supply position in June 2013 across the regions of India:

Region	Energy (MU) Requirement	Deficit %	Peak Demand (MW)	Deficit %
Northern	27253	(5.00)	41473	(4.60)
Western	23270	(0.70)	35986	(2.50)
Southern	21728	(7.70)	33809	(7.00)
Eastern	9221	(1.30)	15243	(2.30)
Northern Eastern	1091	(6.40)	2101	(9.60)
All India	**82563**	**(4.10)**	**128612**	**(4.50)**

(Source: CEA Monthly Review June 2013)

Demand Projections

To deliver a sustained economic growth rate of 8.0% through to Fiscal 2032, India needs, at the least, to increase its primary energy supply between three and four times and its electricity generation capacity between five and six times based on Fiscal 2004 levels. With Fiscal 2004 as a baseline, India's commercial energy supply would need to grow from 5.2% to 6.1% per annum while its total primary energy supply would need to grow at 4.3% to 5.1% annually. Further, power generation capacity must increase to around 800,000 MW by Fiscal 2032 from the Fiscal 2004 capacity levels of around 160,000 MW inclusive of all captive plants. (*Source: Planning Commission, Integrated Energy Policy Report of the Expert Committee on Power, August 2006 (the "IEP report August 2006"*). This represents a need for the substantial augmentation of power generation capacity. Such investment in power generation will require increased investment in power transmission and distribution if the additional power is to be effectively disseminated among potential customers.

The table below lays out the projected additional capacity needed by Fiscal 2017 and Fiscal 2022 under different GDP growth rate scenarios:

	Assumed GDP Growth (%)	Electricity Generation required (BU)	Peak Demand (GW)	Installed Capacity (GW)	Capacity Addition Required (GW)*
By fiscal 2017	8.0	1524	226	306	157
	9.0	1687	250	337	188
By fiscal 2022	8.0	2118	323	425	276
	9.0	2438	372	488	339
* Based on the existing installed capacity of 149 GW in India.					

(Source: IEP report August 2006)

Future Capacity Additions

12th Five Year Plan (2012-2017) (the "12th Plan")

Capacity addition of 75,785 MW has been envisaged for the 12th Plan. This comprises an estimated 63,781 MW thermal power, 9,204 MW hydro power and 2,800 MW nuclear power (*Source: Working Group Report on Power for 12th Five Year Plan from Ministry Power dated Jan 2012*).

The total fund requirement to achieve the above targeted capacity addition is estimated at ₹ 1,237,480 crore, with an estimated ₹ 638,600 crore being required for generation projects, an estimated ₹ 180,000 crore being required for transmission projects and an estimated ₹ 306,235 crore being required for distribution projects. *(Source: Working Group Report on Power for 12th Five Year Plan from Ministry Power dated Jan 2012)*

Power Transmission and Distribution

In India, the transmission and distribution system is a three-tier structure comprised of regional grids, state grids and distribution networks. The five regional grids, configured on a geographical contiguity basis, enable transfer of power from a power surplus state to a power deficit state. The regional grids also facilitate the optimal scheduling of maintenance outages and better co-ordination between power plants. These regional grids are to be gradually integrated to form a national grid, whereby surplus power from a region could be redirected to another region facing power deficits, thereby allowing a more optimal utilization of the national generating capacity.

Most inter-regional and inter-state transmission links are owned and operated by Power Grid Corporation of India Limited though some are jointly owned by the SEBs. state grids and distribution networks are mostly owned and operated by the respective SEBs, STUs, distribution companies, or state governments (through state electricity departments). A direct consequence of the high AT&C losses that are experienced by the Indian power sector is the inadequate financial condition of SEBs and SPUs thereby restricting the SEBs from making any meaningful investments in generation and the modernization of the transmission and distribution network.

POLICY INITIATIVES AND ECONOMIC REFORMS IN INDIA

Since 1991, India has witnessed reforms across the policy spectrum in the areas of fiscal and industrial policy, trade and finance. Some of the key reform measures are:

- *Industrial Policy Reforms:* Removal of capacity licensing and opening up various sectors to FDI;
- *Trade Policy Reforms:* Lowering of import tariffs and restrictions on imports, across industries; and
- *Monetary Policy and Financial Sector Reforms:* Lowering interest rates, relaxation of restrictions on fund movement and the introduction of private participation in insurance sector.

In addition, FDI has been recognized as an important driver of economic growth in the country. The GoI has taken a number of steps to encourage and facilitate FDI, and FDI is allowed in many key sectors of the economy, such as manufacturing, services, infrastructure and financial services. For many sectors, 100% FDI is allowed on an automatic basis, without prior approval from the Foreign Investment Promotion Board ("**FIPB**")

Cumulative amount of FDI inflows in India from April 2000 to April 2013 (excluding, amount remitted through RBI's-+NRI Schemes) is ₹ 909,002 crore (US$ 195,603 million). Financial year wise equity inflows are elaborated as follows:

S. Nos.	Financial Year (April – March)	Amount of FDI Inflows		%age growth over previous year (in terms of US $)
		In ₹ crores	In US$ million	
1.	**2000-01**	10733.00	2463.00	
2.	**2001-02**	18654.00	4065.00	(+) 65%
3.	**2002-03**	12871.00	2705.00	(-) 33%
4.	**2003-04**	10064.00	2188.00	(-) 19%
5.	**2004-05**	14653.00	3219.00	(+) 47%
6.	**2005-06**	24584.00	5540.00	(+) 72%

S. Nos.	Financial Year (April – March)	Amount of FDI Inflows		%age growth over previous year (in terms of US $)
		In ₹ crores	In US$ million	
7.	**2006-07**	56390.00	12492.00	(+) 125%
8.	**2007-08**	98642.00	24575.00	(+) 97%
9.	**2008-09***	142829.00	31396.00	(+) 28%
10.	**2009-10****	123120.00	25834.00	(-) 18%
11.	**2010-11****	97320.00	21383.00	(-) 17%
12.	**2011-12**/^**	165146.00	35121.00	(+) 64%
13.	**2012-13****	121907.00	22423.00	(-) 36%
14.	2013-14 (for April, 2013)	12623.00	2321.00	
	CUMULATIVE TOTAL (from April, 2000 to April, 2013)	**909536.00**	**195725.00**	-

Note: ***(i) Including amount remitted through RBI's – NRI Schemes (2000-2002)***

(ii) FEDAI (Foreign Exchange Dealers Association of India) conversion rate from rupees of US dollar applied, on the basis of monthly average rate provided by RBI (DEPR), Mumbai

* ***An additional amount of US$ 4,035 million pertaining to the year 2008 – 09, since reported by RBI, has been included in FDI data base from February, 2012.***

** ***Figures for the year 2009 – 10, 2010 – 11, 2011-12 & 2012-13 (from April, 2012 to August, 2012) are provisional subject to reconciliation with RBI.***

^ ***Inflows for the month of March, 2012 are as reported by RBI, consequent to the adjustment made in the figures of March, 2011, August, 2011 and October, 2011***

Out of total FDI inflows as mentioned an amount of ₹ 36,200.05 Crores (US$ 7,845.84 Million) has been invested in the power sector.
(*Source: http://dipp.nic.in/English/Publications/FDI_Statistics/2013/india_FDI_April2013.pdf*)

Further, in recent years, in light of persistent power shortages and given the estimated rate of increase in demand for electricity in India, the GoI has taken significant action to restructure the power sector, increase capacity, improve transmission, sub-transmission and distribution, and attract investment to the sector. Some of the various strategies and reforms adopted by the GoI and other initiatives in the power sector in India are summarized below:

Electricity Act, 2003

An act to consolidate the laws relating to generation, transmission, distribution, trading and use of electricity and generally for taking measures conducive to development of electricity industry, promoting competition therein, protecting interest of consumers and supply of electricity to all areas, rationalisation of electricity tariff, ensuring transparent policies regarding subsidies, promotion of efficient and environmentally benign policies constitution of Central Electricity Agency, Regulatory commissions and establishment of Appellate Tribunal and for matters concerned therewith or incidental thereto.
(Source: www.powermin.nic.in)

National Electricity Policy, 2005

The national electricity policy was notified in February 2005. This policy aims at accelerated development of the power sector, focusing on the supply of electricity to all areas and protecting interests of consumers and other stakeholders, keeping in view availability of energy resources technology available to exploit these resources, economics of generation using different resources and energy security issues.
(Source: www.powermin.nic.in)

National Tariff Policy, 2006

The national tariff policy was notified by the GoI on January 6, 2006 ("**NTP**"). Its main objectives are to:

- ensure availability of electricity to consumers at reasonable and competitive rates;
- ensure financial viability of the sector and attract investments;
- promote transparency, consistency and predictability in regulatory approaches across jurisdictions and

minimize perceptions of regulatory risks; and

- promote competition, efficiency in operations and improvement in quality of supply.

The NTP stipulates that all future power requirements should be procured competitively by distribution licensees except in cases of expansion of pre-existing projects or where there is a public sector controlled or owned developer involved. In these cases, regulators must resort to tariffs set by reference to standards of the Central Electricity Regulatory Commission, provided that expansion of generating capacity by private developers for this purpose will be restricted to a one time addition of not more than 50% of the existing capacity. Under the NTP, even for public sector projects, tariffs for all new generation and transmission projects will be decided on the basis of competitive bidding after a certain time period.
(Source: www.powermin.nic.in)

Rural Electrification Initiatives

Ministry of Power launched Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) as one of its flagship programme in March 2005 with the objective of electrifying over one lakh un-electrified villages and to provide free electricity connections to 2.34 Crore rural BPL households. This programme has been brought under the ambit of Bharat Nirman. Under RGGVY, electricity distribution infrastructure is envisaged to establish Rural Electricity Distribution Backbone (REDB) with at least a 33/11KV sub-station in a block, Village Electrification Infrastructure (VEI) with at least a Distribution Transformer in a village or hamlet, and standalone grids with generation where grid supply is not feasible. Subsidy towards capital expenditure to the tune of 90% is being provided, through Rural Electrification Corporation Limited (REC), which is a nodal agency for implementation of the scheme. Electrification of un-electrified Below Poverty Line (BPL) households is being financed with 100% capital subsidy @ ₹ 2200/- per connection in all rural habitations. Rural Electrification Corporation is the nodal agency for implementation of the scheme. The services of Central Public Sector Undertakings (CPSU) are available to the States for assisting them in the execution of Rural Electrification projects. The Management of Rural Distribution is mandated through franchisees.
(Source: www.powermin.nic.in/bharatnirman/bharatnirman.asp)).

Ultra Mega Power Projects

For meeting the growing needs of the economy, generation capacity in India must rise significantly and sustainably over the coming decades. There is therefore a need to develop large capacity projects at the national level to meet the requirements of different States. Development of UMPPs is one step the MoP is taking to meet this objective. Each project is a minimum of 4,000 MW and involves an estimated investment of approximately U.S. $ 4.00 billion. The projects are expected to substantially reduce power shortages in India. The UMPPs will be awarded to developers on a build-own-operate basis and are expected to be built at 16 different locations. For details, see the sections titled "Our Business" and "Regulations and Policies" on pages 79 and 100 respectively.

Independent Transmission Projects

The MoP has initiated a tariff based competitive bidding process for ITPs, which is a process similar to that followed for UMPPs, for the development of transmission systems through private sector participation. The ITPs aim to evacuate power from generating stations and transmit the power from pooling stations to other grid stations, resulting in system strengthening across India. (*Source: website of the MoP*) For details, see the sections titled "Our Business" and "Regulations and Policies" on pages 79 and 100, respectively.

Hydro Power Policy 2008

The Hydro Power Policy, 2008, emphasizes increasing private investment in the development of hydroelectric projects. The policy aims at attracting private funds by encouraging joint ventures with private developers and the use of the IPP model, in addition to promoting power trading and speeding up the availability of statutory clearances. The policy provides guidelines for accelerated development of the hydropower industry in India, particularly in the Himalayan States.
(*Source: www.powermin.nic.in, Hydropower Policy 2008, MoP*)

National Solar Mission

The MNRE has approved a new policy on development of solar energy in India by the Jawaharlal Nehru National Solar Mission. The mission recommends the implementation of an installed capacity of 20,000 MW in

three stages by the end of the 13th Five Year Plan (2017-2022). It proposes to establish a single window investor-friendly mechanism, which reduces risk and at the same time, provides an attractive, predictable and sufficiently adequate tariff for the purchase of solar power from the grid. The key driver for promoting solar power would be through a renewable purchase obligation mandated for power utilities, with a specific solar component.
(Source: www.mnre.gov.in)

Restructured Accelerated Power Development and Reform Program

The MoP launched the R-APDRP in July 2008 to extend and restructure the APDRP beyond the 10th Plan and ensure the achievement of better results. R-APDRP was designed to run during the 11th Plan, with projects under the program taken up in two parts. Part-A projects include those for establishment of a reliable system for the collection of accurate base line data and IT application, for energy auditing. Part-B projects include regular distribution strengthening projects, to improve the sub-transmission and distribution system.

R-APDRP scheme has been continued in the 12th Plan and the present status of R-APDRP scheme is as under:

- Under Part-A of R-APDRP, 1,401 projects at an estimated cost of ₹ 5,176.90 Cr have been approved for 29 States/UTs and ₹ 1,512.37 Cr have been disbursed.

- Part-A SCADA projects for 42 towns of 8 states have also been sanctioned at an estimated cost of ₹ 982.45 Cr and ₹ 170.77 Cr have been disbursed.

- Under Part-B of R-APDRP, 907 projects at an estimated cost of ₹ 19,367.39 Cr have been approved for 15 States and ₹ 2,291.35 Cr have been disbursed.

- Barring one state (Haryana), all Part A projects have been awarded and are under implementation.

(Source: The Report on the Working Group on Power for 12th Plan)

STRUCTURE OF INDIA'S FINANCIAL SERVICES INDUSTRY

The RBI is the central regulatory and supervisory authority for the Indian financial system. The Board for Financial Supervision, constituted in November 1994, is the principal body responsible for the enforcement of the RBI's statutory regulatory and supervisory functions. SEBI and the IRDA regulate the capital markets and the insurance sectors, respectively.

A variety of financial institutions and intermediaries, in both the public and private sector, participate in India's financial services industry. These are:

- commercial banks;
- NBFCs;
- specialized financial institutions, such as the National Bank for Agriculture and Rural Development, the Export-Import Bank of India, the Small Industries development Bank of India and the Tourism Finance Corporation of India;
- securities brokers;
- investment banks;
- insurance companies;
- mutual funds; and
- venture capital funds.

Debt Market in India

The Indian debt market has two segments, namely, the government securities market and corporate debt market.

Government securities market:

During 2010-11, the RBI undertook various measures related to the development of the government securities (G-Sec) market. In particular, a working group was set upto examine ways to enhance liquidity in the G-Sec and interest rate derivatives markets.

Change in Auction Timing of G-Secs - To improve the efficiency of the auction process of G-Secs, viz., Government of India dated securities, treasury bills (T-bills), cash management bills, and state development loans, the timings for primary auction under competitive bidding have been revised from 10.30 am-12.30 pm to 10.30am-12.00 noon from April 13, 2012. This will permit more time for secondary market transactions for the securities auctioned on that day.

Extension of DvP-III facility to Gilt Account Holders - To extend the benefits of net settlement of securities and funds in the G-Sec market to gilt account holders (GAHs), the DvP III facility was extended in July 2011, to all transactions undertaken by GAHs, except those undertaken between GAHs of the same custodian.

Revised Guidelines for Authorisation of PDs - To make the primary dealer (PD) authorisation policy more transparent and ensure that new PDs have sound capital and adequate experience/expertise in the G-Sec market, the PD authorisation guidelines were revised in August 2011. The applicant entity is required to be registered as an NBFC and should have exposure in the securities business, in particular to the G-Sec market, for at least one year prior to the submission of an application for undertaking PD business.

Working Group on Enhancing Liquidity in the G-Sec and Interest Rate Derivatives Markets - Considering the important role of the G-Sec market and the prominence of G-Sec in the investment portfolio of financial institutions, particularly banks, the Reserve Bank has been constantly reviewing the developments to further broaden and deepens this market. Despite the developments in the G-Sec market in the past two decades, it was deemed necessary to promote liquidity in the secondary market for G-Secs, especially across the yield curve. As part of this endeavour, the Reserve Bank set up a working group (Chairman: Shri R. Gandhi) in December 2011, comprising various stakeholders, to examine and suggest ways to enhance secondary market liquidity in the G-Sec and interest rate derivatives (IRDs) markets. The group submitted its Report on August 10, 2012.

Direct Access to Negotiated Dealing System- Order Matching (NDS-OM) - In November 2011, direct access to NDSOM was extended to licensed urban co-operative banks and systemically important non-deposit taking non-banking financial companies (NBFCND-SIs) that fall under the purview of Section 45-I(c) (ii) of the Reserve Bank of India Act, 1934, subject to compliance with the stipulated financial norms and procurement of an NOC from the respective regulatory departments.

Introduction of a Web-based System for Access to NDS-Auction and NDS-OM - To facilitate direct participation by retail and mid-segment investors in G-Sec auctions, the RBI has allowed web-based access to the negotiated dealing system (NDS)-auction developed by the Clearing Corporation of India Ltd.(CCIL). The system allows GAHs to directly place their bids in the G-Sec auction through a primary member's portal, as against the earlier practice wherein the primary member used to combine bids of all constituents and bid in the market on their behalf. A similar web-based access to the NDS-OM system for secondary market transactions has been permitted since June 2012.

Extension of Short Sale Period from Five Days to Three Months - Short selling plays an important role in price discovery, promoting liquidity and better risk management. With the re-introduction of IRFs on exchanges, there was a need to revisit the guidelines on short selling to ensure parity between the cash and futures market vis-à-vis short selling. Accordingly, the period of short sale was extended from five days to three months from February 1, 2012. This is expected to give a fillip to the IRF market by helping participants to hedge/ arbitrage more effectively, and to develop the term repo market.
(Source: www.rbi.org.in/scripts/annualreportpublications.aspx?Id=1042)

The gross amount raised through dated securities and 364-day treasury bills in 2011-12was higher by around 25 per cent than in the previous year. The increase in actual market borrowing compared to the budget estimate was higher for the central government compared to the previous year. The central government's gross market borrowing through dated securities was budgeted at ₹ 4,17,100 crore, which was increased in two stages (September and December 2011) to ₹ 5,10,000 crore (net ₹ 4,36,400 crore) during 2011-12 as against ₹ 4,37,000 crore (net ₹ 3,25,400 crore) in 2010-11.

Reflecting the impact of the RBI rate actions, the weighted average yield of dated securities issued during the year rose by 60 basis points in 2011-12, though the weighted average coupon on the outstanding stock of dated securities rose only marginally by 7 basis points to 7.88 percent as on March 31, 2012. The yield curve turned increasingly flat during 2011-12 as reflected in the significant decline in yield spreads. A large volume of long dated securities was issued during the year in view of this flatness. As a result, the average maturity of debt issuances increased to 12.66 years from 11.62 years in 2010-11. The weighted average maturity of the

outstanding stock (based on residual maturity), however, decreased marginally to 9.74 years as on March 31, 2012. In 2011-12, about 26.4 per cent of the market borrowing was through issuance of dated securities of more than 15 years maturity compared with about 25.2 per cent in 2010-11.

The daily average volume in the G-Sec market, which stood at ₹ 10,500 crore during 2010-11 rose to around ₹ 13,000 crore in the year 2011-12.The daily average volume stood at ₹ 18,300 crore in Q1 of 2012-13. The volume generally varied inversely with the movement of the 10-year yield.
(Source: RBI Annual Report FY 2011-12 dated August 23, 2012)

Corporate debt market

Pursuant to the guidelines of the High Level Expert Committee on Corporate Bonds and Securitisation (December 2005) and the subsequent announcement made in the Union Budget 2006-07, SEBI authorised BSE (January 2007), NSE (March 2007) and the Fixed Income Money Market and Derivatives Association of India (FIMMDA) (August 2007) to set up and maintain corporate bond reporting platforms for information related to trading in corporate bonds.

BSE and NSE put in place corporate bonds trading platforms in July 2007 to enable efficient price discovery in the market. This was followed by operationalization of a DvP-I (trade-by-trade)- based clearing and settlement system for over-the-counter trades in corporate bonds by the clearing houses of the exchanges. In view of these market developments, the RBI announced in its second quarter review of the annual policy statement for 2009-10 in October 2009 that the repo in corporate bonds could now be introduced. The RBI issued the Repo in Corporate Debt Securities (Reserve Bank of India) Directions, 2010, on January 8, 2010.
(Source: Handbook of Statistics on Indian Securities Market issued by SEBI, SEBI data for Trading in Corporate bonds, SEBI Annual Report 2011-12)

During financial year 2012-13 (up to 31 December, 2012) resource mobilization through primary market (equity issue) witnessed an upward movement. The cumulative amount mobilised as on 31 December 2012 through equity public issues stood at ₹ 13,050 crore. During 2012-13, 20 new companies [initial public offers (IPOs)] with resource mobilisation amounting to ₹ 6,043 crore were listed at the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) with mean IPO size of ₹ 302 crore. However, in the public issue of corporate debt category, ₹ 4,974 crore was mobilised through debt issue in 2012-13 compared to ₹ 35,611 crore in 2011-12. *(Source: http://indiabudget.nic.in/es2012-13/echap-05.pdf)*

NBFC - Infrastructure Finance Companies

In February 2010, the RBI introduced IFCs as a new category of infrastructure funding entities. Non-deposit taking NBFCs which satisfy the following conditions are eligible to apply to the RBI to seek IFC status:

- minimum of 75% of its assets deployed in infrastructure loans;
- net owned funds of at least ₹ 3,000.00 million;
- minimum credit rating "A" or equivalent rating by accrediting agencies; and
- capital to risk (weighted) assets ratio of 15% (with a minimum Tier 1 capital of 10%).

(Source: RBI Circular no.RBI/2009-10/316 DNBS.PD. CC No. 168 / 03.02.089 /2009-10 dated February 12, 2010)

IFCs enjoy benefits which include a lower risk weight on their bank borrowings (from a flat 100% to 20% for AAA- rated borrowers), higher permissible bank borrowing (up to 20% of the bank's net worth compared to 15% for an NBFC that is not an IFC), access to external commercial borrowings (up to 50% of owned funds under the automatic route) and relaxation in their single party and group exposure norms. These benefits would enable a highly rated IFC to raise more funds, of longer tenor and at lower cost, and in turn to lend more to infrastructure companies. For more information, see section the titled "Regulations and Policies" on page 100.

PROVIDERS OF FINANCE TO THE POWER SECTOR IN INDIA

The primary providers of power sector financing in India are power sector specific government companies, financing institutions, public sector banks and other public sector institutions, international development institutions and private banks.

Power Finance Corporation

Power Finance Corporation was incorporated in July 1986, with the main objective of financing power projects, transmission and distribution works and the renovation and modernization of power plants. For details on our Company, see the section titled "Our Business" on page 79.

Besides our Company, the other public sector companies and agencies engaged in financing the power sector are as follows.

Rural Electrification Corporation

The Rural Electrification Corporation Limited ("**REC**") is a government company, which is registered as an NBFC and has been notified as an IFC. It was established in 1969, under the administrative control of the MoP. Its main objective is to finance and promote rural electrification projects throughout India. It provides financial assistance to SEBs, State government departments and rural electric cooperatives for rural electrification projects. REC also promotes and finances rural electricity cooperatives, administers funds and grants from the GoI and other sources for financing rural electrification, provides consultancy services and project implementation in related fields, finances and executes small, mini and micro generation projects as well as larger generation, transmission and distribution power projects, and develops other energy sources. REC's equity shares are listed on the Stock Exchanges.

Indian Renewable Energy Development Agency

The Indian Renewable Energy Development Agency ("**IREDA**") is a wholly-owned government company, which is registered as an NBFC and has been notified as an IFC. It was established in 1987, under the administrative control of the Ministry of Non-Conventional Energy Sources, GoI, with the objective of promoting, developing and extending financial assistance for renewable energy and energy efficiency, and energy conservation projects.

Private Financial Institutions

Financial institutions were established to provide medium-term and long-term financial assistance to various industries for setting up new projects and for the expansion and modernization of existing facilities. These institutions provide fund based and non-fund based assistance to industry in the form of loans, underwriting, direct subscription to shares, debentures and guarantees, and therefore compete in the Indian power finance sector. The primary long-term lending institutions include Infrastructure Development Finance Company Limited, India Infrastructure Finance Company Limited, IFCI Limited, PTC India Financial Services Limited, Industrial Investment Bank of India Limited and Small Industries Development Bank of India.

State Level Financial Institutions

State financial corporations operate at the State level and form an integral part of the institutional financing system. State financial corporations were set up to finance and promote small and medium-sized enterprises. At the State level, there are also State industrial development corporations, which provide finance primarily to medium-sized and large-sized enterprises. Examples include Delhi Financial Corporation, Delhi State Industrial Development Corporation Limited, Economic Development Corporation of Goa, Daman and Diu Limited, Goa Industrial Development Corporation, Western Maharashtra Development Corporation Limited, Madhya Pradesh State Industrial Development Corporation Limited and Orissa Industrial Infrastructure Development Corporation.
(*Source: website for the Council of State Industrial Development and Investment Corporations of India*)

Public Sector Banks and other Public Sector Institutions

Public sector banks are believed to make up the largest category of banks in the Indian banking system. The primary public sector banks operating in the power sector include the Industrial Development Bank of India, State Bank of India, Punjab National Bank and the Bank of Baroda. Other public sector entities also provide financing to the power sector. These include organizations such as the Life Insurance Corporation of India and India Infrastructure Finance Company Limited.

International Development Financial Institutions

International development financial institutions are supportive of power sector reform and of more general economic reforms aimed at mobilizing investment and increasing energy efficiency. The primary international development financial institutions involved in power sector lending in India include several international banking institutions such as Japan Bank for International Cooperation, KfW, the World Bank, ADB and the International Finance Corporation.

In the early 1990s, the World Bank decided to finance mainly projects in states that "demonstrate a commitment to implement a comprehensive reform of their power sector, privatize distribution, and facilitate private participation in generation and environment reforms". Recent loans from the World Bank have gone to support the restructuring of SEBs. In general, the loans are for rehabilitation and capacity increase of the transmission and distribution systems, and for improvements in metering the power systems in Indian States that have agreed to reform their power sector.

The overall strategy of the ADB for the power sector is to support restructuring, especially the promotion of competition and private sector participation. Like the World Bank, the ADB also provides loans for restructuring the power sector in the States and improving transmission and distribution.

OUR BUSINESS

Unless otherwise specifically stated in this section, financial information included in this section for Fiscal 2009, 2010, 2011, 2012 and 2013 have been derived from our standalone financial statements for Fiscal 2009, 2010, 2011, 2012 and 2013. For further information, see the section titled "Certain Conventions, Use of Financial, Industry and Market Data and Currency of Presentation" on page 12.

In this section, unless the context otherwise requires, a reference to the "Company" is a reference to Power Finance Corporation Limited and unless the context otherwise requires, a reference to "we", "us" and "our" refers to Power Finance Corporation Limited and its Subsidiaries, joint ventures and associate companies.

Background

We are a leading financial institution in India focused on the power sector. We were established as an integral part of, and continue to play a strategic role in the GoI's initiatives for the development of the power sector in India. We work closely with GoI instrumentalities, state governments and power sector utilities, other power sector intermediaries and private sector clients for the development and implementation of policies and structural and procedural reforms for the power sector in India. In addition, we are involved in various GoI programs for the power sector, including acting as the nodal agency for the UMPP program and the R-APDRP and as a bid process coordinator through our wholly owned subsidiary PFC Consulting Limited for the ITP scheme.

We provide a comprehensive range of financial products and related advisory and other services from project conceptualization to the post-commissioning stage to our clients in the power sector, including for generation (conventional and renewable), transmission and distribution projects as well as for related renovation and modernization projects. We provide various fund based financial assistance, including long-term project finance, short-term loans, buyer's line of credit, underwriting of debt and debt refinancing schemes as well as non-fund based assistance including default payment guarantees, credit enhancement guarantees and letters of comfort. We also provide various fee-based technical advisory and consultancy services for power sector projects through our wholly owned subsidiary PFC Consulting Ltd.

We have also expanded our focus areas to include projects that represent forward and backward linkages to the core power sector projects, including procurement of capital equipment for the power sector, fuel sources for power generation projects and related infrastructure development. We also fund for purchasing of power through power exchange.

Our primary sources of funds include equity capital, internal resources and domestic and foreign borrowings. We currently enjoy the highest credit ratings of '[ICRA]AAA', 'CRISIL AAA/ Stable' and 'CARE AAA' for our long term borrowings programme and '[ICRA]A1+', 'CRISIL A1+' and 'CARE A1+' for our short term borrowing programme for Fiscal 2014 from ICRA, CRISIL (an associate of Moody's Investors Services) and CARE respectively. International credit rating agencies Moody's, Fitch and Standard & Poor's have granted us long-term foreign currency issuer ratings of "Baa3", "BBB-" and "BBB-", respectively, which are at par with the sovereign ratings for India.

We are a listed government company and a public financial institution under the Companies Act. We are registered with the RBI as a non-deposit taking systemically important NBFC and were classified as an IFC in July 2010. We believe that our NBFC and IFC classification enables us to effectively capitalize on available financing opportunities in the power sector in India. We believe our classification as an IFC enhances our ability to raise funds on a cost-competitive basis (including through issuance of Rupee-denominated infrastructure bonds that offer certain tax benefits to the bondholders), and increase our lending exposures to individual entities, corporations and groups, compared to other NBFCs that are not classified as IFCs. Being a government owned NBFC we are exempted from the applicability of RBI's prudential norms subject to certain stipulations by RBI.

Our Company was conferred with the "Mini Ratna" (Category – I) status in the year 1998 and on June 22, 2007, our Company was notified as a Navratna company by the GoI. Our Company has been conferred with various awards including Dalal Street Investor Journal PSU Award 2012 in the category of Mighty Masters – Largest Balance sheet and Topline non–manufacturing Navratna, Dainik Bhaskar India Pride PSU award 2012-13 in the category of special recognition for contribution in power distribution, India Power Award 2012 in the Category of Large Financial Institution by Council of Power Utilities, Enertia Award 2012 in the category of

Best Power Financial Institution, Dun & Bradstreet PSU Award 2012 in the Non-Banking Financial Company Category etc. For further details in relation to awards and recognition see the section titled as 'History and Certain Corporate Matters' on page no. 105.

We have an established track record of consistent financial performance and growth:

- Our total loan assets increased from ₹ 64428.99 crores as of March 31, 2009 to ₹ 160366.60 crores as of March 31, 2013. As of March 31, 2013, our total loans sanctioned pending disbursement (net of any loan sanctions cancelled) was ₹ 163720.17 crores.

- Our total income increased from ₹ 6583.54 crores as of March 31, 2009 to ₹ 17272.55 crores as of March 31, 2013, while our profit after tax increased from ₹ 1969.96 crores as of March 31, 2009 to ₹ 4419.60 crores as of March 31, 2013.

- We had gross NPAs of ₹ 13.16 crores, ₹ 13.16 crores, ₹ 230.65 crores, ₹ 1,358.47 crores and ₹ 1134.52 crores as of March 31, 2009, 2010, 2011, 2012 and 2013, respectively, which represented 0.02%, 0.02%, 0.23%, 1.04% and 0.71% of our total loan assets, respectively, as of such dates. Our net worth as of March 31, 2013 was ₹ 22351.41 crores.

- Our capital adequacy ratio was 15.71%, 16.29% and 17.98% as of March 31, 2011, 2012 and 2013, respectively.

Key Operational and Financial parameters

Some of our key financial parameters based on consolidated financials are as follows:

(*In ₹ crores except percentages*)

Parameters	Fiscal 2013	Fiscal 2012	Fiscal 2011
Net worth	22454.98	19578.55	14255.87
i. Non current maturities of long term borrowings	121150.86	95866.98	69984.03
ii. Short term borrowing	8819.77	4071.20	6291.04
iii. Current maturities of long term borrowings	9612.08	10187.73	9323.50
Net fixed assets	74.95	77.06	76.86
Non current assets	143499.56	112779.43	87846.19
Cash and cash equivalents	4957.47	2087.71	2384.87
Current investments	3.83	3.83	3.83
Current assets	26426.04	22902.30	16865.88
Current liabilities	23696.26	18342.43	18700.75
Assets under management	-	-	-
Off balance sheet assets	-	-	-
Interest income	17256.87	12985.09	10038.87
Interest expense	10992.87	8466.3	6426.46
Provisioning and write – offs	80.85	145.04	31.73
Profit after tax	4437.74	3058.85	2647.12
Gross NPA (%)	0.71%	1.04%	0.23%
Net NPA (%)	0.63%	0.93%	0.20%
Tier I capital adequacy ratio (%)	16.83%	15.38%	14.69%
Tier II capital adequacy ratio (%)	1.15%	0.91%	1.02%

Our Strengths

We believe that the following are our primary strengths:

Comprehensive financial assistance platform focused on the Indian power sector

With specific focus on the development of the Indian power sector, we provide to our clients a comprehensive range of financial products (both fund based and non fund based) and related advisory and other services from project conceptualization to the post-commissioning stage including for generation (conventional and renewable), transmission and distribution projects as well as for related renovation and modernization projects.

We provide various financial products including long-term project finance, short-term loans, buyer's line of credit, underwriting of debt and debt refinancing schemes as well assistance by way of default payment guarantees, credit enhancement guarantees and letters of comfort. We also provide various fee-based technical advisory and consultancy services for power sector projects through our wholly owned subsidiary PFC Consulting Ltd.

Strategic role in GoI initiatives and established relationships with power sector participants

We were established as an integral part of, and have played a strategic role in the GoI's initiatives for the promotion and development of the power sector in India for more than two decades. We have been involved in the development and implementation of various policies and structural and procedural reforms for the power sector in India. We are also involved in various GoI programs for the power sector.

As a result, we have developed strong working relationships with the Central and the State governments, various regulatory authorities, significant power sector organizations, Central and State power utilities, private sector project developers, as well as other intermediaries in the power sector. We believe that our wide experience in implementing government policies and programs provide us with industry expertise that enables us to leverage our project risk assessment capabilities to effectively evaluate projects, structure appropriate financing solutions, develop effective loan disbursement and project monitoring methodologies, as well as provide related advisory services. We believe we provide value to our clients in various ways, by supporting their operations as well as providing assistance with long-term reform and restructuring programs. We believe that this unique positioning enables us to leverage our power sector expertise, our existing large client base and continuing relationships with government agencies and instrumentalities to be a preferred financing provider for the power sector in India.

Operational flexibility to capitalize on both fund raising and lending opportunities

We are registered with the RBI as an NBFC and have also been classified as an IFC which enables us to be operationally more flexible and effectively capitalize on available financing opportunities.

As an NBFC, we are governed by regulations and policies that are generally less stringent than those applicable to commercial banks, including with respect to liquidity requirements and the requirement to hold a significant portion of funds in relatively low yield assets, such as government and other approved securities and cash reserves.

Being a government owned NBFC we are exempted from the applicability of RBI's prudential norms. However, RBI has expressed its intent to bring government NBFC's under the RBI prudential norms. Further, RBI vide it's letter dated April 04, 2012 has granted exemption to us from adherence to the RBI prudential norms for a period of one year i.e. upto March 31, 2013 subject to furnishing of the roadmap for compliance with RBI prudential norms within three years beginning April, 2013. Accordingly, the Board of Directors approved Roadmap has been submitted to RBI through MoP.

MoP vide its OM of even No. dated July 06, 2012 and further reminders on September 27, 2012 and February 12, 2013 have requested RBI to extend the exemption granted to PFC from adhering to RBI Prudential Norms upto 12th plan (i.e. upto FY 2017-18). In this regard, RBI vide it's letter dated April 09, 2013 has informed that they are examining the matter and have also stated that they shall keep MoP informed of the developments in the matter.

As an IFC, we are able to increase our lending exposures to individual entities, corporations and groups, compared to other NBFCs that are not IFCs. We believe that these are significant competitive advantages in providing project financing for large, long-gestation power sector projects. For example, an IFC is entitled to lend up to 25.0% of its owned funds to a single borrower in the infrastructure sector, compared to 20.0% of owned funds by other NBFCs categorized as a loan company. As an IFC, we are also eligible to raise, under the automatic route (without the prior approval of the RBI), ECBs up to US$ 750 million each Fiscal, subject to the aggregate outstanding ECBs not exceeding 75% of our owned funds, for on-lending to the infrastructure sector as defined under the ECB policy, subject to complying with the following conditions: i) compliance with the norms prescribed in the DNBS Circular DNBS.PD.CCNo.168 / 03.02.089 / 2009-10 dated February 12, 2010 ii) hedging of the currency risk as per extant ECB Guidelines (as of March 31, 2013, we had entered into hedging transaction or lent on back-to-back basis to cover 15% of our foreign currency principal exposure which is within the limits prescribed by our CRM policy. As an IFC, we are also required to maintain CRAR of 15.0% (with a minimum Tier I capital of 10.0%). For further information relating to the IFC category of NBFCs and differences with non-IFC classified NBFCs, see the section titled "Regulations and Policies" on page 100.

Favourable credit rating and access to various cost-competitive sources of funds

We fund our operations with equity capital, internal resources and domestic and foreign borrowings. Our relationship with the GoI currently provides us access to lower cost funding and enables us to source foreign currency loans from various bilateral and multilateral agencies. We currently enjoy the highest credit ratings of '[ICRA]AAA', 'CRISIL AAA/ Stable' and 'CARE AAA' for our long term borrowings programme and '[ICRA]A1+', 'CRISIL A1+' and 'CARE A1+' for our short term borrowing programme for Fiscal 2014 from ICRA, CRISIL (an associate of Moody's Investors Services),and CARE, respectively. International credit rating agencies Moody's, Fitch and Standard & Poor's have granted us long-term foreign currency issuer ratings of "Baa3", "BBB-" and "BBB-", respectively, which are at par with the sovereign ratings for India. Since, our sources enable us to raise funds at a competitive cost, we believe we are able to price our financial products competitively.

Comprehensive credit appraisal and risk management policies and procedures

We have developed extensive knowledge and experience in the Indian power sector, and believe we have comprehensive credit appraisal policies and procedures, which enable us to effectively appraise and extend financial assistance to various power sector projects. We follow a systematic institutional and project appraisal process to assess and mitigate project and credit risk. We believe our internal processes and credit review mechanisms reduce the number of defaults on our loans and contribute to our profitability.

We believe that our comprehensive credit appraisal and project monitoring process have resulted in strong collection and recovery. We had gross NPAs of ₹ 13.16 crores, ₹ 13.16 crores, ₹ 230.65 crores,₹ 1358.47 crores and ₹ 1132.52 crores as of March 31, 2009, 2010, 2011, 2012 and 2013, respectively, which represented 0.02%, 0.02%, 0.23%, 1.04% and 0.71% of our total loan assets, respectively, as of such dates.

Track record of consistent financial performance and growth

We believe that we have an established track record of consistent financial performance and growth, which enable us to capitalize on attractive financing opportunities in the power sector in India. Our total loan assets increased from ₹ 64428.99 crores as of March 31, 2009 to ₹ 160366.60 crores as of March 31, 2013. As of March 31, 2013, our total loans sanctioned pending disbursement (net of any loan sanctions cancelled) was ₹ 163720.17 crores. In addition, our loan asset portfolio has increasingly become diversified by sector and customer base.

Experienced and committed management and employee base with in-depth sector expertise

We have an experienced, qualified and committed management and employee base. Many of our employees, particularly senior management, have worked for strengthening our Company for significantly long periods. We believe we have an efficient and lean organizational structure relative to the size of our operations and profitability. Our personnel policies are aimed towards recruiting talented employees and facilitating their integration into the Company and encouraging the development of their skills.

Our management has significant experience and expertise in the power sector and the financial services industry, which has enabled us to develop a comprehensive and effective project appraisal process, implement a

stringent risk management framework, identify specific requirements of power sector projects and offer comprehensive financing solutions and advisory assistance to such projects. The experience of our management has enabled us to successfully identify attractive financing opportunities. We believe that our experienced management team has been the key to our success and will enable us to capitalize on future growth opportunities.

Business Strategies

Continue to leverage our industry expertise and relationships to capitalize on the expected growth in the Indian power sector

We intend to continue to leverage our industry experience and relationships to provide comprehensive financing solutions for power sector projects in India. The Indian power sector has historically been characterized by power shortages and relatively low per capita consumption. We intend to continue to contribute to the development and implementation of GoI policies relating to the power sector in India and play an integral role in the supervision of the implementation of reforms by SPUs and government agencies.

Strategically expand our business and service offerings

Consultancy and other fee-based services

We intend to continue to increase our focus on our fee-based technical and consultancy services to SPUs, power distribution licensees, IPPs, public sector undertakings and SERCs. We also intend to continue providing fee-based services for various GoI programs for the power sector in India, including acting as a nodal agency for UMPP and R-APDRP projects and as a bid process coordinator through our wholly owned subsidiary PFC Consulting Limited for the ITP scheme.

We believe that institutional and regulatory reforms in the Indian power sector and increased investor interest will lead to consolidation in the power sector. We intend to focus on acquisition advisory services for power sector projects, including the identification of target projects and potential acquirers for acquisitions and consolidation opportunities, and also provide techno-commercial appraisal of target projects.

Debt syndication

Our Company has incorporated a wholly owned subsidiary PFC Capital Advisory Services Limited with the intention to increase our focus on debt syndication activities in the power sector. We have acted as the lead financial institution for several projects, and have carried out syndication activities for various projects including with members of the Power Lenders Club, a group of banks and financial institutions that work together to provide financing for large projects in the Indian power sector. We intend to continue to target debt syndication opportunities as we believe that our technical expertise and industry experience, our project appraisal capabilities and our relationship with commercial banks and other financial institutions enable us to ensure timely financial closure for such projects.

Equity Financing and Private Equity Fund

Equity investment business is generally considered as a logical extension of debt business. Our Company is endeavouring to make a mark in the area of equity investment so as to capitalize on its vast domain experience, attained during its over 25 years of operations in power sector debt financing. PFC aims to leverage its financial strength, large debt providing capability and power sector expertise to invest in equity of attractive power projects. Over a period of time, our company proposes to build an equity portfolio of power assets which could provide consistent gains in the form of dividend and/or capital appreciation. The Board of Directors of PFC has approved a policy for investment in Equity of Power projects, as per which, PFC may look at investments ranging between 0.5% and 5% of its own net worth in a single company. PFC has started the appraisal of a few proposals for investment in equity.

In order to exhibit persistent growth and to enter new areas of business so as to keep pace with market developments, PFC has decided to enter Private Equity business. PFC plans to shortly launch a Private Equity Fund for the power sector along with Tata Capital Ltd. (TCL) to facilitate flow of institutional funds in equity of power projects leading to faster financial closure of such projects and thus enabling accelerated capacity addition in the sector. The Fund would enable PFC to take an indirect exposure to equity assets in addition to

earning other income (through fee- based earnings of the Asset Management Company-AMC). The fund is proposed to be registered as an Alternate Investment Fund (AIF) under SEBI's AIF regulations. PFC and TCL have signed the 'Head of Terms' (containing major terms and conditions) on the basis of which a Joint Venture Agreement will be signed by the parties.

Broaden our loan asset base and borrower profile

Private sector projects

Our total loan assets related to private sector projects as of March 31, 2009, 2010, 2011, 2012 and 2013 were 6.7%, 5.2%, 6.8%, 11.2% and 12.38% respectively. We intend to continue to provide financial assistance to private sector generation, transmission and distribution projects to further diversify our borrower profile.

Hydro projects and renewable energy

We intend to continue to focus on providing financial assistance to hydro projects to facilitate an optimal mix of thermal and hydro projects in our loan asset portfolio. We have extended loan repayment periods for up to 20 years after moratorium for hydro projects, effectively increasing the loan tenor for such projects.

We believe that the renewable energy space in India provides significant untapped potential. According to the MNRE, as of March 31, 2013, India has a cumulative deployment of various renewable energy systems/ devices of 28068.45 MW for grid connected power and 882.57 MW for off-grid power. The GoI has also launched the Jawaharlal Nehru National Solar Mission ("**JNNSM**") on January 11, 2010. Overall objectives for 2022, of this three phased mission, include deployment of 20,000 MW of grid connected solar power, 2,000 MW of off-grid solar applications, including 20 million solar lights, 20 million square meters solar thermal collector area, to create favourable conditions for developing solar manufacturing capability in the country and to support research and development as well as capacity building activities to achieve grid parity. The first phase aims at setting up of 1,100 MW grid connected solar plants, 200 MW capacity equivalent off-grid solar applications and 7 million square meter solar thermal collector area till March, 2013. We have strategically increased our focus on renewable energy projects, including solar, wind, biomass and small hydro projects, to capitalize on the GoI's various renewable energy initiatives. These initiatives include requiring State distribution utilities' to meet certain minimum specified percentage of total power requirements from renewable energy sources and special tariffs for renewable energy projects.

We intend to continue to provide financing for public and private sector renewable energy generation projects. Until March 31, 2013, our total loan assets outstanding with regard to renewable energy projects aggregated ₹ 1685.73 crores. As of March 31, 2013, 1.05% of our total loan assets and 1.66% of our total loans sanctioned pending disbursement are related to renewable energy projects.

Forward and backward linkages to core power sector projects

As of March 31, 2013 70%, 7%, 4%, and 19%, of our loan assets are related to power generation projects (excluding corporate loans and loans given for renovation and modernization to power generation companies), transmission projects and distribution projects and others respectively. We intend to continue to expand our focus areas to include projects that represent forward and backward linkages to the core power sector projects, including capital equipment for the power sector, fuel sources for power generation projects and related infrastructure development, as well as power trading initiatives.

Capital equipment manufacturers

The significant capacity addition in the Indian power sector requires augmentation of capital equipment manufacturing capacities for all segments of the power sector: generation, transmission and distribution. We intend to continue providing financial assistance for manufacturers of equipment used in the power sector, including transmission and distribution equipment and solar and wind energy generation equipment.

Fuel sources and related infrastructure development

The GoI has introduced various reforms for the development of fuel sources for thermal power generation projects, including allocation of coal blocks to public and private sector entities as well as the development of

related infrastructure facilities for the transportation of coal and other fuel sources such as natural gas. We intend to provide financing assistance to fuel supply projects and related infrastructure development projects.

Power trading

We intend to continue to strategically focus on power trading initiatives in India. In this connection we have made a strategic investment in PXIL, which is promoted by the NSE and the NCDEX, and operates a national power exchange in India. We have also entered into a joint venture agreement with NTPC, NHPC and TCS to establish NPEL, which operates a national level electronic power exchange. We intend to continue funding non-speculative purchases of power through such exchanges by some of our borrowers, particularly public sector power distribution companies. For further details see section titled 'History and Certain Corporate Matters' on page no. 105.

Continue to develop strategic partnerships and evaluate new business opportunities

We intend to continue to develop partnerships and alliances and evaluate new business opportunities related to the power sector in India. We are equity shareholders in PTC, which is involved in power trading and related activities. We have also invested in NPEL and PXIL to encourage power trading initiatives in India. While PXIL has been operating a national level power trading platform since October 2008, NPEL is yet to commence operation. We have also invested in the Small is Beautiful fund, which is a SEBI-registered venture capital fund that invests in power generation projects, operated by KSK Investment Advisor Private Limited, a private sector power project developer. We have also promoted PECAP with various industry experts to provide advisory services related to equity investments in the power sector in India. We have also jointly promoted EESL with other government companies focused on the Indian power sector.

Investment considerations

Our ability to successfully implement our business plan and growth strategies continue to be subject to various factors, including the following: concentration on the power sector which has a limited number of borrowers, which are mainly SPUs and SEBs, many of which have been historically loss making; volatility in interest rates; an inability to obtain sufficient security or collateral on our loans; our ability to maintain low effective cost of funds; our ability to implement effective risk management policies and procedures; changes in applicable regulations and policies that adversely affect our business and industry; various risks associated with the projects we finance and our ability to compete effectively. For further discussion on weaknesses and threats, and of factors that could adversely affect our future financial condition and results of operations, see the section titled "Risk Factors" on page 14.

Our products

We provide a comprehensive range of fund based and non-fund based financial products and services from project conceptualization to the post-commissioning stage to our clients in the power sector. Our principal products are long term and short term loans. Additionally, we may offer debt refinancing and bridge loans from time to time.

Fund based

Our loan assets are presented as adjusted for any provisions for contingencies made in the respective Fiscals.

The following table sets forth certain information relating to our total loan assets as of the dates indicated:

Particulars	As of March 31,									
	2009		2010		2011		2012		2013	
	₹ crores	% of total	₹ crores	₹ crores	₹ crores	% of total	₹ crores	% of total	₹ crores	% of total
Rupee Loan										
a) Term Loans	61614.30	95.6	76010.28	95.20	95858.70	96.30	122246.71	94.0	156173.38	97.38
b) Short-term Loans	1604.54	2.50	2948.99	3.70	2105.77	2.10	6177.15	4.70	2416.11	1.51

Particulars	As of March 31,									
	2009		2010		2011		2012		2013	
	₹ crores	% of total	₹ crores	₹ crores	₹ crores	% of total	₹ crores	% of total	₹ crores	% of total
Foreign currency loans	722.10	1.10	499.76	0.60	396.60	0.40	357.26	0.30	338.34	0.21
Others*	488.04	0.80	396.73	0.50	1209.66	1.20	1290.70	1.00	1438.77	0.90
Total	**64428.98**	**100.00**	**79855.76**	**100.00**	**99570.73**	**100.00**	**130071.82**	**100.00**	**160366.60**	**100.00**

* *Others include equipment leasing, buyer's line of credit, loans to equipment manufacturers, asset acquisition schemes, transitional loans and debt refinancing schemes (others also include medium term rupee loans)*

The following table sets forth certain information relating to our total disbursements in the periods indicated:

Particulars	Fiscal									
	2009		2010		2011		2012		2013	
	₹ crores	% of total	₹ crores	₹ crores	₹ crores	% of total	₹ crores	% of total	₹ crores	% of total
Term Loans*	18057.20	85.80	22553.60	87.40	29010.70	85.00	34456.00	83.19	43007.00	92.75
Short-term Loans	2877.00	13.70	3114.60	12.10	4206.00	12.30	6950.00	16.78	3120.00	6.73
Others**	120.10	0.50	140.30	0.50	904.60	2.70	12.00	0.03	242.00	0.52
Total	**21054.30**	**100.00**	**25808.50**	**100.00**	**34121.30**	**100.00**	**41418.00**	**100.00**	**46369.00**	**100.00**

* *Term loans including disbursement under R-APDRP, grants and transitional finance*
** *Power exchange*

Rupee term loans

Project finance rupee term loans accounted for 95.6%, 95.2%, 96.3%, 94.0%,and 97.4% of our total loan assets as of March 31, 2009, 2010, 2011, 2012 and 2013, respectively. We generally disburse funds either directly to a supplier of project equipment or services or by way of reimbursement to the borrower against satisfactory proof of eligible expenditure on the relevant project, or through the trust and retention account.

We generally implement security and quasi-security arrangements in relation to our Rupee terms loans. Our Rupee term loan financings are generally secured in the case of public sector clients, including State utilities, either through a charge on the project assets or by a State government guarantee, or both. In addition to such security or guarantee, most of our loans to Central and State sector borrowers provide for an escrow mechanism. For private sector clients, our term loan financings are secured, among other things, through a first priority pari passu charge on the relevant project assets, collaterals such as pledges of shares held by promoters and/or personal/corporate guarantees and trust and retention arrangements. For further information, see the section titled "Our Business - Security Risks" on page 97.

Interest rates on rupee term loans are notified to the borrower from time to time. Specific interest rates may be offered to certain borrowers based on the merit of the borrower and the relevant project. Typically, there is an option to select interest rates with reset after every three years or ten years. We believe that our comprehensive credit appraisal and project monitoring process, and our ability to manage the security and repayment profiles of our loan assets have resulted in strong collection and recovery.

Short-term loans

We provide short-term loan finance to borrowers to meet their immediate fund requirements. Short-term loans accounted for 2.5%, 3.7%, 2.1%, 4.7%, 1.5% of our total loan assets as of March 31, 2009, 2010, 2011, 2012 and 2013, respectively. These loans are Rupee-denominated and primarily relate to purchase of fuel for power plants; purchase of consumables and essential spares; emergency procurement/works for generation plants and transmission and distribution networks in the nature of repair and maintenance works; and purchase of power. We also extend short-term loans against receivables from distribution companies to transmission companies on account of wheeling/transmission charges.

Short-term loan facilities are typically extended for a period of up to one year. Further, we continue to provide short-term loans to SPVs in the public sector to meet their working capital requirements.

Foreign currency loans

We sanction foreign currency loans based on the capital expenditure requirements of the relevant project, subject to availability of foreign currency for lending. We provide foreign currency loans to power sector projects for end use that are permitted under applicable RBI regulations relating to ECBs. Foreign currency loans represented 1.1%, 0.6%, 0.4%, 0.3% and 0.2% of our total loan assets as of March 31, 2009, 2010, 2011, 2012 and 2013, respectively.

The interest rates offered for our foreign currency loans are generally fixed based on six months U.S. Dollar LIBOR or LIBOR in other applicable foreign currency. The fixed rate margin over the relevant LIBOR is generally reset at the end of every five years.

Our foreign currency loans are generally secured by, among other security, a first priority pari passu charge on the relevant project assets, collaterals such as pledges of shares held by promoters, and/or personal/corporate guarantees.

Other fund based financial assistance

Our product portfolio includes providing a comprehensive range of other fund based financial assistance, including equipment lease financing, buyers‘ line of credit, loans to equipment manufacturers, asset acquisition schemes, transitional loans and debt refinancing schemes. We also provide medium-term rupee loans. These other fund based financial assistance (including medium-term loans) represented, in the aggregate, 0.8%, 0.5%, 1.2%, 1.0% and 0.9% of our total loan assets as of March 31, 2009, 2010, 2011, 2012 and 2013 respectively.

Equipment lease financing. We provide lease financing to fund the purchase of major capital equipment and machinery essential for power sector projects and associated infrastructure projects. Equipment lease financing is extended to various core power sector projects (including to power utilities), renewable energy projects, as well as associated infrastructure development projects. Equipment lease financing may be provided upto the entire cost of the relevant equipment.

Buyers' line of credit. We provide non-revolving Rupee line of credit to actual users in power sector for purchases of machinery, equipment and other capital goods (including accessories and spare parts) on a deferred payment basis. The basic objective of the scheme is to provide a term loan (upto 10 years) facility to the borrower utilities for purchase of essential equipment like distribution transformers, capacitors, spares for power plants on deferred payment basis to cater to the growing load demand.

Loans to equipment manufacturers. We provide short-term loans (upto one year) and medium-term loans (between one and five years) to manufacturers of equipment of materials that have entered into contracts in respect of power sector projects in India.

Asset acquisition schemes. We provide finance in the form of term loan to an entity acquiring assets of another entity.

Debt refinancing scheme. Under this scheme, we assist borrowers for refinancing existing debt/guarantee obtained from other lenders. This financing facility is available only for commissioned projects.

Direct Discounting of Bill scheme for sellers. We operate a bill discounting scheme, under which the credit is available to actual users in power sector for purchase of machinery, equipment and other capital goods (including accessories and spares supplied along with the machinery) on deferred payment basis.

Direct discounting of Bills- For Buyer. The credit under the Bill Discounting scheme is available to a buyer (actual user) in power sector for purchases of machinery, equipment and other capital goods (including accessories and spares supplied along with machinery) on deferred payment basis for expansion, modernization and replacement in power projects.

Corporate loans. We provide financing to existing players in the public and private sector, which enables

experienced utilities to leverage the successful operation of commissioned projects to mobilize funds for equity infusion in new/expansion power projects.

Purchase of power through power exchange. We provide financial assistance for margin/settlement of dues of power exchange to utilities/companies registered with the power exchange as member.

Investment in equity of power projects. We have formulated policy guidelines for investment in equity instruments in companies operating power projects. Under these guidelines, we may invest in equity shares, preference shares, subordinated convertible debt instruments, bonds with warrants/equity conversion option and convertible debentures in central and state public sector utilities (or special-purpose-vehicles set up by them where their investment is not less than 51%), companies in terms of section 619B of the Companies Act and private companies, in accordance with the thresholds provided by our internal prudential exposure norms for equity investments. Any investment decision in such equity instruments would be governed by various criteria, including, *interalia*, the techno-economic viability of the project, the bankability of the project structure and contractual arrangements and the experience, financial strength and rating of the promoters of the investee companies.

Bridge Loan:- We consider bridge loan proposal from those Central/State sector utilities who have sought financial assistance in the form of term loans from PFC and have received sanction letter and the drawl of assistance by the borrower can not be made for the time being due to non compliance of certain formalities/clearances.

Energy Saving Projects- We extend finance to energy efficiency projects executed by Energy Service Companies (ESCOs) or by the entities taking energy efficiency measures themselves.

Financing of Fuel supply projects and equipment manufacturing: We provide financial assistance for setting up / expansion of Equipment Manufacturing for power sector and development of Fuel Supply Sources like coal/oil/gas and its distribution (rail network /gas pipeline etc.) for Power sector.

Grants/ Interest free Loans for studies/consultancies: We provide assistance in the form of grant, interest free loans, and concessional loans under the scheme, all types of power sector related studies (including studies related to reform/restructuring) and consultancy needs shall be considered. In case of SERCs, the grant may be sanctioned for studies aimed at strengthening their institutional framework, procurement of computer & related accessories including software and also for conducting conference, workshops and seminars. However, we also believe that priority shall be given to studies related to reform / restructuring and consultancy assignments aimed at formulation of schemes/projects creating opportunities of investment in State Power Sector.

***Lease financing for Wind power Projects*:** We finance major capital equipment / machinery essential for power and associated infrastructure projects.

***Line of credit for import of Coal*:** We provide non-revolving rupee short term finance to all the eligible utilities who are in the business of generation of power to meet their immediate requirement for import of coal.

***Financing Grid connected Solar PV and Solar Thermal Private Sector Power Generation projects*:** We provide financial assistance in case of Grid Connected Solar PV and Solar Thermal Private Sector Power Generation Projects subject to certain minimum eligibility conditions.

***Underwriting of Debt*:** We underwrite the total debt requirement of project to facilitate the early financial closure, implementation and commissioning of the project.

***Transitional loans*:** We provide Transitional Financing to Discoms for supplementing the GoI approved Financial Restructuring Scheme by providing funds towards the yearly cash gap as per FRP. The objective is to provide financial support to meet the temporary liquidity crunch being faced by the Discoms and to enable these Discoms to bring financial turnaround over a specified period.

Non – fund based

We also provide non-fund based assistance including default payment guarantees, letters of comfort and guarantee for credit enhancement.

Default Payment Guarantees

We provide default payment guarantees on behalf of project companies to guarantee their payment obligations. Such guarantees enable power sector projects to secure financing from other sources, including borrowings from commercial banks, foreign lenders and debt capital markets. As of March 31, 2013 we have issued default payment guarantees denominated in foreign currency of U.S. $ 7.54 million and denominated guarantees of ₹ 335.57 crores in Indian currency.

Letters of comfort

We provide comfort letters against our sanctioned term loans to enable borrowers to establish a letter of credit with their bankers. The letter of comfort is issued only in cases where it is a pre-requisite for engineering, procurement and construction ("EPC") contracts or equipment supply contracts of projects financed by us. The letter of comfort is issued after all other pre-disbursement conditions have been complied with. As of March 31, 2013, we had outstanding letters of comfort aggregating ₹ 4247.61 crores.

Guarantee for Credit Enhancement

The facility will provide credit enhancement of bonds issued in the domestic market by a power project SPV/holding company**.** The Partial Credit Enhancement Guarantee (PCG) will raise the rating of these bonds to the AA level, which will provide comfort to domestic institutional investors to invest in the credit enhanced bonds with credit rating of AA. This will help in channelizing funds (other than for working capital) for power projects from long term institutional investors, such as insurance and pension funds, through bond markets to financing of power projects at competitive interest rate

Projects we fund

Our project financing activities have been focused primarily on thermal and hydro generation projects, including financing of renovation and modernization of existing thermal and hydroelectric plants. Transmission and distribution projects financed by us include system improvement and projects involving provision of shunt capacitors and meters. We also focus on the promotion and development of other energy sources, including alternate and renewable fuels. As of March 31, 2013, 70%, 7%, 4 % and 2% of our loan assets are related to power generation (excluding corporate loans and loans given for renovation and modernization to power generation companies) projects, transmission projects, distribution projects and renovation and modernization projects, respectively.

We have strategically expanded our focus areas to include projects that represent forward and backward linkages to the core power sector projects, including procurement of capital equipment for the power sector, fuel sources for power generation projects and related infrastructure development, as well as power trading initiatives.

The following table sets forth certain information relating to our loan assets as of the dates indicated, presented according to the type of project:

Particulars	As of March 31,									
	2009		2010		2011		2012		2013	
	₹ crores	% of total	₹ crores	₹ crores	₹ crores	% of total	₹ crores	% of total	₹ crores	% of total
Generation										
– Thermal	34668.26	53.80	4520.38	56.9	58579.04	58.8	78102.78	60.05	96716.20	60.31
– Hydro	14071.76	21.90	14747.16	18.5	15181.17	15.3	14937.23	11.48	15046.63	9.38
– Wind	191.60	0.30	300.52	0.4	325.97	0.3	303.81	0.23	285.07	0.18
– Solar	-	-	7.00	0.0*	32.87	0.0*	57.53	0.04	338.31	0.21
– Bagasse	-	-	-	-	-	-	-	-	674.54	0.42
– Biomass	-	-	-	-	-	-	-	-	23.02	0.01
Corporate term Loan	500.00	0.80	3500.00	4.4	6500.00	6.5	10000.00	7.69	10186.98	6.35

Particulars	As of March 31,									
	2009		2010		2011		2012		2013	
	₹ crores	% of total	₹ crores	₹ crores	₹ crores	% of total	₹ crores	% of total	₹ crores	% of total
Renovation and modernization (generation)										
– Thermal Generation	2563.48	4.00	2660.31	3.30	2869.89	2.90	401.55	0.31	3052.90	1.90
– Hydro Generation	343.20	0.50	370.25	0.40	413.39	0.50	2884.24	2.22	362.64	0.23
Transmission	6470.62	10.00	6228.92	7.80	7570.46	7.60	9902.97	7.61	11072.72	6.91
R&M transmission	23.467	0.00*	27.32	0.00*	25.47	0.00*	18.56	0.02	16.13	0.01
Distribution (Including shunt capacitor and metering)	3409.46	5.30	3401.76	4.30	4701.22	4.70	5666.59	4.36	6129.09	3.82
Short-term loans	1604.54	2.50	2948.99	3.70	2105.77	2.20	6177.15	4.75	2416.10	1.15
Equipment manufacturing loan	5.00	0.00*	3.76	0.00*	829.50	0.80	954.77	0.73	913.71	0.57
Transitional Finance	-	-	-	-	-	-	-	-	-	-
Others**	577.59	0.90	239.40	0.30	435.98	0.40	664.63	0.51	13132.56	8.19
Total	**64428.98**	**100.00**	**79855.77**	**100.00**	**99570.73**	**100.00**	**130071.81**	**100.00**	**160366.60**	**100.00**

* *Negligible*

** *Others include buyer's line of credit, asset acquisition schemes, debt refinancing schemes, medium-term rupee loans computerization loan against receivables, pre-investment fund, technical assistance project, studies, Loan for asset acquisition & transitional financing.*

The following table sets forth certain information relating to loans disbursed in the periods indicated, presented according to the type of the project:

Particulars	As of March 31,									
	2009		2010		2011		2012		2013	
	₹ crores	% of total	₹ crores	₹ crores	₹ crores	% of total	₹ crores	% of total	₹ crores	% of total
Generation										
– Thermal	11305.60	53.70	13818.40	53.50	16544.60	48.50	22316.00	53.88	22744.00	49.05
– Hydro	3575.50	17.00	2221.10	8.60	1733.20	5.10	1277.00	3.08	1765.00	3.81
– Solar	-	-	7.00	0.0 (1)	26.40	0.10	27.00	0.07	291.00	0.63
– Bagasse	-	-	-	-	-	-	-	-	-	-
Transitional Finance	-	-	-	-	-	-	-	-	12818.00	27.64
Corporate term Loan	500.00	2.40	3000.00	11.60	3000.00	8.80	3500.00	8.45	187.00	0.40
Renovation and modernization (generation)										
-Thermal Generation	509.60	2.40	423.10	1.60	561.80	1.60	345.00	0.83	462.00	1.00
-Hydro Generation	51.50	0.20	72.50	0.30	83.20	0.20	33.00	0.08	7.00	0.02
Transmission (including R&M transmission)	1296.00	6.20	1056.00	4.10	2615.40	7.70	3270.00	7.90	2033.00	4.38
Distribution (including	610.40	2.90	625.60	2.40	1825.30	5.30	1667.00	4.03	1265.00	2.73

Particulars	As of March 31,									
	2009		2010		2011		2012		2013	
	₹ crores	% of total	₹ crores	₹ crores	₹ crores	% of total	₹ crores	% of total	₹ crores	% of total
shunt capacitor and metering)										
RAPDRP Part-A	325.00	1.50	1124.70	4.40	62.40	0.20	249.00	0.60	282.00	0.61
RAPDRP Part-B	-	-	196.40	0.80	2039.80	6.00	1204.00	2.91	824.00	1.78
RAPDRP Part-A SCADA	-	-	-	-	154.60	0.50	147.00	0.35	111.00	0.24
Short-term loans	2877.00	13.70	3114.60	12.10	4206.00	12.30	6950.00	16.78	3120.00	6.73
Equipment manufacturing loan	-	-	-	-	827.00	2.40	166.00	0.40		
Others**	3.70	0.00*	149.10	0.60	441.60	1.30	267.00	0.64	460.00	0.98
Total	**21054.30**	**100.00**	**25808.50**	**100.00**	**34121.30**	**100.00**	**41418.00**	**100.00**	**46369.00**	**100.00**

** Negligible*
*** Others include schemes such as computerization, studies and purchase of power through PXIL.*

The following table sets forth certain information relating to our loan sanctions pending disbursement (net of any sanctions cancelled) as of March 31, 2013 presented according to kind of projects:

Particulars	As of March 31, 2013 (₹ crores)
Generation	
Thermal Generation	107381.35
Hydro-electric Generation	12060.86
Wind, Solar, Bagasse, Biomass	2698.50
Renovation and Modernization of Thermal Power Stations	1393.51
Corporate Term Loan	0.00
Counter Part 'B' R-APRDP	4650.99
Renovation and Upgrading of Hydro Power Projects	534.89
R & M Transmission	35.20
Transmission	18627.79
Distribution	3841.67
Short Term Loan	1789.82
Transitional Finance	5370.00
Others*	5335.58
Total**	**163720.17**

* *Others include Medium Term Loan, Working Capital Loan, Computerisation, Project Settlement, Pre-Investment Fund, Studies, Buyer Line of Credit, Loan for Redemption of Bonds, Power Purchase through PXI, Equipment Manufacturer Loan, Fuel Source Development, Loan for Asset Acquisition, Corporate Loan, Bill Discounting, Decentralised management, funding of regulatory assets, loan against receivables, metering, others, shunt capacitor etc.*
*** Excluding R-APDRP*

The following table sets forth information relating to our top ten borrowers (primarily generation companies) in terms of loans outstanding as of March 31, 2013:

Borrower	Loans outstanding (₹ crores)	% of total top-ten outstanding loans as of March 31, 2013
Borrower 1	11855.53	7.39
Borrower 2	10239.66	6.39
Borrower 3	10019.53	6.25
Borrower 4	7651.33	4.77

Borrower	Loans outstanding (₹ crores)	% of total top-ten outstanding loans as of March 31, 2013
Borrower 5	6987.45	4.36
Borrower 6	6778.96	4.23
Borrower 7	6675.15	4.16
Borrower 8	5526.25	3.45
Borrower 9	5240.09	3.27
Borrower 10	5070.21	3.16
Total	**76044.16**	**50.25**

Thermal generation projects: We provide finance for thermal energy generation projects in the public and private sector. Thermal energy generation projects include coal and gas based power plants.

Hydro generation projects: We provide finance for hydro generation projects in the public and private sector. We continue to focus on providing financial assistance to hydro projects to facilitate an optimal mix of thermal and hydro projects in our loan asset portfolio. In this connection, we have extended loan repayment periods of up to 20 years after moratorium for hydro projects, effectively increasing the loan tenor for such projects.

Renewable energy projects: We provide finance to various renewable energy projects, including solar, wind, biomass and small hydro projects. We provide financing for public and private sector renewable energy generation projects.

Renovation, modernization and life-extension scheme: We provide finance for renovation and modernization and life-extension projects of old thermal and hydro power plants.

Transmission projects and schemes: We provide financing assistance to several kinds of power transmission projects, including transmission and sub-transmission schemes, power evacuation lines and transmission links. Transmission projects and schemes funded by us involve transmission of power within various States and from one region to another region in India, assist in distribution of power within the State and also relate to transmission loss reduction schemes. These schemes include construction of new transmission lines, reinforcement of existing transmission lines, new substations, augmentation of transformer capacities of existing substations, replacement of old and obsolete equipment, and bay extensions.

Distribution, capacitor and metering schemes: We have extended financial assistance to various projects and entities that establish and upgrade sub-stations and distribution networks in various distribution circles, including for instalment of capacitors and meters to reduce losses and improve revenue generation, and to improve the quality and reliability of power supply to consumers.

Sector-wise loan portfolio

We provide financial assistance to the public sector, which includes Central, State and joint (i.e., companies that have both State and Central sector participation) sector; and to private sector projects.

The following table sets forth certain information relating to our total loan assets as of the dates indicated, presented according to sector:

Particulars	As of March 31,									
	2009		2010		2011		2012		2013	
	₹ crores	% of total	₹ crores	₹ crores	₹ crores	% of total	₹ crores	% of total	₹ crores	% of total
A. Public sector comprising of:										
i) State sector	46438.94	72.10	54137.59	67.80	64507.42	64.80	81485.50	62.60	105078.31	65.52
ii) Central sector	9283.09	14.40	15015.21	18.80	20300.10	20.40	24691.47	19.00	24569.97	15.32
iii) Joint sector	4359.63	6.80	6526.81	8.20	7990.95	8.00	9301.59	7.20	10868.72	6.78
B. Private	4347.34	6.70	4176.15	5.20	6772.27	6.80	14593.26	11.20	19849.60	12.38

Particulars	As of March 31,									
	2009		2010		2011		2012		2013	
	₹ crores	% of total	₹ crores	₹ crores	₹ crores	% of total	₹ crores	% of total	₹ crores	% of total
sector										
Total	64429	100.00	79855.76	100.00	99570.74	100.00	130071.82	100.00	**160366.60**	**100.00**

The following table sets forth certain information relating to disbursements made in the periods indicated, presented according to sector:

Particulars	As of March 31,									
	2009		2010		2011		2012		2013	
	₹ crores	% of total	₹ crores	₹ crores	₹ crores	% of total	₹ crores	% of total	₹ crores	% of total
A. **Public sector comprising of:**										
i) State sector	14656.50	69.60	15952.9	61.80	22656.70	66.40	26201.00	63.26	35999.00	77.63
ii) Central sector	3130.10	14.90	6351.20	24.60	5943.60	17.40	5393.00	13.02	1577.00	3.40
iii) Joint sector	2647.40	12.60	2449.10	9.50	1774.70	5.20	1619.00	3.91	2062.00	4.45
B. Private sector	620.30	2.90	1055.30	4.10	3746.3	11.00	8205.00	19.81	6731.00	14.52
Total	**21054.30**	**100.00**	**25808.50**	**100.00**	**34121.30**	**100.00**	**41,418.00**	**100.00**	**46369.00**	**100.00**

Institutional development role and government programs

The GoI and various state governments have undertaken numerous programs and initiatives for the reform and restructuring of the power sector in India. These initiatives are aimed at ensuring adequate supply of electricity at reasonable rates, encouraging private sector participation and making the Indian power sector self-sustaining and commercially viable. Our Company works closely with GoI, state governments, power sector utilities and intermediaries as well as private sector clients for the development and implementation of policies and structural and procedural reforms for the power sector in India.

Ultra Mega Power Projects ("UMPPs")

The GoI introduced a programme for the development of UMPPs, each with a contracted capacity of 4000 MW or above, with the objective of developing large capacity power projects in India. UMPPs involve the use of supercritical technology to achieve high levels of fuel efficiency, provide flexibility in unit size subject to specified minimum supercritical parameters and potentially have lower tariff costs for electricity generated.

The CEA is the technical partner for the development of these UMPPs while the MoP is involved as a facilitator. So far, 16 UMPPs have been identified, and are proposed to be located in the states of Chhattisgarh, Jharkhand, Madhya Pradesh, Orissa, Andhra Pradesh, Gujarat, Karnataka, Bihar, Maharashtra and Tamil Nadu. For these UMPPs, our Company sets up SPVs, in form of its wholly owned subsidiaries, to act as authorised representatives of the procurers. Accordingly, 13 SPVs in the form of wholly owned subsidiaries had been incorporated to undertake preliminary site investigation activities necessary for conducting the bidding process for these projects. These SPVs shall be transferred through successful bidders selected through tariff based international competitive bidding process for implementation and operation.

Out of the aforesaid 13 SPVs, Coastal Gujarat Power Limited for Mundra UMPP in Gujarat, Sasan Power Limited for Sasan UMPP in Madhya Pradesh, Coastal Andhra Power Limited for Krishnapatnam UMPP in Andhra Pradesh and Jharkhand Integrated Power Limited for Tilaiya UMPP in Jharkhand have been transferred to the successful bidders.

For further details pertaining to the SPVs established under the UMPP initiative, see the section titled "History and Certain Corporate Matters" on page 105.

Our Company earns revenue from its involvement with UMPPs through (i) interest income on expenditure incurred by our Company prior to handing over the relevant SPVs to the successful bidder, which are typically in the form of loans extended by our Company to these SPVs; and (ii) fee income. In certain cases, our Company also holds, on behalf of the SPVs, any commitment advances received by the SPVs from the procurer of the project to meet the initial expenses of the SPVs. Our Company typically invests any unused portion of the commitment advances as part of its ongoing investment activities and pays the SPVs an average rate of return on this amount. In addition, our Company may earn interest income by extending loans in the future to such projects.

Independent Transmission Projects ("ITPs")

ITPs were initiated to develop transmission capacities in India and to bring in potential investors after developing such projects to a stage having preliminary survey work, identification of transmission routes, preparation of survey reports, initiation of the process of land acquisition and forest clearances if required, and also for conducting bidding process etc. In April 2006, the MoP introduced a tariff based competitive bidding process for ITPs, similar to that followed for UMPPs, for the development of transmission systems through private sector participation.

So far nine SPVs, two by PFC and seven by PFCCL have been incorporated. Of the SPVs incorporated by our Company, East North Interconnections Company Limited was transferred to the successful bidder, namely Sterlite Technologies Limited on March 31, 2010 and Bokaro-Kodarma Maithon Transmission Company Limited was liquidated in December 2010.

PFCCL was nominated as the 'Bid Process Coordinator' for ITPs by MoP for selection of developers for ITPs. PFCCL has incorporated four SPVs namely Jabalpur Transmission Company Limited, Bhopal Dhule Transmission Company Limited, Nagapattinam-Madhugiri Transmission Company Limited and DGEN & Uttrakhand Transmission Co. Ltd. as wholly owned subsidiaries for the development of ITPs. Out of the above, two SPVs namely Jabalpur Transmission Company Limited and Bhopal Dhule Transmission Company Limited, have been transferred to the successful bidders, namely Sterlite Transmission Project Private Limited on March 31, 2011. Additionally, Nagapattinam-Madhugiri Transmission Company Limited has been transferred to Power Grid Corporation of India Limited on March 29, 2012. The bidding to process for DGEN & Uttrakhand Transmission Co. Ltd. was reinitiated during the Fiscal 2013. The said transmission project with the revised scope was renotified by MoP and its name changed DGEN Transmission Co. Ltd.

Further four subsidiary companies (wholly owned subsidiaries of PFCCL) have been created for the development of ITP's namely Patran transmission Company Limited, RAPP transmission Company Limited, Parulia & kharagpur Transmission Company limited & Darbhanga – Motihari Transmssion Company limited. The bidding processes for these ITPs are under process.

For further details pertaining to the SPVs established under the ITP initiative, see the section titled "History and Certain Corporate Matters" on page 105.

Restructured Accelerated Power Development and Reform Programs

The GoI introduced the Accelerated Power Development Program ("**APDP**") in Fiscal 2001 as part of the reform of the Indian power sector. During the X five-year plan, the GoI subsequently upgraded the APDP program to the APDRP in Fiscal 2003. In July 2008, APDRP was restructured and the MoP launched the R-APDRP.

The R-APDRP is a GoI initiative launched for implementation during the XI five-year plan. The focus of the programme is the actual demonstrable performance in terms of sustained loss reduction, establishment of reliable and automated systems for collection of accurate and reliable baseline data, and adoption of information technology ("**IT**") in the areas of energy accounting and implementation of regular distribution strengthening project. The programme envisaged objective performance evaluation of utilities in terms of AT&C losses.

Our Company was designated as the nodal agency for operationalising and implementing the R-APDRP under the overall guidance of MoP, GoI, pursuant to MoP Order dated August 6, 2008. Our Company acts as a single window service and co-ordinates with the main stakeholders involved such as MoP, GoI, APDRP steering

committee, CEA, financial institutions, utilities and various consultants. The funds under R-APDRP are provided to the state power utilities/ distribution companies, through our Company.

Consultancy services

In addition to our lending activities, we provide various technical consultancy and advisory services for power sector projects. We provide consultancy and other fee-based services to State power utilities, power distribution licensees, IPPs, public sector undertakings and SERCs. We also provide fee-based services for various GoI programs, including acting as a nodal agency for UMPP and R-APDRP projects and as a bid process coordinator through our wholly owned subsidiary PFC Consulting Limited for ITP scheme projects. Other consultancy and advisory services include: bid process coordination for power procurement by distribution licensees through tariff based competitive bidding process; renewable and non-conventional energy schemes; coal block joint ventures and selection of developers for coal blocks and linked power projects; project advisory services including selection of an EPC contractor; advisory services relating to policy reform, restructuring and regulatory aspects; and assistance in relation to capacity building and human resource development.

We also intend to focus on acquisition advisory services for power sector projects, including identification of target projects and potential acquirers for acquisitions and consolidation opportunities, and also provide techno-commercial appraisal of target projects.

Resource mobilization

Our primary sources of funds include equity capital, internal resources and domestic and foreign borrowings. Our borrowings reflect various sources, maturities and currencies, and include bonds and term loans, as well as commercial paper and senior notes issued in the United States of America. In addition, historically most of our borrowings have been on an unsecured basis, particularly in respect of rupee term loans, and domestic bonds issued on a private placement basis. The following table sets forth certain information relating to our rupee-denominated and foreign currency denominated borrowings as of the respective dates indicated:

Particulars	As of March 31,									
	2009		2010		2011		2012		2013	
	₹ crores	% of total	₹ crores	₹ crores	₹ crores	% of total	₹ crores	% of total	₹ crores	% of total
Rupee	49570.65	95.00	64349.55	95.90	80636.04	94.20	104535.59	94.92	131158.96	93.97
Foreign currency*	2589.50	5.00	2758.86	4.10	4962.53	5.80	5590.32	5.08	8423.75	6.03
Total	52160.15	100.00	67108.41	100.0	85598.57	100.00	110125.91	100.00	139582.71	100.00

** The Rupee equivalents of foreign currency borrowings are based on the bank selling rate at the end of the relevant Fiscal.*

Rupee resources

Our primary sources of funds are Rupee-denominated bonds and term loans availed in India.

A significant percentage of our Rupee-denominated borrowings are raised through the issuance of privately placed bonds in India. As of March 31, 2013, we had outstanding borrowings aggregating ₹ 105334.19 crores in the form of bonds and ₹ 17005.00 crores in the form of term loans from Indian banks and financial institutions. In addition, with our classification as IFC, it enables us to further diversify our borrowings through the issuance of Rupee-denominated infrastructure bonds that offer certain tax benefits to bondholders.

The following table sets forth certain information relating to our Rupee resources as of the dates indicated:

(₹ in crores)

Particulars	As of March 31,				
	2009	2010	2011	2012	2013
Non-taxable bonds	125.00	50.00	0.00	5000.00	6275.12
Taxable bonds	35354.15	45751.43	56136.99	78919.89	99059.07
Term loans from Indian banks and financial institutions	14091.50	18548.12	22258.00	16544.50	17005.00
Interest subsidy from the GoI	908.94	663.49	451.87	376.21	145.78

Total*	**50479.59**	**65013.04**	**78846.86**	**100840.60**	**122484.97**

**The total rupee resources are after considering interest subsidy from GOI and excluding short term borrowings amounting to ₹ 8819.77 crores for the year 2012-13.*

Foreign currency resources

We have in the past raised foreign currency funds through syndicated loans, loans from multilateral agencies and other sources such as FCNR(B) loans, which are foreign currency loans for specific end uses (such as infrastructure) and at interest rates linked to LIBOR. The following table sets forth certain information relating to our foreign currency borrowings by source, as of the respective dates indicated:

(₹ in crores)

Particulars	As of March 31,				
	2009	2010	2011	2012	2013
ADB I and II	182.25	113.67	63.28	0.00	
ADB new loan	110.49	97.66	96.26	107.99	110.87
Credit Nationale (now Natexis Banque)	119.38	100.14	97.23	97.38	91.45
World Bank	2.62	1.87	1.37	0.98	0.36
KfW – Portion I	68.43	58.81	58.86	60.92	59.36
KfW – Portion II	22.12	16.91	14.54	12.48	9.43
Fixed Euro Notes	476.32	0.00	0.00	0.00	
Syndicated loan – IV	0.00	0.00	0.00	0.00	
Syndicated loan – V	476.00	0.00	0.00	0.00	
EDC Canada	0.00	0.00	0.00	0.00	
FCNR(B) Loans(Long-term)	205.80	181.98	180.56	206.12	219.20
USPP*	926.10	820.44	812.52	927.54	986.40
Syndicated bank loan VII	-	1367.40	1354.20	1545.90	1644.00
Syndicated bank loan VIII	-	-	1114.52	1284.02	1220.56
Syndicated bank loan IX	-	-	1169.19	1347.00	1342.12
Syndicated bank loan XII	-	-	-	-	1370.00
Syndicated bank loan XIII					1370.00
Total	**2589.50**	**2758.86**	**4962.53**	**5590.33**	**8423.75**

* *6.61% Senior Notes due September 5, 2017 in the United States of America aggregating to USD 180 million on a private placement basis.*

As an IFC, we are also eligible to raise, under the automatic route (without the prior approval of the RBI), ECB up to USD 750 million each Fiscal, subject to the aggregate outstanding ECBs not exceeding 75% of our net owned funds. For further details, see the section titled "Financial Indebtedness" on page 131.

Risk Management

We have put in place an Integrated Enterprise wide Risk Management ("**IRM**") policy and procedures. The IRM policy and procedures lists all risks we face which may have an impact on profitability/ business of our Company, their root causes, existing mitigations factors and action plans for further mitigations, where required. The risks have been prioritized and key performance indicators identified for measuring and monitoring. A Risk Management Committee of the Board is constituted for monitoring the risks, mitigations and implementation of action plans.

Important risks faced by our Company are:

- Credit risks.
- Security risks.
- Liquidity risks.
- Interest rate risks;
- Foreign currency risk; and
- Operational risk.

Credit risks

Our borrower's eligibility criteria emphasises on financial and operational strength, capability and competence. While we encourage certain schemes through differential lending rates, the eligibility criteria and funding decision is always purely guided by the merit of the project and no funds are pre-allocated.

Our lending policies are set out in its Operational Policy Statement ("**OPS**"). In addition, we place emphasis on funding projects with short lead times as well as on-going projects.

We lend to projects which meet the following criteria:

a) techno-economically sound with Financial or Economic Rate of Return of not less than 12% (as may be applicable);*
b) feasible and technically sound and provide optimal cost solutions for the selected alternative;
c) compatible with integrated power development and expansion plans of the state/ region/ country;
d) compliant with environmental guidelines, standards and conditions;
e) schemes should have obtained the required clearances;
f) all inputs required for the implementation and operation of the projects are tied up and proper procurement and implementation plans have been drawn up.

**In case of environmental up-gradation, meter installation, load despatch, computerisation and communication, R&D and non-conventional energy projects the Rate of Return of 12% i.e. (Economic or financial) may not be insisted upon.*

We evaluate the credit quality of all our borrowers by assigning a rating on the basis of various financial and non-financial parameters. Further, integrated rating (Combination of Entity Rating and Project Rating) is worked out for private sector generation projects. The interest rates, requirement of collateral securities and exposure limits are worked out on the basis of integrated ratings.

Security risks

We extend financial assistance to those state power utilities which provide confirmation that we would have a priority claim on the particular utility's surplus revenue over the loan granted by the state government to the SEBs. The majority of our outstanding loans to the state level utilities are secured by charge on assets; some are secured by irrevocable guarantees given by the respective State Governments. In most of the cases of our Loans, default escrow accounts are used as a measure of credit enhancement mechanism. Under this arrangement, the borrower along with the escrow bank agrees to route through the designated account a specified level of cash flow with an arrangement that the escrow agent will directly pay to us in case of default.

In the case of private power projects, security is normally obtained through first priority pari-passu charge on assets, and Trust and Retention Account ("**TRA**"). In certain cases, collateral securities like personal and corporate guarantees are also insisted upon. In the case of private sector borrowers, the eligibility is assessed on the basis of various factors such as past performance of the promoters, their experience, capacity to bring in equity, project soundness etc.

Liquidity risks

Our Company has put in place an effective Asset Liability Management System, constituted an Asset Liability Management Committee ("**ALCO**") headed by Director (Finance). ALCO monitors risks related to liquidity and interest rate and also monitors implementation of decisions taken in the ALCO meetings. The liquidity risk is being monitored with the help of liquidity gap analysis. The Asset Liability Management framework includes periodic analysis of long term liquidity profile of asset receipts and debt service obligations. Such analysis made every month in yearly buckets for the next 10 years, is being used for critical decisions regarding the time, volume and maturity profile of the borrowings, creation of new assets and mix of assets and liabilities in terms of time period (short, medium and long-term).

To ensure that we always have sufficient funds to meet our commitments, our OPS requires us to maintain satisfactory level of liquidity to ensure availability of funds at any time up to three months' anticipated disbursements. At present surplus funds are invested by way of short-term deposits with banks and mutual funds.

Interest rate risks

Interest rates are dynamic and dependent on various internal and external factors including cost of borrowing, liquidity in the market, competitors' rates, movement of benchmarks like AAA bond / GSec yield, RBI policy changes, etc.

We review our lending rates periodically based on prevailing market conditions, borrowing cost, yield, spread, competitors' rates, sanctions and disbursements; etc. Our incremental rupee lending interest rates is normally made with either three year or 10 year interest re-set clause.

The interest rate risk is managed by analysis of interest rate sensitivity gap statements, evaluation of earning at risk ("**EaR**") on change of interest and creation of assets and liabilities with the mix of fixed and floating interest rates. In addition, all loan sanction documents specifically give us the right to vary interest rate on the un-disbursed portion of any loan.

Foreign currency risks

Our Company has put in place Currency Risk Management (CRM) policy to manage risks associated with foreign currency borrowings. The Company manages foreign currency risk by lending in foreign currency and through derivative products (like currency forward, option, principal swap, interest rate swap and forward rate agreements) offered by banks, who are authorised dealers. Our Risk Management Committee consists of senior officers headed by our Director (Commercial) and a forex consultant to guide in hedging. Periodically, once in a quarter, the details of foreign currency exposure, open position and hedging done are submitted to the Risk Management Committee of the Board, the Audit Committee and the Board of Directors. As of March 31, 2013, we have lent in foreign currency or entered into hedging transaction to cover 15% of its foreign currency principal exposure which is within the limits prescribed by our CRM policy.

Operational risks

Operational risks are risks arising from inadequate or failed internal processes, people and systems or from external events. We have established systems and procedures to reduce operational risk as outlined below:

(a) *Operational controls in project finance activities:* Our OPS, operational guidelines and manuals provide a detailed description of the systems and procedures to be followed in the course of appraisal, approval, disbursement and recovery of a loan. Various checks and control measures have been built-in for timely review of the operating activities and monitoring of any gaps in the same. A significant proportion of the activities are subject to regular monitoring and auditing, including loan sanctions, disbursements and recovery. In addition to this, many important activities are monitored on a periodic basis.

(b) *Operational controls in treasury activities:* Our OPS and manual for deployment of surplus funds provide a description of operations to be followed, with suitable exposure and counterparty limits. Compliance with our guidelines is monitored through internal control and a well-developed audit system including external and internal audits.

(c) *Legal risk:* Legal risk arises from the uncertainty of the enforceability of contracts relating to the obligations of our borrowers. This could be on account of delay in the process of enforcement or difficulty in the applicability of the contractual obligations. We seek to minimize the legal risk through legal documentation that is drafted to protect our interests to the maximum extent possible.

Human resource development

We are a lean organization and boasts of the highest per employee profitability in the country. As of June 30, 2013, we have 444 employees of whom 327 are executives. This indicates that the Company enjoys a high level of employee productivity. In recognition of this the Company has been conferred with the Dalal Street's "First DSIJ Award 2009" in the category of "Highest Profit per Employee". Our Company also received ICC PSE Excellence Award 2012 in the category of Best Human Resource Management by Indian Chamber of Commerce in Association with DPE, Govt. Of India.

In the field of Human Resource Development, we stress on the need to continuously upgrade the competencies of its employees and equip them to keep abreast of latest developments in the sector and industry practices. The

Company is in a knowledge intensive business and is committed to enhance the professional skills and knowledge of its employees. It has in place a systematic training plan where the training needs are assessed and professional skills are imparted at all levels of employees through customized training interventions. Our employees have an in-depth exposure to the various fields of the power sector including critical areas such as project appraisal, project financing, international finance and domestic resource mobilisation.

Corporate social responsibility

We are in the process of streamlining our CSR activities through implementation of CSR policy in the Company. These CSR shall support initiatives which will bring qualitative change in the daily life of the society/community without comprising on ecological conditions. The Company has entered into a Memorandum of Understanding (MOU) with GoI for spending 0.5% of our profits after tax towards CSR activities as a part of its Corporate Social Responsibility.

Competition

As the leading financial institution in India dedicated to funding the power sector, we have built up significant expertise in assessing power projects, as well as developing an ongoing relationship with the state governments and power utilities. Our Company has therefore succeeded in establishing a niche position in its field of expertise. In relation to private sector projects, we believe that it is likely to face competition from banks and other Indian financial institutions and, possibly from international project financiers. In view of the currently limited resources to devote to this area and the anticipated scale of financing required in the Indian power sector, it is anticipated that our business will expand.

Properties

Our Registered Office is located at 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi 110 001. In addition to the above, we also have two regional offices in Mumbai and Chennai. Our Mumbai office has been taken on lease and license basis by an agreement dated November 09, 2012 for a limited period of eleven months commencing from November 06, 2012. The lease period for the same shall be valid up to October 05, 2013.

REGULATIONS AND POLICIES

Our Company is a systemically important, non-deposit taking NBFC. Our Company has been notified as a PFI under section 4A of the Companies Act and has also been classified as an IFC by the RBI in July 2010. The business activities of NBFCs, PFIs and IFCs are regulated by various RBI regulations and certain provisions of the RBI Act. The following is an overview of the important laws, regulations and policies that are relevant to our business. The description of laws, regulations and policies set out below are not exhaustive, and are only intended to provide general information to bidders and is neither designed, nor intended to be a substitute for professional legal advice. The statements below are based on the current provisions of Indian law and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decision.

I. Regulations pertaining to NBFCs

The Reserve Bank of India Act, 1934 ("RBI Act")

The RBI is entrusted with the responsibility of regulating and supervising activities of NBFCs by the power vested in it under chapter IIIB of the RBI Act. The RBI Act defines an NBFC under section 45-I(f) as:

> "*(i) a financial institution which is a company;*
>
> *(ii) a non-banking institution which is a company and which has, as its principal business the receiving of deposits, under any scheme of arrangement or in any other manner, or lending in any manner;*
>
> *(iii) such other non-banking institution or class of such institutions, as the Bank may, with the previous approval of the Central Government and by notification in the Official Gazette, specify."*

Section 45-I(c) of the RBI Act defines a "financial institution" as a non-banking institution carrying on as its business or part of its business, amongst other activities, the financing, whether by making loans or advances or otherwise, of any activity, other than its own. Also, section 45-I(e) of the RBI Act defines a non-banking institution as a company, corporation or cooperative society.

Currently, there are the following categories of NBFCs:

(i) Asset Finance Company;
(ii) Investment Company;
(iii) Loan Company;
(iv) Infrastructure Finance Company;
(v) Core Investment Company;
(vi) Infrastructure Debt Fund- Non- Banking Financial Company;
(vii) Non-Banking Financial Company - Micro Finance Institution; and
(viii) Non-Banking Financial Company - Factors

The RBI has clarified through a press release dated April 08, 1999, that in order to identify a particular company as an NBFC, it will consider both the assets and the income pattern as evidenced from the last audited balance sheet of the company to decide its principal business. A company will be treated as an NBFC if its financial assets are more than 50% of its total assets (netted off by intangible assets) and if its income from financial assets is more than 50% of the gross income. Both these tests are required to be satisfied as the determinant factor for principal business of a company.

The RBI Act mandates that no NBFC shall commence or carry on the business of a non-banking financial institution without obtaining a certificate of registration ("**CoR**"). Furthermore, such an NBFC must also have a net owned fund of ₹ 25,00,000 or such other amount not exceeding ₹ 2,00,00,000.

Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998 ("NBFC Prudential Norms")

The RBI by its notification dated January 31, 1998 notified the NBFC Prudential Norms. By its notification dated January 13, 2000, the RBI exempted government companies, conforming to section 617 of the Companies Act, from the applicability of certain provisions of the RBI Act relating to maintenance of liquid assets, creation of reserve funds and directions relating to acceptance of public deposits and the NBFC Prudential Norms.

Pursuant to the circular dated December 12, 2006, the RBI classified all NBFC-NDs with an asset size of ₹ 100 crore or more, including our Company, as non-deposit taking systemically important NBFCs ("**NBFC-ND-SI**") and proposed to bring all deposit taking and systemically important government owned NBFCs under the provisions of the NBFC Prudential Norms. All NBFC-ND-SIs were required to maintain a minimum CRAR of 10%, which was changed to 12% by March 31, 2010 and 15% by March 31, 2011.

Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 ("Non-Deposit Accepting or Holding Prudential Norms")

The RBI by its notification dated February 22, 2007 notified the Non-Deposit Accepting or Holding Prudential Norms, which, amongst other requirements, prescribe guidelines on NBFC-NDs regarding income recognition, asset classification, provisioning requirements, constitution of audit committee, capital adequacy requirements, concentration of credit/investment and norms relating to infrastructure loans.

A NBFC-ND, after taking into account the time lag between an account becoming non-performing, its recognition, the realization of the security and erosion over time in the value of the security charged, shall make provisions against sub-standard assets, doubtful assets and loss assets in the manner provided for in the Non-Deposit Accepting or Holding Prudential Norms.

Every NBFC-ND-SI should maintain, with effect from April 01, 2007, a minimum capital ratio consisting of tier I and tier II capital of not less than 10% of its aggregate risk weighted assets on balance sheet and of risk adjusted value of off-balance sheet items is required to be maintained. Also, the total of the tier II capital of a NBFC-ND shall not exceed 100% of the tier I capital.

NBFC-ND-SIs are required to submit three asset liability management ("**ALM**") returns. The periodicity of the statement of short term dynamic liquidity (NBS-ALM1) shall be monthly while that of statement of structural liquidity (NBS-ALM2) and statement of interest rate sensitivity (NBS-ALM3) would be half yearly.

In order to ensure better risk management and avoidance of concentration of credit risks, the RBI has, in terms of the Non-Deposit Accepting or Holding Prudential Norms, prescribed credit exposure limits for financial institutions in respect of their lending to single/ group borrowers. Credit exposure to a single borrower shall not exceed 15% of the owned funds of the NBFC-ND-SI, while the credit exposure to a single group of borrowers shall not exceed 25% of the owned funds of the NBFC-ND-SI. Further, the NBFC-ND-SI may not invest in the shares of another company exceeding 15% of its owned funds, and in the shares of a single group of companies exceeding 25% of its owned funds.

In addition, as a government-owned NBFC, loans made by us to central and state entities in the power sector have been exempted from RBI's prescribed prudential exposure norms applicable to other non-government owned NBFC-ND-SIs. Such exemptions, unless further extended by the RBI, are currently applicable until March 31, 2013. In compliance with RBI's directive in this regard, we have prepared a roadmap for compliance with the RBI prudential norms and MoP has submitted the same to RBI on February 12, 2013. On April 09, 2013 RBI has informed that they are examining the matter and have also stated that they shall keep MoP informed regarding further developments in the matter.

We follow prudential lending norms and guidelines approved by the MoP with respect to loans made to central and state entities in the Indian power sector, while our loans made to the private sector are generally consistent with lending exposure norms stipulated by the RBI.

Classification of Infrastructure Finance Companies

Pursuant to the RBI circular dated February 12, 2010, a new category of NBFCs known as IFC was introduced. An IFC is defined as an NBFC-ND that fulfils the following criteria:

(i) a minimum of 75% of its total assets should be deployed in infrastructure loans, as defined in Para 2(viii) of the Non-Deposit Accepting or Holding Prudential Norms;
(ii) net owned funds of ₹ 300 crore or above;
(iii) minimum credit rating 'A' or equivalent of CRISIL, FITCH, CARE, ICRA, or equivalent rating by any other accrediting rating agencies; and
(iv) CRAR of 15% with a minimum tier I capital of 10%.

IFCs may exceed the concentration of credit norms applicable to NBFC-ND-SI under the Non-Deposit Accepting or Holding Prudential Norms in lending to any single borrower by 10% of its owned fund, that is up to a total of 25% of its owned fund, and to any single group of borrowers by 15% of its owned fund, that is up to a total of 40% of its owned fund. Also, IFCs may lend and invest (loans/ investments taken together) in a single party up to a total of 30% of its owned funds and in a single group of parties up to a total of 50% of its owned funds.

IFCs are eligible to avail, under the automatic route, that is, without prior approval of RBI, ECBs up to USD 750 million each fiscal year subject to maximum of 75% of their owned funds, from recognised lenders under the automatic route. For further details of the applicable ECB provisions, see the section titled "Regulations and Policies - Regulations applicable to External Commercial Borrowings" on page 103.

KYC Guidelines

The RBI has extended the Know Your Customer ("**KYC**") guidelines to NBFCs and advised all NBFCs to adopt the same with suitable modifications depending upon the activity undertaken by them and ensure that a proper policy framework of anti-money laundering measures is put in place. The KYC policies are required to have certain key elements, including, customer acceptance policy, customer identification procedures, monitoring of transactions and risk management, diligence of client accounts opened by professional intermediaries, customer due diligence and diligence of accounts of politically exposed persons, adherence to KYC guidelines and the exercise of due diligence by persons authorised by the NBFC, including its brokers and agents.

Corporate Governance Guidelines

Pursuant to a RBI circular dated May 08, 2007, all NBFC-NDs are required to adhere to certain corporate governance norms including constitution of an audit committee, a nomination committee, a risk management committee and certain other norms in connection with disclosure, transparency and connected lending.

Supervisory Framework

In order to ensure adherence to the regulatory framework by NBFC-ND-SIs, the RBI has directed such NBFCs to put in place a system for submission of an annual statement of capital funds, and risk asset ratio etc. as of the end of March every year, in a prescribed format within a period of three months from the close of every financial year.

Additionally, all NBFCs are required to submit to the RBI a certificate from their statutory auditors every year to the effect that they continue to engage in the business of a non-banking financial institution and thereby require to hold a CoR, to be submitted within one month of the date of finalization of the balance sheet and in any other case not later than December 30th of that particular year. An NBFC-ND is required to obtain a CoR without authorization to accept public deposits. Further, in addition to the auditor's report under section 227 of the Companies Act, the auditors are also required to make a separate report to the board of directors on certain matters, including compliance with the minimum CRAR.

Prevention of Money Laundering Act, 2002 ("PMLA")

The Prevention of Money Laundering Act, 2002 (the "**PMLA**") was enacted to prevent money laundering and to provide for confiscation of property derived from, and involved in, money laundering. In terms of the PMLA, every financial institution is required to maintain record of all transactions of a specified nature and value and verify and maintain the records of the identity of all its clients, in such a manner as may be prescribed. The PMLA also provides for power of summons, searches and seizures to the authorities under the PMLA.

II. Regulations applicable to Foreign Investment

FEMA and FDI Regulations

Foreign investment in India is governed primarily by the provisions of the FEMA and the rules, regulations and notifications thereunder, read with the presently applicable consolidated FDI policy, effective from April 05, 2013 as issued by the DIPP vide its circular no. D/O IPPF. No. 5(1)/2013- FC. I.

The RBI, in exercise of its powers under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended ("**FEMA Regulations**") to prohibit, restrict or regulate, transfer by or issue of security to a person resident outside India.

FDI is permitted, except in certain prohibited sectors, in Indian companies either through the automatic route or the approval route, depending upon the sector in which FDI is sought to be made. Under the automatic route, no prior government approval is required for the issue of securities by Indian companies/ acquisition of securities of Indian companies, subject to the sectoral caps and other prescribed conditions. However, if the foreign investor has any previous joint venture/ tie-up or a technology transfer/ trademark agreement in the same field in India, prior approval from the FIPB is required even if that activity falls under the automatic route, except as otherwise provided. Under the approval route, prior approval from the FIPB or RBI is required. FDI for the items/ activities that cannot be brought in under the automatic route may be brought in through the approval route.

FDI is allowed under the automatic route up to 100% in respect of projects relating to electricity generation, transmission and distribution, other than atomic reactor power plants. There is no limit on the project cost and the quantum of FDI.

III. Regulations applicable to External Commercial Borrowings

The current policy of the RBI directly relating to external commercial borrowings ("**ECB**") is consolidated in the Foreign Exchange Management (Borrowing or Lending in Foreign Exchange) Regulations, 2000, as amended from time to time and Master Circualar on External Commercial Borrowings and Trade Credits dated July 1, 2013 ("**ECB Guidelines**"). The ECB Guidelines state that ECB refers to commercial loans in the form of bank loans, buyers' credit, suppliers' credit and securitized instruments, such as, floating rate notes and fixed rate bonds, availed from non-resident lenders with a minimum average maturity of three years. Funds received by an Indian company from the issue of preference shares, whether non-convertible, optionally convertible or partially convertible, or the issue of debentures that are not mandatorily and compulsorily convertible into equity shares, are considered debt, and, accordingly, all norms applicable to ECB (including those relating to eligible borrowers, recognised lenders, amount and maturity and end-use stipulations) apply to such issues.

ECB can be accessed under the automatic route and the approval route. The ECB Guidelines are subject to amendment from time to time. Pursuant to the extant ECB Guidelines issued by the RBI, NBFCs categorized as IFCs RBI have been permitted to avail of external ECB, including their outstanding ECBs, up to a maximum of USD 750 million each fiscal year, not exceeding 75% of their owned funds, under the automatic route subject to compliance with RBI prescribed prudential norms. However, ECBs availed by IFCs above 75% of their owned funds would require the approval of RBI and will, therefore, be considered under the approval route.

Automatic route

Under the automatic route, ECB can be raised from internationally recognized sources such as international banks, international capital markets, multilateral financial institutions/ regional financial institutions and government-owned development financial institutions, export credit agencies, suppliers of equipments, foreign collaborators and foreign equity holders other than erstwhile overseas corporate bodies.

A foreign equity holder to be eligible as a recognized lender would require a minimum holding of paid-up equity in the borrower company as follows: (a) for ECB up to USD 5 million - minimum paid-up equity of 25% held directly by the lender, and (b) for ECB more than USD 5 million - minimum paid up equity of 25% held directly by the lender and ECB liability-equity ratio not exceeding 4:1.

Further, the maximum amount of ECB which can be raised by a corporate entity other than those in the hotel, hospital and software sectors is USD 750 million or its equivalent during a financial year and the maturities of such ECBs are as follows: (i) ECB up to USD 20 million or its equivalent in a financial year with minimum average maturity of three years; (ii) ECB above USD 20 million or equivalent and up to USD 750 million or its equivalent with a minimum average maturity of five years.

As per the RBI master circular dated July 1, 2013, NBFCs set up under the automatic route will be permitted to undertake only those activities which are permitted under the automatic route. Diversification into any other activity would require the prior approval of FIPB. Similarly a company which has entered into an area permitted under the FDI policy and seeks to diversify into NBFC sector subsequently would also have to ensure compliance with the minimum capitalization norms and other regulations as applicable.

Approval route

After obtaining prior approval of the RBI, IFCs can avail ECB beyond 75% of their owned funds subject to compliance with the norms prescribed in the extant ECB Guidelines and upon hedging of the currency risk in full.

Further, after obtaining prior approval of the RBI, NBFCs can also avail ECB with minimum average maturity of five years from multilateral financial institutions, reputable regional financial institutions, official export credit agencies and international banks to finance import of infrastructure equipment for leasing to infrastructure projects.

IV. Legislative framework for recovery of debts

Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (the "Securitisation Act")

The Securitisation Act provides the powers of seize and desist to banks and financial institutions including PFIs, and grants certain special rights to them to enforce their security interests. Further, the Securitisation Act provides that a secured creditor may, in respect of non-performing loans, give notice in writing to the borrower requiring it to discharge its liabilities within 60 days, failing which the secured creditor may take possession of the assets constituting the security for the loan, and exercise management rights in relation thereto, including the right to sell or otherwise dispose of the assets.

Recovery of Debts Due to Banks and Financial Institutions Act, 1993("Debts Recovery Act")

The Debts Recovery Act provides for establishment of Debt Recovery Tribunals for expeditious adjudication and recovery of debts due to any bank or PFI or to a consortium of banks and PFIs. Under the Debts Recovery Act, the procedures for recoveries of debt have been simplified and time frames have been fixed for speedy disposal of cases.

V. Laws relating to Power Generation

Electricity Act

The Electricity Act repealed all the earlier enactments pertaining to the power sector, and provides for the requirement of licenses or permission for the activity of generation of power. The Electricity Act mandates that all regulatory commissions should procure certain percentage of power generation from renewable energy sources by all distribution companies. As far as the tariff and wheeling charges are concerned, it is stipulated that they should be decided by respective regulatory commissions as provided under the Electricity Regulatory Commissions Act, 1998.

VI. Labour Laws

Our Company is required to comply with various labour laws, including the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, Payment of Gratuity Act, 1972, the Minimum Wages Act, 1948 and the Industrial Disputes Act, 1947.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated on July 16, 1986 under the Companies Act as a public limited company, registered with the RoC, National Territory of Delhi and Haryana, and received the certificate for commencement of business on December 31, 1987. Our Company was incorporated as a financial institution to finance, facilitate and promote India's power sector development and was notified as a public financial institution under section 4A of the Companies Act in August 31, 1990.

For details in relation to our business activities and investments, see the section titled "Our Business" on page 79.

Changes in Registered Office

At the time of incorporation, the registered office of our Company was situated at Room No. 627, Shram Shakti Bhawan, Rafi Marg, New Delhi - 110 001, India. Subsequently, the registered office of our Company was shifted to Chandralok, 36, Janpath, New Delhi 110 001, India on March 25, 1988 and to "Urjanidhi", 1 Barakhamba Lane, Connaught Place, New Delhi – 110 001, India, on September 23, 2006, for ensuring administrative and operational efficiency.

Major events

Year	Event
1986	• Incorporation of our Company.
1987	• Certificate of commencement of business received.
1988	• Commencement of lending activities; • Evolution of broad operational policies identifying priority areas for providing financial assistance; and • Formulation of short term, medium term and long-term strategies for operations.
1989	• Provided first guarantee to M/s Mitsui and Company, Japan, for payment of principal for Rupees equivalent to Japanese Yen 27.39 billion for supplier credit made available to Uttar Pradesh state electricity board for setting up of the 1,000 MW Anpara B thermal power project.
1990	• Declared as a PFI under section 4A of Companies Act.
1991	• Conferred with a license to deal in foreign exchange in the power sector.
1992	• Project on energy management consultation and training made operational with the objective to bring about improvement in the efficiency of the energy supply component of the power sector with the help of USAID.
1993	• First MoU with GoI in relation to operational targets and rated excellent on the basis of all round performance for the same.
1994	• Company declared maiden dividend to the GoI.
1996	• Started funding private sector power projects.
1998	• Registered as a NBFC; • Declared a Mini Ratna (Category I); and • Promoted PTC India Limited as joint venture with National Thermal Power Corporation Limited and Power Grid Corporation of India Limited.
1999	• Launched consultancy services for both state owned and private power utilities in the power and financial sectors.
2003	• Appointed by the MoP as a nodal agency to fund the India Power Fund scheme to catalyze the process of fresh equity investment in the power sector.
2004	• Project appraisal system certified as ISO 9001.
2005	• Entered into MoU with LIC and 10 leading public sector banks for consortium financing of power projects.
2006	• Set up five subsidiary companies for developing UMPPs; and • Our disbursement crossed ₹ 10,000 crores.
2007	• Incorporation of four new subsidiary companies, two for developing UMPPs and two for developing ITPs; • Listing of our Equity Shares on the Stock Exchanges; and • Declared a Navratna PSU on June 22, 2007.
2008	• Appointed as nodal agency for APDRP;

Year	Event
	• Our SPV, Coastal Gujarat Power Limited for Mundra UMPP in Gujarat was transferred to Tata Power Company Limited on April 22, 2007; • Sasan Power Limited for Sasan UMPP in Madhya Pradesh and Coastal Andhra Power Limited for Krishnapatnam UMPP in Andhra Pradesh were transferred to Reliance Power Limited on August 7, 2007 and January 29, 2008 respectively; • Launch of R-APDRP programme; and • Incorporation of a new subsidiary, namely PFC Consulting Limited for undertaking consultancy assignments under the power sector; and • Incorporation of a new subsidiary, namely Power Equity Capital Advisors Private Limited.
2009	• Jharkhand Integrated Power Limited SPV, established for the Tilaiya UMPP, transferred to Reliance Power Limited on February 12, 2009; • PFCCL appointed as the bid process coordinator for independent transmission projects; and • Our Company featured in the list of top 500 Global Financial Brands 2009.
2010	• Received ISO 9001:2008 certification; and • Registered with the RBI as an IFC.
2011	• Incorporation of a new subsidiary, namely PFC Capital Advisory Services Limited; • Incorporation of a new subsidiary, namely PFC Green Energy Limited; • Public issue of long term infrastructure bonds for Fiscal 2010-2011; • Further public offering of Equity Shares of our Company; • Public issue of tax-free bonds for Fiscal 2011-12; and • Public issue of long term infrastructure bonds for Fiscal 2011-2012.
2012	• Incorporation of a new subsidiary, namely Deoghar Mega Power Limited on April 26, 2012, for the development of UMPP; • PFCCL transferred its wholly owned subsidiary namely Nagapattinam-Madhugiri Transmission Company Limited to Power Grid Corporation of India Limited on March 29, 2012; • Public issue of tax-free bonds for Fiscal 2012-13.

Awards and Recognitions

Our Company has been consistently rated in the highest category of 'Excellent' since then, except being rated 'Very Good' in 2004-05. Our Company has been rated among the 'Top 10' PSUs for the years 1998-99, 1999-2000, 2001-2002, 2002-2003 and 2003-2004.

Our Company was conferred with the 'Mini Ratna' (Category – I) status in the year 1998. On June 22, 2007, our Company was notified as a Navratna company by the GoI.

Our Company has received the following awards in the recent past:

- Dalal Street Investor Journal PSU Award 2012 in the category of Mighty Masters – Largest Balance sheet and Topline Non – manufacturing Navratna.
- Dainik Bhaskar India Pride PSU award 2012-13 in the category of special recognition for contribution in power distribution.
- JGBS- Top Rankers Excellence Award in the category of Best organisation of the year by Top Rankers.
- ICC PSE Excellence Award 2012 in the category of Best Human Resource Management by Indian Chamber of Commerce in Association with DPE, Govt. Of India.
- India Power Award 2012 in the Category of Large Financial Institution by Council of Power Utilities.
- Enertia Award 2012 in the category of Best Power Financial Institution. Further Dun & Bradstreet PSU Award 2012 in the Non- Banking Financial Company Category.
- Our former CMD Mr. Satnam Singh was conferred with Leading Energy Personality – Finance Award by Council of Power utilities.
- "Dun & Bradstreet PSU Award 2012" in the NBFC category on May 28, 2012;
- "SCOPE Gold Trophy" in the category of "Best Managed Bank, Financial Institution or Insurance Company" for the year 2010-2011 on April 13, 2012;

- "4th KPMG Infrastructure Today Award 2011" in the category of "Special Recognition for Contribution to the Power Sector over 25 years" on December 9, 2011;
- "India's Pride PSU Award 2011" by Dainik Bhaskar and DNA Newspapers on October 21, 2011;
- "Gentle Giant - the Largest Navratna (Non-Manufacturing)" award at the 3rd DSIJ PSU Awards on April 21, 2011;
- "SCOPE Commendation Certificate" in the category of "Best Managed Bank, Financial Institution or Insurance Company" for the year 2009-2010 on April 11, 2011;
- "Global HR Excellence Award" in the category of "Institution Building Award" during the World HR Congress 2011 on February 11, 2011;
- "Heavy Weight Navaratna Award (Non Manufacturing)" and the "Fastest Growing among Navaratna" at the 2nd PSU Awards 2010;
- "3rd KPMG Infrastructure Today Award 2010" in the category of "Most Admired Central Entity in power Sector";
- "India Power Award 2010" for the "Integrated Development of Power and Associated Sector" by Council of Power Utilities on November 11, 2010;
- "ICT for India Award" for excellence in performance for R-APDRP during the "Digital Inclusion Day" organised by SKOCH Consultancy and Department of Information and Technology, Government of India, on September 22, 2010;
- "Asia Pacific HRM award" for leading HR Practices in "Learning & Human Capital Development" during the Asia Pacific HRM Congress on September 3, 2010;
- "India's Pride Award 2010" in the category of "Financial Catalyst of the year" by Dainik Bhaskar;
- Gold award for excellence in "PSU's in Non Banking Financial Institution 2009" by India Pride awards with DNA;
- "India Power Award 2009" in the category of "Innovative Financing" by the Council of Power Utility on November 17, 2009;
- Dalal Street's "First DSIJ Award 2009" in the category "PSU having the highest profit per employee";
- "KPMG Infrastructure Today Award 2008" for "Most Admired Government Enabler – power" Category;
- "India Power Award 2008' for its role & association as implementation agency with "Distribution Upgrades & Management" programme of GoI; and
- Ranked 2nd on the basis of "Total Income" in FIs/ NBFCs/ financial sector category in Dun & Bradstreet's "India's Top 500 Companies 2007".

Our Main Objects

Our main objects, as contained in Clause III A of our Memorandum of Association are:

- To finance power projects, in particular thermal and hydroelectric projects;
- To finance power transmission and distribution works;
- To finance renovation and modernization of power plants aimed at improving availability and performance of such plants;
- To finance system improvement and energy conservation schemes;
- To finance maintenance and repair of capital equipment including facilities for repair of such equipment, training of engineers and operating and other personnel employed in generation, transmission and distribution of power;
- To finance survey and investigation of power projects;
- To finance studies, schemes, experiments and research activities associated with various aspects of technology in power development and supply;
- To finance promotion and development of other energy sources including alternate and renewable energy sources;
- To promote, organize or carry on consultancy services in the related activities of the Company;
- To finance manufacturing of capital equipment required in power sector; and

- To finance and to provide assistance for those activities having a forward and backward linkage, for the power projects, including but not limited to, such as development of coal and other mining activities for use as a fuel in power project, development of other fuel supply arrangements for power sector, electrification of railway lines, laying of railway lines, roads, bridges, ports and harbours, and to meet such other enabling infrastructure facilities that may be required.

The main objects clause and the objects incidental or ancillary to the main objects of our Memorandum of Association enable us to undertake our existing activities and the activities for which the funds are being raised through this Issue.

Changes in our Memorandum of Association

Since our incorporation, the following changes have been made to our Memorandum of Association:

Date of amendment	Details
January 18, 1991	Increase in authorized share capital of our Company from ₹ 1,000 crores comprising of 1,00,00,000 shares of ₹ 1,000 each to ₹ 2,000 crores comprising of 2,00,00,000 shares of ₹ 1,000 each.
October 30, 2001	Alteration in the objects clause of the Memorandum of Association by insertion of clause 10 and clause 11 immediately after the existing clause 9. The clauses read as follows: "10. To finance manufacturing of capital equipment required in power sector. 11. To finance and to provide assistance for those activities having a forward and backward linkage, for the power projects, including but not limited to, such as development of coal and other mining activities for use as a fuel in power project, development of other fuel supply arrangements for power sector, electrification of railway lines, laying of railway lines, roads, bridges, ports and harbours and to meet such other enabling infrastructure facilities that may be required."
September 26, 2002	Amendment in clause 5 of the Memorandum of Association altering the authorised capital of our Company to ₹ 2,000 crore divided into 2,00,00,00,000 shares of ₹ 10 each on account of sub-division of face value of equity shares from ₹ 1,000 each to ₹ 10 each.
September 13, 2006	Amendment in clause 3 of the objects incidental or ancillary to the attainment of the main objects clause. The words "with the previous consent of the President of India" were deleted in the clause and the amended clause reads as follows: "To borrow, for purposes of the Company, foreign currency or to obtain foreign lines of credit including commercial loans from any bank or financial institution or Government/ authority in India or abroad."

Holding company

We do not have a holding company.

Our Subsidiaries

As on date of this Draft Shelf Prospectus, our Company has 13 Subsidiaries, the details of which are as follows:

A. PFC Capital Advisory Services Limited

PFCCASL is a wholly owned subsidiary of our Company. PFCCASL was incorporated on July 18, 2011 under the Companies Act, with an authorized share capital of ₹ 1,00,00,000 divided into 10,00,000 equity shares of ₹ 10 each. The registered office of PFCCASL is located at "Urjanidhi", 1, Barakhamba Lane, Connaught Place, New Delhi - 110 001, India. It is engaged in the business to syndicate and make financial arrangements for projects/ enterprises in the areas of power, energy, infrastructure and other industries. As on date of this Draft Shelf Prospectus, our Company (including its nominees) holds 100% of the issued and paid-up equity capital of PFCCASL.

B. PFC Green Energy Limited

PFCGEL is a wholly owned subsidiary of our Company. Initially named Power Finance Corporation Green Energy Limited, PFCGEL was incorporated on March 30, 2011 under the Companies Act and a fresh certificate of incorporation, consequent upon change of name of Company, was issued on July 21, 2011. PFCGEL was incorporated with an authorized share capital of ₹ 12,00,00,00,000 divided into 1,00,00,00,000 equity shares of ₹ 10 each and 20,00,00,000 preference shares of ₹ 10 each. The registered office of PFCGEL is located at

"Urjanidhi", 1, Barakhamba Lane, Connaught Place, New Delhi 110 001, India. PFCGEL has been incorporated to focus on financing renewable energy projects. As on date of this Draft Shelf Prospectus, our Company (including its nominees) holds 100% of the issued and paid up equity capital of PFCGEL.

C. PFC Consulting Limited

PFCCL is a wholly owned subsidiary of our Company. PFCCL was incorporated on March 25, 2008 under the Companies Act with an authorized share capital of ₹ 5,00,000 divided into 50,000 equity shares of ₹10 each. The registered office of PFCCL is located at First Floor, "Urjanidhi", 1, Barakhamba Lane, Connaught Place, New Delhi - 110 001, India. PFCCL has been incorporated to carry on, promote and organize consultancy services related to the power sector. Presently, the consultancy services being undertaken by PFCCL comprise of assignments from state power utilities, licensees/ IPPs, state government, PSUs and state electricity regulatory commissions. As on date of this Draft Shelf Prospectus, our Company (including its nominees) holds 100% of the issued and paid up equity capital of PFCCL.

D. Power Equity Capital Advisors Private Limited

PECAP was incorporated on March 25, 2008 under the Companies Act with an authorized share capital of ₹10,00,000 divided into 1,00,000 equity shares of ₹10 each. The registered office of PECAP is located at First Floor, "Urjanidhi", 1, Barakhamba Lane, Connaught Place, New Delhi 110 001, India. PECAP has been incorporated to provide advisory services pertaining to equity investments in the Indian power sector. Our Company has acquired the 70% stake in PECAP on October 11, 2011 in addition to the 30% stake in PECAP already held by our Company. Therefore, as on date of this Draft Shelf Prospectus, our Company (including its nominees) holds 100% of the issued and paid up equity capital of PECAP and PECAP has become wholly owned subsidiary of our Company.

PECAP has not been able to transact any business due to lack of business proposals even after its acquisition by PFC. PFC has sought an approval from MoP for dissolving and getting the name of the Company Struck off from the records of Registrar of Companies under the provisions of Section 560 of the Companies Act, 1956. Such approval from MoP is awaited.

E. Subsidiaries incorporated under the programmes of Government of India

(I) *Subsidiaries incorporated under the Ultra Mega Power Project Program*

The GoI has appointed our Company as the nodal agency to facilitate the development and construction of potential UMPPs in India, which are mega super thermal power projects with a contracted capacity of 4,000 MW or more. So far, 16 such UMPPs have been identified, and are proposed to be located in the states of Chhattisgarh, Jharkhand, Madhya Pradesh, Orissa, Andhra Pradesh, Gujarat, Karnataka, Bihar, Maharashtra and Tamil Nadu.

Accordingly, 13 SPVs in the form of wholly owned subsidiaries were incorporated to undertake preliminary site investigation activities necessary for conducting the bidding process for these projects. These SPVs shall be transferred through successful bidders selected through tariff based international competitive bidding process for implementation and operation. All such SPVs/ subsidiaries have been incorporated under the Companies Act with an authorized share capital of ₹ 5,00,000 each divided into 50,000 equity shares of ₹ 10 each. The registered office of all such SPVs/ subsidiaries is located at First Floor, "Urjanidhi", 1, Barakhamba Lane, Connaught Place, New Delhi - 110 001, India. Eventually, these SPVs are to be transferred to the successful bidders selected through tariff based international competitive bidding process.

Out of the aforesaid 13 SPVs, Coastal Gujarat Power Limited for Mundra UMPP in Gujarat, Sasan Power Limited for Sasan UMPP in Madhya Pradesh, Coastal Andhra Power Limited for Krishnapatnam UMPP in Andhra Pradesh and Jharkhand Integrated Power Limited for Tilaiya UMPP in Jharkhand have been transferred to the successful bidders.

The dates of incorporation of the remaining nine subsidiaries are mentioned herein below.

S. No.	Name of the SPV/ Subsidiary	Date of incorporation
1.	Chhattisgarh Surguja Power Limited (formerly known as Akaltara Power Limited)	February 10, 2006
2.	Coastal Karnataka Power Limited	February 10, 2006
3.	Coastal Maharashtra Mega Power Limited	March 1, 2006
4.	Orissa Integrated Power Limited	August 24, 2006
5.	Coastal Tamil Nadu Power Limited	January 9, 2007
6.	Sakhigopal Integrated Power Company Limited	May 21, 2008
7.	Ghogarpalli Integrated Power Company Limited	May 22, 2008
8.	Tatiya Andhra Mega Power Limited	April 17, 2009
9.	Deoghar Mega Power Limited	April 26, 2012

Our Company, (including its nominees), holds 100% of the issued and paid up equity share capital of the aforesaid nine SPVs/ subsidiaries.

(II) ***Subsidiaries incorporated under the Independent Transmission Projects Program***

The MoP has initiated the tariff based competitive bidding process for the development of transmission systems through private sector participation. For further details on ITPs, see the section titled "Our Business" on page 79.

So far nine SPVs, two by PFC and seven by PFCCL have been incorporated to, among other things, undertake preliminary survey work, identification of route, preparation of survey report, initiation of process of land acquisition, initiation of process of seeking forest clearance, as and where required and for conducting the bid process. All such SPVs/ subsidiaries were been incorporated under the Companies Act with an authorized share capital of ₹ 5,00,000 each divided into 50,000 equity shares of ₹ 10 each. The registered office of all such SPVs/ subsidiaries is located at First Floor, "Urjanidhi", 1, Barakhamba Lane, Connaught Place, New Delhi - 110 001, India.

Of the SPVs incorporated by our Company, East North Interconnections Company Limited was transferred to the successful bidder, namely Sterlite Technologies Limited on March 31, 2010 and Bokaro-Kodarma Maithon Transmission Company Limited was liquidated in December 2010.

PFCCL was nominated as the 'Bid Process Coordinator' for ITPs by MoP for selection of developers for ITPs. PFCCL has incorporated four SPVs namely Jabalpur Transmission Company Limited, Bhopal Dhule Transmission Company Limited, Nagapattinam-Madhugiri Transmission Company Limited and DGEN & Uttrakhand Transmission Co. Ltd. as wholly owned subsidiaries for the development of ITPs. Out of the above, two SPVs namely Jabalpur Transmission Company Limited and Bhopal Dhule Transmission Company Limited, have been transferred to the successful bidders, namely Sterlite Transmission Project Private Limited on March 31, 2011. Additionally, Nagapattinam-Madhugiri Transmission Company Limited has been transferred to Power Grid Corporation of India Limited on March 29, 2012. The bidding to process for DGEN & Uttrakhand Transmission Co. Ltd. was reinitiated during the Fiscal 2013. The said transmission project with the revised scope was renotified by MoP and its name changed DGEN Transmission Co. Ltd.

Joint Ventures and Investments

As on date of this Draft Shelf Prospectus, the following are the details of our joint ventures and investments:

Joint Ventures

We have entered into two joint venture arrangements, pursuant to which the following joint venture companies have been incorporated:

(A) National Power Exchange Limited

On September 3, 2008, our Company entered into a joint venture agreement with National Thermal Power Corporation Limited, NHPC Limited and Tata Consultancy Services Limited ("**TCS**") for incorporation of NPEL (**"NPEL JVA"**) to operate a power exchange at the national level and to facilitate, promote, assist, regulate and manage dealings in power. Consequently, NPEL was incorporated as a public limited company under the Companies Act on December 11, 2008, with an authorized share capital of ₹ 50,00,00,000. The registered office of NPEL is located at Scope Complex, 7, Institutional Area, Lodhi Road, New Delhi – 110 003, India. As of March 31, 2013 our Company holds 16.66% of the paid up share capital of NPEL. This exchange is yet to start its operation. Recently, NTPC and NHPC have expressed their intention to exit from JV Company. A final decision on the exit of NTPC and NHPC is yet to be taken by other promoter companies.

(B) Energy Efficiency Services Limited

We have entered into a joint venture agreement with NTPC, Power Grid Corporation of India Limited and Rural Electrification Corporation Limited on November 19, 2009 for incorporation of EESL as an implementation arm of the National Mission of Enhanced Energy Efficiency, which is a part of the National Action Plan on Climate Change.

EESL was incorporated as a public limited company on December 10, 2009 under the Companies Act with the registered office located at 4th Floor, Sewa Bhawan, R. K. Puram, New Delhi – 110066, India. EESL is authorized to engage in the business of carrying on and promoting the implementation of energy efficiency projects in India and abroad. The authorized share capital of EESL is ₹1,90,00,00,000 divided into 19,00,00,000 equity shares of ₹10 each and the paid up share capital of EESL is ₹ 90,00,00,000 divided into 9,00,00,000 equity shares of ₹10 each. As on March 31, 2013, our company holds 2,25,00,000 equity shares in EESL, aggregating to 25% of the total issued and paid up share capital of the EESL.

Investments

(A) PTC India Limited (formerly known as Power Trading Corporation of India Limited)

PTC was incorporated as a joint venture company on April 16, 1999, under the Companies Act, and received its certificate of commencement of business on July 15, 1999. PTC is engaged in the business of purchasing, selling, importing, exporting and trading all forms of electricity, power and ancillary activities. Pursuant to a promoters' agreement dated April 8, 1999, PTC was promoted by PGCIL, NTPC and our Company. Consequently, through a supplementary agreement dated November 29, 2002 (together with the original agreement, referred to as "**Promoters Agreement**"), NHPC Limited also became a promoter of PTC.

Our Company presently holds 12,000,000 shares in PTC aggregating to 4.07% of the total issued and paid up capital of PTC.

(B) Power Exchange India Limited

Power Exchange India Limited is a joint venture company promoted by National Stock Exchange of India Limited (**"NSE"**) and National Commodity & Derivatives Exchange Limited (**"NCDEX"**) for setting up, operationalising and managing a national level power exchange in India ("**Power Exchange**"). Our Company entered into a share subscription and shareholders agreement (**"Agreement"**) with NSE and NCDEX on February 24, 2009 for subscribing to the equity shares of PXIL. As on March 31, 2013, our Company holds 6.08% of the total issued and paid up share capital of the PXIL.

(C) Small is Beautiful Fund

Our Company invested in SIB Fund pursuant to a contribution agreement dated March 24, 2004 (**"Contribution Agreement"**) entered between KSK Trust Private Limited, KSK Energy Ventures Limited and our Company. As of June 30, 2013 the net outstanding contribution of our Company is ₹ 7.68 crores aggregating to 9.74 % stake in SIB Fund of our Company. The net asset value per unit of SIB Fund as of June 30, 2013 is ₹ 9.74. SIB Fund is engaged in making equity and equity related investments, amongst others, in project companies operating in the business of power generation in Indian power sector with an intention to invest in power projects less than 100 MW, based on renewable sources or for captive consumption.

Material Agreements

Memorandum of Understanding with the Ministry of Power, Government of India ("MoP MoU")

We enter into a MoP MoU annually, which provides for the exercise of enhanced autonomy by delegation of financial powers to our Company. The MoP MoU for the year 2013-2014, dated March 21, 2013, provides that MoP would provide required assistance in resolving issues requiring inter ministerial consultations in relation to mobilization of cheaper financial resources which may include raising of tax-free bonds/ SLR bonds/ taxable bonds/ infrastructure bonds/ bonds under section 54EC of the Income Tax Act, loans from banks/ institutions and ECB/ Direct World Bank/ Asian Development Bank loans. Also, required assistance would be provided to our Company for extending exemptions from guidelines issued by the RBI for NBFCs. MoP would also provide necessary funds from budgetary allocation for the R-APDRP scheme. Further, MOP shall facilitate turnaround of State Power Utilities.

Under the terms of MoP MoU for the year 2013 – 2014 we are required to, among other things, undertake the following activities:

1. Work as a catalyst to bring institutional improvement in streamlining the functions of its borrowers in the areas of financial, technical and managerial to ensure optimum utilization of available resources;
2. Develop UMPPs and play a lead role in setting up shell companies in the name of projects for implementation of transmission and hydro power projects to be developed through competitive bidding route; and
3. Provide financial resources and to encourage flow of investments to power and associated sectors.

The MoP MoU 2013- 2014 is in force and operational beyond 2013-2014 until it is modified by the signing of the subsequent memorandum of understanding with the MoP.

Apart from various arrangements with our lenders, which we undertake in the ordinary course of our business, our Company does not have any other material agreement.

OUR MANAGEMENT

Board of Directors

As per the Articles of Association, the number of Directors shall not be less than three and not more than 12. As on September 17,, 2013, there are 9 Directors on our Board consisting of four executive directors and five non-executive Directors including one government nominee and four independent Directors. The appointment, as well as terms and conditions of employment of whole-time Directors including the chairman and managing Director are also approved by GoI.

The details of our Board as on the date of this Draft Shelf Prospectus are as follows:

S. No.	Name, Designation, Date of Appointment, DIN, Nationality and Age	Address	Director of the Company since	Other Directorships
1.	**Mr. Mukesh Kumar Goel** Designation: Chairman and Managing Director# & Director (Commercial) and Whole-time Director DIN: 00239813 Nationality: Indian Age: 57 years	278D, Pocket-2, Mayur Vihar Phase 1, New Delhi - 110091, India.	July 27, 2007	▪ Ghogarpalli Integrated Power Company Ltd. ▪ Orissa Integrated Power Ltd. ▪ PFC Consulting Ltd. ▪ PFC Capital Advisory Services Limited. ▪ PFC Green Energy Limited. ▪ PTC India Financial Services Ltd. ▪ PTC India Ltd. ▪ Sakhigopal Integrated Power Company Ltd. ▪ Tatiya Andhra Mega Power Ltd.
2.	**Mr. Radhakrishnan Nagarajan*** Designation: Director (Finance) and Whole-time Director DIN: 00701892 Nationality: Indian Age: 55 years	Flat No. 3C, Pocket A - 10, Kohinoor Apartments, Kalkaji Extension, New Delhi - 110019, India.	July 31, 2009	▪ Coastal Maharashtra Mega Power Ltd. ▪ Coastal Tamil Nadu Power Ltd. ▪ Deoghar Mega Power Limited. ▪ PFC Capital Advisory Services Limited. ▪ PFC Consulting Ltd. ▪ PFC Green Energy Limited.
3.	**Mr. Anil Kumar Agarwal** Designation: Director (Projects) and Whole-time Director DIN: 01987101 Nationality: Indian Age: 56 years	550 Pocket - C, SFS Flats, Sheikh Sarai Phase – I, New Delhi – 110017, India.	July 13, 2012	• Energy Efficiency Services Limited. • Coastal Karnataka Power Limited • PFC Green Energy Limited • Chhattisgarh Surguja Power Limited
4.	**Mr. Badri Narayan Sharma** Designation: Government nominee Director DIN: 01221452 Nationality: Indian Age: 53 years	A-6, Tower No. 4, New Moti Bagh, New Delhi, India.	August 28, 2012	▪ Rural Electrification Corporation Ltd.

S. No.	Name, Designation, Date of Appointment, DIN, Nationality and Age	Address	Director of the Company since	Other Directorships
5.	**Mr. Ajit Prasad** Designation: Independent Director DIN: 03302219 Nationality: Indian Age: 55 years	Flat 604, SBI Flats, Pocket – G, East of Kailash, New Delhi - 110065, India.	October 08, 2010	NIL
6.	**Mr. Krishna Mohan Sahni** Designation: Independent Director DIN: 02103128 Nationality: Indian Age: 66 years	House No.38, Pocket 2, Jasola Vihar, New Delhi - 110025, India.	December 31, 2010	▪ National Multi Commodity Exchange of India Ltd. ▪ Omnibus Industrial Development Corporation
7.	**Mr. J.N. Prasanna Kumar** Designation: Independent Director DIN: 00200233 Nationality: Indian Age: 63 years	No. 209, HMT Layout, 6th D Main, R.T. Nagar, Bangalore-560032	December 22, 2012	▪ MIC Electronics Ltd ▪ Catalyst profin Consultants Private ltd ▪
8.	**Mr. V.M. Kaul** Designation: Independent Director DIN: 00015245 Nationality: Indian Age: 61 years	485, Mandikini Enclave, New Delhi-110019	June 24, 2013	▪ Uttar Haryana Bijli Vitran Nigam Limited ▪ Jyoti Structures Ltd
9.	**Shri Yogesh Chand Garg** **1** Designation: Independent Director DIN: 01768635 Nationality: Indian	R-12/34, Raj Nagar, Ghaziabad, Uttar Pradesh	August 22, 2013	▪ Jeenesh Consultants Pvt. Ltd. ▪ Metatech Infotech Pvt. Ltd. ▪ Welcome Infratech Pvt. Ltd. ▪ Shourya Infracon Pvt. Ltd. ▪ Laxmi Narayan Promoters (P) Ltd. ▪ Adlac Healthtech Pvt. Ltd.

* *Our Company does not have a designated Chief Financial Officer. Mr. Radhakrishnan Nagarajan is the whole – time finance director who heads the finance functions of our Company.*
 # Mr. Mukesh Kumar Goel has assumed additional charge of Chairman and Managing Director in pursuance of MoP order No. 8/4/2012-PFC dated September 13, 2013.

All our Directors are appointed by our Promoter, the President of India acting through the MoP. Besides this, there are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors were selected as a Director or a member of senior management.

None of the current directors of the Company appear on the list of defaulters of the RBI/ ECGC default list.

Brief Profiles of the Directors

Mr. Mukesh Kumar Goel, aged 57 years**,** is the *Chairman and Managing Director* and Director (Commercial). He joined the Board on July 27, 2007. He holds a bachelor's degree in electrical engineering from Kanpur University. Mr. Goel has experience in the power sector for over three decades. Prior to joining our Company on November 22, 1988, he has worked with NHPC Limited and has been involved in introducing reforms in state power utilities, steering the R-APDRP scheme of the GoI as well as overseeing the human resource functioning, information technology and legal activities of our Company.

Mr. Radhakrishnan Nagarajan, aged 55 years, is the Director (Finance) and is responsible for all functions of the finance division. He holds a bachelor's degree in commerce from University of Madras and is a qualified chartered accountant, cost accountant and a certified associate of the Indian Institute of Bankers. Mr. Nagarajan has previously worked with Andhra Bank. He joined our Company in 1995 and has held the post of executive director (Finance) since January 2008, during which he was overseeing various business activities relating to IPO, resource mobilization, banking, treasury, disbursement, recovery, internal audit, power exchange, asset liability and risk management.

Mr. Anil Agarwal, aged 56 years, is the Director (Projects) and is responsible for the appraisal, sanction and disbursement of financing proposals in the state and private sectors, which include generation, transmission, distribution and renewable energy projects of the state and private sector utilities and increasing focus on consortium lending and possibilities for backward & forward linkages. He holds a bachelor's degree in electrical engineering with honours from Motilal Nehru Regional Engineering College, Allahabad. Prior to taking over as Director (Projects), Mr. Agarwal has worked with BHEL and PFC in various capacities. Mr. Agarwal has been serving PFC for more than two decades and has been actively involved in procurement of goods, thermal appraisal, entity appraisal of private sector projects, fixing of sanction and disbursement targets and their achievement and was also looking after Tadri and Krishnapattnam UMPP. Mr. Agarwal was also holding the charge of the chief executive officer of PFCGEL, a 100% subsidiary of PFC. He has been on a number of important assignments and is currently also the chairman and chief executive officer of Energy Efficiency Services Limited.

Mr. Badri Narayan Sharma, aged 53 years, is a nominee Director of the GoI and is presently the joint secretary to the MoP. He joined the Board on August 28, 2012. He holds a bachelor's degree and a master's degree in financial management. He has been an IAS officer of the Rajasthan cadre and has experience in the civil services for about 27 years. Prior to joining MoP, he has served as the principal secretary in medical, health and family welfare department in Rajasthan. Mr. Sharma has also served as the commissioner of the commercial taxes department at Rajasthan, managing director of Rajasthan State Industrial and Investment Corporation Limited, chairman and managing director of Rajasthan Financial Corporation and as the secretary of the finance department and elementary, secondary and Sanskrit education department in Rajasthan. Prior to that he has worked as collector and district magistrate of Jaipur, Alwar and Tonk districts in Rajasthan, as chairman and managing director of Jaipur Vidhyut Vitran Nigam Limited, Jaipur, and as secretary, Rajasthan State Electricity Board, Jaipur. Mr. Sharma has also served as a director on the boards of various companies including Rajasthan Drugs and Pharmaceuticals Limited, Rajasthan Medical Services Corporation Limited, Rajasthan Small Industries Corporation Limited, Rajasthan Asset Management Company Private Limited, Rajasthan Trustee Company Private Limited and Rajasthan Electronics and Instruments Limited.

Mr. Ajit Prasad, aged 55 years, is an independent Director. He joined the Board on October 8, 2010. He holds a master's degree in economics from the University of Delhi and a post graduate diploma in management from the International Management Institute. He also holds a Ph.D. from Patna University. He has been involved with various organizations as an academician and has published his research in the areas of corporate planning, strategic thinking and governance along with a focus on ethics and corporate social responsibility.

Mr. Krishna Mohan Sahni, aged 66 years, is an independent Director. He joined the Board on December 31, 2010. He holds a bachelor's degree in English literature and a master's degree in history from the University of Delhi. He is an IAS officer of the Union Territory cadre. He has held various positions such as secretary to the Ministry of Labour and Employment, GoI, additional secretary to Ministry of Agriculture, GoI, principal secretary to the General Administration Department and Tourism, Government of Delhi, principal secretary (Power), GoI, chairman and managing director of Delhi Transco Limited and Delhi Financial Corporation, managing director of Delhi Tourism and Transportation Development Corporation Limited Delhi State Industrial and Infrastructure Development Corporation Limited.

Mr. J.N. Prasanna Kumar, aged 63 years is an independent Director. He joined the Board on December 22, 2012. He holds a bachelor's degree in commerce and is a qualified Chartered Accountant. He retired as Director (Finance) of Neyveli Lignite Corporation Limited (NLC) and has held additional charges as CMD in NLC for six months during his tenure. He is presently a partner in G.P Ramachandran and Associates (CA firm).

Mr. V. M Kaul, 61 years, has over 38 years of experience in multidisciplinary functions like management of power and transmission projects, joint ventures, contract management, quality assurance, human resource management etc. in premier organisations like Power Grid Corporation Of India Limited, NTPC Limited, Engineers India Ltd etc. He superannuated as Director (personnel) Power Grid Corporation of India Limited in March, 2012.

Mr. Yogesh Chand Garg, 50 Years holds a bachelor's degree in commerce from CCS University, Uttar Pradesh and bachelor's degree in law from same University. He is qualified chartered Accountant and doing practice for over 25 Years as senior partner of a Chartered Accountant firm. He is holding directorship in companies and position on the board of Educational Institutes.

Relationship with other Directors

None of the Directors of the Company are related to each other.

Borrowing powers of our Directors

Subject to the Memorandum and Articles of Association and pursuant to a resolution of our shareholders dated September 28, 2011 under section 293(1)(d) of the Companies Act, our Board is authorised to borrow up to a total amount of ₹ 2,00,000 crores in Indian rupees and in any foreign currency equivalent to USD 4,000 million, for the purpose of the business of our Company, notwithstanding that the amount to be borrowed by our Company exceeds the aggregate of the paid-up capital and free reserves of our Company.

The Issue of Bonds offered under this Draft Shelf Prospectus is being made pursuant to the resolution passed by the Board at its meeting held on March 22, 2013. The aggregate value of the Bonds offered under this Draft Shelf Prospectus, together with the existing borrowings of our Company, is within the approved borrowing limits of ₹ 2,00,000 crores.

Shareholding of Directors

The Articles of Association do not require the Directors to hold any qualification Equity Shares. The shareholding of the Directors in our Company as of June 30, 2013 is mentioned below:

S. No.	Name of Director	No. of Equity Shares
1.	Mr. Mukesh Kumar Goel	12389
2.	Mr. Radhakrishnan Nagarajan	26869
3.	Mr. Anil Kumar Agarwal	25859

For further details of our shareholding pattern, please see section titled "Capital Structure" on page 57.

Details of Appointment and Term of our Directors

S. No.	Name of Director	MoP Order No.	Term
1.	Mr. Mukesh Kumar Goel#	No. 8/1/2006 - PF dated July 27, 2007 & No.8/4/2010-PFC Desk dated 7th December, 2012	Term extended from 26.07.2012 till 30.09.2016 i.e. the date of his superannuation, or until further orders, whichever event occurs earliest. Also holding the charge of Chairman and Managing Director.
2.	Mr. Radhakrishnan Nagarajan	No. 8/1/2008 – PF dated July 31, 2009	Five years with effect from the date of assumption or until the date of superannuation or until further orders, whichever event occurs earliest.
3.	Mr. Anil Kumar Agarwal	No. 8/5/2011 – PFC Desk dated July 13, 2012	Five years with effect from the date of assumption, or until the date of superannuation or until further orders, whichever event occurs earliest.
4.	Mr. Badri Narayan Sharma	No. 8/1/2007 – PF dated August 28, 2012	With effect from August 28, 2012 and until further orders.
5.	Mr. Ajit Prasad	No. 8/1/2009 – PF Desk dated October 8, 2010	Three years with effect from October 8, 2010 or until further orders, whichever event occurs earliest.

S. No.	Name of Director	MoP Order No.	Term
6.	Mr. Krishna Mohan Sahni	No. 8/1/2009 – PF Desk dated December 31, 2010	Three years with effect from December 31, 2010 or until further orders, whichever event occurs earliest.
7.	Mr. J.N. Prasanna Kumar	No. 8/1/2012 – PFC Desk dated November 26, 2012	Three years with effect from December 22, 2012 or until further orders, whichever event occurs earliest.
8.	Mr. V.M. Kaul	No.8/1/2012-PFC Desk dated 24th June, 2013	Three years with effect from June 24, 2013 or until further orders, whichever event occurs earliest.
9.	Mr. Yogesh Chand Garg	No. 8/1/2012-PFC Desk dated August 22, 2013	Three years with effect from August 22, 2013 or until further orders, whichever event occurs earliest.

[*] *Read with MoP Order No. 8/3/2007-PF dated June 27, 2008.*

 # Mr. Mukesh Kumar Goel has assumed additional charge of Chairman and Managing Director in pursuance of MoP order No. 8/4/2012-PFC dated September 13, 2013.

Remuneration of Directors

A. Chairman and Managing Director and Whole-time Directors

The following table sets forth the details of remuneration paid to Directors during the Fiscal 2013:

Name of the Director	Salary and Allowances (in ₹)	Other Perquisites and Payments (in ₹)	Bonus/ Commission ex-gratia (in ₹)	Contribution to Provident Fund and Other Welfare Fund (in ₹)	Total (in ₹)
Mr. Satnam Singh	5180172.00	859613.00	0.00	392178.00	6431963.00
Mr. A.K. Agarwal	1644835.75	720865.00	0.00	292140.00	2657840.75
Mr. Mukesh Kumar Goel	4385984.00	903178.00	0.00	370533.00	5659695.00
Mr. Radhakrishnan Nagarajan	3920905.00	740288.00	0.00	321816.00	4983009.00

B. Independent Directors

The independent Directors are paid sitting fees for attending meetings of the Board and various committees of Directors. The following table sets forth the details of remuneration paid to Directors during the Fiscal 2013:

Name of the Independent Director	Sitting Fees (in ₹)
Mr. Ravindra Harshadrai Dholakia	460000.00
Mr. P. Murali Mohana Rao	540000.00
Mr. Suresh Chand Gupta	200000.00
Mr. Ajit Prasad	320000.00
Mr. Krishna Mohan Sahni	600000.00
Mr. Yogesh Chand Garg	-

Mr. Badri Narayan Sharma, being a nominee of the GoI, is not entitled to remuneration or sitting fee or any other remuneration from our Company.

Changes in our Board during the last three years

The changes in our Board in the last three years are as follows:

Name, Designation and DIN	Date of appointment/ Resignation	Director of the Company since (in case of resignation)	Remarks
Mr. Badri Narayan Sharma Designation: Government nominee Director DIN: 01221452	August 28, 2012	-	Appointment
Mr. Devender Singh Designation: Government nominee Director DIN:01792131	August 28, 2012	March 5, 2009	GoI nomination withdrawn
Mr. Anil Kumar Agarwal Designation: Director (Projects) and Whole-time Director DIN: 01987101	July 13, 2012	-	Appointment
Mr. Rajeev Sharma Designation: Whole-time Director DIN: 00973413	November 29, 2011	March 9, 2009	Resignation
Mr. Rakesh Jain Designation: Government nominee Director DIN: 02682574	January 6, 2011	June 25, 2009	Withdrawal of nomination by the GoI
Mr. Krishna Mohan Sahni Designation: Independent Director DIN: 02103128	December 31, 2010	-	Appointment
Mr. Ajit Prasad Designation: Independent Director DIN:03302219	October 8, 2010	-	Appointment
Mr. Suresh Chand Gupta Designation: Independent Director DIN: 00541198	February 24, 2013	February 25, 2010	Completion of Tenure
Mr. P. Murali Mohana Rao Designation: Independent Director DIN: 01909611	December 21, 2012	December 22, 2009	Completion of Tenure
Mr. Ravindra Harshadrai Dholakia Designation: Independent Director DIN: 00069396	December 21, 2012	December 22, 2009	Completion of Tenure
Mr. J.N. Prasanna Kumar Designation : Independent Director DIN: 00200233	December 22, 2012	-	Appointment
Mr. V.M. Kaul Designation : Independent Director DIN: 00015245	June 24, 2013	-	Appointment
Mr. Satnam Singh Designation: Chairman and Managing Director DIN: 00009074	As per MoP order No. 8/4/2012-PFC dated September 13, 2013.	August 01, 2008	Completion of Tenure

Name, Designation and DIN	Date of appointment/ Resignation	Director of the Company since (in case of resignation)	Remarks
Mr. Yogesh Chand Garg Designation : Independent Director DIN: 01768635	August 22, 2013	-	Appointment

Interests of our Directors

Except as otherwise stated in the section titled "Annexure B- Financial Statements", our Company has not entered into any contract, agreement or arrangement during the two years preceding the date of this Draft Shelf Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of such contracts or agreements.

All our Directors, including our independent Directors with the exception of our GoI nominee Director, may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board or a committee thereof, as well as to the extent of other remuneration and reimbursement of expenses payable to them.

Our Directors may also be regarded as interested, to the extent they, their relatives or the entities in which they are interested as directors, members, partners or trustees, are Allotted Bonds pursuant to this Issue, if any.

Corporate Governance

Our Company is in compliance with with the requirements of Corporate Governance as prescribed under Clause 49 of the listing agreement executed with the Stock Exchanges. As on date, the composition of the Board of Directors comprises of three (3) functional directors including CMD, one (1) Part Time Government Nominee Director and five (5) Part Time Non-Official Directors.

The Guidelines on Corporate Governance for Central Public Sector Enterprises dated May 14, 2010 issued by the Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises ("**DPE Guidelines**") lay down certain corporate governance norms to be adhered to by all central public sector enterprises. Our Company, as on date of this Draft Shelf Prospectus, is in compliance with the applicable corporate governance requirements with respect to the composition of the Board of Directors under the DPE guidelines. The DPE Guidelines require, among other things, that*:*

(i) The number of functional directors should not exceed 50% of the actual strength of the Board.

(ii) The number of directors nominated by the Government should not be more than two in number.

(iii) In case of central public sector enterprises listed with the stock exchanges and where the board of directors is headed by an executive chairman, the number of independent directors shall be at least 50% of the total strength of the board of directors. In other cases, the number of independent directors shall be at least one third of the total strength of the board of directors.

(iv) None of the directors should be members of more than ten committees or act as chairman of more than five committees across all companies in which they hold directorship.

Our Company has constituted an Audit Committee and a Shareholders' and Investor Grievance Committee as per the requirements of Clause 49 of the Listing Agreement. While the constitution of remuneration committee is not mandatory under the Listing Agreement, we have constituted a remuneration committee in accordance with the DPE Guidelines.

Committees of our Board

Our Board has constituted the following committees of Directors:

A. Audit Committee

The Audit Committee was constituted pursuant to a resolution of our Board dated January 30, 2001. As on date of this Draft Shelf Prospectus, the audit committee comprises of the following members:

1)	Mr. Ajit Prasad	Chairman
2)	Mr. J.N. Prasanna Kumar	Member
3)	Mr. A. K. Agarwal	Member

Scope and terms of reference

The role and terms of reference of audit committee are in line with the requirements of Section 292A of the Companies Act 1956, Clause 49 of the Listing Agreement and Guidelines on Corporate Governance for Central Public Sector Enterprises. The terms of reference of the Audit Committee include the following:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it is considered necessary.
- Oversight of the company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Reviewing with management the annual financial statement before submission to the Board, focusing primarily on:
  - Any change in accounting policy and practices.
  - Major accounting entries based on exercise of judgment by the management.
  - Qualification in draft audit report.
  - Significant adjustment arising out of audit.
  - Compliance with accounting standard.
  - Compliance with stock exchange and legal requirement concerning financial statements.
  - Any related party transaction i.e. transaction of the Company of material nature, with promoters or the management, their subsidiary or relatives etc. that may have potential conflict with the interest of the company at large.
  - Matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act.
  - Reviewing with management, external and internal auditor, the adequacy of internal control system and suggestion for implementation for the same.
  - Reviewing the adequacy of internal audit function including the structure of internal audit department, staffing and seniority of the officials heading the departments, reporting structure coverage and frequency of internal.
  - Discussion with internal auditor and significant finding and follow up thereon.
  - Reviewing the findings of any internal investigation by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control system of a material nature and reporting the matters to the Board
  - Discussion with statutory auditor before the audit commences, and nature of scope of audit as well as post audit discussion to ascertain any area of concern.
  - Reviewing the company's financial and risk management policy.
  - To look into the reasons for substantial default in the payment to the depositors, debenture holders, shareholders and creditors.
  - It shall have discussion with auditors periodically about internal control system, the scope of audit including the observation of the auditors & review the quarterly, half yearly & annual financial statement before submission to the Board, it shall ensure compliance of internal control system.
  - Approval of payment to statutory auditors for any other services rendered by statutory auditors.
  - Reviewing the Management discussion and analysis of financial condition and results of operations.
  - Formulation of whistle blower policy and recommending the same to Board for approval and review the functioning of the whistle blower mechanism and also to protect the whistle blowers.

- To review the follow up action on the audit observations of the CAG audit.
- To review the follow up action taken on the recommendations of the Committee on Public Undertakings (COPU) of the Parliament.
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

B. Remuneration Committee

The Remuneration Committee was constituted pursuant to a resolution of our Board dated April 17, 2009. As on date of this Draft Shelf Prospectus, the Remuneration Committee comprises of the following members:

1)	Mr. Ajit Prasad	Chairman
2)	Mr. Krishan Mohan Sahni	Member
3)	Mr. J.N. Prasanna Kumar	Member

Mr. M.K. Goel, Director (Commercial) and Shri R. Nagarajan, Director (Finance) are permanent invitees to the Remuneration Committee. Further, Company being a Central Public Sector Undertaking, the appointment of CMD & Directors and fixation of their remuneration are decided by President of India as per the Articles of Association of the Company. However, as per the provisions of the Department of Public Enterprises (DPE) guidelines on Corporate Governance for CPSE's, the Company constituted a Remuneration Committee comprising of three independent directors. The terms of reference of the Remuneration Committee included deciding the quantum of annual bonus/variable pay and policy for its distribution, formulation of ESOP scheme, pension scheme etc. within the prescribed limits across the whole time directors, executives and non unionized supervisors.

C. Shareholders' and Investors' Grievance Committee

The Shareholders' And Investor Grievance Committee was constituted pursuant to a resolution of our Board dated July 6, 2006. As on date of this Draft Shelf Prospectus, the shareholders' and investors' grievance committee comprises of the following members:

1)	Mr. J.N. Prasanna Kumar	Chairman
2)	Mr. Mukesh Kumar Goel	Member
3)	Mr. Radhakrishnan Nagarajan	Member

Company Secretary of the Company acts as the secretary to the committee and is also the compliance officer of the company. The company has set up a Shareholders'/Investors' Grievance Committee of Directors to look into the redressal of the complaint of investors. The committee oversees performance of the Registrar and Transfer agent of the Company and recommends measures for overall improvement in the quality of investor services.

D. Loans Committee

The Loans Committee was constituted pursuant to a resolution of our Board dated May 31, 1989. As on date of this Draft Shelf Prospectus, the Loans Committee comprises of the following members:

1)	Mr. Mukesh Kumar Goel	Chairman
2)	Mr. Badri Narayan Sharma	Member
3)	Mr. Krishna Mohan Sahni	Member
4)	Mr. Radhakrishnan Nagarajan	Member
5)	Mr. Anil Kumar Agarwal	Member

<u>Scope and terms of reference</u>

The Loans Committee of the Directors has been constituted for sanctioning of financial assistance up to ₹ 500 crores to individual schemes or projects including enhancement of financial and lease assistance and relaxation of eligibility conditions, subject to overall ceiling of ₹ 10,000 crore in a financial year.

E. Committee of Functional Directors

The Committee of Functional Directors was originally constituted pursuant to a resolution of our Board dated August 18, 2000, and was subsequently renamed to its present name pursuant to the Board resolution dated December 3, 2007. As on date of this Draft Shelf Prospectus, the Committee of Functional Directors comprises of the following members:

1)	Mr. Mukesh Kumar Goel	Chairman
2)	Mr. Radhakrishnan Nagarajan	Member
3)	Mr. Anil Kumar Agarwal	Member

Scope and terms of reference

The committee of functional directors is responsible for sanctioning of financial assistance upto ₹ 100 crores to individual schemes or projects including enhancement of financial and lease assistance, subject to overall ceiling of ₹ 4,000 crores in a financial year.

F. Risk Management Committee

The Risk Management Committee was constituted pursuant to a resolution of our Board dated August 12, 2005. As on date of this Draft Shelf Prospectus, the Risk Management Committee comprises of the following members*:

1)	Mr. Mukesh Kumar Goel	Chairman
2)	Mr. Radhakrishnan Nagarajan	Member
3)	Mr. Anil Kumar Agarwal	Member

Scope and terms of reference

The Risk Management Committee's main function is to monitor various risks likely to arise and to examine the various risk management policies and practices adopted by the Company. The risk management committee is also responsible for initiating action for mitigation of risk arising in the operation and other related matters of the Company.

G. Committee of Directors for Investment in IPO of Central Power Sector Undertakings

The Committee of Directors for Investment in IPOs of Central Power Sector Undertakings was constituted pursuant to a resolution of our Board dated August 17, 2007. As on date of this Draft Shelf Prospectus, the Committee of Directors for Investment in IPOs of Central Power Sector Undertakings comprises of the following members:

1)	Mr. Mukesh Kumar Goel	Chairman
2)	Mr. Radhakrishnan Nagarajan	Member
3)	Mr. Krishna Mohan Sahni	Member

Scope and terms of reference

The Committee of Directors for Investment in IPOs of Central Power Sector Undertakings was formed for approving equity investment in IPOs of Central Power Sector Undertakings and also other related matters like exit/ sale decisions, the number of shares to be applied through IPO, individual investment limit in each company on case to case basis, etc.

H. Ethics Committee

The Ethics Committee was constituted pursuant to a resolution of our Board dated November 10, 2010. As on date of this Draft Shelf Prospectus, the Ethics Committee comprises of the following members:

1)	Mr. Mukesh Kumar Goel	Chairman
2)	Mr. Ajit Prasad	Member

Scope and terms of reference

The Ethics Committee has been constituted to act as a conscience keeper for the company and to ensure that ethical business practices are being followed in managing the affairs of the Company.

I. CSR and Sustainable Development Committee

The CSR and Sustainable Development Committee was originally constituted pursuant to the Board resolution dated October 10, 2011, and was subsequently renamed to its present name pursuant to the Board resolution dated June 22, 2012. As on date of this Draft Shelf Prospectus, the CSR and Sustainable Development Committee comprises of the following members:

1)	Mr. Krishna Mohan Sahni	Chairman
2)	Mr. Ajit Prasad	Member
3)	Mr. Mukesh Kumar Goel	Member

Scope and terms of reference

The CSR and Sustainable Development Committee has been constituted to give direction to the corporate social responsibility and sustainable development activities of the company and to make recommendations to the Board for taking up various projects involving the same.

J. Committee for the Public Issue of Tax Free Bonds

The Committee for the Public Issue of Tax Free Bonds was constituted pursuant to the Board resolution dated March 9, 2012. As on date of this Draft Shelf Prospectus, the Committee for the Public Issue of Tax Free Bonds comprises of the following members:

1) Mr. Mukesh Kumar Goel
2) Mr. Radhakrishnan Nagarajan
3) Mr. Anil Kumar Agarwal
4) One independent Director as approved by Chairman & Managing Director, from time to time presently, Mr. V. M. Kaul.

Scope and terms of reference

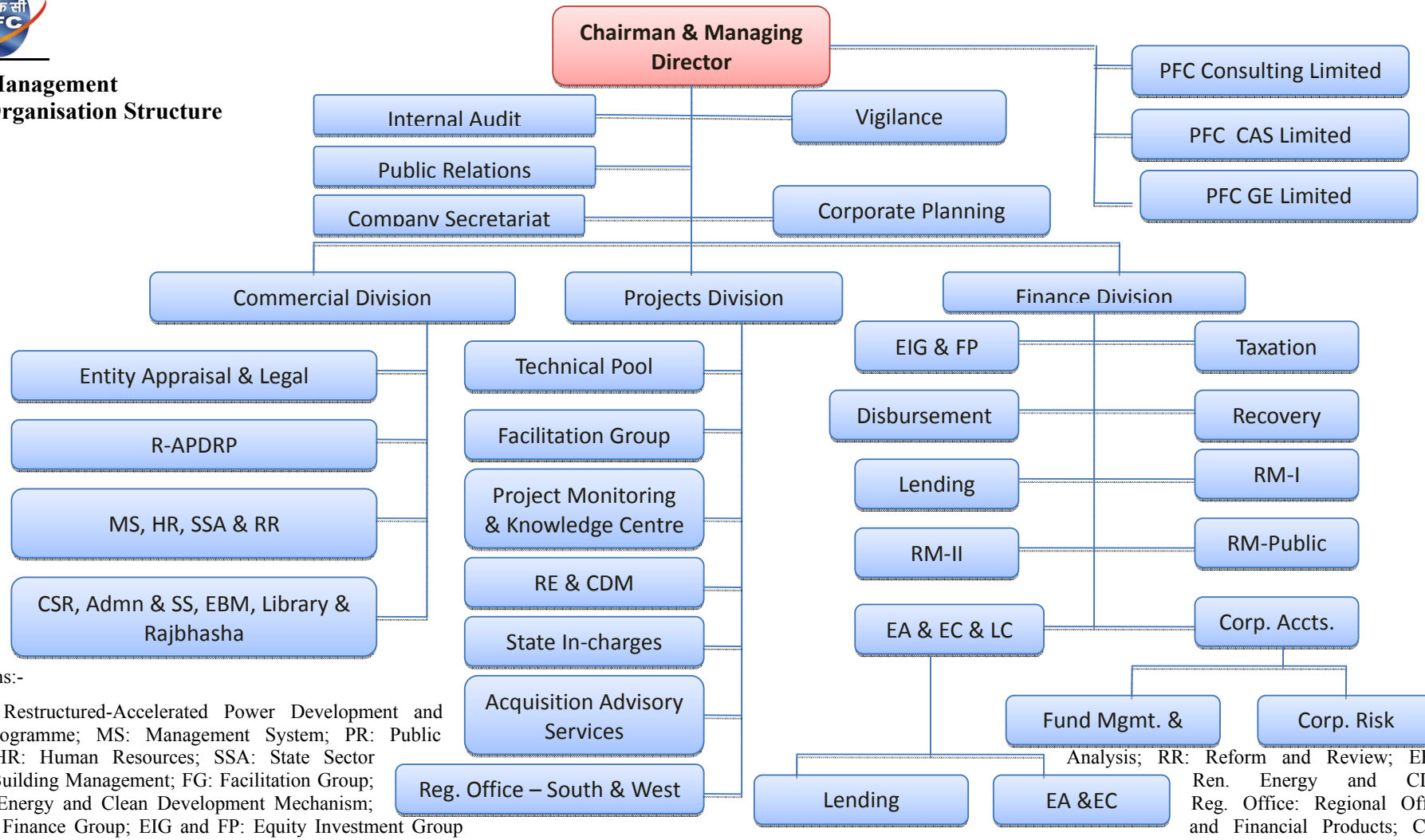
The Committee for the Public Issue of Tax Free Bonds has been constituted to recommend the size of the series of the tranche, structure of bonds and to finalise the various terms and conditions of the Issue including allotment of bonds, issue opening, closing, allotment date and brokerage. The recommendation of the committee is required to be approved by the Chairman and Managing Director of the Board.

Payment or benefit to officers of our Company

Our Company follows a pay structure in conformity with the guidelines issued by DPE from time to time. Our Company also has in place various incentive schemes as a part of its compensation strategy to increase productivity and reward performance. Monetary benefits are paid to the employees on the basis of their individual and group performance. Further our officers are entitled to certain post retirement medical benefits and statutory benefits and post-retirement pension upon superannuation.

Our Board and shareholders have approved an employee stock option scheme, in compliance with the ESOP guidelines. Options have been granted under such scheme titled “PFC ESOP 2010”, on December 23, 2011 and April 30, 2012.

Management Organisation Structure



Abbreviations:-

R-APDRP: Restructured-Accelerated Power Development and Reforms Programme; MS: Management System; PR: Public Relations; HR: Human Resources; SSA: State Sector Estate and Building Management; FG: Facilitation Group; Ren. Energy and CDM: Renewable Energy and Clean Development Mechanism; Reg. Office: Regional Office; Fin. Group: Finance Group; EIG and FP: Equity Investment Group and Financial Products; Corp. Accts.: Corporate Accounts; Fund Mgmt. and Banking: Fund Management and Banking; Corp. Risk Assurance: Corporate Risk Assurance; AL and RM: Asset Liability and Risk Management; Disb.: Disbursement; Res. Mob.: Resource Mobilization; Inv. Service: Investor Services; Accts. and Conc.: Establishment Accounts and Concurrence.

STOCK MARKET DATA FOR OUR SECURITIES

The stock market data for the Equity Shares/non-convertible debentures issued by our Company listed on the Stock Exchanges are set forth below. Stock market data for debentures which are listed only on the NSE have been given separately. The debentures for which data is not stated are infrequently traded on the respective Stock Exchange.

Stock market data for our Equity Shares

Our Equity Shares are listed on the Stock Exchanges.

- ***High and low of closing prices as recorded on the Stock Exchanges during the last three years and the number of Equity Shares traded on the days the high and low of closing prices were recorded.***

NSE

Year ended March 31	High (₹)	Date of High	Volume on date of high (no. of Equity Shares)	Low (₹)	Date of Low	Volume on date of low (no. of Equity Shares)	Average price for the year (₹)*
2013	222.85	February 8, 2013	5657753	140.6	May 16, 2012	3169351	184.56
2012	261.15	April 7, 2011	658,827	132.00	December 29, 2011	9743560	179.45
2011	380.60	October 13, 2010	383,682	220.85	March 22, 2011	1256092	304.83

Source: www.nseindia.com
** Average computed based on number of trading days during the year.*

BSE

Year ended March 31	High (₹)	Date of High	Volume on date of high (no. of Equity Shares)	Low (₹)	Date of Low	Volume on date of low (no. of Equity Shares)	Average price for the year (₹)*
2013	222.5	February 8, 2013	819631	141.15	May 16, 2012	495529	184.53
2012	260.95	April 7, 2011	110064	132.05	December 29, 2011	1342612	179.42
2011	379.90	October 13, 2010	57162	221.35	March 22, 2011	110631	304.62

Source: www.bseindia.com
** Average computed based on number of trading days during the year.*

- ***High and low of closing prices and volume of Equity Shares traded on the respective dates during the last six months.***

NSE

Month	High (₹)	Date of High	Volume on date of high (no. of Equity Shares)	Low (₹)	Date of Low	Volume on date of low (no. of Equity Shares)	Average price for the month (₹)*
Mar 13	207.90	Mar 8, 2013	2,082,928	171.15	March 28, 13	3,582,130	191.08
Apr 13	202.00	April 17, 2013	1,818,645	178.40	April 4,2013	2,777,500	191.90

Month	High (₹)	Date of High	Volume on date of high (no. of Equity Shares)	Low (₹)	Date of Low	Volume on date of low (no. of Equity Shares)	Average price for the month (₹)*
May 13	209.30	May 20, 2013	2,285,377	181.10	May 31, 2013	3,460,890	195.87
Jun 13	185.35	June 4, 2013	2,741,511	131.20	June 25, 2013	7,365,356	161.19
Jul 13	152.20	July 2, 2013	4,690,133	104.25	July 31, 2013	6,198,397	134.22
Aug 13	123.80	August 14, 2013	4,664,102	97.30	August 2, 2013	4,906,767	111.31

Source: www.nseindia.com

** Average computed based on number of trading days during the month.*

BSE

Month	High (₹)	Date of High	Volume on date of high (no. of Equity Shares)	Low (₹)	Date of Low	Volume on date of low (no. of Equity Shares)	Average price for the month (₹)*
Mar 13	207.75	March 8, 2013	234,410	170.10	Mar 24, 2013	415,304	191.11
Apr 13	201.95	April 17, 2013	242,325	178.40	April 4, 2013	327,250	191.85
May 13	209.50	May 20, 2013	254,548	181.15	May 31, 2013	338,426	195.77
Jun 13	185.00	June 4, 2013	344,862	131.35	June 25, 2013	645,123	161.24
Jul 13	152.20	July 2,2013	320,006	104.60	July 31, 2013	732,045	134.11
Aug 2013	123.75	August 14, 2013	300,419	97.40	August 2, 2013	762,687	111.32

Source: www.bseindia.com

** Average computed based on number of trading days during the month.*

Stock market data for the non convertible debentures issued by our Company listed on the Stock Exchanges is given below:

iv) The high, low of closing prices and average market prices of the listed debentures of our Company bearing ISIN number INE134E07190 (Scrip ID : 820PFC2022) listed capital market segment on BSE upto the last calendar month preceding the date of filing of this Draft Shelf Prospectus are as follows:

Year ended March 31	High (₹)	Date of High	Volume on date of high (no. of Equity Shares)	Low (₹)	Date of Low	Volume on date of low (no. of Equity Shares)	Average price for the year (₹)*
2013	1,091.75	March 25, 2013	4167	1011.5	April 4, 2012	965	1,062.91

Source: www.bseindia.com

** Average computed based on number of trading days during the year.*

Note: The bonds with ISIN number INE134E07190 (Scrip ID: 820PFC2022) were listed on February 14, 2012. Hence the Stock Market Data for the year ending March 31, 2013 is disclosed, being the only completed financial year since the listing of bonds.

Month	High (₹)	Date of High	Volume on date of high (no. of Equity Shares)	Low (₹)	Date of Low	Volume on date of low (no. of Equity Shares)	Average price for the month (₹)*
Mar 13	1091.75	March 25, 2013	4,167	1072.25	March 4, 2013	1,927	1082.83

Month	High (₹)	Date of High	Volume on date of high (no. of Equity Shares)	Low (₹)	Date of Low	Volume on date of low (no. of Equity Shares)	Average price for the month (₹)*
Apr 13	1115.00	April 25, 2013	1,567	1082.00	April 2, 2013	468	1100.14
May 13	1260.00	May 22, 2013	1,739	1110.50	May 6, 2013	630	1117.58
Jun 13	1130.00	June 4, 2013	635	1112.51	June 24, 2013	928	1122.71
Jul 13	1155.00	July 31, 2013	902	1103.00	July 26, 2013	452	1120.96
Aug 13	1169.65	August 13, 2013	451	1085.10	August 22, 2013	3,525	1110.44

Source: www.bseindia.com

** Average computed based on number of trading days during the month.*

v) The high, low of closing prices and average market prices of the listed debentures of our Company bearing ISIN number INE134E07208 (Scrip ID : 830PFC2027) listed capital market segment on BSE upto the last calendar month preceding the date of filing of this Draft Shelf Prospectus are as follows:

Year ended March 31	High (₹)	Date of high	Volume on date of high (no. of Equity Shares)	Low (₹)	Date of Low	Volume on date of low (no. of Equity Shares)	Average price for the year (₹)*
2013	1132.97	January 22, 2013	198	1017.93	April 4, 2012	76	1082.13

Source: www.bseindia.com

** Average computed based on number of trading days during the year.*

Note: The bonds with ISIN number INE134E07208 (Scrip ID: 830PFC2027) were listed on February 14, 2012. Hence the Stock Market Data for the year ending March 31, 2013 is disclosed, being the only completed financial year since the listing of bonds.

Month	High (₹)	Date of High	Volume on date of high (no. of Equity Shares)	Low (₹)	Date of Low	Volume on date of low (no. of Equity Shares)	Average price for the month (₹)*
Mar 13	1135.00	March 25, 2013	4,928	1088.00	March 4, 2013	17,583	1107.63
Apr 13	1143.80	April 30 2013	1,827	1101.00	April 30, 2013	1,827	1127.48
May 13	1172.70	May 20, 2013	351	1133.00	May 15, 2013	2,724	1152.84
Jun 13	1171.00	June 13, 2013	1,350	1152.00	June 27, 2013	1,019	1160.55
Jul 13	1170.00	July 15, 2013	4,882	1115.60	July 29, 2013	868	1158.02
Aug 13	1199.90	August 19, 2013	1,840	1049.00	August 29, 2013	3,875	1116.20

vi) The high, low of closing prices and average market prices of the listed debentures of our Company bearing ISIN number INE134E07356 (Scrip ID : 688PFC2023) listed capital market segment on BSE upto the last calendar month preceding the date of filing of this Draft Shelf Prospectus are as follows:

Month	High (₹)	Date of High	Volume on date of high (no. of Equity Shares)	Low (₹)	Date of Low	Volume on date of low (no. of Equity Shares)	Average price for the month (₹)*

Month	High (₹)	Date of High	Volume on date of high (no. of Equity Shares)	Low (₹)	Date of Low	Volume on date of low (no. of Equity Shares)	Average price for the month (₹)*
Mar 13	NA	NA	NA	NA	NA	NA	NA
Apr 13	999.00	April 23, 2013	20	990.00	April17, 2013	20	994.50
May 13	1000.00	May15, 2013	100	950.01	May 09, 2013	10	978.00
Jun 13	1198.00	June 21, 2013	1	975.01	June 26, 2013	50	1039.50
Jul 13	980.00	July 11, 2013	400	980.00	July11, 2013	400	980.00
Aug 13	1175.99	August 5, 2013	212	925.02	August 19, 2013	55	992.51

Source: www.bseindia.com

* *Average computed based on number of trading days during the month.*

Note: The bonds with ISIN number INE134E07356 (Scrip ID: 688PFC2023) were listed on April 3, 2013. Hence there is no completed financial year since the listing of bonds.

vii) The high, low of closing prices and average market prices of the listed debentures of our Company bearing ISIN number INE134E07364 (Scrip ID : 704PFC2028) listed capital market segment on BSE upto the last calendar month preceding the date of filing of this Draft Shelf Prospectus are as follows:

Month	High (₹)	Date of High	Volume on date of high (no. of Equity Shares)	Low (₹)	Date of Low	Volume on date of low (no. of Equity Shares)	Average price for the month (₹)*
Mar 13	NA	NA	NA	NA	NA	NA	NA
Apr 13	Not traded	Not traded	Not traded	Not traded	Not traded	Not traded	Not traded
May 13	968.55	May 31, 2013	50	968.45	May 27, 2013	1,000	968.50
Jun 13	1166.90	June 21, 2013	1	970.30	June10, 2013	350	1039.97
Jul 13	Not traded	Not traded	Not traded	Not traded	Not traded	Not traded	Not traded
Aug 13	1040.00	August 28, 2013	150	837.71	August 29, 2013	20	971.48

Source: www.bseindia.com

* *Average computed based on number of trading days during the month.*

Note: The bonds with ISIN number INE134E07364 (Scrip ID: 704PFC2028) were listed on April 3, 2013. Hence there is no completed financial year since the listing of bonds

viii) The high, low of closing prices and average market prices of the listed debentures of our Company bearing ISIN number INE134E07331 (Scrip ID : 719PFC2023) listed capital market segment on BSE upto the last calendar month preceding the date of filing of this Draft Shelf Prospectus are as follows:

Month	High (₹)	Date of High	Volume on date of high (no. of Equity Shares)	Low (₹)	Date of Low	Volume on date of low (no. of Equity Shares)	Average price for the month (₹)*

Month	High (₹)	Date of High	Volume on date of high (no. of Equity Shares)	Low (₹)	Date of Low	Volume on date of low (no. of Equity Shares)	Average price for the month (₹)*
Mar 13	1005.00	March 20, 2013	225	990.00	March 1, 2013	100	995.96
Apr 13	1025.02	April 30, 2013	2,800	1000.00	April 1, 2013	490	1011.59
May 13	1047.00	May 28, 2013	630	1021.00	May 2, 2013	105	1028.15
Jun 13	1038.00	June 20, 2013	10	1025.50	June 13, 2013	100	1029.92
Jul 13	1040.00	July 15, 2013	15	1015.50	July 17, 2013	20	1035.75
Aug 13	1110.02	August 8, 2013	136	925.01	August 28, 2013	5	999.36

Source: www.bseindia.com

* *Average computed based on number of trading days during the month.*

Note: The bonds with ISIN number INE134E07331 (Scrip ID: 719PFC2023) were listed on January 10, 2013. Hence there is no completed financial year since the listing of bonds

ix) The high, low of closing prices and average market prices of the listed debentures of our Company bearing ISIN number INE134E07349 (Scrip ID : 736PFC2028) listed capital market segment on BSE upto the last calendar month preceding the date of filing of this Draft Shelf Prospectus are as follows:

Month	High (₹)	Date of High	Volume on date of high (no. of Equity Shares)	Low (₹)	Date of Low	Volume on date of low (no. of Equity Shares)	Average price for the month (₹)*
Mar 13	1003.10	March 21, 2013	475	992.50	March 1, 2013	510	999.02
Apr 13	1029.00	April 25, 2013	400	992.60	April 2, 2013	124	1015.65
May 13	1055.99	May 27, 2013	742	909.99	May 16, 2013	1,140	1038.48
Jun 13	1054.99	June 17, 2013	1,005	1031.00	June 7, 2013	520	1044.29
Jul 13	1056.00	July 3, 2013	1,050	1021.00	July 19, 2013	15	1038.25
Aug 13	1063.00	August 2, 2013	1,980	910.00	August 29, 2013	1,975	1008.92

Source: www.bseindia.com

* *Average computed based on number of trading days during the month.*

Note: The bonds with ISIN number INE134E07349 (Scrip ID : 736PFC2028) *were listed on January 10, 2013. Hence there is no completed financial year since the listing of bonds*

x) The long term infrastructure bonds in the nature of secured redeemable non-convertible debentures issued by our Company in Fiscal year 2011 and Fiscal year 2012 are subject to lock-in for a period of 5 years from their deemed date of allotment and hence have no trading activity. The ISIN codes of these bonds are as listed below:

ISIN	Deemed Date of Allotment	Lock-in upto
INE134E07158	November 21, 2011	November 20, 2016
INE134E07166	November 21, 2011	November 20, 2016

ISIN	Deemed Date of Allotment	Lock-in upto
INE134E07174	November 21, 2011	November 20, 2016
INE134E07182	November 21, 2011	November 20, 2016
INE134E07075	March 31, 2011	March 30, 2016
INE134E07083	March 31, 2011	March 30, 2016
INE134E07091	March 31, 2011	March 30, 2016
INE134E07109	March 31, 2011	March 30, 2016

The stock market data for non convertible debentures issued by our Company and listed on the wholesale debt market segment of NSE is appended as Annexure D

FINANCIAL INDEBTEDNESS

Set forth below is a brief summary of our Company's outstanding secured borrowings of ₹ 7899.73 crores and unsecured borrowings of ₹ 134639.03 crores, as of June 30, 2013, together with a brief description of certain significant terms of such financing arrangements.

Unsecured borrowings availed by our Company

A. Foreign currency loans

Term loans

Set forth below is a brief summary of the term loans taken by our Company from various international financial institutions in foreign currency.

Name of the lender	Total amount of loan sanctioned	Amount outstanding as of June 30, 2013	Rate of interest (% p.a.)	Repayment schedule
International Bank for Reconstruction and Development	USD 20.00 million	USD 0.07 million	Cost of qualified borrowings as assessed by the lender for the preceding 6 month period prior to the relevant interest payment date + 1.5%, currently at 4.57% p.a.	The current outstanding amount for this facility is repayable in two bi-annual instalments payable on March 1, 2013 and on September 1, 2013, respectively.
Kreditanstalt Fur Wiederaufbau	Deutsche Mark 4.65 crores*, divided into two equal sub-limits, namely, Portion I and Portion II.	For Portion I: Euro 8.25 million; For Portion II: Euro 1.11 million.	For Portion I: 12.0% or the PFC prime rate *less* 3.0%, whichever is lower, currently at 0.75% p.a. For Portion II: 0.85% p.a. above the yield of public bonds with a remaining term of ten years as published in the Frankfurter Allgemeine Zeitung, currently at 4.91% p.a. and 5.15% p.a. for the two current outstanding disbursements.	Portion I: payable in 60 equal instalments payable semi-annually from December 30, 2005. Portion II: the first disbursement is repayable in six equal semi-annual instalments commencing from June 30, 2011. The second disbursement is repayable in eleven equal semi-annual instalments commencing from December 30, 2010.
Asian Development Bank	USD 150.00 million	USD 19.81 million	LIBOR (being the reference rate) + fixed spread, currently at 0.65% p.a.	Each disbursement of this facility will be repaid in semi-annual instalments payable on April 15 and October 15 of each year, the first instalment payable on the eleventh interest payment date with respect to such disbursement.
Credit National (on behalf of the Government of the Republic of France)	FRF 17.28 crores**	Euro 12.47 million.	2.00% p.a.	Each portion of this facility is repayable in 46 equal and successive half-yearly instalments, the first of which is payable 126 months from the date of the calendar half-year during which such disbursement has been made.
State Bank of India, acting through its branch in Hong Kong	USD 300.00 million	USD 300.00 million	6 months LIBOR + 1.54% p.a., currently at 1.99% p.a.	Repayable in full, after 60 months from weighted average utilisation date.
The Bank of Tokyo- Mitsubishi UFJ, Ltd., Mizuho	JPY equivalent of USD 240.00 million.	JPY 20,323.00 million.	LIBOR + 1.50% p.a., currently at 1.76% p.a.	Repayable in three equal instalments, the first instalment due on the date four years from the first utilisation date.

Name of the lender	Total amount of loan sanctioned	Amount outstanding as of June 30, 2013	Rate of interest (% p.a.)	Repayment schedule
Corporate Bank Ltd. and Sumitomo Mitsui Banking Corporation.	JPY equivalent of USD 260.00 million.	JPY 21,320.00 million.	LIBOR + 1.65% p.a., currently at 1.91% p.a.	Repayable in two equal instalments, the first instalment due on the date four years from the first utilisation date.
The Bank of Tokyo- Mitsubishi UFJ, Ltd. and Mizuho Corporate Bank Ltd.	USD 250.00 million	USD 250.00 million	6 months LIBOR + 1.75% p.a. currently at 2.21% p.a.	Repayable in full, after three years from the utilisation date.
Australian and New Zealand Banking Group Ltd.,	USD 250.00 million	USD 250.00 million	LIBOR + 1.45% p.a., currently at 1.91% p.a.	Repayable in two equal instalments, the first instalment due on the date two years from the utilisation date and the second such payment to be made on the Final Maturity date

* *The loan was originally granted in 1995 in Deutsche Mark and subsequently, converted to Euros.*

** *The loan was originally granted in 1989 in French Francs and subsequently, converted to Euros*

Our Company has issued 6.61% Senior Notes due on September 5, 2017 ("**Senior Notes**") in the United States of America aggregating to USD 180.00 million on a private placement basis through a purchase agreement dated August 30, 2007. The Senior Notes are unsecured, and due to mature on September 5, 2017. Duetsche Bank Trust Company Americas is the fiscal agent, paying agent, registrar and transfer agent for the Senior Notes. The current amount outstanding on this facility is USD 180.00 million.

B. Rupee term loans

Set forth below is a brief summary of the rupee term loans taken by our Company from various banks and the amounts outstanding therein as of June 30, 2013.

Name of the Lender	Total amount of loan sanctioned (in ₹ crores)	Amount outstanding as of June 30, 2013 (in ₹ crores)	Rate of interest (% p.a.)	Repayment schedule
UCO Bank	500.00	500.00	10.20%	Bullet repayment after four years from the date of drawal.
	400.00	400.00	10.20%	Bullet repayment after four years from the date of drawal.
HDFC Bank	500.00	500.00	10.20%	Payable in two equal yearly instalments on September 24, 2013 and September 24, 2014.
Union Bank of India	900.00 (Medium term loan)	900.00	10.25%	Bullet repayment at the end of 64 months from the date of availing of this facility.
	2,000.00	1080.00	10.25%	Bullet repayment at the end of five years from the date of availing of this facility.
	175.00	15.00	10.25%	March 30, 2018
Punjab & Sind Bank	335.00	335.00	10.25%	Bullet repayment at the end of five years from the date of drawal of this facility.
United Bank of India	250.00 (Medium term loan)	250.00	10.25%	Bullet repayment at the end of seven years from the date of drawal of this facility.
	200.00	15.00	10.25%	March 30, 2018
Bank of Baroda	1,000.00 (Medium term loan)	1000.00	10.25%	Bullet repayment at the end of five years from the date of drawal of each tranche of this facility.

Name of the Lender	Total amount of loan sanctioned (in ₹ crores)	Amount outstanding as of June 30, 2013 (in ₹ crores)	Rate of interest (% p.a.)	Repayment schedule
	500.00 (Medium term loan)	500.00	10.25%	Bullet repayment at the end of 61 months from the date of drawal of each tranche of this facility.
	1,000.00 Medium term loan)	65.00	10.25%	March 30, 2017
Credit Suisse AG	150.00 (Medium term loan)	150.00	10.20%	Bullet repayment at the end of 13 months from the date of drawdown of the facility.
Indian Bank	300.00 (Medium term loan)	240.00	10.20%	Repaid in five equal annual instalments commencing from the date of first disbursement.
	500.00 (Medium term loan)	500.00	10.20%	Bullet repayment at the end of five years from the date of first disbursement.
Bank of Maharashtra	200.00	200.00	10.25%	Bullet repayment on January 7, 2016.
	200.00	200.00	10.25%	Bullet repayment on April 15, 2014.
Canara Bank	1,000.00	1000.00	10.25%	Bullet repayment at the end of seven years from the date of drawal of this facility.
	500.00	500.00	10.25%	Bullet repayment at the end of seven years from the date of drawal of this facility.
	500.00	500.00	10.25%	Bullet repayment at the end of five years from the date of drawal of this facility.
	500.00	500.00	10.25%	Bullet repayment at the end of seven years from the date of drawal of this facility.
	250.00	105.00	10.25%	March 30, 2020
State Bank of Mysore	200.00	200.00	10.15%	Bullet repayment at the end of 48 months from the date of availing of this facility.
State Bank of Bikaner and Jaipur	350.00 (Short term loan)	350.00	10.15%	Bullet repayment at the end of 36 months from the date of drawal of this facility.
Vijaya Bank	700.00	700.00	10.20%	Bullet repayment at the end of 84 months from the date of drawal of this facility.
	250.00	250.00	10.20%	Bullet repayment at the end of 84 months from the date of drawal of this facility.
Syndicate Bank	1000.00	70.00	10.20%	Repayment in two equal instalments of ₹ 35 crores each on March 30, 2019 and March 30, 2020 respectively.
India Infrastructure Finance Company Limited	630.00 (Refinancing)	630.00	7.85%	Bullet repayment at the end of 48 months from the date of availing this facility
	1,000.00	1000.00	7.85%	Bullet repayment at the end of 48 months from the date of availing this facility.
Federal Bank	300.00	300.00	10.20%	Repayment June 30, 2015
Central Bank of India	500.00	30.00	10.25%	Repayment October, 15, 2015
Allahabad Bank	500.00	500.00	10.20%	Repayment March 30, 2018
Bank of India	500.00	30.00	10.25%	Repayment March 30, 2017
J&K Bank	600.00	40.00	10.25%	Repayment October 15, 2015

Name of the Lender	Total amount of loan sanctioned (in ₹ crores)	Amount outstanding as of June 30, 2013 (in ₹ crores)	Rate of interest (% p.a.)	Repayment schedule
Andhra Bank	500.00	30.00	10.25%	Repayment December 15, 2017
SIDBI	1000.00	500.00	9.75%	Repayment April 30, 2014

C. Working capital facilities

Set forth below is a brief summary of the working capital facilities availed of by our Company from various banks.

Name of the Lender	Total amount of loan granted (in ₹ crores)	Amount outstanding as of June 30, 2013 (in ₹ crores)	Rate of interest (% p.a.)	Repayment schedule
Barcleys Bank	WCDL upto 250.00	250.00	June 28, 2013 – June 30, 2013 9.25%	Repayable on July 10, 2013.
Bank of Nova Scotia	WCDL Upto 250.00	250.00	9.25%	Repayable on July 10, 2013.
HDFC Bank	STL/WCDL Loan upto 1000.00	1000.00	9.60%	₹ 2.00 crore on July 6, 2013, ₹ 29.51 crore on July 8, 2013, ₹ 968.49 crore on July 10, 2013,
ICICI Bank	Line of Credit upto 1000.00	194.30	9.75%	Repayable on July 2, 2013.
State Bank of India	Line of Credit upto 800.00	75.72	9.70%	Repayable on July 2, 2013.
		724.28	9.70%	Repayable on July 2, 2013.

Outstanding Loan availed by us against Fixed Deposits as on June 30, 2013

Name of the Lender	Total amount of loan granted (in ₹ crores)	Amount outstanding as of June 30, 2013 (in ₹ crores)	Rate of interest (% p.a.)	Repayment schedule
State Bank of India	June 26, 2013	138.058	7.75%	Repaid on July 2, 2013
Indian Bank	June 26, 2013	836.91	8.35%	Repaid on July 2, 2013
Indian Bank	June 26, 2013	288.09	8.35%	Repaid on July 2, 2013

D. *Commercial Paper*

Name of the Lender	Total amount of loan granted (in ₹ crores)	Amount outstanding as of June 30, 2013 (in ₹ crores)	Rate of interest (% p.a.)	Repayment schedule
CP-51	2000.00	1969.25	9.14%	Repayable upon maturity
CP-53(2)	500.00	498.38	8.84%	Repayable upon maturity
CP-54	100.00	99.69	8.09%	Repayable upon maturity

E. Non – convertible debentures/bonds

Set forth below is a brief summary of the unsecured bonds issued by our Company and the amounts outstanding therein as of June 30, 2013.

Nature and series of the bonds	Tenor/ period of maturity (years)	Coupon (% p.a.)	Amount (₹ crores)	Amount outstanding as of June 30, 2013 (₹ crores)	Date of allotment	Redemption date/ schedule	Credit rating
9.60% taxable bonds series XIII	15	9.60%	125	190.00	May 16, 2002 and May 24, 2002	₹ 125.00 crores of the amount mobilized through these bonds is redeemable on May 16, 2017 and the balance ₹ 65.00 crores is redeemable on May 24, 2017.	'CRISIL AAA/ Stable' and '[ICRA]AAA'*
			65				
7.87% taxable bonds series XVIII	11	7.87%	25	125.00	November 13, 2002	₹ 25.00 crores of the amount mobilized is redeemable every year on November 13, with the last date of redemption being November 13, 2017.	
	12		25		November 13, 2002		
	13		25		November 13, 2002		
	14		25		November 13, 2002		
	15		25		November 13, 2002		
8.21% taxable bonds series XVII	11	8.21%	25	125.00	October 3, 2002	₹ 25.00 crores of the amount mobilized is redeemable every year on October 3, with the last date of redemption being October 3, 2017.	
	12		25		October 3, 2002		
	13		25		October 3, 2002		
	14		25		October 3, 2002		
	15		25		October 3, 2002		
Zero coupon taxable bonds	20	8.10%	337.83	358.17	December 30, 2002	December 30, 2022.	
7.60% taxable bonds series XXV	10	7.60%	1734.70	1734.70	December 30, 2005	December 30, 2015.	
7.95% taxable bonds series XXVI	10	7.95%	461.8	1261.80	February 24, 2006	February 24, 2016.	
	10		800				
8.20% taxable bonds series XXVIIA	10	8.20%	1,000	1000.00	March 17, 2006	March 17, 2016.	
9.96% taxable bonds series XXXV	10	9.96%	530	530.00	May 18, 2007	May 18, 2017.	
9.28% taxable bonds series XLC	10	9.28%	650	650.00	December 28, 2007	December 28, 2017.	
7.00% taxable bonds series XXIB	10	7.00%	51.90	51.90	November 2, 2004	November 2, 2014.	
8.85% taxable	15	8.85%	600	600.00	May 31, 2006	May 31, 2021.	

Nature and series of the bonds	Tenor/ period of maturity (years)	Coupon (% p.a.)	Amount (₹ crores)	Amount outstanding as of June 30, 2013 (₹ crores)	Date of allotment	Redemption date/ schedule	Credit rating
bonds series XXVIII							
8.80% taxable bonds series XXIXA	10	8.80%	250	250.00	September 7, 2006	September 7, 2016.	
8.78% taxable bonds series XXXIA	10	8.78%	1451.20	1451.20	December 11, 2006	December 11, 2016.	
9.90% taxable bonds series XXXIIIB	10	9.90%	561.50	561.50	March 22, 2007	March 22, 2017.	
9.90% taxable bonds series XXXIV	10	9.90%	500.50	500.50	March 30, 2007	March 30, 2017.	
9.68% taxable bonds series XLVIIC	10	9.68%	780.70	780.70	June 9, 2008	June 9, 2018.	
10.70% taxable bonds series XLVIIIB	5	10.70%	217.40	217.40	July 15, 2008	July 15, 2013.	
10.55% taxable bonds series XLVIIIC	10	10.55%	259.70	259.70	July 15, 2008	July 15, 2018.	
10.90% taxable bonds series XLIXA	5	10.90%	313.60	313.60	August 11, 2008	August 11, 2013.	
10.85% taxable bonds series XLIXB	10	10.85%	428.60	428.60	August 11, 2008	August 11, 2018.	
10.75% taxable bonds series LB	5	10.75%	78.40	78.40	August 25, 2008	August 25, 2013.	
10.70% taxable bonds series LC	7	10.70%	80.80	80.80	August 25, 2008	August 25, 2015.	
11.10% taxable bonds series LIB	5	11.10%	594.00	594.00	September 15, 2008	September 15, 2013.	
11.00% taxable bonds series LIC	10	11.00%	3024.40	3024.40	September 15, 2008	September 15, 2018.	
11.40% taxable bonds series LIIA	5	11.40%	662.70	662.70	November 28, 2008	November 28, 2013.	
11.30% taxable bonds series LIIB	7	11.30%	5.80	5.80	November 28, 2008	November 28, 2015.	
11.25% taxable bonds series LIIC	10	11.25%	1950.60	1950.60	November 28, 2008	November 28, 2018.	
8.90% taxable bonds series LIVA	5	8.90%	196.50	196.50	February 16, 2009	February 16, 2014.	
7.50% taxable bonds series LVB	5	7.50%	146.90	146.90	May 11, 2009	May 11, 2014.	

Nature and series of the bonds	Tenor/ period of maturity (years)	Coupon (% p.a.)	Amount (₹ crores)	Amount outstanding as of June 30, 2013 (₹ crores)	Date of allotment	Redemption date/ schedule	Credit rating
8.60% taxable bonds series LVIIB	5	8.60%	866.50	866.50	August 7, 2009	August 7, 2014.	
8.60% taxable bonds series LVIIB	10	8.60%	866.50	866.50	August 7, 2009	August 7, 2019.	
8.60% taxable bonds series LVIIB	15	8.60%	866.50	866.50	August 7, 2009	August 7, 2024.	
8.45% taxable bonds series LVIIIB	5	8.45%	331.10	331.10	September 17, 2009	September 17, 2014.	
8.45% taxable bonds series LIXA	5	8.45%	288.20	288.20	October 15, 2009	October 15, 2014.	
8.80% taxable bonds series LIXB	10	8.80%	1216.60	1216.60	October 15, 2009	October 15, 2019.	
10.53% taxable bonds series LXB	10	10.53%	925.00	925.00	November 20, 2009	November 20, 2019.	
8.50% taxable bonds series LXI	5	8.50%	351.00	351.00	December 15, 2009	December 15, 2014.	
8.50% taxable bonds series LXI	10	8.50%	351.00	351.00	December 15, 2009	December 15, 2019.	
8.50% taxable bonds series LXI	15	8.50%	351.00	351.00	December 15, 2009	December 15, 2024.	
8.70% taxable bonds series LXIIA	10	8.70%	695.40	845.40	January 15, 2010	January 15, 2020.	
8.70% taxable bonds series LXIIA	10	8.70%	150.00				
8.80% taxable bonds series LXIIB	15	8.80%	1172.60	1172.60	January 15, 2010	January 15, 2025.	
8.90% taxable bonds series LXIII	5	8.90%	184.00	184.00	March 15, 2010	March 15, 2015.	
8.90% taxable bonds series LXIII	10	8.90%	184.00	184.00	March 15, 2010	March 15, 2020.	
8.90% taxable bond series LXIII	15	8.90%	184.00	184.00	March 15, 2010	March 15, 2025.	
8.95% taxable bonds series LXIV	5	8.95%	492.00	492.00	March 30, 2010	March 30, 2015.	
8.95% taxable bonds series LXIV	10	8.95%	367.00	492.00	March 30, 2010	March 30, 2020.	
8.95% taxable bonds series	10	8.95%	125.00		March 30, 2010	March 30, 2020	

Nature and series of the bonds	Tenor/ period of maturity (years)	Coupon (% p.a.)	Amount (₹ crores)	Amount outstanding as of June 30, 2013 (₹ crores)	Date of allotment	Redemption date/ schedule	Credit rating
LXIV							
8.95% taxable bonds series LXIV	15	8.95%	492.00	492.00	March 30, 2010	March 30, 2025.	
8.70% taxable bonds series LXV	15	8.70%	1337.50	4012.50	May 15, 2010	May 15, 2025.	
	5		1337.50		May 15, 2010	May 15, 2015	
	10		1337.50		May 15, 2010	May 15, 2020	
8.65% taxable bonds series LXVIA	10	8.65%	500.00	500.00	June 15, 2010	June 15, 2020.	
8.75% taxable bonds series LXVIB	15	8.75%	1532.00	1532.00	June 15, 2010	June 15, 2025.	
8.85% taxable bonds series LXVIC	20	8.85%	633.00	633.00	June 15, 2010	June 15, 2030.	
8.25% taxable bonds series LXVIIIA	5	8.25%	147.00	147.00	August 4, 2010	July 15, 2015	
8.70% taxable bonds series LXVIIIB	10	8.70%	1424.00	1424.00	August 4, 2010	July 15, 2020	
8.78% taxable bonds series LXX	10	8.78%	1549.00	1549.00	November 15, 2010	November 15, 2020.	
9.05% taxable bonds series LXXI	15	9.05%	192.70	578.10	December 15, 2010	December 15, 2025.	
	10		192.70			December 15, 2020.	
	20		192.70			December 15, 2030.	
8.97% taxable bonds series LXXIIA	7	8.97%	144.00	144.00	January 14, 2011	January 15, 2018.	
8.99% taxable bonds series LXXIIB	10	8.99%	1219.00	1219.00	January 14, 2011	January 15, 2021.	
9.18% taxable bonds series LXXIII	10	9.18%	1000.00	1000.00	April 15, 2011	April 15, 2021.	
9.70% taxable bonds series LXXIV	10	9.70%	1693.20	1693.20	June 9, 2011	June 9, 2021.	
9.64% taxable bonds series LXXVA	3	9.64%	555.00	555.00	June 29, 2011	June 29, 2014.	
9.62% taxable bonds series LXXVB	5	9.62%	360.00	360.00	June 29, 2011	June 29, 2016.	
9.61% taxable bonds series LXXVC	10	9.61%	2084.70	2084.70	June 29, 2011	June 29, 2021.	
9.36% taxable bonds series LXXVIA	10	9.36%	2589.40	2589.40	August 1, 2011	August 1, 2021.	
9.46% taxable bonds series LXXVIB	15	9.46%	1105.00	1105.00	August 1, 2011	August 1, 2026.	

Nature and series of the bonds	Tenor/ period of maturity (years)	Coupon (% p.a.)	Amount (₹ crores)	Amount outstanding as of June 30, 2013 (₹ crores)	Date of allotment	Redemption date/ schedule	Credit rating
9.41% taxable bonds series LXXVIIA	5	9.41%	1083.60	1083.60	September 1, 2011	September 1, 2016.	
9.45% taxable bonds series LXXVIIB	15	9.45%	2568.00	2568.00	September 1, 2011	September 1, 2026.	
9.43% taxable bonds series LXXVIIIA	2	9.43%	655.00	655.00	September 23, 2011	September 23, 2013.	
9.44% taxable bonds series LXXVIIIB	10	9.44%	1180.00	1180.00	September 23, 2011	September 23, 2021.	
9.63% taxable bonds series LXXXIIA	3	9.63%	2100.00	2100.00	December 15, 2011	December 15, 2014.	
9.64% taxable bonds series LXXXIIB	5	9.64%	825.00	825.00	December 15, 2011	December 15, 2016.	
9.70% taxable bonds series LXXXIIC	7	9.70%	2060.00	2060.00	December 15, 2011	December 15, 2018.	
9.55% taxable bonds series LXXXIII	3	9.55%	1292.30	1292.30	January 13, 2012	January 13, 2015.	
9.33% taxable bonds series LXXXIV	5	9.33%	1521.20	1521.20	February 17, 2012	February 17, 2017.	
9.51% taxable bonds series LXXXVA	3	9.51%	661.30	661.30	March 6, 2012	April 15, 2015.	
9.30% taxable bonds series LXXXVC	8	9.30%	79.50	79.50	March 6, 2012	April 15, 2020.	
9.26% taxable bonds series LXXXVD	11	9.26%	736.00	736.00	March 6, 2012	April 15, 2023.	
9.62% taxable bonds series LXXXVIIA	5	9.62%	1267.00	1267.00	March 20, 2012	March 20, 2017.	
9.72% taxable bonds series LXXXVIIB	5	9.72%	23.00	23.00	March 20, 2012	March 20, 2017.	
9.59% taxable bonds series LXXXVIIC	5	9.59%	217.50	217.50	March 20, 2012	March 20, 2017.	
9.42% taxable bonds series LXXXVIID	8	9.42%	650.80	650.80	March 20, 2012	March 20, 2020.	
9.61% taxable bonds series LXXXVIIIA	5	9.61%	284.00	284.00	March 28, 2012	March 28, 2017.	
9.66% taxable bonds series LXXXVIIIB	5	9.66%	100.20	100.20	March 28, 2012	April 15, 2017.	
9.48% taxable bonds series	10	9.48%	184.70	184.70	March 28, 2012	April 15, 2022.	

Nature and series of the bonds	Tenor/ period of maturity (years)	Coupon (% p.a.)	Amount (₹ crores)	Amount outstanding as of June 30, 2013 (₹ crores)	Date of allotment	Redemption date/ schedule	Credit rating
LXXXVIIIC							
9.52% taxable bonds series LXXXIXA	5	9.52%	2595.00	2595.00	May 2, 2012	May 2, 2017.	
9.46% taxable bonds series LXXXIXB	3	9.46%	2056.00	2056.00	May 2, 2012	May 2, 2015.	
9.61% taxable bonds series LXLA	5	9.61%	552.90	552.90	June 1, 2012	June 1, 2017.	
9.41% taxable bonds series LXLB	7	9.41%	391.00	391.00	June 1, 2012	June 1, 2019.	
9.40% taxable bonds series LXLIA	5	9.40%	107.50	107.50	June 29, 2012	June 29, 2017.	
9.39% taxable bonds series LXLIB	10	9.39%	2695.20	2695.20	June 29, 2012	June 29, 2012.	
9.01% taxable bonds series 92-A	5	9.01%	1530.00	1530.00	August 21, 2012	August 21, 2017	
9.27% taxable bonds series 92- B	5	9.27%	1930.00	1930.00	August 21, 2012	August 21, 2017	
9.29% taxable bonds series 92- C	10	9.29%	640.00	640.00	August 21, 2012	August 21, 2022	
8.85% taxable bonds series 93-A	2	8.85%	1788.00	1788.00	October 15, 2012	October 15, 2014	
8.91% taxable bonds series 93-B	5	8.91%	950.00	950.00	October 15, 2012	October 15, 2017	
8.90% taxable bonds series 96	2	8.90%	1903.00	1903.00	December 14, 2012	December 14, 2014	
8.75% bonds series 97	5	8.75%	1000.00	1000.00	January 15, 2013	January 15, 2018	
8.72% taxable bonds series 98II (2017)	5	8.72%	324.00	324.00	February 8, 2013	February 8, 2018	
8.72% taxable bonds series 98III (2017)	6	8.72%	324.00	324.00	February 8, 2013	February 8, 2019	
8.72% taxable bonds series 98I (2017)	4	8.72%	324.00	324.00	February 8, 2013	February 8, 2017	
Bond Series 99B	7	8.82%	733.00	733.00	February 20, 2013	February 20, 2020	
Bond Series 99A	5	8.77%	2.00	2.00	February 20, 2013	February 20, 2018	
Bond Series 100A	7	8.86%	54.30	54.30	March 4, 2013	March 4, 2020	
Bond Series 100B	10	8.84%	1310.00	1310.00	March 4, 2013	March 4, 2023	

Nature and series of the bonds	Tenor/ period of maturity (years)	Coupon (% p.a.)	Amount (₹ crores)	Amount outstanding as of June 30, 2013 (₹ crores)	Date of allotment	Redemption date/ schedule	Credit rating
8.95% Bond Series 101A	5	8.95%	3201.00	3201.00	March 11, 2013	March 11, 2018	
9.00% Bond Series 101B	15	9.00%	1370.00	1370.00	March 11, 2013	March 11, 2028	
8.90% Bond Series 102A(I)	5	8.90%	403.00	403.00	March 18, 2013	March 18, 2018	
8.90% Bond Series 102A(II)	10	8.90%	403.00	403.00	March 18, 2013	March 18, 2023	
8.90% Bond Series 102A(III)	15	8.90%	403.00	403.00	March 18, 2013	March 18, 2028	
8.87% Bond Series 102B	10	8.87%	70.00	70.00	March 18, 2013	March 18, 2023	
8.94% Bond Series 103	15	8.94%	2807.00	2807.00	March 25, 2013	March 25, 2028	
8.35% PFC Bond Series 104-A	3	8.35%	4000.00	4000.00	May 15, 2013	May 15, 2016	
8.30% PFC Bond Series 104-B	5	8.30%	351.00	351.00	May 15, 2013	May 15, 2018	
8.29% PFC Bond Series 106-A	2	8.29%	1250.00	1250.00	June 25, 2013	June 25, 2015	
8.27% PFC Bond Series 106-B	3	8.27%	3033.00	3033.00	June 25, 2013	June 25, 2016	
8.19% PFC Series 105 subordinated tier II	10	8.19%	800.00	800.00	June 14, 2013	June 14, 2023	

* *For the long term borrowing programme of our Company for Fiscal 2013.*

Secured borrowings availed by our Company

A. *Secured non – convertible debentures/ bonds*

Set forth below is a brief summary of the secured bonds issued by our Company and the amounts outstanding therein as of June 30, 2013.

Nature of Bond	Tenor	Coupon (% p.a.)	Amount (₹ crores)	Amount outstanding as of June 30, 2013 (₹ crores)	Date of allotment	Repayment/ redemption date	Credit Rating	Security
7.51% tax free bonds series LXXIXA	10	7.51%	205.23	205.23	October 15, 2011	October 15, 2021.	'CRISIL AAA/ Stable' and '[ICRA]AAA'*	1. First *pari passu* charge by way of a mortgage of our Company's regional office in Chennai.

Nature of Bond	Tenor	Coupon (% p.a.)	Amount (₹ crores)	Amount outstanding as of June 30, 2013 (₹ crores)	Date of allotment	Repayment/ redemption date	Credit Rating	Security
								2. First *pari passu* charge over all the present and future receivables of our Company, excluding those which are charged in favour of GDA Trustee & Consultancy Private Limited charged as security for the issue by our company of long term infrastructure bonds for Fiscal 2012.
7.75% tax free bonds series LXXIXB	15	7.75%	217.99	217.99	October 15, 2011	October 15, 2026.		
8.09% tax free bonds series LXXXA	10	8.09%	334.31	334.31	November 25, 2011	November 25, 2021.		1. First *pari passu* charge by way of a mortgage of our Company's regional office in Chennai. 2. First *pari passu* charge over all the present and future receivables of our Company, excluding those which are charged in favour of GDA Trustee & Consultancy Private Limited charged as security for the issue by our company of long term infrastructur
8.16% tax free bonds series LXXXB	15	8.16%	209.34	209.34	November 25, 2011	November 25, 2026.		

Nature of Bond	Tenor	Coupon (% p.a.)	Amount (₹ crores)	Amount outstanding as of June 30, 2013 (₹ crores)	Date of allotment	Repayment/ redemption date	Credit Rating	Security
								e bonds for Fiscal 2012.
8.43% long term infrastructure bonds (private placement)	10	8.43%	9.04	Series I: 9.04	March 30, 2012	March 30, 2022.		1. First *pari passu* charge by way of a mortgage of our Company's regional office in Chennai. 2. First *pari passu* charge over all the present and future receivables of our Company, excluding those which are charged in favour of GDA Trustee & Consultancy Private Limited charged as security for the issue by our Company of long term infrastructure bonds for Fiscal 2012.
	10		17.81	Series II: 17.81				
8.72% long term infrastructure bonds (private placement)	10	8.72%	0.95	Series III: 0.95	March 30, 2012	March 30, 2022.		
	15		2.75	Series IV: 2.75	March 30, 2012	March 30, 2027		
8.50% long term infrastructure bonds (Fiscal 2012)	10	8.50%	32.44	Series I: 32.44	November 21, 2011	November 21, 2021.		1. First *pari passu* charge through mortgage of our Company's office in Chennai 2. First *pari passu* charge over all the present and future receivables of our Company, excluding those which are charged in favour of GDA Trustee &
	10		51.15	Series II: 51.15				
8.75% long term infrastructure bonds (Fiscal 2012)	15	8.75%	3.23	Series III: 3.23	November 21, 2011	November 21, 2026.		
	15		8.83	Series IV: 8.83				

Nature of Bond	Tenor	Coupon (% p.a.)	Amount (₹ crores)	Amount outstanding as of June 30, 2013 (₹ crores)	Date of allotment	Repayment/ redemption date	Credit Rating	Security
								Consultancy Private Limited charged as security for the issue by our Company of long term infrastructure bonds for Fiscal 2011.
8.20% tax free bonds (public issue)	10	8.20%	2,752.55	2,752.55	February 1, 2012	February 1, 2022.		1. First *pari passu* charge by way of a mortgage of our Company's regional office in Chennai. 2. First *pari passu* charge on the total receivables of our Company excluding those receivables which are specifically charged by our Company for its financing requirements.
8.30% tax free bonds (public issue)	15	8.30%	1,280.58	1,280.58	February 1, 2012	February 1, 2027.		
8.30% long term infrastructure bonds (Fiscal 2011)	10	8.30%	66.80	Series I: 66.80	March 31, 2011	March 31, 2021.		1. First charge by way of a mortgage over the office of our Company located at Jangpura Extension, New Delhi. 2. First charge by way of a hypothecation over receivables of our Company from certain specified agreements with Ratnagiri Gas & Power Private
	10		139.68	Series II: 139.68				
8.50% long term infrastructure bonds (Fiscal 2011)	15	8.50%	6.13	Series III: 6.13	March 31, 2011	March 31, 2026.		
	15		22.75	Series IV: 22.75				

Nature of Bond	Tenor	Coupon (% p.a.)	Amount (₹ crores)	Amount outstanding as of June 30, 2013 (₹ crores)	Date of allotment	Repayment/ redemption date	Credit Rating	Security
								Limited, Tehari Hydro Development Corporation and Rajasthan Rajya Vidyut Utpadan Nigam Limited.
7.21% Tax free bond series 94A	10	7.21%	255.00	255.00	November 22, 2012	November 22, 2022		1. First pari passu charge over the immovable properties bearing No. 38 & 40 sitated at SIDCO Electronic Complex, Block – 1, Industrial Estate, Guindy, Chennai. 2. First pari passu charge by way of security of the book debts of the Company except those book debts already charged in favour of GDA Trusteeship Limited.
7.38% Tax free bond series 94B	15	7.38%	25.00	25.00	November 22, 2012	November 22, 2027		Secured by first pari-passu charge on total receivables of the company (excluding those receivables on which specific charge already created) along with first pari-passu charge on immovable property situated at guindy, Cennai

Nature of Bond	Tenor	Coupon (% p.a.)	Amount (₹ crores)	Amount outstanding as of June 30, 2013 (₹ crores)	Date of allotment	Repayment/ redemption date	Credit Rating	Security
7.22% tax free bond series 95-A	10	7.22%	30.00	30.00	November 29, 2012	November, 29, 2022		
7.38% tax free bond series 95-B	15	7.38%	100.00	100.00	November 29, 2012	November 29, 2027		
7.19% Series 1Tax free bonds FY12-13	10	7.19%	177.07	177.07	January 4, 2013	January 4, 2023		
7.69% SR1 Tax free bonds FY 12-13	10	7.69%	108.91	108.91	January 4, 2013	January 4, 2023		
7.36% SR2 Tax free bonds FY12-13	15	7.36%	80.64	80.64	January 4, 2013	January 04, 2028		
7.86% SR2 Tax free bonds FY 12-13	15	7.86%	333.12	333.12	January 4, 2013	January 04, 2028		
6. 88% TR2 TFB12-13	10	6.88%	46.92	46.92	March 28, 2013	March 28, 2023		Secured by first pari-passu charge on total receivables of the company (excluding those receivables on which specific charge already created)
7. 04% TR2 TFB12-13	15	7.04%	1.93	1.93	March 28, 2013	March 28, 2028		
7. 54 %TR2 TFB12-13	15	7.54%	67.28	67.28	March 28, 2013	March 28, 2028		
7.38% TR2 TFB12-13	10	7.38%	49.24	49.24	March 28, 2013	March 28, 2023		

Corporate Guarantee issued by our Company

The table set forth below provides the details in respect of corporate guarantee issued by our Company on behalf of following companies: *(₹in crores)*

Entities	Amount
Shree Maheshwar Hydro Power Corporation Limited	335.57
Jai Prakash Hydro Power Corporation Limited	41.32*
Total	**376.89**

**The corporate guarantee is issued in foreign currency for an amount of USD 10.94 million.*

Servicing behaviour on existing debt securities, payment of due interest on due dates on term loans and debt securities.

As on the date of this Draft Shelf Prospectus, there has been no default in payment of principal or interest on any existing term loan and debt security issued by the Issuer in the past.

OUR PROMOTER

Our Promoter is the President of India, acting through the Ministry of Power, GoI.

Details of the shareholding of our Promoter as of June 30, 2013 are as follows:

Sr. no.	Number of shareholders	Total number of Equity Shares	Number of shares held in dematerialized form	Total shareholding as a % of total number of Equity Shares (A+B)	Shares pledge or otherwise encumbered		Total shareholding as a % of total number of Equity Shares
					Number of shares	As a %	
1.	1	973061665	973061665	73.72	-	-	73.72

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as described below, there are no criminal prosecutions, tax proceedings and other outstanding litigations against our Company that may have a material adverse effect on our Company's business, and there are no pending criminal prosecutions against our Directors.

A. LITIGATION AGAINST OUR COMPANY:

1. *Criminal Cases*

The Allahabad division of the northern central railway filed a criminal miscellaneous writ petition, bearing number 28928 of 2009, before the Allahabad High Court on May 17, 2009 against NSDL, CDSL and others, including our Company. The petition has been filed in relation to a fraudulent transfer of securities and bonds owned by the northern central railway, valuing ₹ 2.94 crores and an ongoing investigation by the Central Bureau of Investigation pertaining to the transfer. Certain bonds issued by our Company were a part of the securities allegedly fraudulently transferred. The Petitioners have prayed for issuance of directions to the Central Bureau of Investigation to expeditiously complete the investigation and to also direct our Company, along with certain other respondents, to disallow further transfer of the securities and freeze the account where the sale proceeds of the aforesaid securities are deposited, during the pendency of the writ. The court, by its interim order dated July 3, 2009 stayed the encashment and remittance of the amount. The matter is currently pending.

2. *Consumer Complaints*

(i) Mr. Bir Singh Kaushik filed a consumer complaint, bearing number 789 of 2011 on December 6, 2010 before the District Consumer Disputes Redressal Forum at Rohtak, against our Company and M/s Alankit Assignments Limited. The complainant has alleged lesser payment by our Company on redemption of bonds held by the Complainant as of March 15, 2010 amounting to ₹ 8,346. The complainant has prayed for our Company to be directed to pay ₹ 8,346 along with interest and also for payment of compensation of ₹ 50,000/- and litigation expenses amounting to ₹ 5,500/-. Our Company filed its reply on December 6, 2011. The matter is currently pending.

(ii) Mr. Ashok Kumar Goel filed a consumer complaint, bearing number 148 of 2011 on July 6, 2011 before the District Consumer Disputes Redressal Forum at Muzaffarnagar against our Company and Karvy Computershare Private Limited, stating that the complainant had applied for allotment of 700 shares in the FPO and paid the required application money amount of ₹ 1,42,000 while the amount payable was ₹ 1,42,100 and hence the application was rejected due to insufficient funds. The complainant has demanded ₹ 5,000 on account of financial loss caused to him and ₹ 25,000 as compensation. Our Company filed its reply on December 12, 2011. The matter is currently pending.

3. *Miscellaneous Proceedings involving our Company*

(i) Tata Power Company Limited filed a writ petition bearing number 62 of 2009 on January 3, 2009 before High Court of Delhi, challenging the award of a contract for the supply of power on long term basis from thermal power station at Sasan, Madhya Pradesh by GoI to Reliance Power Limited, the bidding process for which was conducted by our Company. The writ petition was dismissed by the final judgment and order dated April 13, 2009 of the High Court of Delhi, against which the petitioner filed a special leave petition bearing number 11586 of 2009, before the Hon'ble Supreme Court. The petitioner alleged that the GoI had, subsequent to the award of the contract, made changes in the terms/ basis on which tenders had been invited and made, thereby conferring enormous benefit to Reliance Power Limited. The court pursuant to its order dated August 8, 2012 has directed GoI to file the copies of Comptroller and Auditor General's report on coal and final views on allowing diversion of coal. The matter is currently pending.

(ii) Two civil writ petitions have been filed by Mr. Tenzing Bhutia and Ms. Sonam Lama, the petitioners filed Public Interest Litigations, bearing numbers 101 of 2012 and 102 of 2012 respectively, on March 21, 2012 before the Hon'ble Supreme Court against the State of Sikkim, Ministry of Environment and Forest, National Wildlife Board and the Company, among others. Pursuant to an order of the Supreme Court dated May 8, 2012, the petitions was transferred to the High Court of Sikkim at Gangtok on May 29, 2012, now bearing numbers 22 of 2012 and 23 of 2012 respectively. The petitioners are part of the Bhutia

community of Sikkim and also members of the Sikkim Bhutia Lepcha apex committee, and have prayed against the implementation of the Tashiding hydro electric project , for which our Company provided funding along with other public financial institutions project stating that the Project is being constructed and implemented in the area of religious significance to the Bhutia Lepcha community, in contravention of the Places of Worship (Special Provisions) Act of 1991, extended to Sikkim in 1998. The Petitioners have prayed for issuance of directions to the State of Sikkim to cancel the Project, to the Ministry of Environment and Forest along with the wildlife board to withhold or withdraw clearance granted to the Project and to the financial institutions restraining them from lending further public money in the Project. The matter is currently pending.

(iii) Mr. M. Ravi, an employee of our Company, filed a writ petition bearing number 8174 of 2010 before the High Court of Delhi on December 2, 2010 against the decision of the Union of India rejecting his promotion on the ground that a criminal case was pending against him. The complainant had joined our Company on July 22, 1988 as a deputy manager in the finance department, and was suspended for alleged involvement in irregular transfer of funds during July 1990 to May 1991, because of which he was not promoted to the post of a manager. In the petition, he has prayed for quashing of his suspension order and for issuance of directions to our Company to promote him to the post of a general manager with effect from July 01, 2005 along with all consequential and financial benefits. The matter is currently pending. The next date is yet to be fixed.

(iv) M/s Misha Power Private Limited filed a writ petition bearing number 13183 of 2012 against Tamil Nadu Generation and Distribution Corporation Limited ("**TANGEDCO**") and others, including our Company, before the High Court of Judicature at Madras. The petitioner has challenged the bidding process by TANGEDCO with regard to certain automatic power factor correction panels and associated materials for dynamic reactive power compensation system under Part 'B' of the R-APDRP programme and prayed TANGEDCO to be directed to continue with the above-mentioned tender. Our Company has been included as a respondent in the said petitioner in its capacity as a nodal agency under the R-APDRP programme and no relief has been prayed for against us. Our Company has filed an application before the court praying for the deletion of its name as a respondent on September 24, 2012 and a petition seeking the same relief on October 4, 2012. The matter is currently pending.

(v) M/s Kuljit Singh, the petitioner filed a writ petition bearing number 5146 of 2011 on behalf of M/s Ernst & Young Limited ("**E&Y**"), before the High Court of Delhi, challenging the debarment of E&Y by our Company vide its order dated July 19, 2011 pursuant to a show cause notice dated June 20, 2011 issued by the MoP and letter to E&Y dated July 14, 2011 from our Company, for acts of omission and commission in the evaluation of a certain ultra mega power project. The court, by its order dated July 22, 2011, stayed the operation of the debarment with the clarification that such stay would however, not entitle the petitioner to deal with our Company. E&Y also filed miscellaneous applications for the stay of show cause notice issued on September 9, 2011 and subsequently on September 19, 2011 for an amendment to the original application filed by them. Pursuant to directions from the MoP, the miscellaneous applications were amended on October 13, 2011. The matter is currently pending.

Simultaneously, the petitioner had in response to the show cause notice date June 20, 2011 formally invoked arbitration by filing an application on July 5, 2011 before the Indian Council of Arbitration ("**ICA**"), which was accepted by the ICA on August 1, 2011. Our Company wrote a letter to the ICA on August 27, 2011 stating that the arbitration proceedings were premature since the petitioner had not approached our Company for amicable settlement first. Further, our Company filed a writ petition bearing number 319 of 2012 on January 13, 2012 before the High Court of Delhi, against ICA and the Petitioner challenging the validity and appointment of the arbitral tribunal. By an order dated January 16, 2012, the court granted ex parte ad interim stay on the arbitration proceedings. In response, the petitioner filed civil miscellaneous application number 1619 of 2012 on January 30, 2012 for early hearing of the writ petition as well as a letters patent appeal bearing number 61 of 2012 dated January 24, 2012 challenging the order dated January 16 2012 staying the arbitration proceedings. The matter is currently pending.

(vi) A civil writ petition has been filed as a Public Interest Litigation by one Shri Natarajan the titled as bearing numbers 13712 of 2012, before the Madurai bench of Madras High Court against eight respondents (PFC has been impleaded as respondent No.8) narrating the suffering of the people in Tamilnadu due to non availability of continuous electricity and has advocated Solar energy to minimise the energy crisis. The petitioner has prayed the Hon'ble High Court for a direction to the Respondents to distribute solar panel, photovoltaic cell and ancillary apparatuses at 90 percent subsidy to all the eligible

family card holders. The Counsel has informed us that the WP was admitted by the Hon'ble High Court and notice was issued to all the defendants to appear/file the Counter 02.01.2013. PFC's reply/counter has been filed in the court on 04.03.2013. The matter is currently pending.

B. LITIGATION BY OUR COMPANY

1. Recovery Suits

(i) Our Company had filed a recovery suit bearing number. 734 of 2004 before the court of Additional District Judge, Tis Hazari, Delhi, against Mr. Mukesh Kumar Gupta, for recovery of ₹ 9,07,440 on account of his failing to clear dues outstanding against him. The said suit was decreed ex parte in favour of our Company by an order dated December 3, 2005, pursuant to which our Company filed an execution petition number 1565 of 2006 before the District Court at Tis Hazari, Delhi, and subsequently the petition was transferred to the Court of Civil Judge at Ghaziabad on July 27, 2007, now bearing number 35 of 2006. The matter is currently pending.

(ii) Our Company filed an original application, bearing number 153 of 2011, before the Debt Recovery Tribunal - II at New Delhi on June 22, 2011 against Om Shakthi Renergies Limited and Others, for recovery of a sum of ₹ 13.94 crores, which was due to our Company as on June 17, 2011. The defendants had availed financial assistance from our Company pursuant to a loan agreement dated April 16, 2003 which they failed to repay. Our Company has prayed that the defendants be directed to repay the outstanding loan of ₹ 13.94 crores and that the goods hypothecated and properties mortgaged pursuant to the loan agreement be ordered to be sold or recovered through a receiver. The matter is currently pending. The defendants have submitted their written statement and a counter claim has been filed. The matter is currently pending.

State Bank of India has also filed an original application bearing number 500 of 2012 before the Debt Recovery Tribunal at Hyderabad against Om Shakthi Regernies Limited for recovery of a sum of ₹ 7.95 crores, wherein our Company has also been impleaded as a defendant, though no relief has been prayed for in respect of our Company. In this regard Om Shakthi Regernies Limited has also filed a transfer petition bearing number 285/2013 before the Supreme Court praying transfer of application filed by State Bank of India from DRT Hyderabad to DRT Delhi. Supreme Court has stayed the proceedings of original application no. 500/2012 at DRT Hyderabad.

C. INCOME TAX DISPUTES

Appeals preferred by the Income Tax Department

Assessment Year 2004-2005

The Additional Commissioner of Income Tax, Range 14, New Delhi, raised a demand against our Company pursuant to an assessment order dated January 31, 2005, rectified by an order dated February 15, 2005 by disallowing deductions on account of bad and doubtful debts u/s 36(1)(viia)(c), special reserve under section 36(1)(viii) and exempted income under section 10(23G) and making addition of income not recognised in the books of accounts. Our Company's income was assessed to be ₹ 11,86,57,04,000/- as compared to the income declared by our Company, amounting to ₹ 1021,72,09,650/-. Our Company filed an appeal bearing number 296 of 2004-05 on March 01, 2005 before the CIT (Appeals), New Delhi. The CIT (Appeals), New Delhi by an order dated March 25, 2010 granted us full relief in respect of provision for bad & doubtful debt u/s 36(1)(viia)(c) and exempted income u/s 10(23G) and partial relief in respect of special reserve u/s 36(1)(viii). Against the order of CIT(Appeals) allowing allocation of expenses to ineligible incomes for the purpose of computing special reserve, the Assistant Commissioner of Income Tax, LTU, New Delhi ("**ACIT**") filed an appeal before ITAT, New Delhi bearing number 2877/Del-2010 on June 9, 2010. On October 22, 2010, the appeal was dismissed with a right of revival on receipt of COD approval. In view of a recent Supreme Court judgment, COD approval is no longer required. Therefore an application for revival of appeal was filed by ACIT on April 27, 2011. The matter is currently pending. The amount in dispute is ₹ 22.22 crore.

Assessment Year 2005-2006

The Additional Commissioner of Income Tax, Range-14, New Delhi raised a demand against our Company pursuant to an assessment order dated July 27, 2006 by partly disallowing deductions on account of bad and doubtful debts under section 36(1)(viia)(c), special reserve under section 36(1)(viii) and exempted income under section 10(23G). Our Company's income was assessed to be ₹ 7,43,74,03,974/- as compared to the income declared by our Company, amounting to ₹ 6,79,13,77,187/- Our Company filed an appeal bearing number 29/CIT(A)XVII/Del/2006-07 before the CIT (Appeals), New Delhi. The CIT (Appeals), New Delhi by an order dated June 28, 2010 granted us full relief in respect of provision for bad & doubtful debt u/s 36(1)(viia)(c) and exempted income u/s 10(23G) and partial relief in respect of special reserve u/s 36(1)(viii). Against the order of CIT(Appeals) allowing allocation of expenses to ineligible incomes for the purpose of computing special reserve, the ACIT filed an appeal bearing number 4231/Del-2010 before the ITAT on September 10, 2010. The appeal is currently pending. The amount in dispute is ₹ 21.13 crore.

Assessment Year 2006-2007

The Additional Commissioner of Income Tax, Range-14, New Delhi raised a demand against our Company pursuant to an assessment order dated December 31, 2007 by partly disallowing deductions on account of bad and doubtful debts under section 36(1)(viia)(c), special reserve under section 36(1)(viii) and exempted income under section 10(23G). Our Company's income was assessed to be ₹ 7,61,15,61,983/- as compared to the income declared by our Company, amounting to ₹ 6,46,04,40,690/- Our Company filed an appeal bearing number 106/CIT(A)XVII/Del/2007-08 on February 13, 2008 before the CIT (Appeals), New Delhi. The CIT (Appeals), New Delhi by an order dated June 28, 2010 granted us full relief in respect of provision for bad & doubtful debt u/s 36(1)(viia)(c) and exempted income u/s 10(23G) and partial relief in respect of special reserve u/s 36(1)(viii). The ACIT filed an appeal bearing number 4232/Del-2010 before the ITAT on September 10, 2010. The appeal is currently pending. The amount in dispute is ₹ 21.68 crore.

Material Developments

Since the date of the last financial statements dated March 31, 2013 the following are the material developments:

(i) Carrying out of Limited Review of the Financials quarter ended June 30, 2013, same is attached as "Annexure A" of this Draft Shelf Prospectus;

(ii) As on July 15, 2013 our Company has allotted 4255 shares under employee stock option to 82 allottees at the rate of ₹ 186.05 per share.

(iii) Our company has raised an amount of ₹ 1124.10 crores vide private placement of tax free bonds on August 30, 2013.

(iv) Our Company had filed a Draft Shelf Prospectus with BSE on August 22, 2013 and with SEBI on August 23, 2013, which was subsequently withdrawn on August 23, 2013 from BSE and August 26, 2013 from SEBI.

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OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The CBDT has by the CBDT Notification, authorised our Company to raise the Bonds aggregating to ₹ 5000 crores in Fiscal 2014. Our company has already raised an amount of ₹ 1124.10 crores. Our Company proposes to raise the amount of ₹ 3875.90 crores* through this Issue of the Bonds in one or more tranches prior to March 31, 2014.

***Our Company is also considering the raising of funds through private placements of the Bonds in one or more tranches during the process of the present Issue, at its discretion. Our Company will ensure that Bonds issued through public issue and/ or on private placement basis together shall not exceed ₹ 5000 crores.*

The Board of Directors, at their meeting held on March 22, 2013 have approved the Issue of Taxable bond/ Tax free bonds (having benefits under section 10(15)(iv)(h) of the Income Tax Act)/Perpetual bond/ Infrastructure Bond/ Zero Coupon bonds in one or more series or tranche(s), of secured/ unsecured, redeemable, non-convertible, cumulative/ non-cumulative debentures, for an amount up to ₹ 28,850 crores, subject to the provisions of the CBDT Notification.

Eligibility to make the Issue

Our Company, the persons in control of our Company or our promoter have not been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force.

Consents

Consents in writing of the Directors, the Compliance Officer, the Statutory Auditors, Bankers to the Company, Lead Managers, the Registrar to the Issue, the Legal Counsel to the Issue, Credit Rating Agencies and the Debenture Trustee, to act in their respective capacities, have been obtained and shall be filed along with a copy of each respective Tranche Prospectus(es) with the RoC.

Our Company has appointed IL & FS Trust Company Limited as Debenture Trustee under regulation 4(4) of the SEBI Debt Regulations. The Debenture Trustee has given its consent to our Company for its appointment under regulation 4(4) and also in all the subsequent periodical communications sent to the holders of the Bonds.

Expert Opinion

Except for the report dated August 12, 2013 on our audited consolidated financial statements for the Fiscals 2013, 2012, 2011, 2010, 2009, and the statement of tax benefits issued by our Auditors, our Company has not obtained any expert opinions in relation to the Issue.

Common Form of Transfer

There shall be a common form of transfer for the Bonds held in physical form and relevant provisions of the Companies Act and all other applicable laws shall be duly complied with in respect of all transfer of the Bonds and registration thereof.

Minimum Subscription

Under the SEBI Debt Regulations, our Company may stipulate a minimum subscription amount which it seeks to raise. Our Company has decided to set no minimum subscription for the Issue.

No Reservation or discount

There is no reservation in this Issue nor will any discount be offered in this Issue to any Investors.

Previous public issues or rights issues by our Company during the last five years

1. Our Company came out with a public issue of long term infrastructure bonds of face value of ₹ 5000.0 each at par, in the nature of secured, redeemable, non-convertible debentures for an amount upto ₹ 5300.00 crores in February 2011. The amount mobilised through this issue was ₹ 235.36 crore. These long term infrastructure bonds are outstanding as on the date of this Draft Shelf Prospectus. The issue opened on February 24, 2011 and closed on March 22, 2011. The date of allotment and the date of refund was March 31, 2011. The long term infrastructure bonds offered pursuant to such issue were listed on April 11, 2011 on BSE.

2. Our Company came out with a further public offering of 229,553,340 Equity Shares at a premium of ₹193 per Equity Share in May 2011 ("FPO"). The FPO comprised of a fresh issue of 172,165,005 Equity Shares and an offer for sale of 57,388,335 Equity Shares by the President of India, acting through the MoP, which incorporated an employee reservation portion of 275,464 Equity Shares. Discount of 5% to the issue price of the FPO, determined pursuant to completion of the book building process was offered to eligible employees and to retail bidders. The FPO opened on May 10, 2011 and closed on May 12, 2011 for bidders who were Qualified Institutional Buyers and May 13, 2011 for all other categories of bidders. The date of allotment of Equity Shares offered in the FPO was May 24, 2011 and the date of refund was May 24, 2011. The Equity shares offered pursuant to the FPO were listed on May 27, 2011 on the Stock Exchanges.

3. Our Company came out with a public issue of long term infrastructure bonds of face value of ₹ 5000 each at par, in the nature of secured, redeemable, non-convertible debentures for an amount aggregating ₹ 200.00 crores with an option to retain an oversubscription upto the shelf limit (i.e. ₹ 6,900.00 crores) in September 2011. The amount mobilised through this issue was ₹ 95.64 crore. These long term infrastructure bonds are outstanding as on the date of this Draft Shelf Prospectus. The issue opened on September 29, 2011 and closed on November 04, 2011. The date of allotment was November 21, 2011 and the date of refund was November 23, 2011. The long term infrastructure bonds offered pursuant to such issue were listed on December 2, 2011 on BSE.

4. Our Company came out with a public issue of tax free bonds of face value of ₹ 1000.00 each at par, in the nature of secured, redeemable, non-convertible debentures for an amount aggregating ₹ 1000.00 crores with an option to retain an oversubscription upto the shelf limit (i.e. ₹ 4033.13 crores) in December 2011. These tax free bonds are outstanding as on the date of this Draft Shelf Prospectus. The issue opened on December 30, 2011 and closed on January 16, 2012. The date of allotment was February 1, 2012 and the date of refund was February 3, 2012. The tax free bonds offered pursuant to such issue were listed on February 14, 2012 on the BSE.

5. Our Company came out with a public issue of tax free bonds tranche - I of face value of ₹ 1000.00 each at par, in the nature of secured, redeemable, non-convertible debentures for an amount aggregating ₹ 1000.00 crores with an option to retain an oversubscription upto the shelf limit (i.e. ₹ 4590.00 crores) in December 2012. These tax free bonds are outstanding as on the date of this Draft Shelf Prospectus. The issue opened on December 14, 2012 and closed on December 27, 2012. The date of allotment was January 4, 2013 and the date of refund was January 7, 2013. The tax free bonds offered pursuant to such issue were listed on January 10, 2013 on the BSE.

6. Our Company came out with a public issue of tax free bonds tranche - II of face value of ₹ 1000.00 each at par, in the nature of secured, redeemable, non-convertible debentures for an amount aggregating ₹ 100.00 crores with an option to retain an oversubscription upto the residual shelf limit (i.e. ₹ 3890.25 crores) in February 2013. These tax free bonds are outstanding as on the date of this Draft Shelf Prospectus. The issue opened on February 18, 2013 and closed on March 19, 2013. The date of allotment was March 28, 2013 and the date of refund was March 30, 2013. The tax free bonds offered pursuant to such issue were listed on April 03, 2013 on the BSE.

Commission or brokerage on previous public issues

The following are details of commission and brokerage paid by the Company, along with appropriate service taxes by the Company on public issues over the last five years:

Sr. no.	Public issue	Brokerage/ Commission paid (in ₹ crore)
1	Public issue of tax – free bonds tranche - I for Fiscal 2013	3.32
2	Public issue of tax – free bonds tranche - II for Fiscal 2013	0.91
3	Public issue of tax – free bonds for Fiscal 2012	46.54
4	Public issue of long term infrastructure bonds for Fiscal 2012	1.27
5	Further public offering of Equity Shares	7.09*
6	Public issue of long term infrastructure bonds for Fiscal 2011	2.87

** ₹1.77 crore was reimbursed by the Department of Disinvestment*

Change in the auditors of our Company during the last three years

Details of change in our auditors for the last three years is as follows:

Name	Address	Date of Appointment	Date of Resignation	Remarks
Raj Har Gopal & Co.	412, Ansal Bhawan 16, K.G. Marg New Delhi – 110 001	July 12, 2010	August 1, 2013	-
N.K. Bhargava & Co.	C-31, Ist Floor, Acharya Niketan Mayur Vihar Phase-I New Delhi – 110 091	August 17, 2011	-	-
M/s K.B. Chandna & Co.	Chartered Accountants, E-27, South Extension – II, New Delhi -110049	August 2, 2013	-	-

Revaluation of assets

Our Company has not revalued its assets since its incorporation.

Utilisation of Proceeds

The funds raised through this Issue will be utilised towards general lending operations of the Company and other associated business objectives and to discharge existing debt obligations which were generally undertaken for business operations. Such utilisation of Issue Proceeds shall be in compliance with various guidelines/regulations/clarifications issued by RBI, SEBI or any other statutory authority from time to time. For more information pertaining to utilisation of proceeds, see the section titled "Objects of the Issue" on page 61.

Statement by the Board of Directors

i) All monies received out of the each Tranche Issue to the public shall be transferred to a separate bank account other than the bank account referred to in section 40 of the Companies Act, 2013;

ii) Details of all monies utilised out of the each Tranche Issue referred to in sub-item (i) shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies were utilised; and

iii) Details of all unutilised monies out of the each Tranche Issue referred to in sub-item (i), if any, shall be disclosed under an appropriate separate head in our balance sheet indicating the form in which such unutilised monies have been invested.

iv) The funds raised by us from our previous bonds issues have been utilised for our business as stated in their respective offer documents.

Disclaimer clause of the Designated Stock Exchange

[•]

Track Record of past issues handled by the Lead Managers

The track record of past issues handled by ICICI Securities Limited, A.K. Capital Services Limited, Axis Capital Limited and Edelweiss Financial Services Limited are available at www.icicisecurities.com, www.akcapindia.com, www.axiscapital.co.in and www.edelweissfin.com respectively.

Listing

The Bonds are proposed to be listed on the BSE, the Designated Stock Exchange.

If the permission to list and trade the Bonds is not granted by BSE, our Company shall forthwith repay, without interest, all such moneys received from the Applicant in pursuance of the relevant Tranche Prospectus. If any such money is not repaid within eight days after our Company becomes liable to repay it, our Company and every Director who is an officer in default shall, on and from the expiry of the eighth day, be jointly and severally liable to repay that money with interest at 15% per annum, as prescribed under section 73 of the Companies Act or as notified under the applicable law.

Our Company shall use best efforts to ensure that all steps for the completion of the necessary formalities for listing at BSE will be taken within 12 Working Days from the Issue Closing Date.

Dividend

For details of dividends paid by our Company for the financial years ended March 31, 2009, 2010, 2011, 2012 and 2013, see the section titled "Annexure B – Financial Statements".

Mechanism for redressal of investor grievances

Karvy Computershare Private Limited has been appointed as the Registrar to the Issue to ensure that investor grievances are handled expeditiously and satisfactorily and to effectively deal with investor complaints. All grievances relating to the Issue should be addressed to the Registrar to the Issue giving full details of the applicant, number of Bonds applied for, amount paid on application and the bank branch or collection centre where the application was submitted etc.

ISSUE STRUCTURE

The CBDT has vide the CBDT Notification, authorised our Company to raise the Bonds aggregating to ₹ 5000. crores in Fiscal 2014 out of which our Company has raised an amount of ₹ 1124.10 crores on a private placement basis. Our Company proposes to raise balance amount of upto ₹ 3875.90* crores through this Issue of the Bonds in one or more tranches prior to March 31, 2014, as approved by its Board by its resolution dated March 22, 2013.

**Our Company is also considering the raising of funds through private placements of the Bonds in one or more tranches during the process of the present Issue, at its discretion. Our Company will ensure that Bonds issued through public issue and/ or on private placement basis together shall not exceed ₹5000 crores*

The following are the key terms of the Bonds. This section should be read in conjunction with, and is qualified in its entirety by more detailed information in "Terms of the Issue" on page 163.

The key common terms and conditions of the Bonds are as follows:

Particulars	Terms and Conditions
Minimum application size	As specified in the Tranche Prospectus for a particular Series of Bonds.
Mode of Allotment	Both in dematerialised form as well as in physical form.
Terms of payment	Full amount on application.
Trading lot	1 (one) Bond
Who can apply	**Category I*#:** Qualified Institutional Buyers as defined in SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2009 as amended including: • Public Financial Institutions, scheduled commercial banks, multilateral and bilateral development financial institutions, state industrial development corporations, which are authorised to invest in the Bonds; • Provident funds and pension funds with minimum corpus of ₹ 25 crores, which are authorised to invest in the Bonds; • Insurance companies registered with the IRDA; • Foreign Institutional Investors and sub-accounts) (other than a sub account which is a foreign corporate or foreign individual) registered with SEBI; • National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; • Insurance funds set up and managed by the army, navy or air force of the Union of India or set up and managed by the Department of Posts, India; • Mutual funds registered with SEBI; and • Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012. **Category II*#:** • Companies within the meaning of section 3 of the Companies Act;

Particulars	Terms and Conditions
	• Statutory bodies/corporations; • Cooperative banks; • Trusts including Public/ private charitable/religious trusts; • Limited liability partnership; • Regional rural banks; • Partnership firms ; and • Any other legal entities incorporated in India and authorised to invest in the Bonds, subject to relevant regulations applicable to such entities. **Category III[#]:** The following investors applying for an amount aggregating to above ₹10 lakhs across all Series of Bonds in each Tranche Issue: • Resident Indian individuals; • Hindu Undivided Families through the Karta; and • Non Resident Indians on repatriation as well as non-repatriation basis. **Category IV[#]:** The following investors applying for an amount aggregating upto and including ₹ 10 lakhs across all Series of Bonds in each Tranche Issue: • Resident Indian individuals; • Hindu Undivided Families through the Karta; and • Non Resident Indians on repatriation as well as non-repatriation basis.

**With regard to Section 372A(3) of the Companies Act, 1956, kindly refer to Ministry of Corporate Affairs, GoI, General Circular No. 6/ 2013, dated March 14th, 2013 which clarifies that in cases where the effective yield (effective rate of return) on tax free bonds is greater than the yield on the prevailing bank rate, there is no violation of Section 372A(3) of the Companies Act, 1956.*

[#] The category may include any other foreign/domestic legal entity(ies) or person as may be permissible under the CBDT Notification and other applicable laws.

Participation by any of the above-mentioned Investor classes in this Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of Bonds that can be held by them under applicable statutory and/or regulatory provisions.

The Bonds have not been and will not be registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. In particular, the Bonds have not been and will not be registered under the U.S. Securities Act, 1933, as amended (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Issuer has not

registered and does not intend to register under the U.S. Investment Company Act, 1940 in reliance on section 3(c)(7) thereof.

An NRI/FII can apply for Bonds offered in the Issue subject to the conditions and restrictions contained in the FEMA (Borrowing or Lending in Rupees) Regulations, 2000, as amended from time to time and other applicable statutory and/or regulatory requirements.

Eligible NRI's and FII's should ensure that they are in compliance with applicable statutory and/or regulatory requirements in India and the other jurisdictions to which they are subject, before they apply for Bonds under the Issue, and that our Company and the Lead Managers shall not be liable for any consequences in connection with any non-compliances by such eligible NRIs and FIIs.

An eligible FII and NRI should not be (i) based in the United States of America ("USA"), and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA.

In case of Application Forms being submitted in joint names, the Applicants should ensure that the demat account is also held in such joint names, and the names are in the same sequence in which they appear in the Application Form.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of Bonds pursuant to the Issue.

For further details, see the section titled "Issue Procedure" on page 175.

TERMS AND CONDITIONS IN CONNECTION WITH THE BONDS

Nature of the Bonds

The Bonds being issued are in form of tax free bonds of face value of ₹ [•] each in the nature of secured, redeemable, non-convertible debentures, having tax benefits under section 10(15)(iv)(h) of the Income Tax Act to be issued by our Company in terms of this Draft Shelf Prospectus and the respective Tranche Prospectus(es).

Common terms for all Series of Bonds

Issuer	Power Finance Corporation Limited.
Type of instrument	Tax free bonds of face value of ₹ [•] each, in the nature of secured, redeemable, non-convertible debentures, having benefits under section 10(15)(iv)(h) of the Income Tax Act, to be issued in one or more tranches on the terms and conditions as set out in separate Tranche Prospectus(es) for each such Tranche Issue.
Nature of the instrument	Secured.
Seniority	*Pari passu* with other secured creditors.
Mode of the issue	Public issue.
Lead Managers	ICICI Securities Limited, A.K. Capital Services Limited, Axis Capital Limited, Edelweiss Financial Services Limited
Debenture Trustee	IL&FS Trust Company Limited.
Depositaries	NSDL and CDSL.
Registrar	Karvy Computershare Private Limited
Eligible investors	See the section titled "Issue Procedure – Who can apply?" on page 175.
Details of utilization of the proceeds	See the section titled "Objects of the Issue" on page 61.
Interest rate	As specified in the Tranche Prospectus for a particular Series.
Step up/ Step down interest rates	As specified in the Tranche Prospectus for a particular Series.
Interest type	Fixed.
Interest reset process	Not applicable.
Frequency of interest payment	As specified in the Tranche Prospectus for a particular Series.
Interest payment date	As specified in the Tranche Prospectus for a particular Series.
Day count basis	Actual/ actual i.e. Interest will be computed on a 365 days-a-year basis on the principal outstanding on the Bonds. Where the interest period (start date to end date) includes February 29, interest will be computed on 366 days-a-year basis, on the principal outstanding on the Bonds.
Interest on application money	As specified in the Tranche Prospectus for a particular Series.
Default interest rate	As specified in Debenture Trust Deed.
Tenor	10 years, 15 years and 20 years from the Deemed Date of Allotment.
Redemption Date	As specified in the Tranche Prospectus for a particular Series.
Redemption Amount	The principal amount on the Bonds along with interest accrued on them as on the Redemption Date.
Issue Price (in ₹)	₹ [•].
Discount at which security is issued and the effective yield as a result of such discount.	As specified in the Tranche Prospectus for a particular Series.
Put option date	Not applicable.

Put option price	Not applicable.
Call option date	Not applicable.
Call option price	Not applicable.
Put notification time.	Not applicable.
Call notification time	Not applicable.
Face value	₹ [●] per Bond.
Minimum Application size	As specified in the Tranche Prospectus for a particular Series.
Market Lot/ Trading Lot	One Bond.
Pay-in date	Application Date. The entire Application Amount is payable on Application.
Credit ratings	ICRA has assigned a rating of '[ICRA]AAA' to the long term borrowings programme of our Company (including bonds and long term bank borrowings) for Fiscal 2014 by its letter dated July 15, 2013 and revalidated the said rating vide its letter dated August 13, 2013 and September 16, 2013. CRISIL has assigned a rating of 'CRISIL AAA/ Stable' to the long term borrowings programme of our Company for Fiscal 2014, by its letter dated July 11, 2013 and revalidated the said rating vide its letter dated August 06, 2013 and September 03, 2013. CARE has assigned its rating of 'CARE AAA' to the long term borrowing programme of our Company for Fiscal 2014 by its letter dated July 12, 2013 and revalidated the said rating vide its letter dated August 08, 2013 and September 04, 2013.
Listing	BSE.
Security	The security for the Bonds proposed to be issued, being a charge on the book debts of the Company by a first/pari passu charge, and/ or any other security, pursuant to the terms of the Debenture Trust Deed, to be created within one month of the Deemed Date of Allotment, in accordance with the SEBI Debt Regulations.
Issue size	₹ 3875.90 crores.
Option to retain oversubscription	As specified in the respective Tranche Prospectuses for each Tranche Issue.
Security cover	At least 100% of the outstanding Bonds at any point of time.
Modes of payment	Please see the section titled "Issue Procedure – Payment Instructions" on page 186.
Issuance	Dematerialised form or physical form* as specified by an Applicant in the Application Form.
Trading	In dematerialised form only.
Issue opening date**	[●].
Issue closing date**	[●]. **The Issue shall remain open for subscription on Working Days during banking hours for the period indicated above, except that the Issue may close on such earlier date or extended date as may be decided by the Board or a duly constituted committee thereof. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a reputed daily national newspaper on or before such earlier or extended date of Issue closure. On the Issue Closing Date Application Forms will be accepted only between 10 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. or such extended time as may be permitted by the BSE.
Record date	15 (fifteen) days prior to the relevant interest payment date, relevant Redemption Date for Bonds issued under the relevant Tranche Prospectus. In the event the Record Date falls on a Saturday, Sunday or a public holiday in New Delhi or any other payment centre notified in terms of the Negotiable Instruments Act, 1881, the succeeding Business Day will be considered as the

	Record Date.
Business day convention	See the section titled "Terms of the Issue – Effect of holidays on payments" on page 168.
Transaction documents	This Draft Shelf Prospectus, the Shelf Prospectus, the Tranche Prospectus(es) read with any notices, corrigenda, addenda thereto, the Debenture Trust Deed and other security documents, if applicable, and various other documents/ agreements/ undertakings, entered or to be entered by the Company with Lead Managers and/or other intermediaries for the purpose of this Issue including but not limited to the Debenture Trust Deed, the Debenture Trustee Agreement, the Escrow Agreement, the MoU with the Registrar and the MoU with the Lead Managers and the Consortium Agreement. For further details please refer to "Material Contracts and Documents for Inspection" on page 213 of this Draft Shelf Prospectus**.**
Conditions precedent to disbursement	Not applicable.
Conditions subsequent to disbursement	Not applicable.
Events of default	See the section titled "Terms of the Issue – Events of default" on page 171.
Cross default provisions	Not applicable.
Deemed date of Allotment	The date on which the Board of Directors/or any committee thereof approves the Allotment of the Bonds for each Tranche Issue or such date as may be determined by the Board of Directors/ or any committee thereof and notified to the Designated Stock Exchange. The actual Allotment of Bonds may take place on a date other than the Deemed Date of Allotment. All benefits relating to the Bonds including interest on Bonds (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Bondholders from the Deemed Date of Allotment.
Roles and responsibilities of the Debenture Trustee	See the section titled "Terms of the Issue – Debenture Trustee" on page 173.
Governing law and jurisdiction	The governing law and jurisdiction for the purpose of the Issue shall be Indian law, and the competent courts of jurisdiction in New Delhi, India, respectively.

* *In terms of Regulation 4(2)(d) of the SEBI Debt Regulations, our Company will undertake this public issue of the Bonds in dematerialised form. However, in terms of section 8(1) of the Depositories Act, our Company, at the request of the Investors who wish to hold the Bonds in physical form will fulfil such request. However, trading in Bonds shall be compulsorily in dematerialized form.*

SPECIFIC TERMS FOR EACH SERIES OF BONDS

The terms of each series of Bonds are set out below:

Options	**Series of Bonds***		
	Tranche [●] Series [●]	**Tranche [●] Series [●]**	**Tranche [●] Series [●]**
Security Name	[●]	[●]	[●]
Tenor	10 years	15 years	20 years
Redemption Date	10 years from Deemed Date of Allotment	15 years from Deemed Date of Allotment	20 years from Deemed Date of Allotment
Redemption Amount (₹/ Bond)	Repayment of the face value and any interest that may have accrued on the Redemption Date.	Repayment of the face value and any interest that may have accrued on the Redemption Date.	Repayment of the face value and any interest that may have accrued on the Redemption Date.
Frequency of interest payment	As specified in the Tranche Prospectus for a particular Series of Bonds.	As specified in the Tranche Prospectus for a particular Series of Bonds.	As specified in the Tranche Prospectus for a particular Series of Bonds.

Options	Series of Bonds*		
	Tranche [●] Series [●]	Tranche [●] Series [●]	Tranche [●] Series [●]
Minimum application size	As specified in the Tranche Prospectus for a particular Series of Bonds.	As specified in the Tranche Prospectus for a particular Series of Bonds.	As specified in the Tranche Prospectus for a particular Series of Bonds.
In multiples of	As specified in the Tranche Prospectus for a particular Series of Bonds.	As specified in the Tranche Prospectus for a particular Series of Bonds.	As specified in the Tranche Prospectus for a particular Series of Bonds.
Face value (₹/ Bond)	₹ [●]	₹ [●]	₹ [●]
Issue price (₹/ Bond)	₹ [●]	₹ [●]	₹ [●]
Modes of interest payment	Through various available modes.**	Through various available modes.**	Through various available modes.**
Coupon rate (%) p.a.	As specified in the Tranche Prospectus for a particular Series of Bonds.	As specified in the Tranche Prospectus for a particular Series of Bonds.	As specified in the Tranche Prospectus for a particular Series of Bonds.
Annualised yield	As specified in the Tranche Prospectus for a particular Series of Bonds.	As specified in the Tranche Prospectus for a particular Series of Bonds.	As specified in the Tranche Prospectus for a particular Series of Bonds.
Put option and call option	None.	None.	None.

* The number of Series of Bonds will be decided at the time of filing the Tranche Prospectus(es).

** For various modes of interest payment, see the section titled "Terms of the Issue – Modes of Payment" on page 169.

Terms of payment

The entire face value per Bond is payable on application. In the event of Allotment of a lesser number of Bonds than applied for, our Company shall refund the amount paid on application to the Applicant, in accordance with the terms of the respective Tranche Prospectus(es).

TERMS OF THE ISSUE

The Bonds being offered through the Issue are subject to the provisions of the SEBI Debt Regulations, applicable regulations by the RBI, the Income Tax Act, the Companies Act, the CBDT Notification, the terms of this Draft Shelf Prospectus, the Shelf Prospectus, the Tranche Prospectus(es), the Application Form, the terms and conditions of the Debenture Trustee Agreement and the Debenture Trust Deed, other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI, the GoI, and other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the Bonds.

1. **Authority for the Issue**

The CBDT has by the CBDT Notification, authorised our Company to raise the Bonds aggregating to ₹ 5000 crores in Fiscal 2014 out of which our company has raised ₹ 1124.10 crores . Our Company proposes to raise balance amount of upto ₹ 3875.90 crores* through this Issue of the Bonds in one or more tranches prior to March 31, 2014, as approved by its Board by its resolution dated March 22, 2013.

Our Company is also considering the raising of funds private placements of the Bonds in one or more tranches during the process of the present Issue, at its discretion. Our Company will ensure that Bonds issued through public issue or on private placement basis should not exceed the ₹ 5000 crores.

2. **Issue and status of the Bonds**

2.1. Public issue of tax free bonds, in the nature of secured redeemable non convertible debentures having benefits under section 10(15)(iv)(h) of the Income Tax Act upto an aggregate amount of ₹ 3875.90 crores at par in one or more tranches in the Fiscal 2014.

2.2. The Bonds shall be secured pursuant to the Debenture Trust Deed. The Bondholders are entitled to the benefit of the Debenture Trust Deed and are bound by and are deemed to have notice of all the provisions of the Debenture Trust Deed.

2.3. The Bonds are proposed to be secured by a charge on the book debts of the Company by a first/ pari passu charge and/or any other security, pursuant to the terms of the Debenture Trust Deed or any other document as may be required.

2.4. The claims of the Bondholders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements.

3. **Form, face value, title and listing etc.**

3.1.1. **Form of Allotment**

The Allotment of the Bonds shall be in a dematerialized form as well as physical form. Our Company has made depository arrangements with CDSL and NSDL for the issuance of the Bonds in dematerialized form, pursuant to a tripartite agreement dated April 25, 2006 among our Company, the Registrar and CDSL and a tripartite agreement dated May 16, 2006 among our Company, the Registrar and NSDL (collectively the "**Tripartite Agreements**").

Our Company shall take necessary steps to credit the Depository Participant account of the Applicants with the number of Bonds allotted in dematerialized form. The Bondholders holding the Bonds in dematerialised form shall deal with the Bonds in accordance with the provisions of the Depositories Act and/or rules as notified by the Depositories from time to time.

3.1.2. The Bondholders may rematerialize the Bonds issued in dematerialised form, at any time after Allotment, in accordance with the provisions of the Depositories Act and/or rules as notified by the Depositories from time to time.

3.1.3. In case of Bonds held in physical form, whether on Allotment or on rematerialization of Bonds allotted in dematerialised form, our Company will issue one certificate for each Series of the

Bonds to the Bondholder for the aggregate amount of the Bonds that are held by such Bondholder (each such certificate, a "**Consolidated Bond Certificate**"). In respect of the Consolidated Bond Certificate(s), our Company will, on receipt of a request from the Bondholder within 30 days of such request, split such Consolidated Bond Certificate(s) into smaller denominations in accordance with the applicable regulations/rules/act, subject to a minimum denomination of one Bond. No fees will be charged for splitting any Consolidated Bond Certificate(s) and any stamp duty, if payable, will be paid by the Bondholder. The request to split a Consolidated Bond Certificate shall be accompanied by the original Consolidated Bond Certificate which will, on issuance of the split Consolidated Bond Certificates, be cancelled by our Company.

3.2. **Face Value**

The face value of each Bond is ₹ [•].

3.3. **Title**

3.3.1 In case of:

i) a Bond held in dematerialised form, the person for the time being appearing in the register of beneficial owners maintained by the Depositories; and

ii) a Bond held in physical form, the person for the time being appearing in the Register of Bondholders as Bondholder

shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such persons the holder thereof and its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the Consolidated Bond Certificate issued in respect of the Bonds and no person will be liable for so treating the Bondholder.

3.3.2 No transfer of title of a Bond will be valid unless and until entered on the Register of Bondholders or the register of beneficial owners, maintained by the Depositories and/or our Company or the Registrar to the Issue prior to the Record Date. In the absence of transfer being registered, interest and/or Maturity Amount, as the case may be, will be paid to the person, whose name appears first in the register of beneficial holders maintained by the Depositories and the Register of Bondholders, as maintained by our Company and/or the Registrar to the Issue, as the case may be. In such cases, claims, if any, by the purchasers of the Bonds will need to be settled with the seller of the Bonds and not with our Company or the Registrar to the Issue.

3.4. **Listing**

The Bonds will be listed on BSE.

3.5. **Market Lot**

The Bonds shall be allotted in physical as well as dematerialised form. In terms of the SEBI Debt Regulations, the trading of the Bonds shall be in dematerialised form only. Since, the trading of Bonds is in dematerialized form, tradable lot is one Bond.

3.6. **Procedure for rematerialisation of Bonds**

Bondholders who wish to hold the Bonds in physical form, after having opted for Allotment in dematerialised form may do so by submitting a request to their Depository Participant, in accordance with the applicable procedure stipulated by such Depository Participant.

4. **Transfer of the Bonds, issue of Consolidated Bond Certificates, etc.**

4.1. **Register of Bondholders**

Our Company shall maintain at its Registered Office or such other place as permitted by section 163 of the Companies Act, a Register of Bondholders containing such particulars of the legal owners of the Bonds. Further, in accordance with 152A of the Companies Act, the register of beneficial owners maintained by Depositories for any Bond in dematerialised form under section 11 of the Depositories Act shall also be deemed to be a register of Bondholders for this purpose.

4.2. **Transfers**

4.2.1 ***Transfer of Bonds held in dematerialised form:***

In respect of Bonds held in the dematerialised form, transfers of the Bonds may be effected only through the Depositories where such Bonds are held, in accordance with the provisions of the Depositories Act and/or rules as notified by the Depositories from time to time. The Bondholder shall give delivery instructions containing details of the prospective purchaser′s Depository Participant′s account to his Depository Participant. If a prospective purchaser does not have a Depository Participant account, the Bondholder may rematerialize his or her Bonds and transfer them in a manner as specified in paragraph 4.2.2 below.

4.2.2 ***Transfer of Bonds in physical form:***

The Bonds may be transferred in a manner as may be prescribed by our Company for the registration of transfer of Bonds. Purchasers of Bonds are advised to send the Consolidated Bond Certificate to our Company or to such persons as may be notified by our Company from time to time. If a purchaser of the Bonds in physical form intends to hold the Bonds in dematerialised form, the Bonds may be dematerialized by the purchaser through his or her Depository Participant in accordance with the provisions of the Depositories Act and/or rules as notified by the Depositories from time to time.

4.3. **Formalities free of charge**

Registration of a transfer of Bonds and issuance of new Consolidated Bond Certificates will be effected without charge by or on behalf of our Company, but on payment (or the giving of such indemnity as our Company may require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer, and upon our Company being satisfied that the requirements concerning transfers of Bonds have been duly complied with.

4.4 **Debenture Redemption Reserve ("DRR")**

Pursuant to regulation 16 of the SEBI Debt Regulations and section 117C of the Companies Act, any company that intends to issue debentures needs to create a DRR to which adequate amounts shall be credited out of the profits of our company until the redemption of the debentures. Further, the MCA has, through its circular dated February 11, 2013 has specified that NBFC′s shall create a DRR to the extent of 25% of the value of the debentures issued through a public issue or such a percentage as may be required under applicable regulation as amended from time to time. Accordingly, our Company shall create a DRR of 25% of the value of the Bonds Allotted in terms of the Tranche Prospectus(es), for the redemption of the Bonds. Our Company shall credit adequate amounts to the DRR from its profits every year until the Bonds are redeemed. The amounts credited to the DRR shall not be utilized by our Company for any purpose other than for the redemption of the Bonds.

5. **Application amount**

The Bonds are being issued at par and the full amount of the face value per Bond is payable on application. Eligible Applicants can apply for any amount of the Bonds subject to a minimum Application size of [•] Bonds, across any of the Series of Bonds or a combination thereof. The Applicants will be allotted the Bonds in accordance with the Basis of Allotment.

6. **Deemed Date of Allotment**

The Deemed Date of Allotment shall be the date on which the Board of Directors/or any committee thereof approves the Allotment of the Bonds for each Tranche Issue or such date as may be determined by the Board of Directors/ or any committee thereof and notified to the Designated Stock Exchange. The actual Allotment of Bonds may take place on a date other than the Deemed Date of Allotment. All benefits relating to the Bonds including interest on Bonds (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Bondholders from the Deemed Date of Allotment.

7. **Subscription**

7.1. **Period of subscription**

The Issue shall remain open for the period mentioned below:

Issue opens on	As specified in the Tranche Prospectus for a particular Series of Bonds.
Issue closes on	As specified in the Tranche Prospectus for a particular Series of Bonds.

The Issue shall remain open for subscription on Working Days during banking hours for the period indicated above, except that the Issue may close on such earlier date or extended date as may be decided by the Board or a duly constituted committee thereof. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a reputed daily national newspaper on or before such earlier or extended date of Issue closure. On the Issue Closing Date Application Forms will be accepted only between 10 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. or such extended time as may be permitted by the BSE.

7.2. **Underwriting**

The Issue is not underwritten.

7.3. **Minimum subscription**

Under the SEBI Debt Regulations, our Company may stipulate a minimum subscription amount which it seeks to raise.

Our Company has decided to set no minimum subscription for the Issue.

8. **Interest**

8.1. **Interest**

For all Categories, the Tranche [•] Series [•] Bonds, Tranche [•] Series [•] Bonds and Tranche [•] Series [•] Bonds shall carry interest at the coupon rate of [•]%p.a., [•]% p.a. and [•]% p.a., respectively, payable [•] from, and including, the Deemed Date of Allotment up to, but excluding, their respective Maturity Dates, payable on the "Interest Payment Date", to the Bondholders as of the relevant Record Date.

However, we may decide to pay an additional interest at the rate of [•]% p.a. to all Allottees under Category IV for Tranche [•] Series [•] Bonds, Tranche [•] Series [•] Bonds and Tranche [•] Series [•] Bonds. Accordingly, the Tranche [•] Series [•] Bonds, Tranche [•] Series [•] Bonds and Tranche [•] Series [•] Bonds Allotted to Category IV Investors may carry an aggregate coupon rate of [•]% p.a., [•]% p.a. and [•]% p.a., respectively, payable [•]

from, and including, the Deemed Date of Allotment up to, but excluding their respective Maturity Dates, payable on the "Interest Payment Date", to the Bondholders as of the relevant Record Date. In such case, the effective yield to Category IV Allottees would be [•]% p.a., [•]% p.a. and [•]% p.a. for the Tranche [•] Series [•],Tranche [•] Series [•] and Tranche [•] Series [•] respectively.

Please note that the aforesaid additional interest of **[•]** % p.a. which is available to only Category IV Investors shall not be available in case the Bonds are transferred by Category IV Investors to any Investor under Category I,II or III.

Please note that for the purpose of classifying the Investors into various categories, the Applications will be consolidated on the basis of PAN.

8.2. **Day count convention**

Interest on the Bonds shall be computed on an actual/ actual basis for the broken period.

8.3. **Interest on Application Amounts**

8.3.1. **Interest on Application Amounts received which are used towards Allotment of Bonds**

We shall pay interest on Application Amounts on the amount Allotted, subject to deduction of income tax under the provisions of the Income Tax Act, as applicable, to any Applicants to whom Bonds are allotted (except for ASBA Applicants) pursuant to the Issue from the date of realization of the cheque(s)/demand draft(s) upto one day prior to the Deemed Date of Allotment, at the rate of [•]% per annum. In the event that such date of realization of the cheque(s)/ demand draft(s) is not ascertainable in terms of banking records, we shall pay interest on Application Amounts on the amount Allotted from three Business Days from the date of upload of each Application on the electronic Application platform of the BSE upto one day prior to the Deemed Date of Allotment, at the aforementioned rate.

A tax deduction certificate will be issued for the amount of income tax so deducted.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the Applicants. Alternatively, interest warrants will be dispatched along with the letter(s) of allotment at the sole risk of the Applicant, to the sole/first Applicant.

8.3.2. **Interest on Application Amounts received which are liable to be refunded**

We shall pay interest on Application Amounts which is liable to be refunded to the Applicants (other than Application Amounts received after the closure of the Issue and ASBA Applicants) subject to deduction of income tax under the provisions of the Income Tax Act, as applicable, from the date of realization of the cheque(s)/demand draft(s upto one day prior to the Deemed Date of Allotment, at the rate of [•]% per annum. In the event that such date of realization of the cheque(s)/ demand draft(s) is not ascertainable in terms of banking records, we shall pay interest on Application Amounts which are liable to be refunded from three Business Days from the date of upload of each Application on the electronic Application platform of the BSE upto one day prior to the Deemed Date of Allotment, at the aforementioned rate. Such interest shall be paid along with the monies liable to be refunded. Interest warrants will be dispatched/credited (in case of electronic payment) along with the letter(s) of refund at the sole risk of the Applicant, to the sole/first Applicant.

A tax deduction certificate will be issued for the amount of income tax so deducted.

Notwithstanding anything contained hereinabove, our Company shall not be liable to pay any interest on monies liable to be refunded in case of (a) invalid applications or

applications liable to be rejected, and/or (b) applications which are withdrawn by the Applicant and/or (c) monies paid in excess of amount of the Bonds applied for in the Application Form. See the section titled "Issue Procedure- Rejection of Applications" at page 195.

9. **Redemption**

9.1. The face value of the Bonds will be redeemed at par, on the respective Maturity Dates of each of the Series of Bonds.

9.2. **Procedure for redemption by Bondholders**

The procedure for redemption is set out below:

9.2.1. ***Bonds held in electronic form:***

No action is required on the part of Bondholders at the time of maturity of the Bonds.

9.2.2. ***Bonds held in physical form:***

No action will ordinarily be required on the part of the Bondholder at the time of redemption, and the Maturity Amount will be paid to those Bondholders whose names appear in the Register of Bondholders maintained by our Company on the Record Date fixed for the purpose of redemption without there being a requirement for the surrender of the physical Consolidated Bond Certificate(s).

10. **Payments**

10.1. **Payment of interest on the Bonds**

Payment of interest on the Bonds will be made to those Bondholders whose name appears first in the register of beneficial owners maintained by the Depositories and the Register of Bondholders maintained by our Company and/or the Registrar to the Issue, as the case may be as, on the Record Date.

10.2. **Record Date**

The record date for the payment of interest or the Maturity Amount shall be 15 days prior to the date on which such amount is due and payable ("**Record Date**"). In case of redemption of Bonds, the trading in the Bonds shall remain suspended between the Record Date and the Redemption Date. In the event that the Record Date falls on a public holiday, or any other payment centre notified in terms of the Negotiable Instruments Act, 1881, the succeeding Business Day will be considered the Record Date.

10.3. **Effect of holidays on payments**

If the date of interest payment or redemption falls on a Saturday, Sunday or a public holiday in New Delhi or any other payment centre notified in terms of the Negotiable Instruments Act, 1881, the succeeding Business Day will be considered as the interest payment date or Redemption Date, as the case may be, without any interest for the period overdue.

10.4. Whilst our Company will use the electronic mode for making payments, where facilities for electronic mode of payments are not available to the Bondholder or where the information provided by the Applicant is insufficient or incomplete, our Company proposes to use other modes of payment to make payments to the Bondholders, including through the dispatch of cheques through a courier service, or registered post or speed post to the address provided by the Bondholder and appearing in the register of beneficial owners maintained by the Depositories and the Register of Bondholders maintained by our Company and/or the Registrar to the Issue, as the case may be as, on the Record Date. Our Company shall pay interest at [•]%, over and above the coupon rate of the Bonds in the event that such payments are delayed

beyond a period of eight days after our Company becomes liable to pay such amounts.

10.5. Our Company's liability to the Bondholders including for payment or otherwise shall stand extinguished from the Maturity Date or on dispatch of the amounts paid by way of principal and/or interest to the Bondholders. Further, our Company will not be liable to pay any interest, income or compensation of any kind accruing subsequent to the Maturity Date.

11. Manner and mode of payment

11.1. Manner of payment:

All payments to be made by our Company to the Bondholders shall be made in any of the following manners:

11.1.1. *For Bonds applied or held in electronic form:*

Bank account details will be obtained from the Depositories for payments. Investors who have applied or who are holding the Bond in electronic form are advised to immediately update their bank account details as appearing on the records of their Depository Participant. Failure to do so could result in delays in credit of the payments to investors at their sole risk and neither the Lead Managers nor our Company shall have any responsibility and undertake any liability for such delays on part of the Investors.

11.1.2. *For Bonds held in physical form*

Bank account details will be obtained from the Registrar to the Issue for effecting payments.

11.2. Modes of payment

The mode of interest/refund/Maturity Amounts shall be undertaken in the following order of preference:

11.2.1. *Direct credit*

Applicants having bank accounts with the Refund Bank, as per the Demographic Details received from the Depositories shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank for the same would be borne by our Company.

11.2.2. *National Electronic Clearing Scheme ("NECS")*

The NECS facility is applicable to Applicants having an account at any of the centres notified by the RBI. This mode of payment will be subject to availability of complete bank account details including the Magnetic Ink Character Recognition ("**MICR**") code as appearing on a cheque leaf, from the Depositories.

Our Company shall not be responsible for any delay to the Bondholder receiving credit of interest or refund or Maturity Amount so long as our Company has initiated the payment process in time.

11.2.3. *Real Time Gross Settlement ("RTGS")*

An Applicant having a bank account with a branch which is RTGS enabled as per the information available on the website of the RBI and whose payment amount exceeds ₹2.00 lakhs (or as may be specified by the RBI from time to time) shall be eligible to receive refund through RTGS, provided the demographic details downloaded from the Depositories contain the nine digit MICR code of the Applicant's bank which can be mapped with the RBI data to obtain the corresponding Indian Financial System Code ("**IFSC**"). Charges, if any, levied by the Refund Bank for the same would be borne by our Company. Charges, if any, levied by the Applicant's bank receiving the credit

would be borne by such Applicant.
Our Company shall not be responsible for any delay to the Bondholder receiving credit of interest or refund or Maturity Amount so long as our Company has initiated the payment process in time.

11.2.4. ***National Electronic Fund Transfer ("NEFT")***

Payment of refund shall be undertaken through NEFT wherever an Applicant's bank branch is NEFT enabled and has been assigned the IFSC, which can be linked to an MICR code of that particular branch. The IFSC Code will be obtained from the website of RBI as on a date prior to the date of payment of refund, duly mapped with an MICR code. Wherever an Applicant has registered his MICR number and his bank account number while opening and operating the beneficiary account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment will be made to such Applicant through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency and the past experience of the Registrar to the Issue. In the event NEFT is not operationally feasible, the payment would be made through any one of the other modes as discussed in this section.

Our Company shall not be responsible for any delay to the Bondholder receiving credit of interest or refund or Maturity Amount so long as our Company has initiated the payment process in time.

11.2.5. ***Cheques or demand drafts***

Payments by cheques or demand drafts shall be made in the name of the Bondholders whose names appear in the Register of Bondholders as maintained by our Company or from the register of beneficial owners as provided by the Depositories. All cheques or demand drafts as the case may be, shall be sent by registered/speed post/courier service at the Bondholders' sole risk.

11.3. **Printing of bank particulars**

As a matter of precaution against possible fraudulent encashment of refund orders and interest/redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be provided for printing on the orders/warrants. Applications without these details are liable to be rejected. However, in relation to Applicants who have applied for Bonds in dematerialised form, these particulars will be taken directly from the Depositories. In case of Bonds held in physical form either on account of rematerialisation or transfer, the Bondholders are advised to submit their bank account details with the Registrar to the Issue before the Record Date, failing which the amounts will be dispatched to the postal address of the Bondholders. Bank account particulars will be printed on the orders/warrants which can then be deposited only in the account specified.

12. **Special tax benefits**

For the details of tax benefits, see the section titled "Statement of Tax Benefits" on page 63.

13. **Taxation**

The Bonds are tax free in nature and the interest on the Bonds will not form part of the total taxable income of Bondholders. For further details, see the section titled "Statement of Tax Benefits" on page 63.

14. **Security**

The Bonds proposed to be issued, shall be secured by way of first/ pari passu charge on the book debts of the Company or any other security, pursuant to the terms of the Debenture Trust Deed or any other document as may be required, to be created within one month of the Deemed Date of Allotment, in

accordance with the SEBI Debt Regulations. Our Company has obtained consents from all individuals and entities currently holding a pari passu charge on the assets over which the Security is proposed to be created.

15. **Events of default**

15.1. The Debenture Trustee at its own discretion may, or if so requested in writing by the holders of not less than 75% in principal amount of the Bonds then outstanding or if so directed by a special resolution shall (subject to being indemnified and/or secured by the Bondholders to its satisfaction), give notice to our Company specifying that the Bonds and/or any particular Series of Bonds, in whole but not in part are and have become due and repayable at the early redemption amount on such date as may be specified in such notice, among other things, if any of the events listed in paragraph 15.2 below occur.

15.2. The event of default includes non payment of interest, non redemption etc. The complete list of events of default shall be as specified in the Debenture Trust Deed.

15.3. The early Redemption Amount payable on the occurrence of an event of default shall be as detailed in the Debenture Trust Deed.

15.4. If an event of default is continuing, the Debenture Trustee may, with the consent of the Bondholders obtained in accordance with the provisions of the Debenture Trust Deed, and with a prior written notice to our Company, take action in terms of the Debenture Trust Deed.

15.5. In case of default in the redemption of Bonds, in addition to the payment of interest and all other monies payable hereunder on the respective due dates, our Company shall also pay interest on the defaulted amounts.

16. **Bondholders′ rights, nomination, etc.**

16.1. **Rights of Bondholders**

Some of the significant rights available to the Bondholders are as follows:

a) The Bonds shall not, except as provided in the Companies Act, confer on Bondholders any rights or privileges available to members of our Company including the right to receive notices or annual reports of, or to attend and/ or vote, at the Company′s general meeting(s). However, if any resolution affecting the rights of the Bondholders is to be placed before our shareholders, such resolution will first be placed before the concerned Bondholders for their consideration. In terms of section 219(2) of the Companies Act, Bondholders shall be entitled to a copy of our balance sheet on a specific request made to the Company.

b) The rights, privileges and conditions attached to the Bonds may be varied, modified and/or abrogated with the consent in writing of the Bondholders of at least three-fourths of the outstanding amount of the Bonds or with the sanction of a special resolution passed at a meeting of the concerned Bondholders. However, in the event that such consent or special resolution pertains to modify or vary the terms and conditions governing the Bonds, such consent or resolution shall not be operative against our Company in the event that such consent or resolution is not acceptable to our Company.

c) The registered Bondholder or in case of joint-holders, the person whose name stands first in the Register of Bondholders or the register of beneficial owners, as the case may be, shall be entitled to vote in respect of such Bonds, either by being present in person or, where proxies are permitted, by proxy, at any meeting of the concerned Bondholders summoned for such purpose and every such Bondholder shall be entitled to one vote on a show of hands and on a poll, his or her voting rights shall be in proportion to the outstanding nominal value of Bonds held by him or her on every resolution placed before such meeting of the Bondholders.

d) Bonds may be rolled over, subject to the consent of the Ministry of Finance, Government of India, and with the consent in writing of the holders of at least three-fourths of the outstanding amount of the Bonds or with the sanction of a special resolution passed at a meeting of the concerned Bondholders after providing at least 21 days prior notice for such roll-over and in accordance with the SEBI Debt Regulations. Our Company shall redeem the Bonds of all the Bondholders, who have not given their positive consent to the roll-over.

The above rights of Bondholders are merely indicative. The final rights of the Bondholders will be as per the terms of the Shelf Prospectus, the respective Tranche Prospectuses and the Debenture Trust Deed to be executed by our Company with the Debenture Trustee.

A special resolution for the purpose of this section is a resolution passed at a meeting of Bondholders of at least three-fourths of the outstanding amount of the Bonds, present and voting.

16.2. **Succession**

Where Bonds are held in joint names and one of the joint-holders dies, the survivor(s) will be recognized as the Bondholder(s) in accordance with the applicable laws. It will be sufficient for our Company to delete the name of the deceased Bondholder after obtaining satisfactory evidence of his death, provided that a third person may call on our Company to register his name as successor of the deceased Bondholder after obtaining evidence such as probate of a will for the purpose of proving his title to the Bonds. In the event of demise of the sole or first holder of the Bonds, our Company will recognize the executors or administrator of the deceased Bondholders, or the holder of the succession certificate or other legal representative as having title to the Bonds only if such executor or administrator obtains and produces probate of will or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. The Board of Directors of our Company in their absolute discretion may, in any case, dispense with production of probate of will or letter of administration or succession certificate or other legal representation.

16.3. **Nomination facility to Bondholders**

16.3.1. The sole Bondholder or first Bondholder, along with other joint Bondholders (being individuals) may nominate any one person (being an individual) who, in the event of death of the sole holder or all the joint-holders, as the case may be, shall become entitled to the Bond. A person, being a nominee, becoming entitled to the Bond by reason of the death of the Bondholders, shall be entitled to the same rights to which he will be entitled if he were the registered holder of the Bond. Where the nominee is a minor, the Bondholders may make a nomination to appoint any person to become entitled to the Bonds, in the event of his death, during the minority. A nomination shall stand rescinded on sale of a Bond by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. When the Bond is held by two or more persons, the nominee shall become entitled to receive the amount only on the demise of all the Bondholders. Fresh nominations can be made only in the prescribed form available on request at our Company′s administrative office or at such other addresses as may be notified by our Company.

16.3.2. The Bondholders are advised to provide the specimen signature of the nominee to our Company to expedite the transmission of the Bond(s) to the nominee in the event of demise of the Bondholders. The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

16.3.3. Any person who becomes a nominee under any applicable laws shall on the production of such evidence as may be required by our Company′s Board or a Committee of Directors, as the case may be, elect either:

(a) to register himself or herself as the holder of the Bonds; or

(b) to make such transfer of the Bonds, as the deceased holder could have made.

16.3.4. Notwithstanding anything stated above, Applicants who are allotted bonds in dematerialised form need not make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Bondholder will prevail. If the Bondholders require changing their nomination, they are requested to inform their respective Depository Participant. For Applicants who opt to hold the Bonds in physical form, the Applicants are require to fill in the details for 'nominees' as provided in the Application Form.

16.3.5. Further, our Company's Board or Committee of Directors, as the case may be, may at any time give notice requiring any nominee of the deceased holder to choose either to be registered himself or herself or to transfer the Bonds, and if the notice is not complied with, within a period of 90 days, our Company's Board or Committee of Directors, as the case may be, may thereafter withhold payment of all interests or other monies payable in respect of the Bonds, until the requirements of the notice have been complied with.

17. Debenture Trustee

17.1. Our Company has appointed IL & FS Trust Company Limited to act as the Trustee for the Bondholders. Our Company intends to enter into a Debenture Trust Deed with the Debenture Trustee, the terms of which will govern the appointment and functioning of the Debenture Trustee and shall specify the powers, authorities and obligations of the Debenture Trustee. Under the terms of the Debenture Trust Deed, our Company will covenant with the Debenture Trustee that it will pay the Bondholders the principal amount on the Bonds on the relevant Maturity Date and also that it will pay the interest due on Bonds on the rate specified under the respective Tranche Prospectus(es) under which Allotment has been made.

17.2. The Bondholders shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of their agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the Bonds as the Trustee may in their absolute discretion deem necessary or require to be done in the interest of the Bondholders. All the rights and remedies of the Bondholders shall vest in and shall be exercised by the Debenture Trustee without reference to the Bondholders. No Bondholder shall be entitled to proceed directly against our Company unless the Debenture Trustee, having become so bound to proceed, failed to do so.

17.3. The Debenture Trustee will protect the interest of the Bondholders in the event of default by our Company in regard to timely payment of interest and repayment of principal and they will take necessary action at our Company's cost. Further, the Debenture Trustee shall ensure that the assets of our Company are sufficient to discharge the principal amount at all time under this Issue.

18. Miscellaneous

18.1. Loan against Bonds

The Bonds can be pledged or hypothecated for obtaining loans from lending institutions in accordance with the lending policies of such institutions. However, as per the RBI Circular dated June 27, 2013 the Company is not permitted to extend loan against the securities of its debentures issued by way of private placement or public issue.

18.2. Lien

Our Company shall have the right of set-off and lien, present as well as future on the monies due and payable to the Bondholder or deposits held in the account of the Bondholder, whether in single name or joint name, to the extent of all outstanding dues by the Bondholder to our Company.

18.3. **Lien on pledge of Bonds**

Subject to applicable laws, our Company, at its discretion, may note a lien on pledge of the Bonds if such pledge of the Bonds is accepted by any bank, institution or others for any loan provided to the Bondholder against pledge of such Bonds as part of the funding.

18.4. **Joint-holders**

Where two or more persons are holders of any Bond(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to applicable laws.

18.5. **Sharing of information**

Our Company may, at its option, use its own, as well as exchange, share or part with any financial or other information about the Bondholders available with our Company and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither our Company nor its affiliates nor their agents shall be liable for use of the aforesaid information.

18.6. **Notices**

All notices to the Bondholders required to be given by our Company or the Trustee shall be published in at least one national daily newspaper having wide circulation and/or, will be sent by post/courier to the registered Bondholders from time to time.

18.7. **Issue of duplicate Consolidated Bond Certificate(s)**

If any Consolidated Bond Certificate is mutilated or defaced it may be replaced by our Company against the surrender of such Consolidated Bond Certificates, provided that where the Consolidated Bond Certificates are mutilated or defaced, they will be replaced only if the certificate numbers and the distinctive numbers are legible.

If any Consolidated Bond Certificate is destroyed, stolen or lost then on production of proof thereof to the Issuer′s satisfaction and on furnishing such indemnity/security and/or documents as it may deem adequate, duplicate Consolidated Bond Certificate(s) shall be issued.

The above requirement may be modified from time to time as per applicable law and practice.

18.8. **Future borrowings**

Our Company shall be entitled at any time in the future during the term of the Bonds or thereafter to borrow or raise loans or create encumbrances or avail of financial assistance in any form, and also to issue promissory notes or bonds or any other securities in any form, manner, ranking and denomination whatsoever and to any eligible persons whatsoever and to change its capital structure including through the issue of shares of any class, on such terms and conditions as our Company may deem appropriate, without requiring the consent of, or intimation to, the Bondholders or the Debenture Trustee in this connection, subject to the security cover for the Bonds being 100% of the principal outstanding on the Bonds at all points of time during their tenor. Any further security created by our Company on the Security for the Bonds will be effected in the manner specified in the Debenture Trust Deed.

18.9. **Jurisdiction**

The Bonds, the Trust Deed and other relevant documents shall be governed by and construed in accordance with the laws of India. For the purpose of this Issue and any matter related to or ancillary to the Issue, the courts of New Delhi, India shall have exclusive jurisdiction.

ISSUE PROCEDURE

This section applies to all Applicants. ASBA Applicants should note that the ASBA process involves application procedures that are different from the procedure applicable to all other Applicants. However, there is a common Application Form for all Applicants except FIIs and NRIs for whom there will be separate Application Form. Please note that all Applicants are required to pay the full Application Amount or ensure that the ASBA Account has sufficient credit balance such that the entire Application Amount can be blocked by the SCSB while making an Application. In case of ASBA Applicants, an amount equivalent to the full Application Amount will be blocked by the SCSBs in the relevant ASBA Accounts.

ASBA Applicants should note that they may submit their ASBA Applications to the Members of the Syndicate or Trading Members only at the Syndicate ASBA Application Locations, or directly to the Designated Branches of the SCSBs. Applicants other than ASBA Applicants are required to submit their Applications to the Members of the Syndicate or Trading Members at the centres mentioned in the Application Form.

Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of Bonds that can be held by them under applicable law or as specified in the Shelf Prospectus and the relevant Tranche Prospectus(es).

PLEASE NOTE THAT ALL TRADING MEMBERS WHO WISH TO COLLECT AND UPLOAD APPLICATION IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY BSE WILL NEED TO APPROACH BSE AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY BSE.

THE PROVISIONS CONTAINED IN THIS SECTION HAVE BEEN PREPARED ON THE BASIS OF CIRCULAR No. CIR/ IMD/DF-1/20/2012 DATED JULY 27 2012 ISSUED BY SEBI. THE FOLLOWING ISSUE PROCEDURE IS SUBJECT TO THE RELEVANT STOCK EXCHANGE PUTTING IN PLACE THE NECESSARY SYSTEMS AND INFRASTRUCTURE REQUIRED IN RELATION TO SUBMISSION OF DIRECT ONLINE APPLICATIONS THROUGH THE ONLINE PLATFORM AND ONLINE PAYMENT FACILITY TO BE OFFERED BY THE RELEVANT STOCK EXCHANGE AND ACCORDINGLY IS SUBJECT TO ANY FURTHER CLARIFICATIONS, NOTIFICATIONS, DIRECTIONS, INSTRUCTIONS AND/ OR CORRESPONDENCE THAT MAY BE ISSUED BY THE RELEVANT STOCK EXCHANGE AND/ OR SEBI. THE ISSUE PROCEDURE MAY UNDERGO CHANGES FROM THE DATE OF THIS DRAFT SHELF PROSPECTUS TO THE FINAL ISSUE OPENING DATE.

THE LEAD MANAGERS, THE CONSORTIUM MEMBERS AND THE COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMISSIONS ON THE PART OF TRADING MEMBERS IN CONNECTION WITH THE RESPONSIBILITY OF SUCH TRADING MEMBERS IN RELATION TO COLLECTION AND UPLOAD OF APPLICATIONS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY BSE. FURTHER, REGISTRAR SHALL BE RESPONSIBLE FOR ADDRESSING INVESTOR GRIEVANCES ARISING FROM APPLICATIONS THROUGH TRADING MEMBERS.

Please note that for the purpose of this section, the term "Working Day" shall mean all days excluding Sundays or a public holiday in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881, except with reference to the Issue Period, Interest Payment Date and Record Date, where Working Days shall mean all days, excluding Saturdays, Sundays and public holidays in India or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881.

Who can apply?

The following categories of persons are eligible to apply in the Issue.

Category I*#

Qualified Institutional Buyers as defined in SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2009 as amended including:

- Public Financial Institutions, scheduled commercial banks, multilateral and bilateral development financial institutions, state industrial development corporations, which are authorised to invest in the Bonds;
- Provident funds and pension funds with minimum corpus of ₹ 25 crores, which are authorised to invest in the Bonds;
- Insurance companies registered with the IRDA;
- Foreign Institutional Investor and sub accounts (other than a sub account which is a foreign corporate or foreign individual) registered with SEBI;
- National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India;
- Insurance funds set up and managed by the army, navy or air force of the Union of India or set up and managed by the Department of Posts, India;
- Mutual funds registered with SEBI; and
- Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.

Category II*#

- Companies within the meaning of section 3 of the Companies Act;
- Statutory bodies/corporations;
- Cooperative banks;
- Trusts including Public/ private charitable/religious trusts;
- Limited liability partnership;
- Regional rural banks;
- Partnership firms; and
- Any other legal entities incorporated in India and authorised to invest in the Bonds, subject to relevant regulations applicable to such entities.

**With regard to Section 372A(3) of the Companies Act, 1956, kindly refer to Ministry of Corporate Affairs, GoI, General Circular No. 6/ 2013, dated March 14, 2013 which clarifies that in cases where the effective yield (effective rate of return) on tax free bonds is greater than the yield on the prevailing bank rate, there is no violation of Section 372A(3) of the Companies Act, 1956.*

Category III#

- Resident Indian individuals, Non Resident Indians on repatriation as well as non repatriation basis and Hindu Undivided Families through the Karta applying for Bonds aggregating to a value exceeding ₹ 10,00,000, across all Series of Bonds in each Tranche Issue.

Category IV#

- Resident Indian individuals Non Resident Indians on repatriation as well as non repatriation basis and Hindu Undivided Families through the Karta applying for Bonds aggregating upto and including ₹ 10,00,000, across all Series of Bonds in each Tranche Issue.

 # The category may include any other foreign/domestic legal entity(ies) or person as may be permissible under the CBDT Notification and other applicable laws.

Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities.

An eligible FII and NRI is not (i) based in the United States of America ("USA"), and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of Bonds pursuant to the Issue.

The Lead Managers and their respective associates and affiliates are permitted to subscribe in the Issue.

The information below is given for the benefit of Applicants. Our Company and the Lead Managers are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Shelf Prospectus.

How to apply?

Availability of the Abridged Prospectus and Application Forms

Copies of the Abridged Prospectus containing the salient features of the Tranche Prospectus (for a particular Tranche Issue) together with Application Forms and copies of the Tranche Prospectus (for a particular Tranche Issue) may be obtained from our Registered Office, the Lead Managers, the Registrar, the Consortium Members and the Designated Branches of the SCSBs. Additionally the Tranche Prospectus (for a particular Tranche Issue) and the Application Forms will be available:

(i) for download on the websites of BSE at www.bseindia.com, and the websites of the Lead Managers at www.icicisecurities.com, www.akcapindia.com, www.axiscapital.co.in, and www.edelweissfin.com.

(ii) at the designated branches of the SCSB and the Members of the Syndicate at the Syndicate ASBA Application Locations.

Electronic Application Forms will also be available on the website of BSE. Further, Application Forms will also be provided to Trading Members at their request.

Please note that there is a single Application Form for ASBA Applicants as well as non-ASBA Applicants who are persons resident in India. There is a separate Application Form for Applicants (ASBA Applicants and non-ASBA Applicants) who are FIIs and Eligible NRIs applying for Bonds on repatriation or a non-repatriation basis.

The prescribed colour of the Application Form for the Applicants is as follows:

Category	Colour of the Application Form
Resident Indians - ASBA Applicants as well as non-ASBA Applicants	**[•]**
FIIs and Eligible NRIs (applying on a repatriation as well as non repatriation basis) - ASBA Applicants as well as non-ASBA Applicants	**[•]**

Methods of Application

An eligible investor desirous of applying in the Issue can make Applications by one of the following methods:

1. Applications through the ASBA process; and

2. Non-ASBA Applications.

Applicants are requested to note that in terms of the Debt Application Circular, SEBI has mandated issuers to provide, through a recognized stock exchange which offers such a facility, an online interface enabling direct application by investors to a public issue of their debt securities with an online payment facility ("**Direct Online Application Mechanism**"). In this regard, SEBI has, through the Debt Application Circular, directed recognized stock exchanges in India to put in necessary systems and infrastructure for the implementation of the Debt Application Circular and the Direct Online Application Mechanism. In the event that BSE puts in necessary systems, infrastructure and processes in place so as to enable the adoption of the Direct Online Application Mechanism prior to the Issue Opening Date, we shall offer eligible investors desirous of applying in the Issue the option to make Applications through the Direct Online Application Mechanism.

If such systems, infrastructures or processes are put in place by the BSE after filing of the Shelf Prospectus and the respective Tranche Prospectus(es) but prior to the Issue Opening Date, the methods and procedure for relating to the Direct Online Application Mechanism shall be widely disseminated by us through a public notice in a reputed national daily newspaper.

Applications through the ASBA process

Applicants can submit their Applications through the ASBA process by submitting the Application Forms to the SCSB with whom the ASBA Account is maintained or through the Members of the Syndicate or Trading Members (ASBA Applications through the Members of the Syndicate and Trading Members shall hereinafter be referred to as the "**Syndicate ASBA**"), prior to or on the Issue Closing Date. In the event that an SCSB offers such facility, an ASBA Applicant may submit an ASBA Application either through an internet banking facility made available with such SCSB, or such other electronically enabled mechanism for Application and blocking funds in the ASBA Account held with such SCSB, and accordingly registering such ASBA Applications.

ASBA Applications through the Members of the Syndicate and Trading Members is permitted only at the Syndicate ASBA Application Locations (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodra and Surat). Kindly note that Application Forms submitted by ASBA Applicants to Members of the Syndicate and the Trading Members at the Syndicate ASBA Application Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Member of the Syndicate or the Trading Members to deposit the Application Form (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries).

Members of the Syndicate and Trading Members shall, upon receipt of Application Forms from ASBA Applicants, upload the details of these Application Forms to the online platform of BSE and submit these Application Forms with the SCSB with whom the relevant ASBA Accounts are maintained in accordance with the Debt Application Circular. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form. If sufficient funds are not available in the ASBA Account, the relevant ASBA Application is liable to be rejected.

In case an ASBA Applicant submits the Application Form at a Designated Branch of an SCSB, such Designated Branch shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the ASBA Application, prior to uploading such ASBA Application into the electronic Application platform of the BSE. If sufficient funds are not available in the ASBA Account, such Designated Branch shall reject the ASBA Application and not upload the ASBA Application in the electronic Application Platform of the BSE. If sufficient funds are available in the ASBA Account, the Designated Branch shall block an amount equivalent to the Application Amount and upload details of the ASBA Application in the electronic Application platform of the BSE. The Designated Branch of the SCSBs shall also stamp the Application Form.

ASBA Applications in electronic mode will only be available with such SCSBs who provide such an electronic facility. In case of ASBA Applications in such electronic form, the ASBA Applicant shall submit the Application Form with instruction to block the Application Amount either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA Account held with SCSB, as would be made available by the concerned SCSB.

The Registrar shall match the Application details as received from the electronic Application platform of BSE with the Application Amount details received from the SCSBs for reconciliation of funds blocked by the SCSBs. In case of discrepancies between the two data bases, the details received from the electronic Application platform of BSE will prevail.

Our Company, our directors, affiliates, associates and their respective directors and officers, Lead Managers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to ASBA Applications accepted by SCSBs and Trading Members, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount has been blocked in the relevant ASBA Account. Further, all grievances against Trading Members in relation to the Issue should be made by Applicants directly to BSE.

Please note that you cannot apply for the Bonds through the ASBA process if you wish to be Allotted the Bonds in physical form.

Non-ASBA Applications

(i) Non- ASBA Applications for Allotment of the Bonds in dematerialised form

Applicants may submit duly filled in Application Forms either in physical or downloaded Application Forms to the Members of the Syndicate or the Trading Members accompanied by account payee cheques/ demand drafts prior to or on the Issue Closing Date. The Members of the Syndicate and Trading Members shall, upload the non-ASBA Application on the online platform of BSE, following which they shall acknowledge the uploading of the Application Form by stamping the acknowledgment slip with the date and returning it to the Applicant. This acknowledgment slip shall serve as the duplicate of the Application Form for the records of the Applicant and the Applicant should preserve this and should provide the same for any grievances relating to their Applications.

Upon uploading the Application on the online platform of BSE, the Members of the Syndicate and Trading Members will submit the Application Forms, along with the payment instruments to the Escrow Collection Banks, which will realise the payment instrument, and send the Application details to the Registrar. The Members of the Syndicate/ Trading Members are requested to note that all payment instruments are required to be banked with only the designated branches of Escrow Collection Banks, as provided on the website of the of BSE at www.bseindia.com. Accordingly, Applicants are requested to note that they must submit Application Forms to Trading Members who are located in towns/ cities which have at least one banking branch of the Escrow Collection Banks. The Registrar shall match the Application details as received from the online platform of BSE with the Application Amount details received from the Escrow Collection Banks for reconciliation of funds received from the Escrow Collection Banks. In case of discrepancies between the two data bases, the details received from the online platform of BSE will prevail. Upon Allotment, the Registrar will credit the Bonds in the demat accounts of the successful Applicants as mentioned in the Application Form.

Please note that neither our Company, nor the Members of the Syndicate, nor the Registrar shall be responsible for redressal of any grievances that Applicants may have in regard to the non-ASBA Applications made to the Trading Members, including, without limitation, relating to non-upload of the Applications data. All grievances against Trading Members in relation to the Issue should be made by Applicants to the relevant Stock Exchange.

(ii) Non- ASBA Applications for Allotment of the Bonds in physical form

Applicants can also apply for Allotment of the Bonds in physical form by submitting duly filled in Application Forms to the Members of the Syndicate or the Trading Members, along with the accompanying account payee cheques or demand drafts representing the full Application Amount and KYC documents as specified in the sections titled "Issue Procedure – Applications by various Applicant Categories" and "Issue Procedure - Additional instructions specific for Applicants seeking Allotment of the Bonds in physical form" at pages 180 and 193, respectively. The Members of the Syndicate and Trading Members shall, upon submission of the Application Forms to them, verify and check the KYC documents submitted by such Applicants and upload details of the Application on the online platform of BSE, following which they shall acknowledge the uploading of the Application Form by stamping the acknowledgment slip with the date and returning it to the Applicant. This acknowledgment slip shall serve as the duplicate of the Application Form for the records of the Applicant and the Applicant shall preserve this and should provide the same for any queries relating to non-Allotment of Bonds in the Issue.

Upon uploading of the Application details, the Members of the Syndicate and Trading Members will submit the Application Forms, along with the payment instruments to the Escrow Collection Banks, which will realise the payment instrument, and send the Application Form and the KYC documents to the Registrar, who shall check the KYC documents submitted and match Application details as received from the online platform of BSE with the Application Amount details received from the Escrow Collection Banks for reconciliation of funds received from the Escrow Collection Banks. In case of discrepancies between the two data bases, the details received from the online platform of BSE will prevail. The Members of the Syndicate/ Trading Members are requested to note that all Applications are required to be banked with only the designated branches of Escrow Collection Banks, as provided on the website of the of the BSE at www.bseindia.com. Upon Allotment, the Registrar will dispatch Bond Certificates to the successful Applicants to their addresses as provided in the Application Form. **Please note that, in the event that KYC documents of an Applicant are not in order, the Registrar will withhold the dispatch of Bond Certificates pending receipt of complete KYC documents from such Applicant. In such circumstances, successful Applicants should provide complete KYC documents to the Registrar at the earliest.**

Please note that in such an event, any delay by the Applicant to provide complete KYC documents to the Registrar will be at the Applicant's sole risk and neither our Company, the Registrar, the Escrow

Collection Banks, or the Members of the Syndicate, will be liable to compensate the Applicants for any losses caused to them due to any such delay, or liable to pay any interest on the Application Amounts for such period during which the Bond Certificates are withheld by the Registrar. Further, our Company will not be liable for any delays in payment of interest on the Bonds allotted to such Applicants, and will not be liable to compensate such Applicants for any losses caused to them due to any such delay, or liable to pay any interest for such delay in payment of interest on the Bonds.

Members of the Syndicate or Trading Members are also required to ensure that the Applicants are competent to contract under the Indian Contract Act, 1872 including minors applying through guardians, at the time of acceptance of the Application Forms.

To supplement the foregoing, the mode and manner of Application and submission of Application Forms is illustrated in the following chart.

Mode of Application	To whom the Application Form has to be submitted
ASBA Applications	If using a physical Application Form: (i) to the Members of the Syndicate only at the Syndicate ASBA Application Locations; or (ii) to the Designated Branches of the SCSBs where the ASBA Account is maintained; or (iii) to Trading Members only at the Syndicate ASBA Application Locations. If using an electronic Application Form (in the event the SCSBs offer such facility), electronically through an internet banking facility, where the ASBA Accounts are maintained.
Non- ASBA Applications	(i) to the Members of the Syndicate; or (ii) to Trading Members.

Application Size

Applications are required to be for a minimum of such Bonds and multiples of such Bonds thereafter as specified in the relevant Tranche Prospectus.

APPLICATIONS BY VARIOUS APPLICANT CATEGORIES

Applications by Mutual Funds

A mutual fund scheme cannot invest more than 15.00% of its NAV in debt instruments issued by a single company which are rated not below investment grade by a credit rating agency authorised to carry out such activity. Such investment limit may be extended to 20.00% of the NAV of the scheme with the prior approval of the board of trustees and the board of asset management company.

A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the AMCs or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which the Application is being made. An Applications Forms by a mutual fund registered with SEBI must be also accompanied by certified true copies of (i) its SEBI registration certificates (ii) the trust deed in respect of such mutual fund (ii) a resolution authorising investment and containing operating instructions and (iii) specimen signatures of authorized signatories. Failing this, our Company reserves the right to accept or reject any Application from a Mutual Fund for Allotment of the Bonds in whole or in part, in either case, without assigning any reason therefor.

Application by Scheduled Banks

Scheduled Banks can apply in this Issue based upon their own investment limits and approvals. Applications for

Allotment of the Bonds by them must be accompanied by certified true copies of (i) a board resolution authorising investments; and (ii) a letter of authorisation. Failing this, our Company reserves the right to accept or reject any Application for Allotment of the Bonds in whole or in part, in either case, without assigning any reason therefor.

Applications by NRIs*

We propose to issue Bonds to NRIs on a repatriable as well as non-repatriable basis. NRI applicants should note that only such applications as are accompanied by payment in Indian Rupees only shall be considered for Allotment. An NRI can apply for Bonds offered in the Issue subject to the conditions and restrictions contained in the FEMA (Borrowing or Lending in Rupees) Regulations, 2000, and other applicable statutory and/or regulatory requirements including the interest rate requirement as provided in the CBDT Notification. Allotment of Bonds to NRIs shall be subject to the application monies paid by the NRI as described below:

1. In case of NRIs applying under repatriation basis: If it is received either by inward remittance of freely convertible foreign exchange through normal banking channels i.e. through rupee denominated demand drafts/cheque drawn on a bank in India or by transfer of funds held in the investor′s rupee denominated accounts i.e. Non-resident External (NRE) account maintained with an RBI authorised dealer or a RBI authorised bank in India.

2. In case of NRIs applying under non-repatriation basis- If it is received either by inward remittance of freely convertible foreign exchange through normal banking channels i.e. through rupee denominated demand drafts/cheque drawn on a bank in India or by transfer of funds held in the investor′s rupee denominated accounts i.e.. Non-resident Ordinary (NRO) account or Non Resident External (NRE) maintained with an RBI authorised dealer or a RBI authorised bank in India. We confirm that:

    i) the rate of interest on each series of Bonds does not exceed the prime lending rate of the State Bank of India as on the date on which the resolution approving the Issue was passed by our Board, plus 300 basis points;

    ii) the period for redemption of each series of Bonds is not less than 3 years;

    iii) Our Company does not and shall not carry on agricultural/plantation/real estate business/Trading in Transferable Development Rights (TDRs) and does not and shall not act as Nidhi or Chit Fund company;

    iv) We will file the following with the nearest office of the Reserve Bank, not later than 30 days from the date –

        A. of receipt of remittance of consideration received from NRIs in connection with the Issue, full details of the remittances received, namely;

            a) a list containing names and addresses of each NRI applicant who have remitted funds for investment in the Bonds on non-repatriation basis and repatriation basis,

            b) amount and date of receipt of remittance and its rupee equivalent; and

            c) names and addresses of authorised dealers through whom the remittance has been received; The application money for the Bonds has to be paid in cheque or demand drafts only, in rupee denominated currency only; and

        B. of closure of the Issue, full details of the monies received from NRI applicants, namely;

            a) a list containing names and addresses of each NRI allottee and number of Bonds issued to each of them on non-repatriation basis and repatriation basis, and

            b) a certificate from our compliance officer that all provisions of the FEMA

Act, and rules and regulations made thereunder in connection with the issue of nonconvertible debentures have been duly complied with.

Applications by eligible NRIs (applying either on a repatriation or a non – repatriation basis) should be accompanied by (i) a bank certificate confirming that the demand draft in lieu of the Application Money has been drawn on an NRE account; and (ii) if such eligible NRI is a Person of Indian Origin ("**PIO**"), a PIO card.

Application by FIIs*

An FII who purchases the Bonds under this Issue shall make the payment for purchase of such securities either by inward remittance through normal banking channels or out of funds held in Foreign Currency Account or Non-resident Rupee Account maintained by such FII with a designated branch of an authorized dealer in terms of the applicable regulations governing the same.

Applications by FIIs for Allotment of the Bonds in physical form must be accompanied by certified true copies of (i) its SEBI registration certificate; (ii) an inward remittance certificate; (iii) a resolution authorising investment in the Bonds; and (iii) specimen signatures of authorised persons.

As per the SEBI Circular dated August 26, 2011 bearing reference No. CIR/IMD/FIIC/15/2011, NBFCs registered as Infrastructure Finance Companies (IFCs) with RBI have been allowed as eligible as issuers for FII investment in debt instruments for infrastructure. Further the same has been replicated by RBI vide various circulars enabling FII investment in long term corporate debt issued by IFCs. Schedule 5 of RBI Notification No. FEMA 20/ 2000 – RB dated 3rd May 2000 provides for the permission to FIIs for purchase on repatriation basis, bonds /non convertible debentures issued by an Indian company either directly from the issuer or through a registered stock broker on a recognised stock exchange in India. Further, as per the RBI circular dated March 1, 2012 bearing reference No. RBI/2011-12/423 A.P. (DIR Series) Circular No 89. it has been decided that SEBI registered FII/ sub accounts of FIIs can now invest in primary issues of non-convertible debentures (NCDs)/ bonds only if listing of such bonds is committed to be done in 15 days of such investment i.e. Deemed Date of Allotment. In case the NCDs/ bonds issued to the SEBI Registered FIIs/ sub accounts of FIIs is not listed within 15 days of issuance i.e. Deemed Date of Allotment for any reason, then the FII/ sub account shall immediately dispose of these bonds/ NCDs either by way of sale to a third party or to the Issuer and the Issuer shall immediately redeem/ buyback the said securities from the FIIs/ sub accounts of FIIs in such eventuality.

Further, FII investment into the present Bond issue will be restricted by various SEBI and RBI circulars providing for corporate debt limit. More particularly, SEBI circular bearing reference No. **CIR/IMD/FIIC/6/2013, dated April 1, 2013** provides that the following categories of debt limits shall be merged into a single category named 'Corporate Debt':

a) Corporate Debt – Old for FIIs (US$ 20 billion)
b) Corporate Debt – Old for QFIs (US$ 1 billion)
c) Corporate Debt – Long Term (US$ 5 billion)
d) Corporate Debt Long Term Infra (US$ 12 billion)
e) QFI investment in debt mutual fund schemes which invest in infra (US$ 3 billion)
f) Investment in IDF(US$ 10 billion)

The combined limit for this 'Corporate Debt' category would be US$ 51 billion

The table summarizing the categories of debt investment limits is as follows:

S. No.	Type of Instrument	Cap (US$ bn)	Eligible Investors	Remarks
1	Government Debt	25	FIIs and QFIs	Eligible investors may invest in Treasury Bills only up to US$ 5.5 billion within the limit of US$ 25 billion
2	Corporate Debt	51	FIIs and QFIs	Eligible investors may invest in Commercial Papers only up to US$ 3.5 billion within the limit of US$ 51 billion

The Reserve Bank of India vide circular RBI/2012-13/391, dated January 24, 2013, had enhanced the limit for investment by FIIs in the Government Debt Long Term category by US$ 5 billion to US$ 15 billion and the Corporate non-infrastructure debt category by US$ 5 billion. In terms of the aforesaid RBI circular, the changes are summarized below:

a) In the Government Debt Long Term category, the provision regarding 3 years residual maturity at the time of first purchase shall no longer be applicable. However, within this category, FIIs shall not be allowed to invest in short term paper like treasury bills.

b) In terms of the aforesaid circular, the limit of US$ 5 billion in the Corporate Non- Infrastructure Debt category shall not be available for investment in Certificate of Deposits (CD) and Commercial Papers (CP). Investments in Certificate of Deposits are not permitted within the limit of US$ 20 billion.

c) The US $ 1 billion limit for QFIs shall continue to be over and above the revised limit of US$ 25 billion available for FII investment in Corporate non-infrastructure debt category.

d) For the US$ 12 billion sub-category for investment in Corporate Long Term Infra bonds the following changes have been made :

   (i) The restriction of 1 year lock-in period has been removed.

   (ii) The 5 year initial maturity restriction has been removed

   At the time of first purchase by FIIs, the residual maturity shall be 15 months.

e) For the sub-category of US$ 10 billion reserved for FII investments in Infrastructure Debt Funds (IDFs), the restriction of 1 year lock-in has been removed. The requirement of residual maturity of 15 months at the time of first purchase remains unchanged.

f) Vide circular CIR/IMD/FII&C/18/2012 dated July 20, 2012, SEBI had permitted QFIs to invest in those debt mutual fund schemes that hold at least 25 percent of their assets (either in debt or equity or both) in the infrastructure sector under the US$ 3 billion investment limit for debt mutual fund schemes. These schemes were required to invest in infrastructure debt having a minimum residual maturity of 5 years. This restriction of 5 years residual maturity has been removed while the restriction of 3 years initial maturity has been introduced.

3. All the above changes in lock-in , initial maturity and residual maturity requirements shall apply for investments by FIIs and Sub-Accounts in debt securities to be made after the date of this circular.

**The Issuer does not make any representations and does not guarantee eligibility of any FII or NRI for investment into the Issue on repatriation or non repatriation basis. All FIIs shall verify their eligibility and ensure compliance with all relevant and applicable RBI - FEMA notifications and guidelines as well as all relevant and applicable SEBI guidelines, notifications and circulars pertaining to their eligibility to invest in the issue at the stage of investment in every tranche, at the time of remittance of their investment proceeds as well as at the time of disposal of the Bonds; including but not limited to SEBI Circular dated April 1, 2013 Bearing reference No: CIR/ IMD/FIIC/6/2013, SEBI Circular dated February 8, 2013, bearing reference No. CIR/ IMD/FIIC/3/2013RBI Circular dated January 24, 2013, bearing reference No. RBI/2012-13/391, RBI Notification No. FEMA 20/ 2000 – RB dated 3rd May 2000 . The Issuer will not check or confirm eligibility of such investments into the Issue.*

Application by Insurance Companies

In case of Applications made by an Insurance Company, a certified copy of its certificate of registration issued by IRDA must be lodged along with Application Form. The Applications must be accompanied by certified copies of (i) its Memorandum and Articles of Association; (ii) a power of attorney (iii) a resolution authorising investment and containing operating instructions; and (iv) specimen signatures of authorized signatories. Failing this, our Company reserves the right to accept or reject any Application for Allotment of the Bonds in whole or in part, in either case, without assigning any reason therefor.

Applications by Alternative Investments Funds

Applications made by an Alternative Investments Fund eligible to invest in accordance with the Securities and Exchange Board of India (Alternate Investment Funds) Regulations, 2012, for Allotment of the Bonds must be accompanied by certified true copies of: (i) the SEBI registration certificate of such Alternative Investment Fund; (i) a resolution authorising the investment and containing operating instructions; and (ii) specimen signatures of authorised persons. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the Bonds in whole or in part, in either case, without assigning any reason thereof.

Alternative Investment Funds applying for Allotment of the Bonds shall at all time comply with the conditions for categories as per their SEBI registration certificate and the Securities and Exchange Board of India (Alternate Investment Funds) Regulations, 2012.

Applications by Public Financial Institutions which are authorized to invest in the Bonds

Applications by Public Financial Institutions for Allotment of the Bonds must be accompanied by certified true copies of: (i) any Act/rules under which such Applicant is incorporated; (ii) a resolution of the board of directors of such Applicant authorising investments; and (iii) specimen signature of authorized persons of such Applicant. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the Bonds in whole or in part, in either case, without assigning any reason therefor.

Applications made by companies and bodies corporate/statutory bodies incorporated under applicable laws in India

Applications made by companies and bodies corporate for Allotment of the Bonds must be accompanied by certified true copies of: (i) any Act/rules under which such Applicant is incorporated; (ii) a resolution of the board of directors of such Applicant authorising investments; and (iii) specimen signature of authorized persons of such Applicant. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the Bonds in whole or in part, in either case, without assigning any reason therefor.

Applications made by Regional Rural Banks and Cooperative Banks under applicable laws in India

Applications made by for Allotment of the Bonds must be accompanied by certified true copies of: (i) any Act/rules under which such Applicant is incorporated; (ii) certificate of registration/ incorporation (ii) a resolution of the board of directors of such Applicant authorising investments; and (iii) specimen signature of authorized persons of such Applicant. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the Bonds in whole or in part, in either case, without assigning any reason therefor.

Applications made by Trusts including private/public charitable and religious trust,

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) Power of Attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor. Further, any trusts applying for Bonds pursuant to the Issue must ensure that (a) they are authorised under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in bonds, (b) they have obtained all necessary approvals, consents or other authorizations, which may be required under applicable statutory and/or regulatory requirements to invest in bonds, and (c) applications made by them do not exceed the investment limits or maximum number of Bonds that can be held by them under applicable statutory and or regulatory provisions.

Applications under a power of attorney

In case of Applications made pursuant to a power of attorney by Applicants from Category I and Category II, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a

certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

In case of Applications made pursuant to a power of attorney by Applicants from Category III and Category IV, a certified copy of the power of attorney must be lodged along with the Application Form.

In case of ASBA Applications made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the Application Form. Failing this, our Company, in consultation with the Lead Manager, reserves the right to reject such Applications.

Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney along with the Application Forms subject to such terms and conditions that our Company and the Lead Managers may deem fit.

Applications by provident funds and pension funds authorized to invest in the Bonds

Applications by provident funds and pension funds which are authorised to invest in the Bonds for Allotment of the Bonds must be accompanied by certified true copies of: (i) any Act/rules under which they are incorporated; (ii) a power of attorney, if any, in favour of one or more trustees thereof, (iii) a board resolution authorising investments; (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (iv) specimen signature of authorized person; (v) a certified copy of the registered instrument for creation of such fund/trust; and (vi) any tax exemption certificate issued by Income Tax authorities. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the Bonds in whole or in part, in either case, without assigning any reason therefor.

Applications by National Investment Funds

Application made by a National Invest Fund for Allotment of the Bonds must be accompanied by certified true copies of: (i) a resolution authorising investment and containing operating instructions; and (ii) specimen signatures of authorized persons. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the Bonds in whole or in part, in either case, without assigning any reason therefor.

Applications cannot be made by:

a) Minors without a guardian name (A guardian may apply on behalf of a minor. However, the name of the guardian will need to be mentioned on the Application Form);
b) Foreign nationals, except as may be permissible under CBDT Notification or under applicable law;
c) Non-Resident Indians/FIIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;
d) Overseas Corporate Bodies;
e) Venture Capital Funds;
f) Foreign Venture Capital Funds;
g) Persons ineligible to contract under applicable statutory/ regulatory requirements; and
h) Any category of investor other than the Investors mentioned under Categories I, II, III and IV.

In case of Applications for Allotment of the Bonds in dematerialised form, the Registrar shall verify the above and the Categories on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of BSE by the Members of the Syndicate or the Trading Members, as the case may be.

The concept of OCBs (meaning any company, partnership firm, society and other corporate body or overseas trust irrevocably owned/held directly or indirectly to the extent of at least 60% by NRIs), which was in existence until 2003, was withdrawn by the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, OCBs are not permitted to invest in the Issue.

The Bonds have not been and will not be registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. In particular, the Bonds have not been and will not be registered under the U.S. Securities Act, 1933, as amended (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Issuer has not registered and does not intend to register under the U.S. Investment Company Act, 1940 in reliance on section 3(c)(7) thereof.

Each other purchaser of the Bonds will be required to represent and agree, among other things, that (i) such purchaser is a non-U.S. person acquiring the Bonds in an "offshore transaction" in accordance with Regulation S, and (ii) any reoffer, resale, pledge or transfer of the Bonds by such purchaser will not be made to a person in the United States or to a person known by the undersigned to be a U.S. Person, in each case in accordance with all applicable securities laws.

No offer to the public (as defined under Directive 20003/71/EC, together with any amendments and implementing measures thereto, the "**Prospectus Directive**") has been or will be made in respect of the Issue or otherwise in respect of the Bonds, in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue or otherwise in respect of the Bonds.

Payment instructions

Payment mechanism for ASBA Applicants

An ASBA Applicant shall specify details of the ASBA Account in the Application Form and the relevant SCSB shall block an amount equivalent to the Application Amount in the ASBA Account specified in the Application Form. Upon receipt of intimation from the Registrar, the SCSBs shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Accounts or the Non Resident Public Issue Accounts, as the case may be, in terms of the Escrow Agreement. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB within 12 (twelve) Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account or the Non Resident Public Issue Account, as the case may be or until withdrawal/ failure of the Issue or until rejection of the ASBA Application, as the case may be.

Payment mechanism for non ASBA Applicants

We shall open Escrow Accounts with one or more Escrow Collection Banks in whose favour the resident Applicants (except for ASBA Applicants) shall draw cheques or demand drafts. All Applicants would be required to pay the full Application Amount at the time of the submission of the Application Form. Cheques or demand drafts for the Application Amount received from Applicants would be deposited by the Members of the Syndicate and Trading Members, as the case may be, in the Escrow Accounts.

Our Company shall open and maintain a separate escrow accounts with the Escrow Collection Bank(s) in connection with all application monies received from non residents including NRIs and FIIs i.e. Non Resident Escrow Accounts. All application monies received from non resident applicants shall be deposited in the Non Resident Escrow Accounts maintained with one or more Escrow Collection Banks. On Allotment of Bonds, the Escrow Collection Bank(s) shall transfer the monies from the Non Resident Escrow Accounts to a separate bank account, Non Resident Public Issue Accounts, which shall be different from the Public Issue Account for resident. Our Company shall at all times ensure that any monies transferred to Company's bank accounts from Non Resident Public Issue Accounts shall be utilised only in accordance with applicable statutory and/or regulatory requirements.

Each Applicant (except for ASBA Applicants) shall draw a cheque or demand draft for the Application Amount as per the following terms:

a) The payment instruments from the resident Applicants shall be payable into the Escrow Account drawn in favour of "[●]".

b) The payment instruments from eligible non resident Applicants shall be payable in the Non Resident Escrow Accounts drawn in favour of "[●] NR – Escrow Account".

c) Payments should be made by cheque, or a demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers′ clearing house located at the centre where the Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and Applications accompanied by such cheques or bank drafts are liable to be rejected.

d) The monies deposited in the Escrow Account and Non Resident Escrow Accounts will be held for the benefit of the Applicants until the Designated Date.

e) On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account, Non Resident Escrow Accounts, as per the terms of the Escrow Agreement, the Shelf Prospectus and the respective Tranche Prospectus(es) into the Public Issue Account, Non Resident Public Issue Account. The Escrow Collection Banks shall also, upon receipt of instructions from the Lead Managers and the Registrar, transfer all amounts payable to Applicants, who have not been allotted Bonds to the Refund Accounts.

Applicants should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Lead Managers, the Escrow Collection Banks and the Registrar to facilitate collections from the Applicants.
Please note that Applications accompanied by Application Amounts in cash/ stock invest/ money orders/ postal orders will not be accepted.

The Escrow Collection Banks will act in terms of the Shelf Prospectus, the respective Tranche Prospectus(es) and the Escrow Agreement. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein. It is mandatory for our Company, to not to transfer the issue proceeds to Company Account until the documents for creation of security as stated in this Draft Shelf Prospectus are executed.

Additional information for Applicants

1. Application Forms submitted by Applicants (except for Applicants applying for the Bonds in physical form) whose beneficiary accounts are inactive shall be rejected.

2. For ASBA Applicants, no separate receipts will be issued for the money blocked on the submission of Application Form. However, the collection centre of the Members of the Syndicate or the SCSB or the Trading Member, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicant the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant.

3. Applications should be submitted on the Application Form only. In the event that Application Forms do not bear the stamp of the Members of the Syndicate/ Trading Member or the relevant Designated Branch, they are liable to be rejected.

Applicants are advised not to submit Application Forms directly to the Escrow Collection Banks and the same will be rejected in such cases and the Applicants will not be entitled to any compensation whatsoever.

Pre-Issue Advertisement

Our Company will issue a statutory advertisement on or before the Issue Opening Dates. This advertisement will contain the information as prescribed under the SEBI Debt Regulations.

Instructions for completing the Application Form

(a) Applications must be made in the prescribed Application Form.

(b) Application Forms are to be completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the respective Tranche Prospectus(es) and the Application Form. Incomplete Application Forms are liable to be rejected. Applicants should note that the Members of the Syndicate, or the Trading Members, the Escrow Collection Banks and the designated branches of the SCSBs, as appropriate, will not be liable for errors in data entry due to incomplete or illegible Application Forms.

(c) Applications are required to be for a minimum of such Bonds and in multiples of such Bonds thereafter as specified in the respective Tranche Prospectus(es).

(d) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

(e) Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details (in case of Applicants applying for Allotment of the Bonds in dematerialized form) and Applications should be made by Karta in case the Applicant is an HUF.

(f) Applicants applying for Allotment in dematerialised form must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant′s active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of BSE by SCSBs, the Members of the Syndicate at the Syndicate ASBA Application Locations and the Trading Members, as the case may be, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the Bonds.

(g) ASBA Applicants utilising physical Application Forms must ensure that the Application Forms are completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the respective Tranche Prospectus(es) and in the Application Form.

(h) If the ASBA Account holder is different from the ASBA Applicant, the Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Application Form.

(i) All Applicants are required to tick the relevant column in the "Category of Investor" box in the Application Form.

(j) Applications for all the Series of the Bonds may be made in a single Application Form only.

(k) All Applicants are required to tick the relevant box of the "Mode of Application" in the Application Form, choosing either the ASBA or Non-ASBA mechanism.

(l) It shall be mandatory for subscribers to the Issue to furnish their Permanent Account Number and any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction.

We shall allocate and Allot Bonds of Tranche [•] Series [•] to all successful Applications, wherein the Applicants have not indicated their choice of the relevant Series applied for.

Applicants′ PAN, Depository Account and Bank Account Details

ALL APPLICANTS APPLYING FOR ALLOTMENT OF THE BONDS IN DEMATERIALISED FORM SHOULD MENTION THEIR DP ID, CLIENT ID AND PAN IN THE APPLICATION FORM. APPLICANTS MUST ENSURE THAT THE DP ID, CLIENT ID AND PAN GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE DEPOSITORY DATABASE. IF THE BENEFICIARY ACCOUNT IS HELD IN JOINT NAMES, THE APPLICATION FORM SHOULD CONTAIN THE NAME AND PAN OF BOTH THE HOLDERS OF THE BENEFICIARY ACCOUNT AND SIGNATURES OF BOTH HOLDERS WOULD BE REQUIRED IN THE APPLICATION FORM.

On the basis of the DP ID, Client ID and PAN provided by them in the Application Form, the Registrar will obtain from the Depository the Demographic Details of the Applicants including PAN

and MICR code. These Demographic Details would be used for giving Allotment Advice and refunds (for non-ASBA Applicants), if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details (including bank account details) as appearing on the records of the Depository Participant and ensure that they are true and correct. Please note that failure to do so could result in delays in despatch/ credit of refunds to Applicants, delivery of Allotment Advice or unblocking of ASBA Accounts at the Applicants′ sole risk, and neither the Members of the Syndicate nor the Trading Members, nor the Registrar, nor the Escrow Collection Banks, nor the SCSBs, nor our Company shall have any responsibility and undertake any liability for the same.

Applicants applying for Allotment of the Bonds in dematerialized form may note that in case the DP ID, Client ID and PAN mentioned in the Application Form, as the case may be and entered into the electronic Application system of BSE by the Members of the Syndicate, the Trading Members or the SCSBs, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected and our Company, and the Members of the Syndicate shall not be liable for losses, if any.

These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice and printing of bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar except in relation to the Issue.

By signing the Application Form, Applicants applying for the Bonds in dematerialised form would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

Refund orders/ Allotment Advice would be mailed at the address of the Applicants as per the Demographic Details received from the Depositories. Applicants may note that delivery of refund orders/ Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Applicant (other than ASBA Applicants) in the Application Form would be used only to ensure dispatch of refund orders. Further, please note that any such delay shall be at such Applicants′ sole risk and neither our Company, Escrow Collection Banks, Registrar nor the Lead Managers shall be liable to compensate the Applicant for any losses caused to the Applicants due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this Draft Shelf Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under powers of attorney, our Company in its absolute discretion, reserves the right to permit the holder of a power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund orders/Allotment Advice, the Demographic Details obtained from the Depository of the Applicant shall be used.

In case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such Applications are liable to be rejected.

Electronic registration of Applications

(a) The Members of the Syndicate, SCSBs and Trading Members will register the Applications using the on-line facilities of BSE. The Lead Managers, our Company, and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the Applications accepted by the SCSBs and Trading Members, (ii) the Applications uploaded by the SCSBs and the Trading Members, (iii) the Applications accepted but not uploaded by the SCSBs or the Trading Members, (iv) ASBA Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts or (v) ASBA Applications accepted and uploaded by Members of the Syndicate at the Syndicate ASBA Application Locations for which the Application Amounts are not blocked by the SCSBs.

(b) BSE will offer an electronic facility for registering Applications for the Issue. This facility will be available on the terminals of the Members of the Syndicate, Trading Members and their authorised agents and the SCSBs during the Issue Period. On the Issue Closing Date, the Members of the Syndicate, Trading Members and the Designated Branches shall upload Applications till such time

as may be permitted by BSE. This information will be available with the Members of the Syndicate and Trading Members on a regular basis. Applicants are cautioned that a high inflow of Applications on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for Allotment.

(c) Based on the aggregate demand for Applications registered on the electronic facilities of BSE, a graphical representation of consolidated demand for the Bonds, as available on the websites of BSE, would be made available at the Application centres as provided in the Application Form during the Issue Period.

(d) At the time of registering each Application, SCSBs, the Members of the Syndicate and Trading Members, as the case may be, shall enter the details of the Applicant, such as the Application Form number, PAN, Applicant category, DP ID, Client ID, number and Series(s) of Bonds applied, Application Amounts, details of payment instruments (for non – ASBA Applications) and any other details that may be prescribed by the online uploading platform of BSE.

(e) A system generated TRS will be given to the Applicant as a proof of the registration of his Application. It is the Applicant′s responsibility to obtain the TRS from the SCSBs, Members of the Syndicate or the Trading Members, as the case may be. The registration of the Applications by the SCSBs, Members of the Syndicate or Trading Members does not guarantee that the Bonds shall be allocated/ Allotted by our Company. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(f) The permission given by BSE to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, and/or the Lead Managers are cleared or approved by BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Shelf Prospectus; nor does it warrant that the Bonds will be listed or will continue to be listed on the Designated Stock Exchange.

(g) In case of apparent data entry error by either the Members of the Syndicate or the Trading Members, in entering the Application Form number in their respective schedules, other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to BSE.

(h) Only Applications that are uploaded on the online system of BSE shall be considered for Allotment.

General Instructions

Do′s

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the Application Form;
- If the Allotment of the Bonds is sought in dematerialized form, ensure that the details about Depository Participant and beneficiary account are correct and the beneficiary account is active;
- Applications are required to be in single or joint names (not more than three);
- In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as ′XYZ Hindu Undivided Family applying through PQR′, where PQR is the name of the Karta;
- Ensure that Applications are submitted to the Members of the Syndicate, Trading Members or the Designated Branches of the SCSBs, as the case may be, before the closure of application hours on the Issue Closing Date;

- Ensure that the Application Forms (for non-ASBA Applicants) are submitted at the collection centres provided in the Application Forms, bearing the stamp of a Member of the Syndicate or a Trading Members of the relevant Stock Exchange, as the case may be;

- Ensure that the Applicant′s names (for Applications for the Bonds in dematerialised form) given in the Application Form is exactly the same as the names in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form;

- Ensure that you have funds equal to or more than the Application Amount in your ASBA Account before submitting the Application Form for ASBA Applications;

- Ensure that you mention your PAN in the Application Form. In case of joint applicants, the PAN of all the Applicants should be provided, and for HUFs, PAN of the HUF should be provided. Any Application Form without the PAN is liable to be rejected. In case of Applications for Allotment in physical form, Applicants should submit a self-certified copy of their PAN card as part of the KYC documents. Applicants should not submit the GIR Number instead of the PAN as the Application is liable to be rejected on this ground;

- Ensure that the Demographic Details (for Applications for the Bonds in dematerialised form) as provided in the Application Form are updated, true and correct in all respects;

- Ensure that you request for and receive a TRS for all your Applications and an acknowledgement as a proof of having been accepted;

- Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of the Bonds;

- Ensure that thumb impression/signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

- **Applicants (other than ASBA Applicants) are requested to write their names and Application number on the reverse of the instruments by which the payments are made;**

- All Applicants are requested to tick the relevant column "Category of Investor" in the Application Form; and

- Tick the Series of Bonds in the Application Form that you wish to apply for.

Don′ts

- Do not apply for lower than the minimum Application size;

- Do not pay the Application amount in cash, by money order, postal order, stock invest;

- Do not send the Application Forms by post; instead submit the same to the Members of the Syndicate, SCSBs and Trading Members (as the case may be) only;

- Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;

- Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar;

- Do not submit the Application Form directly to the Escrow Collection Banks/ Bankers to the Issue;

- Do not fill up the Application Form such that the Bonds applied for exceeds the Issue size and/or investment limit or maximum number of Bonds that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;

- Do not submit Applications on plain paper or on incomplete or illegible Application Forms;

- Do not submit an Application in case you are not eligible to acquire the Bonds under applicable law or your relevant constitutional documents or otherwise;

- Do not submit the Application Forms without the Application Amount; and

- Do not apply if you are not competent to contract under the Indian Contract Act, 1872.

Additional instructions specific for ASBA Applicants

Do's

- Before submitting the physical Application Form with the Member of the Syndicate at the Syndicate ASBA Application Locations ensure that the SCSB, whose name has been filled in the Application Form, has named a branch in that centre;

- Ensure that you tick the ASBA option in the Application Form and give the correct details of your ASBA Account including bank account number/ bank name and branch;

- For ASBA Applicants applying through Syndicate ASBA, ensure that your Application Form is submitted to the Members of the Syndicate at the Syndicate ASBA Application Locations and not to the Escrow Collection Banks (assuming that such bank is not a SCSB), to our Company, the Registrar or Trading Members;

- For ASBA Applicants applying through the SCSBs, ensure that your Application Form is submitted at a Designated Branch of the SCSB where the ASBA Account is maintained, and not to the Escrow Collection Banks (assuming that such bank is not a SCSB), to our Company, the Registrar or the Members of the Syndicate or Trading Members.

- Ensure that the Application Form is signed by the ASBA Account holder in case the ASBA Applicant is not the account holder;

- Ensure that you have mentioned the correct ASBA Account number in the Application Form;

- Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch, or to the Members of the Syndicate at the Syndicate ASBA Application Locations, or to the Trading Members, as the case may be;

- Ensure that you have correctly ticked, provided or checked the authorisation box in the Application Form, or have otherwise provided an authorisation to the SCSB *via* the electronic mode, for the Designated Branch to block funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form; and

- Ensure that you receive an acknowledgement from the Designated Branch or the concerned member of the Syndicate, or the Trading Member, as the case may be, for the submission of the Application Form.

Don'ts

- Do not make payment of the Application Amounts in any mode other than through blocking of the Application Amounts in the ASBA Accounts ;

- Do not submit the Application Form with a Member of the Syndicate at a location other than the Syndicate ASBA Application Locations;

- Do not send your physical Application Form by post. Instead submit the same with a Designated Branch or a member of the Syndicate at the Syndicate ASBA Application Locations, or a Trading Member, as the case may be; and

- Do not submit more than five Application Forms per ASBA Account.

Applications shall be accepted only during banking hours, or such extended time as may be permitted by the BSE during the Issue Period, at the collection centres or with the Members of the Syndicate at the Syndicate ASBA Application Locations and the designated branches of SCSBs as mentioned on the Application Form. On the Issue Closing Date, Applications shall be accepted only between 10:00 a.m. and 3:00 p.m. and shall be uploaded until 5:00 p.m. or such extended time as may be permitted by the BSE. It is clarified that the Applications not uploaded in the electronic application system of the BSE would be rejected.

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. on the Issue Closing Date. All times mentioned in this Draft Shelf Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Business Days. Neither our Company, nor the Members of the Syndicate or Trading Members are liable for any failure in uploading the Applications due to failure in any software/hardware system or otherwise.

Additional instructions specific for Applicants seeking Allotment of the Bonds in physical form

Any Applicant who wishes to subscribe to the Bonds in physical form shall undertake the following steps:

- **Please complete the Application Form in all respects, by providing all the information including PAN and Demographic Details. However, do not provide the Depository Participant details in the Application Form.** The requirement for providing Depository Participant details shall be mandatory only for the Applicants who wish to subscribe to the Bonds in dematerialised form.

- Please provide the following documents along with the Application Form:

  (a) Self-attested copy of the PAN card;

  (b) Self-attested copy of your proof of residence. Any of the following documents shall be considered as a verifiable proof of residence:

    - ration card issued by the GoI; or
    - valid driving license issued by any transport authority of the Republic of India; or
    - electricity bill (not older than three months); or
    - landline telephone bill (not older than three months); or
    - valid passport issued by the GoI; or
    - voter's identity card issued by the GoI; or
    - passbook or latest bank statement issued by a bank operating in India; or
    - registered leave and license agreement or agreement for sale or rent agreement or flat maintenance bill; or
    - Aadhaar letter issued by the Unique Identification Authority of India (UIDAI).

- Self-attested copy of a cancelled cheque of the bank account to which the amounts pertaining to payment of refunds, interest and redemption, as applicable, should be credited.

In absence of the cancelled cheque, our Company may reject the Application or it may consider the bank details as given on the Application Form at its sole discretion. In such case the Company, Lead Managers and Registrar shall not be liable for any delays/ errors in payment of refund and/ or interest.

The Applicant shall be responsible for providing the above information accurately. Delays or failure in credit of the payments due to inaccurate details shall be at the sole risk of the Applicants and neither the Lead Managers nor our Company shall have any responsibility and undertake any liability for the same. Applications for Allotment of the Bonds in physical form, which are not accompanied with the aforestated documents, may be rejected at the sole discretion of our Company.

In relation to the issuance of the Bonds in physical form, please note the following:

1. An Applicant has the option to seek Allotment of Bonds in either dematerialised or physical mode. No partial Application for the Bonds shall be permitted and is liable to be rejected.

2. In case of Bonds that are being issued in physical form, our Company will issue one certificate to the holders of the Bonds for the aggregate amount of the Bonds for each of the Series of Bonds that are applied for (each such certificate a "**Consolidated Bond Certificate**").

3. **Any Applicant who provides the Depository Participant details in the Application Form shall be Allotted the Bonds in dematerialised form only. Such Applicant shall not be Allotted the Bonds in physical form.**

4. Our Company shall dispatch the Consolidated Bond Certificate to the address of the Applicant provided in the Application Form.

All terms and conditions disclosed in relation to the Bonds held in physical form pursuant to rematerialisation shall be applicable *mutatis mutandis* to the Bonds issued in physical form.

Submission of Application Forms

For details in relation to the manner of submission of Application Forms, see the section titled "Issue Procedure – Methods of Application" at page 177.

OTHER INSTRUCTIONS

Joint Applications

Applications may be made in single or joint names (not exceeding three). In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.

Additional/ Multiple Applications

An Applicant is allowed to make one or more Applications for the Bonds for the same or different Series of Bonds, subject to a minimum Application size of ₹ [•] and in multiples of ₹ [•] thereafter (for all the Series of Bonds), for each Application. Any Application for an amount below the aforesaid minimum Application size will be deemed as an invalid Application and shall be rejected. However, multiple Applications by the same Applicant belonging to Category IV aggregating to a value exceeding ₹ 10,00,000 shall be grouped in Category III, for the purpose of determining the basis of allotment to such Applicant. However, any Application made by any person in his individual capacity and an Application made by such person in his capacity as a Karta of an HUF and/or as joint Applicant (second or third applicant), shall not be deemed to be a multiple Application.

Depository Arrangements

We have made depository arrangements with NSDL and CDSL for issue and holding of the Bonds in dematerialised form. In this context:

(i) Tripartite Agreements dated April 25, 2006 and r May 16, 2006 between us, the Registrar and CDSL and NSDL, respectively have been executed, for offering depository option to the Applicants.

(ii) It may be noted that Bonds in electronic form can be traded only on stock exchanges having electronic connectivity with NSDL or CDSL. BSE has connectivity with NSDL and CDSL.

(iii) Interest or other benefits with respect to the Bonds held in dematerialised form would be paid to those Bondholders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those Bonds for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.

(iv) The trading of the Bonds shall be in dematerialized form only.

For further information relating to Applications for Allotment of the Bonds in dematerialised form, see the sections titled "Issue Procedure – Methods of Application" and "Issue Procedure – General Instructions" at pages 177 and 190, respectively.

Communications

All future communications in connection with Applications made in the Issue should be addressed to the Registrar quoting all relevant details as regards the Applicant and its Application.
Applicants can contact our Compliance Officer as well as the contact persons of our Company/ Lead Managers or the Registrar in case of any Pre-Issue related problems. In case of Post-Issue related problems such as non-receipt of Allotment Advice/ credit of Bonds in depository's beneficiary account/ refund orders, etc., applicants may contact our Compliance Officer as well as the contact persons of our Company/Lead Managers or Registrar. Please note that Applicants who have applied for the Bonds through Trading Members should contact BSE in case of any Post-Issue related problems, such as non-receipt of Allotment Advice/ credit of Bonds in depository's beneficiary account/ refund orders, etc.

Rejection of Applications

The Board of Directors and/or any committee of our Company reserves its full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

Application may be rejected on one or more technical grounds, including but not restricted to:

- Number of Bonds applied for being less than the minimum Application size;
- Applications submitted without payment of the entire Application Amount. However, our Company may allot Bonds up to the value of application monies paid, if such application monies exceed the minimum application size as prescribed hereunder;
- Application Amounts paid not tallying with the number of Bonds applied for;
- Investor Category in the Application Form not being ticked;
- In case of Applications for Allotment in physical form, bank account details not provided in the Application Form;
- Applications by persons not competent to contract under the Indian Contract Act, 1872 including a minor without the name of a guardian;
- Applications by stock invest or accompanied by cash/money order/postal order;
- Applications made without mentioning the PAN of the Applicant;
- GIR number mentioned in the Application Form instead of PAN;
- Applications for amounts greater than the maximum permissible amounts prescribed by applicable regulations;
- Applications by persons/entities who have been debarred from accessing the capital markets by SEBI;
- For Applications for Allotment in dematerialised form, DP ID, Client ID and PAN mentioned in the Application Form do not match with the Depository Participant ID, Client ID and PAN available in the records with the depositories;

- Where PAN details in the Application Form and as entered into the electronic system of the relevant Stock Exchange, are not as per the records of the Depositories;
- In case of Applicants applying for the Bonds in physical form, if the address of the Applicant is not provided in the Application Form;
- Copy of KYC documents not provided in case of option to hold Bonds in physical form;
- Applications for an amount below the minimum Application size;
- ASBA Applications not having details of the ASBA Account to be blocked;
- With respect to ASBA Applications, inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;
- SCSB making an ASBA application (a) through an ASBA account maintained with its own self or (b)through an ASBA Account maintained through a different SCSB not in its own name or (c) through an ASBA Account maintained through a different SCSB in its own name, where clear demarcated funds are not present or (d) through an ASBA Account maintained through a different SCSB in its own name which ASBA Account is not utilised solely for the purpose of applying in public issues;
- Authorization to the SCSB for blocking funds in the ASBA Account not provided;
- Applications (except for ASBA Applications) where clear funds are not available in Escrow Accounts and Non Resident Escrow Accounts as per final certificates from Escrow Collection Banks;
- Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;
- Applications by Applicants seeking Allotment in dematerialised form whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;
- Non- ASBA Applications accompanied by more than one payment instrument;
- Applications for Allotment of Bonds in dematerialised form providing an inoperative demat account number;
- In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted along with the Application Form;
- In case of eligible NRIs applying on non repatriation basis if: (i) in case of application for allotment in physical form, the account number mentioned in the application form where the sale proceeds/ maturity proceeds/ interest on Bonds is to be credited is a repatriable account; or (ii) in case of application for allotment in demat form, the status of the demat account mentioned is repatriable:
- Bank certificate not provided along with demand draft for NRI Applicants;
- PIO Applications without the PIO Card;
- Applications not uploaded on the terminals of BSE;
- Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the BSE; and
- In case of partnership firms, Application Form submitted in the names of the individual partners and/or accompanied by the individual's PAN rather than the PAN of partnership firm.
- In case of eligible NRIs applying on non repatriation basis if: (i) if the money is receved from an account other than Non-Resident Ordinary (NRO)/any other permissible account in accordance with FEMA and Non-Resident External (NRE) account maintained with a RBI authorised dealer or a RBI authorised bank in India.
- In case of eligible NRIs applying on repatriation basis if: (i) if the money is receved from an account other than Non-Resident External (NRE)/FCNR/any other permissible account in accordance with FEMA maintained with a RBI authorised dealer or a RBI authorised bank in India.

For further instructions regarding Application for the Bonds, Applicants are requested to read the Application Form.

Allotment Advice/ Refund Orders

In case of Applications other than those made through the ASBA process, the unutilised portion of the

Application Amounts will be refunded to the Applicant within 12 (twelve) Working Days of the Issue Closing Date through any of the following modes:

i. **Direct Credit** – Applicants having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by us.

ii. **NECS** – Payment of refund would be done through NECS for Applicants having an account at any of the 68 centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as available from the Depositories. The payment of refunds through this mode will be done for Applicants having a bank account at any centre where NECS facility has been made available (subject to availability of all information for crediting the refund through NECS).

iii. **NEFT** – Payment of refund shall be undertaken through NEFT wherever the Applicant's bank has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. In case of online payment or wherever the Investors have registered their nine digit MICR number and their bank account number with the depository participant while opening and operating the demat account, the MICR number and their bank account number will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

iv. **RTGS** – If the refund amount exceeds ₹ 200,000, Applicants have the option to receive refund through RTGS. Charges, if any, levied by the refund bank(s) for the same would be borne by us. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant.

v. For all other Applicants (not being ASBA Applicants), refund orders will be despatched through speed post/ registered post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/ first Applicants and payable at par.

In the case of Applicants other than ASBA Applicants, applying for the Bonds in dematerialised form, the Registrar will obtain from the Depositories the Applicant's bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Applicants in their Application Forms. Accordingly, Applicants are advised to immediately update their details as appearing on the records of their Depository Participants. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay will be at the Applicant's sole risk and neither our Company, the Registrar, the Escrow Collection Banks, or the Members of the Syndicate, will be liable to compensate the Applicants for any losses caused to them due to any such delay, or liable to pay any interest for such delay.

In case of ASBA Applicants, the Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within 12 (twelve) Working Days of the Issue Closing Date.

Our Company and the Registrar shall credit the allotted Bonds to the respective beneficiary accounts/ dispatch the Letters of Allotment/ Bond Certificates or letters of regret/ Refund Orders by registered post/speed post/ ordinary post at the Applicant's sole risk, within 12 Working Days from the Issue Closing Date. We may enter into an arrangement with one or more banks in one or more cities for refund to the account of the applicants through Direct Credit/RTGS/NEFT.

Further,

a) Allotment of Bonds in the Issue shall be made within a time period of 12 Working Days from the Issue Closing Date;

b) Credit to dematerialised accounts will be given within two Working Days from the Date of Allotment;

c) Interest at a rate of 15% per annum will be paid if the Allotment has not been made and/or the refund

orders have not been dispatched to the applicants within 12 Working Days from the Issue Closing Date, for the delay beyond 12 Working Days; and

d) Our Company will provide adequate funds to the Registrar for this purpose.

Retention of oversubscription

Our Company is making a public Issue of Bonds aggregating upto ₹ [●] crore with an option to retain oversubscription of Bonds up to ₹ [●] crore.

Grouping of Applications and allocation ratio

For the purposes of the basis of allotment:

A. *Applications received from Category I Applicants:* Applications received from Applicants belonging to Category I shall be grouped together, **("QIB Portion")**;

B. *Applications received from Category II Applicants:* Applications received from Applicants belonging to Category II, shall be grouped together, **("Corporate Portion")**;

C. *Applications received from Category III Applicants:* Applications received from Applicants belonging to Category III shall be grouped together, **("HNI Portion")**; and

D. *Applications received from Category IV Applicants:* Applications received from Applicants belonging to Category IV shall be grouped together, **("Retail Individual Investor Portion")**.

For removal of doubt, the terms "**QIB Portion**", "**Corporate Portion**", "**HNI Portion**" and "**Retail Individual Investor Portion**" are individually referred to as a "**Portion"** and collectively referred to as **"Portions"**.

For the purposes of determining the number of Bonds available for allocation to each of the abovementioned Portions, our Company shall have the discretion of determining the number of Bonds to be allotted over and above the Base Issue Size, in case our Company opts to retain any oversubscription in the Issue upto ₹ 5,000 crore. The aggregate value of Bonds decided to be allotted over and above the Base Issue Size, (in case our Company opts to retain any oversubscription in the Issue), and/or the aggregate value of Bonds upto the Base Issue Size shall be collectively termed as the **"Overall Issue Size".**

Allocation ratio

Reservations shall be made for each of the Portions in the below mentioned basis:

QIB Portion	Corporate Portion	High Net Worth Individual Portion	Retail Individual Investor Portion
[●]% of the Issue Size	[●]% of the Issue Size	[●]% of the Issue Size	[●]% of the Issue Size

Basis of Allotment

As specified in the respective Tranche Prospectus(es).

All decisions pertaining to the basis of allotment of Bonds pursuant to the Issue shall be taken by our Company in consultation with the Lead Managers, and the Designated Stock Exchange and in compliance with the aforementioned provisions of this Draft Shelf Prospectus.

Our Company will allot Tranche [●] Series [●] Bonds to all valid Applications, wherein the Applicants have not indicated their choice of Series of Bonds.

Investor Withdrawals and Pre-closure

Investor Withdrawal: Applicants are allowed to withdraw their Applications at any time prior to the Issue Closing Date.

Pre-closure: Our Company, in consultation with the Lead Managers reserves the right to close the Issue at any time prior to the Issue Closing Date. Our Company shall allot Bonds with respect to the Applications received till the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements.

Utilisation of Application Amounts

The sum received in respect of the Issue will be kept in separate bank accounts and we will have access to such funds as per applicable provisions of law(s), regulations and approvals.

Utilisation of the proceeds of the Issue

(a) All monies received pursuant to the Issue of Bonds to public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 73 of the Companies Act.

(b) Details of all monies utilised out of Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised.

(c) Details of all unutilised monies out of issue of Bonds, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.

(d) We shall utilize the Issue proceeds only upon creation of security as stated in this Draft Shelf Prospectus, receipt of the listing and trading approval from BSE.

(e) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any property.

(f) All subscription monies received from eligible FIIs and NRIs (and other non resident Applicants across all Categories) through the Issue shall be kept in a separate account opened and maintained by the Company, the proceeds of which account shall not be utilised for any lending purposes in terms of the FEMA Borrowing Regulations.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who—

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name.

shall be liable for action under section 447."

Listing

The Bonds will be listed on the Designated Stock Exchange. Our Company has applied for an in-principle approval to the Designated Stock Exchange for permission to deal in and for an official quotation of our Bonds. The application for listing of the Bonds will be made to the Designated Stock Exchange at an appropriate stage.

If permissions to deal in and for an official quotation of our Bonds are not granted by BSE, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Shelf Prospectus. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at BSE are taken within 12 Working Days from the Issue Closing Date.

For the avoidance of doubt, it is hereby clarified that in the event of non subscription to any one or more of the Series of Bonds, such Bonds with Series of Bonds shall not be listed.

Undertaking by the Issuer

We undertake that:

a) the complaints received in respect of the Issue (except for complaints in relation to Applications submitted to Trading Members) shall be attended to by us expeditiously and satisfactorily;

b) we shall take necessary steps for the purpose of getting the Bonds listed within the specified time;

c) the funds required for dispatch of refund orders/ Allotment Advice/ certificates by registered post shall be made available to the Registrar by our Company;

d) necessary cooperation to the credit rating agencies shall be extended in providing true and adequate information until the debt obligations in respect of the Bonds are outstanding;

e) we shall forward the details of utilisation of the funds raised through the Bonds duly certified by our statutory auditors, to the Debenture Trustee at the end of each half year;

f) we shall disclose the complete name and address of the Debenture Trustee in our annual report;

g) we shall provide a compliance certificate to the Trustee (on an annual basis) in respect of compliance with the terms and conditions of issue of Bonds as contained in the Shelf Prospectus and the respective Tranche Prospectus(es); and

h) we shall make necessary disclosures/ reporting under all legal or regulatory requirements as may be applicable to our Company from time to time.

MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF THE COMPANY

Pursuant to Schedule II of the Companies Act and the SEBI Debt Regulations, the main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of equity shares or debentures and/or their consolidation/splitting are as detailed below. Please note that each provision herein below is numbered as per the corresponding article number in the Articles of Association and defined terms herein have the meaning given to them in the Articles of Association.

	SHARE CAPITAL
	Capital
4.	The authorised share capital of the company is ₹ 20,00,00,00,000 (Rupees Two thousand crores) divided into 2,00,00,00,000 (Two hundred crores) equity shares of ₹ 10/- (Rupees Ten) each.
	Company's Shares not to be purchased
5.	Except to the extent allowed by Section 77, no part of the funds of the company shall be employed in the purchase of or in loans upon the security of the company's shares.
	Buy Back of the Shares of the Company
5A.	Notwithstanding, any thing contained in Article 5, the Company may buy back the shares of the Company to the extent and in the manner allowed under Section 77A of the Companies Act, 1956.
	Allotment of Shares
6.	Subject to the provisions of Section 81 of the Act and these articles, the shares in the capital of the Company for the time being shall be under the control of the Board of Directors who may issue, allot or otherwise dispose of the same to such persons, in such proportions and on such terms and conditions and either at a premium or at par or (Subject to the compliance with the provisions of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and subject to provisions of Section 77A of the Act with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid-up shares and if so issued shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in General Meeting.
	CERTIFICATES
	Share Certificate
7.	The Certificates of title to shares shall be issued in accordance with provision of the Companies (Issue of Share Certificate) Rules, 1960.
	Members right to Certificates
8. (i)	Subject to the requirements of the listing agreement and the bye laws of the stock exchanges, every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fees as the directors may from time to time determine) to several certificates, each for one or more such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment unless the condition of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of share shall be under the seal of the Company and shall specify the number and distinctive number of shares in respect of which it is issued and amount paid up thereon and shall be in such form as the directors may prescribe or approve. Provided that in case of securities held by the member in dematerialized form no share certificate shall be issued.
(ii)	In respect of share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all.
	Issue of new share certificates in place of one defaced, lost or destroyed
9.	If any security certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer upon production and surrender thereof to the

	Company, a new certificate may be issued in lieu thereof, and if any certificate be lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the Articles shall be issued without payment of fees. Provided that notwithstanding what is stated above the directors shall comply with such rules or regulations or requirements of any stock exchange or the rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf. The provision of this Article shall mutatis mutandis apply to the debentures of the Company.
	CALLS
	Calls on shares
10.	The Board may, from time to time, make calls upon the members in respect of any moneys unpaid on their shares and specify the time or times of payments, and each member shall pay to the Company at the time or times so specified the amount called on his shares. Provided, however, that the Board may, from time to time, at its discretion extend the time fixed for the payment of any call and may extend such time to allow any of the members whom for residence at a distance or other cause, the Board may deem entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.
	When interest on call payable.
11.	If a sum payable in respect of any call be not paid on or before the day appointed for payment thereof the holder for the time being or allottee of the share in respect of which a call shall have been made, shall pay interest on the same at such rate not exceeding 5 (five) per cent per annum as the Board shall fix from the day appointed for the payment thereof to the time of actual payment, but the Board may waive payment of such interest wholly or in part.
	Payment in anticipation of calls may carry interest.
12.	The Directors may, if they think fit subject to the provision of section 92 of the Act, agree to and receive from any member willing to advance the same, whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as may be decided by directors provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced. The members shall not be entitled to any voting rights in respect of the moneys so paid by them until the same would but for such payment, become presently payable. The provisions of these Articles shall mutatis-mutandis apply to the calls on debentures of the Company.
	Joint-holders' liability to pay.
13.	The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
	FORFEITURE, SURRENDER AND LIEN
	Company's Lien on shares
14.	The Company shall have a first and paramount lien upon all the shares (other than fully paid-up shares and in case of partly paid shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. Any such lien shall extend to all dividends, bonuses and interest from time to time declared/accrued in respect of such shares. Unless otherwise agreed the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares/debentures. The Directors may at any time declare any shares wholly or in part to be exempt from the provisions of this clause.
	TRANSFER AND TRANSMISSION OF SHARES
	Register of transfer.

21.	The Company shall keep a book to be called register of transfers and therein enter the particulars of several transfers or transmission of any share.
	Transfer & Transmission of Shares
22.	Subject to the provisions of the Listing Agreements between the Company and the Stock Exchanges, in the event that the proper documents have been lodged, the Company shall register the transfer of securities in the name of the transferee except:
(i)	When the transferee is, in exceptional circumstances, not approved by the Directors in accordance with the provisions contained herein;
(ii)	When any statutory prohibition or any attachment or prohibitory order of a competent authority restrains the Company from transferring the securities out of the name of the transferor;
(iii)	When the transferor object to the transfer provided he serves on the Company within a reasonable time a prohibitory order of a court of competent jurisdiction.
	Notice of refusal to register transfer
23.	Subject to the provisions of Section 111 and 111A of the Act, the provisions of the Listing Agreements with the Stock Exchange and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, at their own absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases, the Directors shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor a notice of the refusal to register such transfer provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the Company has a lien on the shares. Transfer of shares/debentures in whatever lot shall not be refused.
	Company not bound to recognize any interest in shares other than that of the registered holders.
24	Save as herein otherwise provided the Board shall be entitled to treat the person whose name appears on the register of members as the holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or as by law required) be bound to recognize any benami trust or equity or equitable contingent or other claim to or interest in such share on the part of any person, whether or not it shall have express or implied notice thereof.
	Execution of transfer
25.	The instrument of transfer of any share in the Company shall be executed both by the transferor and the transferee, and the transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
	Instrument of Transfer
25A	The instrument of transfer in case of shares held in physical form shall be in writing and all provisions of section 108 of the Companies Act, 1956 and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.
	Form of transfer
26.	A common form of transfer of shares or debentures as the case may be, shall be used by the Company.
	Transfer to be left at office and evidence of title to be given
27.	Every instrument of transfer shall be left at the office for registration accompanied by the certificate of the shares to be transferred and such evidence as the Company may require to prove the title of the transferor, or his right to transfer the shares. All instruments of transfer shall be retained by the company but any instrument of transfer which the Board may decline to register shall be returned to the person depositing the same.
	Transmission by operation of law.
28.	Nothing contained in Article 22 shall prejudice any power of the company to register as shareholder any person to whom the right to any shares in the company has been transmitted by operation of law.
	Fee on transfer
29.	No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.
	When transfer books and register may be closed
30.	The transfer books and register of members or register of debenture holders may be closed for

	any time or times not exceeding in the aggregate 45 days in each year but not exceeding 30 days at a time, by giving not less than seven days previous notice and in accordance with Section 154 of the Act.
	Board's right to refuse registration
31.	Subject to the provision of Act, the Board shall have the same right to refuse to register a person entitled by transmission to any shares or his nominee, as if he were the transferee named in the ordinary transfer presented for registration.
	INCREASE, REDUCTION AND ALTERATION OF CAPITAL
	Transfer & Transmission of bonds/debentures
32.	Unless otherwise provided the Act or rules made there under or any notification/ guidelines/ instructions/ of the Govt. of India in that behalf, the procedures for transfer and transmission of shares shall *mutatis mutandis* apply to transfer and transmission of debentures/bonds.
	Nomination
32A. 1.	Every Share/Bond/Debenture holder and a Depositor under the Company's Public Deposit Scheme (Depositor) of the company may at any time, nominate in the prescribed manner a person to whom his Shares/Bonds/Debentures or deposits in the company shall vest in the event of his death.
2.	Where the Shares or Bonds or Debentures or Deposits in the company are held by more than one person jointly, the joint holder may together nominate, in the prescribed manner a person to whom all the rights in the shares or bonds or debentures or deposits in the company as the case may be shall vest in the event of death of all the joint holders.
3.	Notwithstanding anything contained in any other law for the time being in force or in disposition, whether testamentary or otherwise, in respect of such Shares/Bonds/Debentures or Deposits in the company, where nomination made in the prescribed manner purport to confer on any person the right to vest the share/bond/debentures or deposits in the company, the nominee shall on the death of the Share/Bond/Debentures holder or a depositor, as the case may be, on the death of the joint holders become entitled to all the rights in such shares/bonds/debentures or deposits, as the case may be, all the joint holders in relation to such share/bonds/debentures or deposits, to the exclusion of all persons, unless the nomination is varied, cancelled in the prescribed manner.
4.	Where the nominee is minor, it shall be lawful for the holder of the share/bonds/ debentures or deposits, to make the nomination to appoint, in the prescribed manner, any person to become entitled to shares/bonds/debentures or deposits, in the company, in the event of his death, during the minority.
	Transmission of securities by Nominee
32B.	A nominee upon production of such evidence as may be required by the Board and subject as hereinafter provide, elect, either-
1.	to be registered himself as holder of the share/bonds/debentures or deposits, as the case may be; or
2.	to make such transfer of the share/bonds/debentures or deposits, as the case may be, as deceased share/bond/debenture holder or depositor, could have made;
3.	if the nominee elects to be registered as holder of the share/bonds/debentures or deposits, himself, as the case may be, he shall deliver or send to the company a notice in writing signed by him stating that he so elects and such notice shall be compiled with the death certificate of the deceased share/bond/debenture holder, or depositor, as the case may be;
4.	a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the share/bond/debentures or deposits, except that he shall not, before being registered as a member in respect of his share/bond./debenture or deposit be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company. Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share/bind/debenture or deposits, and if the notice is not complied with within 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share/bond/debenture or deposits, until the requirements of the notice have been complied with.
	Increase of Capital
33.	Subject to the provisions of the Act the Company in General Meeting, may increase the share capital by such sum to be divided into shares of such amount as the resolution shall prescribe.
	On what condition new shares may be issued
34.	New shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the general meeting resolving upon the creation whereof shall direct.

	Provided that no shares (not being preference share) shall be issued carrying voting right or rights in the Company as to dividend, capital or otherwise, which are disproportionate to the rights attaching to the holders of other shares (not being preference shares).
	How far new shares to rank with shares in original capital.
35.	Except so far as otherwise provided by the conditions of issue, or by these articles, any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, transfer and transmission, lien, voting, surrender and otherwise.
	New shares to be offered to members
36.	The new shares (resulting from an increase of capital as aforesaid) may be issued or disposed of by the directors to such persons and on such terms and conditions as they think fit.
	Further issue of Shares
36A. 1.	Where at the time after the expiry of two years from the formation of the Company or at time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares either out of the unissued capital or out of the increased share capital then:
a)	Such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion as near as circumstances admit, to the capital paid-up on that shares at the date.
b)	Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than thirty days from the date of the offer and the offer if not accepted, will be deemed to have been declined.
c)	The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in sub clause (b) hereof shall contain a statement of this right, provided that the directors may decline, without assigning any reason to allot any shares to any person in whose favour any member may renounce the shares offered to him.
d)	After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose off them in such manner and to such person(s) as they may think, in their sole discretion, fit.
2.	Notwithstanding anything contained in sub-clause (1) hereof, the further shares aforesaid may be offered to any person (whether or not those persons include the persons referred to in clause (a) of sub-clause (1) hereof in any manner whatsoever:
a)	If a special resolution to that effect is passed by the Company in General Meeting, or
b)	Where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the general meeting (including the casting vote, if any, of the chairman) by the members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied on an application made by the Board of Directors in this behalf the proposal is most beneficial to the Company.
3.	Nothing in sub-clause (c) of (1) hereof shall be deemed:
a)	To extend the time within which the offer should be accepted; or
b)	To authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.
4.	Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debenture issued or loans raised by the Company:
i)	To convert such debentures or loans into shares in the Company, or
ii)	To subscribe for shares in the Company (whether such option is conferred in these Articles or otherwise) Provided that the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term
a)	either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with the rules, if any, made by that Government in this behalf; and
b)	in the case of debentures or loan or other than debentures issued to or loans obtained from Government in this behalf, has also been approved by a special resolution passed by the

	Company in General Meeting before the issue of the debentures or raising of the loans.
	Reduction of Capital etc.
37.	Subject to provision of section 100-104 of the Act, the Company may, from time to time, by special resolution, reduce its capital by paying off capital or cancelling capital which has been lost or is un-represented by available assets or is superfluous or by reducing the liability on the shares or otherwise as may deem expedient, and capital may be paid off upon the footing that it may be called upon again or otherwise, and the Board may, subject to the provisions of the Act, accept surrender of shares.
	Sub-division and consolidation of shares
38.	Subject to the provisions of the Act, the Company in general meeting may, from time to time sub-divide or consolidate its shares or any of them and exercise any of the other powers conferred by sub-section (i) (a) to (e) of section 94 of the Act and shall file with the registrar such notice of exercise of any such powers as may be required by the Act.
	De-materialization of securities
38A. a)	Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize or rematerialize its shares, debentures and other securities (both present and future) held by it with the Depository and to offer its shares, debentures and other securities for subscription in a dematerialized form pursuant to the Depositories Act, 1996 and the Rules framed thereunder, if any.
b)	Every person subscribing to securities offered by the Company shall have the option to receive the security certificate or to hold the securities with a Depository. Such a person who is the beneficial owner of securities can at any time opt out of a Depository, if permitted by law, in respect of any security and the Company shall, in the manner and within the time prescribed provided by the Depositories Act, 1996 issue to the beneficial owner the required Certificates of Securities. If a person opts to hold his security with a depository, then notwithstanding anything to the contrary contained in the Act or in these Articles, the Company shall intimate such Depository the details of allotment of the security and on receipt of the information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the security.
c)	All securities held by a Depository shall be dematerialized and shall be in fungible form. Nothing contained in Sections 153 of the Act shall apply to a Depository in respect of securities held by it on behalf of the beneficial owners.
d) (i)	Notwithstanding anything to the contrary contained in the Act or in these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.
(ii)	Save as otherwise provided in (i) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
(iii)	Every person holding securities of the company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a member/ debenture holder, as the case may be, of the company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository.
(a)	Notwithstanding anything to the contrary contained in the Act or in these Articles to the contrary where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.
(b)	Nothing contained in the Act or in these Articles, shall apply to a transfer or transmission of Securities where the company has not issued any certificates and where such Shares or Debentures or Securities are being held in a electronic and fungible form in a Depository. In such cases the provisions of the Depositories Act, 1996 shall apply.
(c)	Notwithstanding anything to the contrary contained in the Act or these Articles, after any issue where the securities are dealt with by a Depository, the company shall intimate the details thereof to the depository immediately on allotment of such securities.
(d)	Nothing contained in the Act or in these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held by a Depository.
(iv)	Notwithstanding anything contained in these Articles the Company shall have the right to issue Securities in a public offer in dematerialized form as required by applicable laws and subject to the provisions of applicable law, trading in the Securities of the Company post-listing shall be in the demat segment of the relevant Stock Exchanges, in accordance with the directions of SEBI, the Stock Exchanges and the terms of the listing agreements to be entered into with the relevant Stock Exchanges.

MODIFICATION OF CLASS RIGHTS	
	Power to modify rights of different classes of shareholders.
39.	If at any time, the capital, by reason of the issue of preference shares or otherwise, is divided into different classes of shares all or any of the rights and privileges attached to each class may, subject to the provisions of Sections 106 and 107 of the Act be modified, abrogated or dealt with by agreement between the company and by any person purporting to contract on behalf of that class, provided such agreement is (a) ratified in writing by the holder of at least three-fourth of the nominal value of the issued shares of that class or (b) confirmed by a special resolution passed at a separate general meeting of the holders of shares of that class and all the provisions hereinafter contained as to general meeting shall *mutatis mutandis* apply to every such meeting, except that the quorum thereof shall be members holding or representing by proxy one-fifth of the nominal amount of the issued shares of that class. This article is not by implication to curtail the power of modification which the company would have if the article was omitted
BORROWING POWERS	
	Power to borrow
40.	Subject to the provisions of the act and regulations made there under, the Board of Directors may, from time to time, by resolutions passed at a meeting of the Board, accept deposit, or borrow from the Members, either in advance of calls or otherwise, or accept deposits from public and may raise and secured the payment of such sum or sums in such manner and upon such terms and conditions in all respect as the think fit and in particular by the issue of bonds, perpetual or redeemable debenture stock, or any mortgage or charge or other security on the undertaking or the whole or any part of the property of the company (both present and future) including its uncalled capital for the time being. Subject to Section-76 of Companies Act, the Board may authorise payment of underwriting or such other commission and brokerage as may be appropriate.
	Securities may be assignable free from equities
41.	Debenture, debenture stock, bond or other securities, may be made assignable free from any equities between the Company and the persons to whom the same be issued.
	Issue of debentures etc. at discount or with special privilege
42.	Subject to section-117 of the act, any debenture, debenture stock, bond or other securities may issued at discount, premium or otherwise, and with any special privilege as to redemption, surrender, drawings and allotment of shares attending (but not voting) at the general meeting, appointment of directors and otherwise debenture with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the general meeting by a special resolution.
	Persons not to have priority over any prior charge
43.	Whenever any uncalled capital of the Company is charged all persons taking any subsequent charge thereon shall taken the same subject to prior charge and shall not be entitled by notice to the shareholders or otherwise, to obtain priority over such prior charge.
GENERAL MEETINGS	
	Annual General Meetings.
44.	The first annual general meeting of the company shall be held within 18 months from the date of its incorporation and thereafter the next general meeting of the company shall be held within 6 months after the expiry of the financial year in which the first annual general meeting was held and thereafter an annual general meeting shall be held by the company within 6 months after the expiry of each financial year, in accordance with the provisions of Section 166 of the Act. Such general meetings shall be called "Annual General Meetings".
	Extraordinary General Meetings.
45.	All general meetings other than "Annual General Meetings" shall be called "Extraordinary General Meetings". The Board may whenever it thinks fit, and they shall when so required by the President or on the requisition of the holders of not less than one tenth of the paid up share capital of the company upon which all calls or other sums then due have been paid, forthwith proceed to convene an extraordinary general meeting of the company and in case of such requisition the following provisions shall have effect:
(i)	The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the office and may consist of several documents in like form each signed by one or more requisitionists.
(ii)	If the Board does not proceed within 21 days from the date of deposit of valid requisition to call a meeting on a day not later than 45 days from such date the meeting may be called by such of the requisitionists as represent either majority in value of the paid up share capital held by all of

		them or not less than one-tenth of such of the paid up share capital of the company as is referred to in clause (a) of sub-section (4) of Section 169 of the Act whichever is less.
	(iii)	Any meeting convened under this article by the requisitionists shall be convened in the same manner as nearly as possible as that in which meetings are to be convened by the Board. If, after a requisition has been received, it is not possible for a sufficient number of Directors to meet in time so as to form a quorum, any Director may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be convened by the Board.
		Notice of Meeting.
46.	(a)	A general meeting of the Company may be called by giving not less than 21 days' notice in writing.
	(b)	A general meeting may be called after giving shorter notice than that specified in sub-clause (a) if consent is accorded thereto:
	(i)	in the case of an annual general meeting by all the members entitled to vote thereat; and
	(ii)	in the case of any other meeting by members of the company holding not less than 95 per cent of such part of the paid-up share capital of the company as gives a right to vote at the meeting. Provided that where any members of the Company are entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those members shall be taken into account for the purpose of this sub-clause in respect of the former resolution or resolutions and not in respect of the latter.
		Business at the Annual General Meeting.
54.	(a)	In the case of an Annual General Meeting, all business to be transacted at the meeting shall be deemed special, with the exception of business relating to:
	(i)	the consideration of accounts, Balance Sheet and report of the Board of Directors and Auditors;
	(ii)	the declaration of a dividend;
	(iii)	the appointment of Directors in the place of those retiring; and
	(iv)	the appointment of, and the fixing of remuneration of the Auditors; and
	(b)	In the case of any other meeting all business shall be deemed special.
		Explanatory statement to be annexed to the notice.
55.	(i)	Where any items of business to be transacted at the meeting are deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each item of business, including in particular the nature of the concern or interest, if any, therein, of every Director, and the Manager, if any. Provided that where any item of special business as aforesaid to be transacted at a meeting of the company relates to, or affects any other company, the extent of shareholding interest in that other company of every Director, and Manager, if any, of the Company shall also be set out in the statement if the extent of such shareholding interest is not less than twenty per cent of the paid-up share capital of that other Company.
	(ii)	Where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.
		PROCEEDINGS AT GENERAL MEETINGS
		Quorum
56.	(i)	No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
	(ii)	Five members present in person or by duly authorized representative shall be quorum for a General Meeting of the Company.
		Right of President to appoint any person as his representative.
57.	(i)	The President, so long as he is a shareholder of the company may, from time to time, appoint such person as he thinks fit (who need not be member of the company) to represent him at all or any meetings of the company.
	(ii)	Any one of the persons appointed under sub-clause (i) of this article who is personally present at the meeting shall be deemed to be member entitled to vote and be present in person and shall be entitled to represent the President at all or any such meeting and to vote on his behalf whether on a show of hands or on a poll.
	(iii)	The President may, from time to time, cancel any appointment made under sub-clause (i) of this article and make fresh appointments.

(iv)	The production at the meeting of an order of the President, evidenced as provided in the Constitution of India, shall be accepted by the company as sufficient evidence of any such appointment or cancellation as aforesaid.
(v)	Any person appointed by the President under this article may, if so authorised by such order, appoint a proxy whether specially or generally.
	Chairman of general meeting.
58.	The Chairman of the Board of Directors shall be entitled to take the chair at every general meeting or if there be no such chairman, or if at any meeting he shall not be present within 15 minutes after the time appointed for holding such meeting or is unwilling to act as chairman, the members present shall choose another Director as chairman, and if no Director shall be present or, if all the Directors present decline to take the chair, then the members present shall choose one of the members to be chairman.
	Proceeding when quorum not present.
59.	If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon any requisition of the members, shall be dissolved but in any other case it shall stand adjourned to the same day in the next week not being a public holiday (but if the same be a public holiday the meeting shall stand adjourned to the succeeding date of such public holiday) at the same time and place, or to such other day and at such other time and place as the Board may determine and if at such adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, those members who are present shall be a quorum and may transact the business for which the meeting was called.
	How questions to be decided at meetings.
60.	Every question submitted to a meeting shall be decided in the first instance by a show of hands, and in the case of an equality of votes the chairman shall, both on a show of hands and at a poll (if any), have a casting vote in addition to the vote to which he may be entitled as a member.
	What is to be evidence of the passing of resolution where poll not demanded.
61.	At any general meeting resolution put to vote of the meeting shall be decided on a show of hands, unless a poll is, before or on the declaration of the result of the show of hands, demanded by a member present in person or proxy or by duly authorised representative, and unless a poll is so demanded, a declaration by the chairman that resolution has, on a show of hands been carried or carried unanimously or by particular majority or lost, and an entry to that effect in the book of proceedings of the company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.
	Poll
62.	If a poll is duly demanded, it shall be taken in such manner and at such time and place as in accordance with Sections 179 and 180 of the Act.
	Power to adjourn general meeting.
63.	The chairman of a general meeting may, with the consent of the meeting, adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
	In what cases poll taken without adjournment
64.	Subject to the provisions of Section-180 of the Act, any poll duly demanded on the election of a chairman of a meeting or any question of adjournment shall be taken at the meeting and without adjournment.
	Business may proceed not withstanding demand of poll
65.	The demand of a poll shall not prevent the continuation of a meeting for the transaction of any business other than the question on which a poll has been demanded.
	Chairman's decision conclusive
66.	The chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.
	VOTES OF MEMBERS
	Votes
67.	Every member entitled to vote and present in person or by proxy shall have one vote on a show of hands and upon a poll one vote for each share held by him.
	Postal Ballot
69A.	Notwithstanding anything contained in the Articles of the Company, the Company do adopt the mode of passing resolutions by the members of the Company by means of Postal Ballot (which includes voting by electronic mode) and/or other ways as may be prescribed in the Companies

		(Passing of Resolutions by Postal Ballot) Rules, 2001 in respect of the matters specified in said Rules as modified from time to time instead of transacting such business in a general meeting of the company subject to compliances with the procedure for such postal ballot and/or other requirements prescribed in the rules in this regard.
BOARD OF DIRECTORS		
		Number of Directors
80.		Until otherwise determined in a general meeting the number of Directors of the company shall not be less than three and not more than twelve. The Directors are not required to hold any qualification shares.
		Appointment of Chairman, Managing Director and other Directors
81.	(1)	The President shall appoint one of the Directors as the Chairman and shall appoint other Directors in consultation with the Chairman provided that no such consultation is necessary in respect of Government representatives on the Board of Directors of the company. The Directors (including the Chairman/Managing Director) shall be paid such salary and/or allowance as the President may from time to time determine.
	(2)	The President may from time to time appoint a Managing Director and other whole-time Director/ Directors on such terms and remuneration (whether by way of salary or otherwise) as he may think fit.
	(3)	All the Directors of the Corporation except the Chairman, the Managing Director/whole-time Directors and the Government representatives on the Board of Directors shall, unless otherwise specified in their order of appointment, retire at the end of three years from the date of their appointment. The Directors so retired will be eligible for reappointment.
	(4)	Subject to the relevant provisions of the Act, the President shall have the right to remove or dismiss the Chairman, the Managing Director/whole-time Director and the Directors for any reasons whatsoever and shall have the right to fill in any vacancy in the office of the Chairman, Managing Director/whole-time Director or the Directors caused by removal, dismissal, resignation, death or otherwise.
	(5)	Subject to the provisions of Section 292 of the Companies Act, the Board of Directors may, from time to time, entrust and confer upon the Chairman or Managing Director for the time being such of the powers as they may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they may think expedient and may, from time to time, revoke, withdraw, alter or vary all or any of such powers.
		Disclosure of interest and interested Directors not to participate or vote in Board's proceedings
82.	(i)	Every Director of the company shall disclose the nature of his concern or interest in accordance with the provisions of Section 299 of the Act.
	(ii)	No Director of a company shall, as a Director, take any part in the discussion of or vote on, any contract or arrangement entered into or to be entered into, by or on behalf of the company, if he is in any way, whether directly or indirectly, concerned or interested in the contract or arrangement; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void as provided in Section 300 of the Act.
		Disqualifications of and vacating of office by Directors
83.		A person shall not be capable of being appointed as a Director of the company if he suffers from any of the disqualifications enumerated in Section 274 of the Act. The office of a Director shall be vacated if any of the conditions set out in Section 283 of the Act comes to happen. This is without prejudice to the right of the President to remove any Director without assigning any reason whatsoever.
		Alternate Director
84.		The President may, in consultation with the Chairman of the company, and subject to Section 313 of the Act, appoint an alternate Director to act for a Director during the absence of the Director from the State, in which meetings of the Board are ordinarily held, for a period of not less than three months.
		Powers of Chairman
85.	(a)	The Chairman shall reserve for the decision of the President any proposal or decision of the Board of Directors in any matter which in the opinion of the Chairman is of such importance as to be reserved for the approval of the President. No action shall be taken by the company in respect of any proposal or decision of the Board of Directors reserved for approval of the President as aforesaid until his approval to the same has been obtained.
	(b)	Without prejudice to the generality of the other provisions contained in these Articles, the

	Board shall reserve for the decision of the President any matter relating to:
(i)	The Company's revenue budget in case there is an element of deficit, which is proposed to be met by obtaining funds from the Government.
(ii)	Winding up of the Company.
(iii)	Sale, lease, disposal or otherwise of the whole or substantially the whole of the undertaking of the company.
(iv)	Any other matter which in the opinion of the Chairman and Managing Director be of such importance as to be reserved for the approval of the President.
	Right of the President
86.	Notwithstanding anything contained in all these Articles the President may from time to time issue such directives or instructions as may be considered necessary in regard to conduct of business and affairs of the company and in like manner may vary and annul any such directive or instruction. The Directors shall give immediate effect to the directives or instructions so issued. In particular, the President will have the powers:
(i)	To give directives to the Company as to the exercise and performance of its functions in matters involving national security or substantial public interest.
(ii)	To call for such returns, accounts and other information with respect to the property and activities of the company as may be required from time to time.
(iii)	To determine in consultation with the Board annual, short and long term financial and economic objectives of the Company. Provided that all directives issued by the President shall be in writing addressed to the Chairman. The Board shall except where the President considers that the interest of national security requires otherwise incorporate the contents of directives issued by the President in the annual report of the Company and also indicate its impact on the financial position of the Company.
	General powers of the company vested in Directors
88. (i)	Subject to the provisions of the Act and these articles, the Board of Directors of the company shall be entitled to exercise all such powers and to do all such acts and things as the company is authorised to exercise and do. Provided that the Board shall not exercise any power or do any act or thing which is directed or required whether by the Act or any other Act or by the Memorandum and Articles of the company in general meeting. Provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions contained in that behalf in the Act or any other Act or in Memorandum and Articles of the company, or in any regulations not inconsistent therewith and duly made there under, including regulations made by the company in general meeting.
(ii)	No regulation made by the company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.
	RESERVE AND DIVIDEND
	Division of Profit
101. (i)	The profits of the Company available for payment of dividend subject to any special rights relating thereto created or authorised to be created by these Articles of Association and subject to the provisions of the Act and Articles of Association as to the reserve fund and amortisation of capital shall be divisible among the members in proportion to the amount of capital paid-up by them respectively. Provided always that (subject as aforesaid) any capital paid-up on a share during the period in respect of which a dividend is declared shall only entitle the holder of such share to an apportioned amount of such dividend as from the date of payment.
(ii)	No dividend shall be declared or paid by the company for any financial year except out of profits of the company for that year arrived after providing for the depreciation in accordance with the provisions of sub-section (2) of section 205 of the Act or out of profits of the company for any previous financial year or years arrived after providing for the depreciation in accordance with applicable laws and remaining undistributed or out of both or out of moneys provided by the government for the payment of dividend in pursuance of a guarantee given by the government. No dividend shall carry interest against the company.
(iii)	For the purpose of the last preceding article, the declaration of the directors as to the amount of the profits of the company shall be conclusive.
(iv)	Subject to the provisions of section 205 of the Act as amended, no dividend shall be payable except in cash.
(v)	A transfer of shares shall not pass the right to any dividend declared thereon after transfer and

	before the registration of the transfer.
(vi)	Any one of the several persons who are registered as the joint holders of any share, may give effectual receipts for all dividends and payments on accounts of dividends in respect of such shares
(vii)	Unless otherwise directed any dividend may be paid by cheque or demand draft or warrant or such other permissible means to the registered address of the member or person entitled or in the case of joint holding, to the registered address of that one whose name stands first in the register in respect of joint holding and every cheque, demand draft or warrant so sent shall be made payable to the member or to such person and to such address as the shareholder or the joint shareholders in writing may direct.
	The Company in General Meeting may declare a dividend
102.	The company in General meeting may declare a dividend to be paid to the members according to their respective rights and interest in the profits and may fix the time for payment but no dividend shall exceed the amount recommended by the Board.
	Interim Dividend
103.	The Directors may, from time to time, pay to the members such interim dividends as in their judgement the position of the Company justifies.
	Unpaid or unclaimed dividend
103.A	There shall not be any forfeiture of unclaimed dividends and the company shall comply with the applicable provisions of the Act relating to transfer of unclaimed and unpaid dividend to the Investor Education and Protection Fund or to any such other fund as may be required under applicable laws.
WINDING UP	
	Distribution of assets on winding up
113.	If the company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up, at the commencement of the winding up of the shares held by them respectively. And if in a winding up, the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding up, paid up or which ought to have been paid up on the shares held by them respectively. But this clause is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Draft Shelf Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected on Business Days at the Registered and Corporate Office of our Company situated at 'Urjanidhi', 1 Barakhamba Lane, Connaught Place, New Delhi 110001, India between 10.00 a.m. and 5.00 p.m. on any Business Day (Monday to Friday) during which issue is open for public subscription under the respective Tranche Prospectus(es).

MATERIAL CONTRACTS

1. Memorandum of Understanding dated August 14, 2013 between our Company and the Lead Managers.
2. Memorandum of Understanding dated August 12, 2013 between our Company and the Registrar to the Issue.
3. Debenture Trustee Agreement dated August 13, 2013 executed between our Company and the Debenture Trustee.
4. Escrow Agreement dated [●] between our Company, the Registrar, the Escrow Collection Bank(s), and the Lead Managers.
5. Consortium Agreement dated [●] between our Company, the Consortium Members and the Lead Managers.
6. Tripartite agreement dated April 25, 2006 among our Company, the Registrar and CDSL and tripartite agreement dated May 16, 2006 among our Company, the Registrar and NSDL.

MATERIAL DOCUMENTS

1. Memorandum and Articles of Association of our Company, as amended to date.
2. Copy of shareholders resolution dated September 28, 2011 under section 293 (1) (d) of the Companies Act on borrowing limits of the Board of Directors of our Company.
3. Copy of the Board resolution dated March 22, 2013 approving the Issue.
4. Letter dated July 15, 2013 by ICRA assigning a rating of '[ICRA]AAA' to the long term borrowings programme of our Company (including bonds and long term bank borrowings) for the Fiscal 2014 and revalidation letter dated August 13, 2013 and September 16, 2013.
5. Letters dated July 11, 2013 by CRISIL assigning a rating of 'CRISIL AAA/ Stable' to the long term borrowings programme of our Company for the Fiscal 2014 and revalidation letter dated August 06, 2013 and September 03, 2013.
6. Letters dated July 12, 2013 by CARE assigning a rating of 'CARE AAA' to the long term borrowings programme of our Company for the Fiscal 2014 and revalidation letter dated August 08, 2013 and September 04, 2013.
7. Consents of each of the Directors, the Compliance Officer, Lead Managers, Legal Counsel to the Company, Registrar to the Issue, Bankers to our Company, the Debenture Trustee for the Bonds and the Credit Rating Agencies to include their names in this Draft Shelf Prospectus, in their respective capacities.
8. Consent of the Auditors, for inclusion of their name and the report on the Accounts in the form and context in which they appear in this Draft Shelf Prospectus and their statement on tax benefits mentioned herein.
9. Auditor's Report dated August 12, 2013 on the reformatted financial information prepared under Indian GAAP for the financial years ended March 31, 2009, 2010, 2011, 2012 and 2013.
10. Statement of tax benefits dated August 14, 2013 issued by our Statutory Auditors.
11. Notification No. 61/2013/F. No.178/37/2013-(ITA.I) dated August 8, 2013 issued by the CBDT.
12. Annual Report of our Company for the last five Fiscals.
13. In-principle listing approval from [●] by its letter no. **[●]** dated **[●]**.
14. Due Diligence Certificate dated **[●]** filed by the Lead Managers with SEBI.
15. Due Diligence Certificate dated **[●]** from the Debenture Trustee.

Any of the contracts or documents mentioned above may be amended or modified at any time, without reference to the Bondholders, in the interest of our Company in compliance with applicable laws.

DECLARATION

We, the undersigned, hereby declare that all the relevant provisions of the Companies Act, 1956, as amended, relevant provisions of Companies Act, 2013, the guidelines issued by the Government of India and the regulations and guidelines issued by the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, have been complied with and no statement made in this Draft Shelf Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992, the applicable provisions of the Companies Act, 2013 as on the date of this Draft Shelf Prospectus or rules and regulations made thereunder, as the case may be.

We further certify that all the statements in this Draft Shelf Prospectus are true and correct and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Draft Shelf Prospectus does not contain any mis-statements.

Signed by the Board of Directors of the Company

Mr. Mukesh Kumar Goel
Chairman and Managing Director;
Director (Commercial)

Mr. Radhakrishnan Nagarajan
Director (Finance)

Mr. Anil Kumar Agarwal
Director (Projects)

Mr. Badri Narayan Sharma
***Director* (Government Nominee)**

Mr. Ajit Prasad
Independent Director

Mr. Krishna Mohan Sahni
Independent Director

Mr. J. N. Prasanna Kumar
Independent Director

Mr. V. M. Kaul
Independent Director

Mr. Yogesh Chand Garg
Independent Director

Place: New Delhi

Date:

Annexure A

Raj Har Gopal & Co.
Chartered Accountants,
412, Ansal Bhawan,
16 K.G. Marg,
New Delhi – 110 001
Ph no. 41520698, 41520699
E-mail:rajhargopal1@hotmail.com

N.K.Bhargava & Co.
Chartered Accountants,
C-31, Acharya Niketan,
Mayur Vihar, Phase-I,
New Delhi – 110 091.
Ph no. 22752376, 22793650
E-mail: nkbhargavacompany@yahoo.co.in

Limited Review Report

To,
The Board of Directors
Power Finance Corporation Ltd.

We have reviewed the accompanying statement of unaudited financial results of Power Finance Corporation Ltd. for the quarter ended 30th June, 2013 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, Engagements to Review Financial Statements issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Raj Har Gopal & Co.
Chartered Accountants
Firm's Regn. No. : 002074N

G.K.Gupta
Partner
Membership No.: 081085

For N.K.Bhargava & Co.
Chartered Accountants
Firm's Regn. No. : 000429N

N.K.Bhargava
Partner
Membership No.: 080624

Place: Delhi
Date: 02.08.2013

POWER FINANCE CORPORATION LIMITED, NEW DELHI.

Part I: STATEMENT OF STANDALONE UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE 2013

(₹ in Lac)

Sl. No.	PARTICULARS	QUARTER ENDED			YEAR ENDED
		30-06-2013 (Un-audited)	31-03-2013 (Un-audited)	30-06-2012 (Un-audited)	31-03-2013 (Audited)
1)	Income from Operations				
	(a) Income from Operations	501,405	465,263	394,321	1,724,375
	(b) Other Operating Income	75	1,089	70	1,652
	Total Income from Operations	501,480	466,352	394,391	1,726,027
2)	Expenses				
	(a) Interest, Finance and Other Charges	326,309	290,178	262,001	1,116,045
	(b) Employee Benefit Expenses	2,309	2,342	1,888	8,094
	(c) Depreciation / Amortization	127	145	130	570
	(d) Other Expenses	757	1,773	838	5,842
	Total Expenses	329,502	294,438	264,857	1,130,551
3)	Profit from Operations before Other Income and Exceptional Items (1-2)	171,978	171,914	129,534	595,476
4)	Other Income	230	682	95	1,228
5)	Profit from ordinary activities before Exceptional Items (3+4)	172,208	172,596	129,629	596,704
6)	Exceptional items	--	--	--	--
7)	Profit from Ordinary Activities before Tax (5+6)	172,208	172,596	129,629	596,704
8)	Tax Expense	52,384	43,183	32,441	154,744
	(a) Provision for Income Tax	33,448	47,355	32,896	141,508
	(b) Deferred Tax Liability / Deferred Tax Asset (-)	18,936	-4,172	-455	13,236
9)	Net Profit from Ordinary activities after tax (7-8)	119,824	129,413	97,188	441,960
10)	Extraordinary items (Net of tax expense)	--	--	--	--
11)	Net Profit for the period (9-10)	119,824	129,413	97,188	441,960
12)	Paid-up Equity Share Capital (Face value of share is ₹ 10)	132,002	132,002	131,993	132,002
13)	Reserves excluding Revaluation reserves (As per audited balance Sheet as at 31st March)	--	--	--	2,273,410
14)	Earnings Per Share (EPS) (in ₹)				
	(a) Basic and Diluted EPS (before Extraordinary items)	9.08	9.80	7.36	33.48
	(b) Basic and Diluted EPS (after Extraordinary items)	9.08	9.80	7.36	33.48

Part II : SELECT INFORMATION FOR THE QUARTER ENDED 30th JUNE 2013

A	Particulars of Shareholding				
1	Public Shareholding :				
	Number of Shares	346,953,346	346,953,346	346,870,040	346,953,346
	Percentage of Shareholding	26.28%	26.28%	26.28%	26.28%
2	Promoters Shareholding				
	(a) Pledged / Encumbered				
	Number of Shares	--	--	--	--
	Percentage of Shares (as a % of the total shareholding of Promoter)	--	--	--	--
	Percentage of Shares (as a % of Total Share capital of the Company)	--	--	--	--
	(b) Non - Encumbered				
	Number of Shares	973,061,665	973,061,665	973,061,665	973,061,665
	Percentage of Shares (as a % of the total shareholding of Promoter)	100%	100%	100%	100%
	Percentage of Shares (as a % of Total Share capital of the Company)	73.72%	73.72%	73.72%	73.72%

B	Investor Complaints		
	Particulars	Equity Shares	Debt Securities
	Pending at the beginning of the quarter	3	6
	Received during the quarter	23	472
	Disposed off during the quarter	25	477
	Lying unresolved at the end of the quarter	1*	1#
		* Pending	# Since Settled

Notes :-

1. The above financial results for the quarter ended 30.06.2013 have been reviewed and recommended by the Audit committee of Directors and approved by the Board of Directors in their respective meetings held on 02.08.2013 . The same has been reviewed by the Statutory Auditors of the Company.

2. The Company's main business is to provide finance for power sector. As such, there is no other separate reportable segment as per the Accounting Standard 17 - 'Segment Reporting', issued by the Institute of Chartered Accountants of India.

3. In line with Circular No. 6 / 3 / 2001 – CL.V dated 18.04.2002 of the Government of India, Ministry of Law, Justice Company Affairs, and Department of Company Affairs, the Company had been creating till FY 2011-12, Debenture Redemption Reserve (DRR) upto 50% of the value of debentures issued through public issue, over the maturity period of such debentures and no DRR in case of privately placed debentures.

   In recent Circular No 11/02/2012-CL-V(A) dated 11.02.2013, the Ministry of Corporate Affairs (MoCA) has prescribed that adequacy of DRR will be 25% of the value of debentures issued through public issue and no DRR is required in the case of privately placed debentures.

   In this regard, the Company has requested the MoCA for clarification, which is awaited. Pending receipt of clarification, the Company has created and maintained DRR in line with the Circular dated 18.04.2002.

4. During the quarter ended 30.06.2013, the Company has invested ₹ 1,360 lacs in equity shares and ₹ 5,440 lacs in 10% cumulative convertible preference shares of PFC Green Energy Limited, which is a wholly owned subsidiary of the Company.

5. The Company had exercised the option under para 46A of the amended AS-11 'The Effects of Changes in Foreign Exchange Rates' to amortize the exchange differences on the long term foreign currency monetary items over their tenure. Consequently, as on 30.06.2013,₹ 1,02,449 lacs (as on 31.03.2013 ₹ 47,797 lacs) has been carried forward in the Foreign Currency Monetary Item Translation Difference Account (FCMITDA).

6. In respect of prudential norms, RBI has stated, vide their letter dated 25.07.2013 that the matters related to Restructuring / Reschedulement / Renegotiation and credit concentration norms, are under consideration of RBI and they will advise in due course.

   RBI has further advised our Company that project wise classification of state / central sector assets into standard, substandard etc. may be done, provided cash flows from each project are separately identifiable and applied to the same project; that provisions in respect of NPAs of restructured / rescheduled / renegotiated assets be reversed only after complete recovery / regularisation; that in respect of lease and hire purchase assets, additional provision on the overdue rentals / overdue hire charges be made as per RBI norms.

   Subject to the above, RBI has now advised that our Company may take steps to comply with RBI Prudential Norms by 31.03.2016.

7. Tax Expenses includes current year tax provision and earlier years' tax expenses / adjustments.

8. Figures for the previous period have been regrouped / rearranged wherever necessary, in order to make them comparable.

Satnam Singh

Place : New Delhi
Date : 02.08.2013

(SATNAM SINGH)
CHAIRMAN AND MANAGING DIRECTOR

N.K. BHARGAVA & CO. DELHI CHARTERED ACCOUNTANTS

Annexure B

K. B. Chandna & Co.
Chartered Accountants,
E-27, South Extension,
Part - II
New Delhi – 110 049
Ph no.011 26252762,
E-mail:kbc.chandna@gmail.com

N.K.Bhargava & Co.
Chartered Accountants,
C-31, Ist Floor, Acharya Niketan,
Mayur Vihar Phase-I
New Delhi – 110 091.
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AUDITORS' REPORT

The Board of Directors
Power Finance Corporation Limited,
"Urjanidhi", 1, Barakhamba Lane,
Connaught Place,
New Delhi-110001

Dear Sirs,

Re: Proposed public issue by the Power Finance Corporation ("Issuer") of Bonds (the "Bonds") in one or more tranches (each a "Tranche Issue" and together all Tranche Issues up to the Shelf Limit, the "Issue")

1. We have examined the financial information of **POWER FINANCE CORPORATION LIMITED** (the "Company") annexed to this report and initialed by us for identification purposes only. The said financial information has been prepared by the Company in accordance with the requirements of paragraph B(1) of Part II of Schedule II to the Companies Act, 1956 (the "Act") and the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 ("SEBI Regulations") as amended issued by the Securities and Exchange Board of India, in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992, and related clarifications and in terms of our engagement agreed with you in accordance with our engagement letter dated 12.08.2013 in connection with the Company's Proposed Issue of Secured, Redeemable, Non-Convertible Debentures, having Benefits Under Section 10(15)(iv)(h) of the Income Tax Act, 1961.

2. **Financial Information as per Audited Financial Statements**

We have examined the attached 'Statements of Assets and Liabilities' of the Company for each of the years ended 31st March, 2013, 31st March, 2012, 31st March, 2011, 31st March 2010 and 31st March 2009 (Annexure I), 'Statement of Profits & Losses' of the Company for each of the years ended 31st March, 2013, 31st March, 2012, 31st March, 2011, 31st March 2010 and 31st March 2009 (Annexure II), and 'Statement of Cash Flows' of the Company for each of the years ended 31st March, 2013, 31st March, 2012, 31st March, 2011, 31st March 2010 and 31st March 2009 (Annexure III), collectively referred to as 'Audited Standalone Financial Information'. The Audited Standalone Financial Information have been extracted by the Management from the audited financial statements of the Company. The financial statements of the Company for the

year ended 31st March 2013 have been audited by Raj Har Gopal & Co., Chartered Accountants jointly with N.K.Bhargava & Co., Chartered Accountants, for the year ended 31st March 2012 have been audited by Raj Har Gopal & Co., Chartered Accountants jointly with N.K.Bhargava & Co., Chartered Accountants, for the year ended 31st March 2011 have been audited by Raj Har Gopal & Co., Chartered Accountants jointly with Mehra Goel & Co., Chartered Accountants, for the year ended 31st March,2010 by Raj Har Gopal & Co., Chartered Accountants jointly with K.K. Soni & Co., Chartered Accountants and for the year ended March 31, 2009 by K.K. Soni & Co., Chartered Accountants and adopted by the members. Accordingly reliance has been placed on the financial information examined by them for the said years. Based on our examination of these Audited Financial Information, we state that:

i. These have to be read in conjunction with the Significant Accounting Policies and Notes to the Accounts given in Annexure IV and V respectively to this report.

ii. The figures of earlier years / periods have been regrouped (but not restated retrospectively for change in any accounting policy), wherever necessary, to confirm to the classification adopted for the Audited Financial Information.

iii. There are no extraordinary items that need to be disclosed separately in the Audited Financial Information.

iv There is no qualification in the auditor's report on the Standalone financial statements for the year ended 31st March, 2013 that require adjustments to the Audited Financial Information.

v There is no qualification in the auditor's report on the Standalone financial statements for the year ended 31st March, 2012 that require adjustments to the Audited Financial Information.

vi. There is no qualification in the auditor's report on the Standalone financial statements for the year ended 31st March, 2011 that require adjustments to the Audited Financial Information

vii. There are qualifications in the auditor's report on standalone financial statements as on and for the year ended 31st March 2010 that require adjustments to the Audited Standalone Financial Information, which has not been given effect to, is as under:

a) "Power Finance Corporation Limited (The Company) pursuant to the opinion of the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI) provided "Deferred Tax Liability" (DTL) on special reserve created under section 36(1) (viii) of the Income Tax Act, 1961 in the year 2004-05, by charging Profit & Loss Account with Rs.142.87 crores and debiting the Free Reserves by Rs 745.14 crores (for creating DTL for the years 1997-98 to 2003-04). Since, then the Company continued to provide DTL till the end of March, 2008 by charging Profit & Loss Account. The total amount towards DTL upto 31st March, 2008 comes to Rs.1228.38 crores. The Company during the year 2008-09 reversed the DTL provided in earlier years amounting to Rs. 1228.38 crores and also did not provide DTL amounting to Rs. 291.21 crores (including Rs. 133.28 crores for the year 2008-09)in the current year,

contrary to, opinions expressed by the EAC of the ICAI on two occasions dated 23.11.2004 and 18.05.2006, clarification furnished in July,2009 by the ICAI on the request of the Comptroller and Auditor General of India and mandatory provisions of Accounting Standard-22"

In view of the facts and circumstances placed before us, the profits and Free Reserves of the company are overstated by Rs 774.45 crores and Rs 745.14 crores (previous year Rs. 616.52 crores and Rs. 745.14 crores), respectively and DTL has been understated by Rs. 1519.59 crores (previous year Rs. 1361.66 crores).

b) As regards the liability of Rs.663.49 crores (previous year Rs.908.94 crores) shown as "Interest Subsidy Fund from GOI" in the Balance Sheet, received under Accelerated Generation and Supply Program (AG&SP) Scheme from the Ministry of Power, Government of India, the Company has estimated the net excess amount of Rs.166.25 crores (previous year Rs.283.14 crores) and Rs. 209.97 crores (previous year Rs.44.27 crores) as at 31st March 2010, for IX and X plan respectively. This net excess amount is worked out on overall basis and not on individual basis and may vary due to change in assumptions, if any, during the projected period such as changes in moratorium period, repayment period, loan restructuring, pre payment, interest rate reset, etc. Hence, the impact of this excess, if any could not be determined. As such we are not in a position to express our opinion thereon.

viii. There are qualifications in the auditor's report on standalone financial statements as on and for the year ended 31st March 2009 that require adjustments to the Audited Standalone Financial Information, which has not been given effect to, is as under:

a) Power Finance Corporation Limited (The Company) pursuant to the opinion of the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI) provided "Deferred Tax Liability" (DTL) on special reserve created under section 36(1) (viii) of the Income Tax Act, 1961 in the year 2004-05, by charging Profit & Loss Account with Rs.142.87 crores and debiting the Free Reserves by Rs 745.14 crores (for creating DTL for the years 1997-98 to 2003-04). Since, then the Company continued to provide DTL till the end of March, 2008 by charging Profit & Loss Account. The total amount towards DTL upto 31st March, 2008 comes to Rs.1228.38 crores. During the current year the Company has not provided the DTL amounting to Rs133.28 crores and has also reversed the DTL provided in earlier years amounting to Rs 1228.38 crores, contrary to the opinions expressed by the EAC of the ICAI (on two occasions dated 23.11.2004 & 18.05.2006) and contrary to the mandatory provisions of existing Accounting Standard- 22.

In view of the facts and circumstances placed before us, the profits and Free Reserves of the company are overstated by Rs 616.52 crores and Rs745.14 crores, respectively and DTL has been understated by Rs. 1361.66 crores.

b) As regards the liability of Rs.908.94 crores (previous year Rs.1066.75 crores) shown as "Interest Subsidy Fund from GOI" in the Balance Sheet, received under Accelerated Generation and Supply Program (AG&SP) Scheme from the Ministry of Power, Government of India, the Company has estimated the net excess amount of Rs.283.14 crores (previous year Rs.253.47 crores) and Rs.44.27 crores (previous year Rs.52.49 crores) as at 31st March 2009, for IX and X plan respectively. This net excess amount is worked out on overall basis and not

on individual basis and may vary due to change in assumptions, if any, during the projected period such as changes in moratorium period, repayment period, loan restructuring, pre payment, interest rate reset, etc. Hence, the impact of this excess, if any could not be determined. As such we are not in a position to express our opinion thereon.

3. We have also examined the 'Statements of Consolidated Assets and Liabilities' of the Company for each of the years ended 31st March, 2013, 31st March, 2012, 31st March, 2011, 31st March, 2010 and 31st March 2009 (Annexure XII), 'Statement of Consolidated Profits & Losses' of the Company for each of the years ended 31st March, 2013, 31st March, 2012, 31st March, 2011, 31st March, 2010 and 31st March 2009 (Annexure XIII), and 'Statement of Consolidated Cash Flows' of the Company for each of the years ended 31st March, 2013, 31st March, 2012, 31st March, 2011, 31st March, 2010 and 31st March 2009 (Annexure XIV), collectively referred to as 'Audited Consolidated Financial Information'. The Audited Consolidated Financial Information have been extracted from the audited financial statements of the Company. The Consolidated financial statements for the year ended 31st March 2013 have been audited by Raj Har Gopal & Co., Chartered Accountants jointly with N.K.Bhargava & Co., for the year ended 31st March 2012 have been audited by Raj Har Gopal & Co., Chartered Accountants jointly with N.K.Bhargava & Co., for the year ended 31st March 2011 have been audited by Raj Har Gopal & Co., Chartered Accountants jointly with Mehra Goel & Co., Chartered Accountants, for the year ended 31st March, 2010 by Raj Har Gopal & Co., Chartered Accountants jointly with K.K. Soni & Co., Chartered Accountants and for the year ended March 31, 2009 by K.K. Soni & Co., Chartered Accountants and adopted by the members. Based on our examination of these Audited Consolidated Financial Information, we state that:

i. These have to be read in conjunction with the Significant Accounting Policies and Notes to the Accounts given in Annexure XV and XVI respectively to this report.

ii. The figures of earlier years / periods have been regrouped (but not restated retrospectively for change in any accounting policy), wherever necessary, to confirm to the classification adopted for the Audited Financial Information.

iii. There are no extraordinary items that need to be disclosed separately in the Audited Financial Information.

iv There is no qualification in the auditor's report on the Consolidated financial statements for the year ended 31st March, 2013 that require adjustments to the Audited Consolidated Financial Information.

v There is no qualification in the auditor's report on the Consolidated financial statements for the year ended 31st March, 2012 that require adjustments to the Audited Consolidated Financial Information.

vi. There is no qualification in the auditor's report on the consolidated financial statements for the year ended 31st March, 2011 that require adjustments to the Audited Consolidated Financial Information.

vii. There are qualifications in the auditor's report on the Consolidated financial statements for the year ended 31st March 2010 that require adjustments to the Audited Consolidated Financial Information, which has not been given effect to, is as under:

a) Power Finance Corporation Limited (The Company) pursuant to the opinion of the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI) provided "Deferred Tax Liability" (DTL) on special reserve created under section 36(1) (viii) of the Income Tax Act, 1961 in the year 2004-05, by charging Profit & Loss Account with Rs.142.87 crores and debiting the Free Reserves by Rs 745.14 crores (for creating DTL for the years 1997-98 to 2003-04). Since, then the Company continued to provide DTL till the end of March, 2008 by charging Profit & Loss Account. The total amount towards DTL upto 31st March, 2008 comes to Rs.1228.38 crores. The Company during the year 2008-09 reversed the DTL provided in earlier years amounting to Rs. 1228.38 crores and also did not provide DTL amounting to Rs. 291.21 crores (including Rs. 133.28 crores for the year 2008-09)in the current year, contrary to, opinions expressed by the EAC of the ICAI on two occasions dated 23.11.2004 and 18.05.2006, clarification furnished in July,2009 by the ICAI on the request of the Comptroller and Auditor General of India and mandatory provisions of Accounting Standard-22.

In view of the facts and circumstances placed before us, the Profits and Free Reserves of the Company are overstated by Rs 774.45 crores and Rs 745.14 crores (previous year Rs. 616.52 crores and Rs. 745.14 crores), respectively and DTL has been understated by Rs. 1519.59 crores (previous year Rs. 1361.66 crores).

b) As regards the liability of Rs.663.49 crores (previous year Rs.908.94 crores) shown as "Interest Subsidy Fund from GOI" in the Balance Sheet, received under Accelerated Generation and Supply Program (AG&SP) Scheme from the Ministry of Power, Government of India, the Company has estimated the net excess amount of Rs.166.25 crores (previous year Rs.283.14 crores) and Rs. 209.97 crores (previous year Rs.44.27 crores) as at 31st March 2010, for IX and X plan respectively. This net excess amount is worked out on overall basis and not on individual basis and may vary due to change in assumptions, if any, during the projected period such as changes in moratorium period, repayment period, loan restructuring, pre payment, interest rate reset, etc. Hence, the impact of this excess, if any could not be determined. As such we are not in a position to express our opinion thereon.

viii. There are qualifications in the auditor's report on Consolidated financial statements as on and for the year ended 31st March 2009 that require adjustments to the Audited Consolidated Financial Information, which has not been given effect to, is as under:

a) Power Finance Corporation Limited (The Company) pursuant to the opinion of the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI) provided "Deferred Tax Liability" (DTL) on special reserve created under section 36(1) (viii) of the Income Tax Act, 1961 in the year 2004-05, by charging Profit & Loss Account with Rs.142.87

crores and debiting the Free Reserves by Rs 745.14 crores (for creating DTL for the years 1997-98 to 2003-04). Since, then the Company continued to provide DTL till the end of March, 2008 by charging Profit & Loss Account. The total amount towards DTL upto 31st March, 2008 comes to Rs.1228.38 crores. During the current year the Company has not provided the DTL amounting to Rs.133.28 crores and has also reversed the DTL provided in earlier years amounting to Rs 1228.38 crores, contrary to the opinions expressed by the EAC of the ICAI (on two occasions dated 23.11.2004 & 18.05.2006) and contrary to the mandatory provisions of existing Accounting Standard- 22.

In view of the facts and circumstances placed before us, the profits and Free Reserves of the company are overstated by Rs 616.52 crores and Rs745.14 crores, respectively and DTL has been understated by Rs 1361.66 crores.

b) As regards the liability of Rs.908.94 crores (previous year Rs.1066.75 crores) shown as "Interest Subsidy Fund from GOI" in the Balance Sheet, received under Accelerated Generation and Supply Program (AG&SP) Scheme from the Ministry of Power, Government of India, the Company has estimated the net excess amount of Rs.283.14 crores (previous year Rs.253.47 crores) and Rs.44.27 crores (previous year Rs.52.49 crores) as at 31st March 2009, for IX and X plan respectively. This net excess amount is worked out on overall basis and not on individual basis and may vary due to change in assumptions, if any, during the projected period such as changes in moratorium period, repayment period, loan restructuring, pre payment, interest rate reset, etc. Hence, the impact of this excess, if any could not be determined. As such we are not in a position to express our opinion thereon.

4. We have examined these financial statements (standalone as well as consolidated) taking into consideration the guidance note on reports in company prospectus (Revised) issued by the Institute of Chartered Accountants of India, ***except that these financial statements have not been adjusted for changes in accounting policies retrospectively in the respective financial years to reflect the same accounting policies for all the reporting periods and for adjustments of amounts pertaining to previous years in the respective financial years to which they relate.***

5. Other Financial Information of the Company:

We have examined the following information relating to the Company as at and for each of the years ended 31st March, 2013, 31st March, 2012, 31st March, 2011, 31st March, 2010 & 31st March 2009 proposed to included in the Prospectus as approved by the Board of Directors annexed to this report:

i. Significant Accounting Policies on the Audited Standalone Financial Statements as at and for each of the years ended 31st March, 2013, 31st March, 2012, 31st March, 2011, 31st March 2010 and 31st March 2009 (Annexure IV)

ii. Significant Notes to Accounts on the Audited Standalone Financial Statements as at and for each of the years ended 31st March, 2013, 31st March, 2012, 31st March, 2011, 31st March 2010 and 31st March 2009 (Annexure V)

iii. Related Party Information as at and for each of the years ended 31st March, 2013, 31st March, 2012, 31st March, 2011, 31st March 2010 and 31st March 2009 (Annexure VI)

iv. Statements of Accounting Ratios as at and for each of the years ended 31st March, 2013, 31st March, 2012, 31st March, 2011, 31st March 2010 and 31st March 2009 (Annexure VII)

v. Statement of the Dividend as at and for each of the years ended 31st March, 2013, 31st March, 2012, 31st March, 2011, 31st March 2010 and 31st March 2009 (Annexure VIII)

vi. Statement of Tax Shelter as at and for each of the years ended 31st March, 2013, 31st March, 2012, 31st March, 2011, 31st March 2010 and 31st March 2009 (Annexure IX)

vii. Capitalization statement as at and for each of the years ended 31st March, 2013, 31st March, 2012, 31st March, 2011, 31st March 2010 and 31st March 2009 (Annexure X)

viii. Details of Contingent Liabilities as at and for each of the years ended 31st March, 2013, 31st March, 2012, 31st March, 2011, 31st March 2010 and 31st March 2009 (Annexure XI)

ix. Significant Accounting Policies on the Audited Consolidated Financial Statements as at and for each of the years ended 31st March, 2013, 31st March, 2012, 31st March, 2011, 31st March 2010 and 31st March 2009 (Annexure XV)

x. Significant Notes to Accounts on the Audited Consolidated Financial Statements as at and for each of the years ended 31st March, 2013, 31st March, 2012, 31st March, 2011, 31st March 2010 and 31st March 2009. (Annexure XVI)

xi. Related Party Information (Consolidated) as at and for each of the years ended 31st March, 2013, 31st March, 2012, 31st March, 2011, 31st March 2010 and 31st March 2009.(Annexure XVII)

xii. Statements of Accounting Ratios (Consolidated) as at and for each of the years ended 31st March, 2013, 31st March, 2012, 31st March, 2011, 31st March 2010 and 31st March 2009 (Annexure XVIII)

xiii. Capitalization statement (Consolidated) as at and for each of the years ended 31st March, 2013, 31st March, 2012, 31st March, 2011, 31st March 2010 and 31st March 2009 (Annexure XIX)

xiv. Details of Contingent Liabilities (Consolidated) as at and for each of the years ended 31st March, 2013, 31st March, 2012, 31st March, 2011, 31st March 2010 and 31st March 2009 (Annexure XX)

6. Based on our examination of these Audited Financial Information, we state that in our opinion, the 'Financial Information as per the Audited Financial Statements' and 'Other Financial Information' of the Company mentioned above, as at and for each of the years ended 31st March,

2013, 31st March, 2012, 31st March, 2011, 31st March 2010 and 31st March 2009 have been prepared in accordance with Part II B of Schedule II of the Act and the SEBI Regulations.

7. This report should not, in any way, be construed as a reissuance or redating of any of the previous audit reports nor should this be construed as a new opinion on any of the financial statements referred to herein.

8. This report is intended solely for your information and for inclusion in the Draft Shelf Prospectus/ Shelf Prospectus/ Tranche Prospectus (es), in connection with the Proposed Issue of Secured, Redeemable, Non-Convertible Debentures, having Benefits Under Section 10(15) (iv) (h) of the Income Tax Act, 1961 and is not to be used, referred to or distributed for any other purpose without our prior written consent.

9. We have no responsibility to update our report for events and circumstances occurring after the date of the report for the financial position, results of operations or cash flows of the company as of any date or year subsequent to March 31st, 2013.

For K. B. Chandna & Co.
Chartered Accountants
Firm's Regn. No.: 000862N

V.K.Gureja
Partner
Membership no. 016521

For N.K.Bhargava & Co.
Chartered Accountants
Firm's Regn. No.: 000429N

N.K.Bhargava
Partner
Membership no.080624

Place: New Delhi
Date: 12-08-2013

Annexure I

POWER FINANCE CORPORATION LIMITED

Statement of Assets & Liabilities

(₹ in crore)

					Description	Note Part A	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009
I .	A	EQUITY & LIABILITIES									
		(1)	Share Holders' Funds								
			(i)		Share Capital	1	1320.02	1319.93	1147.77	1147.77	1147.77
			(ii)		Reserves & Surplus	2	22734.10	19387.59	14034.72	12113.02	10360.05
							24054.12	20707.52	15182.49	13260.79	11507.82
		(2)	Non-Current Liabilities								
			(i)		Long Term Borrowing						
					Secured	3	6636.67	5361.55	235.36	0.00	0.00
					Un-secured	3	114514.19	90505.43	69748.67	54913.28	43197.77
							121150.86	95866.98	69984.03	54913.28	43197.77
			(ii)		Deferred Tax Liabilities (Net)		219.79	87.43	82.97	46.95	55.47
			(iii)		Other Long Term Liabilities	4	539.80	550.64	678.38	777.98	930.62
			(iv)		Long Term Provisions	5	162.33	41.98	25.20	21.48	15.45
		(3)	Current Liabilities								
			(i)		Current Maturity of Long term Borrowing (Unsecured)	3	9612.08	10187.73	9323.50	9870.01	7562.38
			(ii)		Short -Term Borrowing	3					
					Secured		860.55	294.47	913.04	625.12	0.00
					Un-secured		7959.22	3776.73	5378.00	1700.00	1400.00
			(iii)		Other Current Liabilities	4	5063.82	3799.68	2783.10	2010.03	1838.91
			(iv)		Short Term Provisions	5	193.99	261.90	283.53	214.23	210.24
							23689.66	18320.51	18681.17	14419.39	11011.53
					Total		**169816.56**	**135575.06**	**104634.24**	**83439.87**	**66718.66**
II .	B	ASSETS									
		(1)	Non-current Assets								
			(i)		Fixed Assets	6					
					Tangible Assets		101.39	98.88	94.73	90.80	95.33
					Less: Accumulated Depreciation		30.83	27.13	22.95	19.62	21.79
							70.56	71.75	71.78	71.18	73.54
					Intangible Assets		7.87	6.86	4.21	2.41	2.00
					Less: Accumulated Amortization		4.09	2.60	1.56	0.82	0.39
							3.78	4.26	2.65	1.59	1.61
					Capital Works in Progress		0.00	0.45	2.28	1.73	0.00
			(ii)		Non-Current Investments	7					
					Trade		12.00	12.00	12.00	12.00	12.00
					Others		175.18	43.34	38.05	15.60	16.28
			(iii)		Long Term Loans	8					
					Secured		107157.80	73480.17	57074.51	45889.21	37343.29
					Un-Secured		35336.84	38536.75	30349.18	24852.64	19720.10
							142494.64	112016.92	87423.69	70741.85	57063.40
			(iv)		Other Non Current Assets	9	376.07	133.52	263.52	89.84	129.88
			(v)		Foreign Currency Monetary Item Translation Difference A/c		477.97	515.41	0.00	0.00	0.00
		(2)	Current Assets								
			(i)		Current Investments	10	3.83	3.83	3.83	3.83	7.57
			(ii)		Cash and Bank Balances	11	4753.81	1988.20	2350.26	1394.30	392.23
			(iii)		Current Maturity of Long Term Loans	8					
					Secured		12318.01	9411.32	6290.27	3484.23	2785.55
					Un-Secured		3137.84	2465.71	3751.01	2680.69	2975.50
			(iv)		Short Term Loans	8					
					Secured		1,000.00	2,267.02	500.00	0.00	0.00
					Un-Secured		1,416.11	3,910.85	1,605.77	2,948.99	1,604.54
			(v)		Other Assets	9	3576.76	2730.48	2319.13	1994.04	1656.56
							26,206.36	22,777.41	16,820.27	12,506.08	9,421.95
					Total		**169816.56**	**135575.06**	**104634.24**	**83439.87**	**66718.66**

Annexure II

POWER FINANCE CORPORATION LIMITED

Statement of Profits & Losses

(₹ in crore)

	Description	Note Part A	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009
I.	**Revenue from Operations**						
	(a) Interest	12	17243.75	12975.70	10038.87	8005.83	6540.04
	(b) Other Financial Services	12	16.52	39.15	89.62	(3.73)	17.33
II.	**Other Income**						
	Other Income	13	12.28	22.26	32.07	74.76	26.17
III	**Total (I+II)**		**17272.55**	**13037.11**	**10160.56**	**8076.86**	**6583.54**
IV.	**EXPENSES**						
	Interest, Finance and Other Charges	14	10991.08	8464.66	6423.90	4912.24	4432.92
	Bond Issue expenses	15	97.33	196.89	63.05	43.79	65.68
	Employee benefit expenses	16	80.94	72.08	67.09	71.70	44.64
	Finance cost	22	0.00	0.00	0.00	0.00	0.00
	Provision for contingencies		80.85	142.79	31.79	(0.57)	2.17
	Provision for decline in value of investments		(0.00)	(0.02)	(0.06)	(1.52)	1.49
	Depreciation and Amortization expenses		5.70	5.42	5.05	3.81	4.12
	Other Expenses	17	58.42	51.87	25.53	34.34	42.07
	Prior Period Items (net)	18	(8.81)	(0.83)	0.07	(0.13)	(0.02)
	Total		**11305.51**	**8932.86**	**6616.42**	**5063.66**	**4593.07**
V.	**Profit before exceptional and extraordinary items and tax (III-IV)**		**5967.04**	**4104.25**	**3544.14**	**3013.20**	**1990.47**
VI.	Exceptional items		**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
VII.	**Profit before extraordinary items and tax (V-VI)**		**5967.04**	**4104.25**	**3544.14**	**3013.20**	**1990.47**
VIII.	Extraordinary items		0.00	0.00	0.00	0.00	0.00
IX.	**Profit Before Tax (VII-VIII)**		**5967.04**	**4104.25**	**3544.14**	**3013.20**	**1990.47**
X.	**Tax Expenses**						
	(1) Current Tax						
	for current year		1543.57	1070.87	898.99	800.27	492.02
	for earlier years		(128.49)	(2.82)	(10.45)	(135.79)	(32.61)
			1415.08	**1068.05**	**888.54**	**664.48**	**459.41**
	(2) Deferred Tax liability(+) / Asset(-)		**132.36**	**4.46**	**36.02**	(8.53)	(439.63)
	Less(-)/Add(+): Provision for fringe benefit tax		**0.00**	**0.00**	**0.00**	**0.00**	**0.73**
XI.	**Profit (Loss) for the period from continuing operations (IX-X)**		**4419.60**	**3031.74**	**2619.58**	**2357.25**	**1969.96**

Annexure III

POWER FINANCE CORPORATION LIMITED

Statement of Cashflows

(₹ in crore)

	PARTICULARS	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009
I.	**Cash Flow from Operating Activities :-**					
	Net Profit before Tax and Extraordinary items	**5,967.04**	**4,104.25**	**3,544.14**	**3,013.20**	**1,990.47**
	ADD: Adjustments for					
	Loss on Sale of Assets (net)	0.03	0.02	0.06	0.02	0.01
	Depreciation / Amortisation	5.70	5.42	5.05	3.81	4.12
	Amortisation of Zero Coupon Bonds	26.18	24.48	22.52	20.83	19.27
	Foreign Exchange Loss/Gain	163.76	147.83	(2.47)	(248.27)	235.66
	Dimunition in value of investments	(0.00)	(0.02)	(0.06)	(1.52)	1.49
	Provision for Contingencies	80.85	142.79	31.79	(0.57)	2.17
	Dividend / Interest and profit on sale of investment	(8.29)	(2.89)	(3.49)	(5.50)	(5.41)
	Provision for CSR Expenditure & Sustainable Expenditure	16.30	0.00	0.00	0.00	0.00
	Provision for interest under IT Act	4.07	4.90	0.22	0.28	0.00
	Provision for Retirement Benefits/Other Welfare Expenses/Wage	**11.63**	**3.10**	10.68	16.74	8.16
	Operating profit before working Capital Changes:	**6267.27**	**4429.88**	**3608.44**	**2799.02**	**2255.94**
	Increase/Decrease :					
	Loans Disbursed (Net)	(30256.10)	(30587.60)	(19755.37)	(15496.04)	(12701.30)
	Other Current Assets	(1028.13)	(692.00)	(492.16)	(252.19)	(284.71)
	Foreign Currency Monetary Item Translation Difference A/c	37.44	(515.41)	0.00	100.14	(101.65)
	Liabilities and provisions	1438.89	972.69	901.54	216.44	665.25
	Cash flow before extraordinary items	**(23540.63)**	**(26392.44)**	**(15737.55)**	**(12632.63)**	**(10166.47)**
	Extraordinary items	0.00	0.00	0.00	0.00	0.00
	Cash Inflow/Outflow from operations before Tax	**(23540.63)**	**(26392.44)**	**(15737.55)**	**(12632.63)**	**(10166.47)**
	Income Tax paid	(1554.02)	(992.68)	(865.72)	(811.34)	(595.85)
	Income Tax Refund	5.56	388.21	0.00	0.00	0.00
	Net Cash flow from Operating Activities	**(25089.09)**	**(26996.91)**	**(16603.27)**	**(13443.97)**	**(10762.32)**
II.	**Cash Flow From Investing Activities :**					
	Sale / decrease of Fixed Assets	0.05	0.12	0.64	0.05	0.05
	Purchase of Fixed Assets	(4.13)	(7.14)	(7.42)	(1.51)	(2.60)
	Plant & Machinery (Lease Equalisation)	0.00	0.00	0.00	0.00	0.27
	Increase/decrease in Capital Works in Progress	0.45	1.83	(0.55)	(1.73)	
	Investments in Subsidiaries	(105.05)	(5.12)	0.00	(0.05)	(0.07)
	Dividend / Interest and profit on sale of investment	8.29	2.89	3.49	5.50	5.41
	Other Investments	7.22	(34.15)	(22.39)	5.95	28.31
	Net Cash Used in Investing Activities	**(93.17)**	**(41.57)**	**(26.23)**	**8.21**	**31.37**
III.	**Cash Flow From Financial Activities :**					
	Issue of Equity Shares	1.60	3413.73	0.00	0.00	0.00
	Issue of Bonds	31142.02	33165.07	14023.96	12283.30	12808.90
	Raising of Short Term Loans (Net) - Commercial paper	5000.00	(4050.00)	3400.00	(750.00)	(1080.00)
	Repayment of Loan Against Fixed Deposits (Net) - Including WCL	(251.43)	1830.16	565.92	1675.12	0.00
	Raising of Long Term Loans	1700.00	2200.00	7855.00	8004.50	4750.00
	Repayment of Long Term Loans	(1239.50)	(3863.50)	(5870.00)	(4473.00)	(4449.00)
	Redemption of Bonds	(9753.90)	(5406.66)	(3710.91)	(1981.86)	(892.30)
	Raising of Foreign Currency Loans (Net)	2653.46	461.46	2214.60	486.88	(40.46)
	Interest Subsidy Fund	(230.43)	(75.66)	(211.62)	(245.45)	(157.81)
	Unclaimed Bonds (Net)	(0.56)	(1.25)	(16.31)	21.87	0.09
	Payment of Final Dividend (including Corporate Dividend Tax) of Previous year	(153.41)	(230.11)	(200.76)	(181.28)	(134.29)
	Payment of Interim Dividend (including Corporate Dividend Tax) of Current year	(920.49)	(767.03)	(468.44)	(402.85)	(355.85)
	Net Cash in-flow from Financing Activities	**27947.36**	**26676.21**	**17581.44**	**14437.23**	**10449.28**
	Net Increase/Decrease in Cash & Cash Equivalents	**2765.10**	**(362.27)**	**951.94**	**1001.47**	**(281.67)**
	Add : Cash & Cash Equivalents at beginning of the period	1983.97	2346.24	1394.30	392.83	674.50
	Cash & Cash Equivalents at the end of the period	**4749.07**	**1983.97**	**2346.24**	**1394.30**	**392.83**
	Details of Cash & Cash Equivalents at the end of the period:					
	Cheques in hand,Imprest with Postal authority & Balances with Banks	169.49	19.76	248.21	3.88	2.64
	Fixed Deposits with Scheduled Banks	4579.58	1964.21	2098.03	1390.42	390.19

NOTE - Part A - 1

SHARE CAPITAL

(₹ in crore)

Description	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009
Authorised :					
200,00,00,000 Equity shares of ₹10/- each (Previous year 200,00,00,000 shares of ₹10/- each)	2000.00	2000.00	2000.00	2000.00	2000.00
Issued, subscribed and paid up :					
131,99,31,705 Equity shares of ₹ 10/- each fully paid-up (Previous year 114,77,66,700 equity shares of ₹ 10/- each fully paid up)	1319.93	1147.77	1147.77	1147.77	1147.77
Add: 83,306 Equity shares of ₹ 10/- each fully paid-up (previous year 17,21,65,005 equity shares of ₹ 10/- each fully paid-up)	0.09	172.16	0.00	0.00	0.00
TOTAL	**1320.02**	**1319.93**	**1147.77**	**1147.77**	**1147.77**

Notes:-

1. Information on Shares in the company held by each shareholder holding more than 5 percent of paid -up equity share capital :

Name of Holders		31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
President of India	% of Share	73.72	73.72	89.78	89.78	89.78
	No. of Shares Held	97,30,61,665	97,30,61,665	1,03,04,50,000	1,03,04,50,000	1,03,04,50,000
	Amount (₹ in crore)	973.06	973.06	1030.45	1030.45	1030.45
Life Insurance Corporation of India	% of Share	5.77	5.83	-	-	-
	No. of Shares Held	7,61,64,471	7,68,90,731			
	Amount (₹ in crore)	76.16	76.89			

2. Under the Company stock option plan titled as PFC - ESOP 2010, the Remuneration Committee in their meeting held on 23rd December, 2011 had given its approval for FY 2009-10 for grant of 88,040 options, effective from 29th July 2011 and in their meeting held on 30th April 2012 had given its approval for FY 2010-11 for the grant of 92,964 options effective from 30th April 2012 to regular employees of the Company through PFC Employees Welfare Trust, at a price of ` 176.05/- per option for FY 2009-10 and ` 160.75/- per option for FY 2010-11 , exclusive of the face value of ` 10/- per share, convertible into equivalent number of equity shares of ` 10/- each on payment of ` 10 per share.

Out of 88,040 options, 87,888 options has been granted for FY 2009-10, the Company has allotted 83,306 equity shares during the current year upon exercising the stock option under the scheme. For FY 2010-11, out of 92,964 options granted, 69,954 options have been settled in cash and 1,572 options have been cancelled.

NOTE - Part A - 2						
RESERVES & SURPLUS						
						(₹ in crore)
	Description	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009
(A)	**Securities Premium Reserve**					
	Opening balance	4092.67	851.10	851.10	851.10	851.10
	Add : Addition during the year	1.51	3261.48	0.00	0.00	0.00
	Less: Issue Expenses (FPO)	-0.32	19.91	0.00	0.00	0.00
	Total (A)	4094.50	4092.67	851.10	851.10	851.10
(B)	**Debenture Redemption Reserve**					
	Opening balance	55.79	0.06	0.00	0.00	0.00
	Add : Transfer from Profit and Loss Appropriation	219.06	55.73	0.06	0.00	0.00
	Total (B)	274.85	55.79	0.06	0.00	0.00
(C)	**Others**					
(i)	**Reserve for Bad & doubtful debts u/s 36 (1) (viia) (c) of Income-Tax Act,1961**					
	Opening balance	1158.61	984.88	842.07	718.15	641.69
	Add : Transfer from Profit and Loss Appropriation	250.40	173.73	142.47	123.92	76.46
	Add : Transfer from Statement of Profit & Loss (Balance Sheet head)	0.00	0.00	0.34	0.00	0.00
		1409.01	1158.61	984.88	842.07	718.15
(ii)	**Special Reserve created u/s 36(1)(viii) of Income Tax Act, 1961 upto Financial Year 1996-97**	599.85	599.85	599.85	599.85	599.85
(iii)	**Special Reserve created and maintained u/s 36 (1) (viii) of Income Tax Act, 1961 from Financial Year 1997-98**					
	Opening balance	5982.06	5204.32	4574.64	4006.03	3613.94
	Add : Transfer from Profit and Loss Appropriation	1155.90	776.20	634.32	568.61	346.23
	Add : Transfer from General Reserve *	1.91	3.57	0.00	0.00	45.86
	Add : Transfer from Profit and Loss Appropriation (Balance Sheet head)	0.00	0.00	0.27	0.00	0.00
	Add : Transfer from Statement of Profit & Loss (Balance Sheet head)	0.00	0.00	7.92	0.00	0.00
	Less : Transfer from Profit and Loss Appropriation (Balance Sheet head) **	0.00	2.03	12.83	0.00	0.00
		7139.87	5982.06	5204.32	4574.64	4006.03
(iv)	**CSR Reserve**					
	Opening balance	0.00	0.00	0.00	0.00	0.00
	Add : Transfer from Profit and Loss Appropriation	18.36	0.00	0.00	0.00	0.00
		18.36	0.00	0.00	0.00	0.00
(v)	**Sustainable Development Reserve**					
	Opening balance	0.00	0.00	0.00	0.00	0.00
	Add : Transfer from Profit and Loss Appropriation	0.49	0.00	0.00	0.00	0.00
		0.49	0.00	0.00	0.00	0.00
(vi)	**General Reserve**					
	Opening balance	2594.40	2293.97	2031.97	1795.97	1615.41
	Add : Transfer from Profit and Loss Appropriation for the year	442.00	304.00	262.00	236.00	197.00
	Less: Transferred to Special Reserve *	1.91	3.57	0.00	0.00	16.44
		3034.49	2594.40	2293.97	2031.97	1795.97
	Total (C)	12202.07	10334.92	9083.02	8048.53	7120.00

(D)	**Surplus**					
	Opening balance	4904.21	4100.54	3213.39	2388.95	860.09
	Add : Adjustments during the current year	0.00	0.00	0.67	0.00	745.14
	Add : Transfers from Special Reserve under Income Tax Act, 1961	0.00	2.03	12.83	0.00	0.00
	Less : Transfers to Reserve for Bad & doubtful debts and Special Reserve under Income Tax Act, 1961	0.00	0.00	0.61	0.00	29.42
	Less : Transfers to Special Reserve under Income Tax Act, 1961	0.00	0.00	7.92	0.00	0.00
	Add : Surplus retained from the Profit and Loss Appropriation for the	1258.47	801.64	882.18	824.44	813.14
	Total (D)	6162.68	4904.21	4100.54	3213.39	2388.95
	Grand Total (A+B+C+D)	**22734.10**	**19387.59**	**14034.72**	**12113.02**	**10360.05**
Note :	**Profit and Loss Appropriation**					
	Description	**As at 31.03.2013**	**As at 31.03.2012**	**As at 31.03.2011**	**As at 31.03.2010**	**As at 31.03.2009**
	Profit after tax for the year	4419.60	3031.74	2619.58	2357.25	1969.96
	Less : CSR Reserves					
	Transfer to CSR Reserve (relating to earlier years)	16.39	0.00	0.00	0.00	0.00
	Transfer from CSR Reserve (relating to earler years)	(9.30)	0.00	0.00	0.00	0.00
	Transfer to CSR Reserves (relating to current year)	11.27	0.00	0.00	0.00	0.00
		18.36	0.00	0.00	0.00	0.00
	Less: Sustainable Development (SD) Reserve					
	Transfer to SD Reserves	0.49	0.00	0.00	0.00	0.00
		0.49	0.00	0.00	0.00	0.00
	Less : Transfer to Reserves					
	Transfer towards Reserve for Bad & Doubtful Debts u/s 36(1)(viia)(c) of Income Tax Act, 1961	250.40	173.73	142.47	123.92	76.46
	Transfer to Special Reserve created and maintained u/s 36(1)(viii) of Income Tax Act, 1961	1155.90	776.20	634.32	568.61	346.23
	Debenture Redemption Reserve	219.06	55.73	0.06	0.00	0.00
	General Reserve	442.00	304.00	262.00	236.00	197.00
		2067.36	1309.66	1038.85	928.53	619.69
	Less : Dividend & Corporate Dividend Tax					
	Interim Dividend	792.01	659.97	401.72	344.33	304.16
	Proposed Final Dividend	132.00	132.00	197.99	172.17	154.95
	Corporate Dividend Tax on Interim Dividend	128.48	107.06	66.72	58.52	51.69
	Proposed Corporate Dividend Tax	22.43	21.41	32.12	29.26	26.33
		1074.92	920.44	698.55	604.28	537.13
	Total	**1258.47**	**801.64**	**882.18**	**824.44**	**813.14**

* Transferred to match the deduction claimed as per the Income tax return for the Assessment Year 2011-12.

** Special reserve claimed on some of the loan assets in earlier years withdrawn due to pre payment of such loan assets before five years.

Note : All the notes mentioned above pertain to the Financial Year 2012-13

NOTE - Part A - 3											
BORROWING											
											(₹ in crore)
			Description	As at 31.03.2013		As at	31.03.2012	As at	31.03.2011	As at	31.03.2010	As at	31.03.2009
				Current	Non-Current	Current	Non-Current	Current	Non-Current	Current	Non-Current	Current	Non-Current
A.	Long Term Borrowing												
	I.	Secured											
			Bonds										
			Infrastructure Bonds	0.00	361.55	0.00	361.55	0.00	235.36	0.00	0.00	0.00	0.00
			Tax Free Bonds	0.00	6275.12	0.00	5000.00	0.00	0.00	0.00	0.00	0.00	0.00
			Sub- Total (I)	**0.00**	**6,636.67**	**0.00**	**5,361.55**	**0.00**	**235.36**	**0.00**	**0.00**	**0.00**	**0.00**
	II.	UnSecured											
		a)	Bonds										
			Bonds Guaranteed by the Government of India	0.00	0.00	0.00	0.00	22.00	0.00	20.00	22.00	20.00	42.00
			Other Bonds / Debentures	3,262.90	95,434.62	9753.90	68804.44	5360.18	50519.46	3893.61	41865.82	2742.16	32674.99
			Foreign Currency Notes	0.00	986.40	0.00	927.54	0.00	812.52	0.00	820.44	476.32	926.10
				3,262.90	**96,421.02**	**9,753.90**	**69,731.98**	**5,382.18**	**51,331.98**	**3,913.61**	**42,708.26**	**3,238.48**	**33,643.09**
		b)	Foreign Currency Loans										
			Foreign Currency Loans from Foreign banks / Institutions (Guaranteed by the Govt. of India)	19.98	251.49	17.71	262.03	77.82	253.72	69.42	319.62	74.90	430.38
			Foreign Currency Loans from Foreign banks (Others)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Syndicated Foreign Currency Loans from banks / Institutions	0.00	6946.68	0.00	4176.92	0.00	3637.91	0.00	1367.40	476.00	0.00
			Foreign Currency Loans (FCNR(B) from banks)	219.20	0.00	206.12	0.00	0.00	180.56	181.98	0.00	0.00	205.80
				239.18	**7198.17**	**223.83**	**4438.95**	**77.82**	**4072.19**	**251.40**	**1687.02**	**550.90**	**636.18**
		c)	Rupee Term Loans										
			Rupee Term Loans (From Banks)	4480.00	10895.00	210.00	14704.50	3863.50	13214.50	5405.00	9388.00	3773.00	8118.50
			Rupee Term Loans (From Financial Institutions)	1630.00	0.00	0.00	1630.00	0.00	1130.00	300.00	1130.00	0.00	800.00
				6110.00	**10895.00**	**210.00**	**16334.50**	**3863.50**	**14344.50**	**5705.00**	**10518.00**	**3773.00**	**8918.50**
			Sub- Total (II)	**9612.08**	**114514.19**	**10187.73**	**90505.43**	**9323.50**	**69748.67**	**9870.01**	**54913.28**	**7562.38**	**43197.77**
B.	Short Term Borrowing												
		Rupee Term Loans											
	I.	Secured											
			Loan against FD	860.55	0.00	294.47	0.00	913.04	0.00	625.12	0.00	0.00	0.00
			Sub Total (I)	**860.55**	**0.00**	**294.47**	**0.00**	**913.04**	**0.00**	**625.12**	**0.00**	**0.00**	**0.00**
		UnSecured											
			Rupee Term Loans from Banks	0.00	0.00	0.00	0.00	2100.00	0.00	0.00	0.00	400.00	0.00
			Commercial Paper	5000.00	0.00	0.00	0.00	1950.00	0.00	650.00	0.00	1000.00	0.00
			Working Capital Demand Loan / OD / CC / Line of Credit	2959.22	0.00	3776.73	0.00	1328.00	0.00	1050.00	0.00	0.00	0.00
			Sub- Total (II)	**7959.22**	**0.00**	**3776.73**	**0.00**	**5378.00**	**0.00**	**1700.00**	**0.00**	**1400.00**	**0.00**
			Total (A)+(B)	**18,431.85**	**1,21,150.86**	**14,258.93**	**95,866.98**	**15,614.54**	**69,984.03**	**12,195.13**	**54,913.28**	**8,962.38**	**43,197.77**

Notes:-

The details of Infrastructre Bonds outstanding as at 31.03.2013 are as follows:

	Bond Series	Date of allotment	Rate of Interest p.a.	Amount (₹ in crore)	Date of Redemption	Redemption details	Nature of Security
1	Infrastructure Bonds (2011-12) Series-III	21.11.2011	8.75%	3.23	22-Nov-18	On exercise of put option by the bondholders, redeemable at par, on a date, falling seven years and one day from the date of allotment; otherwise , redeemable at par on a date falling fifteen years from the date of allotment.	Secured by first pari-passu charge on total receivables of the Company (excluding those receivables on which specific charge already created) along with first pari- passu charge on immovable property situated at Guindy,Chennai.
2	Infrastructure Bonds (2011-12) Series - IV	21.11.2011	8.75%	8.83	22-Nov-18	On exercise of put option by the bondholders, redeemable at par with cumulative interest compounded annually, on a date, falling seven years and one day from the date of allotment; otherwise , redeemable at par with cumulative interest compounded annually, on a date falling fifteen years from the date of allotment.	
3	Infrastructure Bonds (2010-11) Series-3	31.03.2011	8.50%	6.13	1-Apr-18	On exercise of put option by the bondholders, redeemable at par, on a date, falling seven years and one day from the date of allotment; otherwise , redeemable at par on a date falling fifteen years from the date of allotment.	Secured by charge on specific book debt of ₹ 4539.03 crore as on 31.03.2013 of the Company along with first charge on immovable property situated at Jangpura, New Delhi.
4	Infrastructure Bonds (2010-11) Series-4	31.03.2011	8.50%	22.75	1-Apr-18	On exercise of put option by the bondholders, redeemable at par with cumulative interest compounded annually, on a date, falling seven years and one day from the date of allotment; otherwise , redeemable at par with cumulative interest compounded annually, on a date falling fifteen years from the date of allotment.	
5	Infrastructure Bonds 86 C Series	30.03.2012	8.72%	0.95	31-Mar-18	On exercise of put option by the bondholders, redeemable at par, on a date, falling six years and one day from the date of allotment; otherwise , redeemable at par on a date falling fifteen years from the date of allotment.	Secured by first pari-passu charge of present and future receivables (excluding those receivables which are specifically charged for infra bond issue during the FY 2010-11) along with first pari passu charge on immovable property situated at Guindy, Chennai.
6	Infrastructure Bonds 86 D Series	30.03.2012	8.72%	2.75	31-Mar-18	On exercise of put option by the bondholders, redeemable at par with cumulative interest compounded annually, on a date, falling six years and one day from the date of allotment; otherwise , reedemable at par with cumulative interest compounded annually, on a date falling fifteen years from the date of allotment.	
7	Infrastructure Bonds 86 A Series	30.03.2012	8.43%	9.04	31-Mar-17	On exercise of put option by the bondholders, redeemable at par, on a date, falling five years and one day from the date of allotment; otherwise , redeemable at par on a date falling ten years from the date of allotment.	Secured by first pari-passu charge of present and future receivables (excluding those receivables which are specifically charged for infra bond issue during the FY 2010-11) along with first pari passu charge on immovable property situated at Guindy, Chennai.
8	Infrastructure Bonds 86 B Series	30.03.2012	8.43%	17.81	31-Mar-17	On exercise of put option by the bondholders, redeemable at par with cumulative interest compounded annually, on a date, falling five years and one day from the date of allotment; otherwise , redeemable at par with cumulative interest compounded annually, on a date falling ten years from the date of allotment.	
9	Infrastructure Bonds (2011-12) Series-I	21.11.2011	8.50%	32.43	22-Nov-16	On exercise of put option by the bondholders, redeemable at par, on a date, falling five years and one day from the date of allotment; otherwise , redeemable at par on a date falling ten years from the date of allotment.	Secured by first pari-passu charge on total receivables of the Company (excluding those receivables on which specific charge already created) along with first pari- passu charge on immovable property situated at Guindy,Chennai.
10	Infrastructure Bonds (2011-12) Series-II	21.11.2011	8.50%	51.15	22-Nov-16	On exercise of put option by the bondholders, redeemable at par with cumulative interest compounded annually, on a date, falling five years and one day from the date of allotment; otherwise , redeemable at par with cumulative interest compounded annually, on a date falling ten years from the date of allotment.	

11	Infrastructure Bonds (2010-11) Series-1	31.03.2011	8.30%	66.80	1-Apr-16	On exercise of put option by the bondholders, redeemable at par, on a date, falling five years and one day from the date of allotment; otherwise , redeemable at par on a date falling ten years from the date of allotment.	Secured by charge on specific book debt of ₹ 4539.03 crore as on 31.03.2013 of the Company along with first charge on immovable property situated at Jangpura, New Delhi.
12	Infrastructure Bonds (2010-11) Series-2	31.03.2011	8.30%	139.68	1-Apr-16	On exercise of put option by the bondholders, redeemable at par with cumulative interest compounded annually, on a date, falling five years and one day from the date of allotment; otherwise , redeemable at par with cumulative interest compounded annually, on a date falling ten years from the date of allotment.	

The details of Tax Free Bonds outstanding as at 31.03.2013 are as follows:

	Bond Series	Date of allotment	Rate of Interest p.a.	Amount (₹ in crore)	Date of Redemption	Nature of Security
13	Tax Free Bonds (2012-13) tranche - II - Series II	28-03-2013	7.04%	1.93	28-Mar-28	Secured by first pari-passu charge on total receivables of the Company (excluding those receivables on which specifice charge already created)
14	Tax Free Bonds (2012-13) tranche - II - Series II	28-03-2013	7.54%	67.28	28-Mar-28	
15	Tax Free Bonds (2012-13) tranche - I - Series II	04-01-2013	7.36%	126.96	4-Jan-28	Secured by first pari-passu charge on total receivables of the Company (excluding those receivables on which specifice charge already created) along with first pari- passu charge on immovable property situated at Guindy,Chennai.
16	Tax Free Bonds (2012-13) tranche - I - Series II	04-01-2013	7.86%	230.04	4-Jan-28	
17	TAX FREE BONDS SERIES 95 B	29-11-2012	7.38%	100.00	29-Nov-27	First pair passu charge on the Immovable Property situated at Chennai. All present and future receivables/ loan assets of the Company, together with the underlying security, excluding the receivables on which specific charge has already been created by the Company.
18	TAX FREE BOND SERIES 94 B	22-11-2012	7.38%	25.00	22-Nov-27	
19	Tax Free Bonds(2011-12) tranche -I - Series II	01.02.2012	8.30%	1280.58	1-Feb-27	Secured by first pari-passu charge on total receivables of the Company (excluding those receivables on which specifice charge already created) along with first pari- passu charge on immovable property situated at Guindy,Chennai.
20	Tax Free Bonds Series 80 B	25.11.2011	8.16%	209.34	25-Nov-26	Secured by first pari-passu charge of present and future receivables (excluding those receivables which are specifically charged for infra bond issue during the FY 2010-11) along with first pari passu charge on immovable property situated at Guindy, Chennai.
21	Tax Free Bonds Series 79 B	15.10.2011	7.75%	217.99	15-Oct-26	
22	Tax Free Bonds (2012-13) tranche - II - Series I	28-03-2013	6.88%	46.92	28-Mar-23	Secured by first pari-passu charge on total receivables of the Company (excluding those receivables on which specifice charge already created)
23	Tax Free Bonds (2012-13) tranche - II - Series I	28-03-2013	7.38%	49.24	28-Mar-23	
24	Tax Free Bonds (2012-13) tranche - I - Series I	04-01-2013	7.19%	173.27	4-Jan-23	Secured by first pari-passu charge on total receivables of the Company (excluding those receivables on which specifice charge already created) along with first pari- passu charge on immovable property situated at Guindy,Chennai.
25	Tax Free Bonds (2012-13) tranche - I - Series I	04-01-2013	7.69%	169.48	4-Jan-23	
26	TAX FREE BONDS SERIES 95 A	29-11-2012	7.22%	30.00	29-Nov-22	First pair passu charge on the Immovable Property situated at Chennai. All present and future receivables/ loan assets of the Company, together with the underlying security, excluding the receivables on which specific charge has already been created by the Company.
27	TAX FREE BOND SERIES 94 A	22-11-2012	7.21%	255.00	22-Nov-22	
28	Tax Free Bonds(2011-12) tranche -I - Series I	01.02.2012	8.20%	2752.55	1-Feb-22	Secured by first pari-passu charge on total receivables of the Company (excluding those receivables on which specifice charge already created) along with first pari- passu charge on immovable property situated at Guindy,Chennai.
29	Tax Free Bonds Series 80 A	25.11.2011	8.09%	334.31	25-Nov-21	Secured by first pari-passu charge of present and future receivables (excluding those receivables which are specifically charged for infra bond issue during the FY 2010-11) along with first pari passu charge on immovable property situated at Guindy, Chennai.
30	Tax Free Bonds Series 79 A	15.10.2011	7.51%	205.23	15-Oct-21	

31 Zero Coupon unsecured Taxable Bonds 2022-XIX Series of ₹ 351.22 crore (previous year ₹ 325.04 crore) are redeemable at face value of ₹ 750.00 crore on 30.12.2022 [net of Unamortized Interest of ₹ 398.78 crore (previous year ₹ 424.96 crore)].

32 The details of unsecured Taxable (Non cumulative) Bonds are as follows :

	Bond Series	Coupon Rate	Date of Redemption	Amount
1	71 - C Series	9.05%	15-Dec-30	192.70
2	66 - C Series	8.85%	15-Jun-30	633.00
3	103 Series	8.94%	25-Mar-28	2,807.00
4	102 - A (III) Series	8.90%	18-Mar-28	403.00
5	101 - B Series	9.00%	11-Mar-28	1,370.00
6	77- B Series	9.45%	1-Sep-26	2,568.00
7	76 - B Series	9.46%	1-Aug-26	1,105.00
8	71 - B Series	9.05%	15-Dec-25	192.70
9	66 - B Series	8.75%	15-Jun-25	832.00
10	66 - B Series	3 year INCMTBMK +	15-Jun-25	700.00
11	65 - Series	8.70%	14-May-25	1,087.50
12	65 - Series	1 year INCMTBMK + 63.5	14-May-25	250.00
13	64 - Series	8.95%	30-Mar-25	492.00
14	63 - Series	8.90%	15-Mar-25	184.00
15	62 - B Series	8.80%	15-Jan-25	1,172.60
16	61 - Series	8.50%	15-Dec-24	351.00
17	57 - B Series	8.60%	7-Aug-24	866.50
18	85 - D Series	9.26%	15-Apr-23	736.00
19	102 - A(II) Series	8.90%	18-Mar-23	403.00
20	102 - B Series	8.87%	18-Mar-23	70.00
21	100 - B Series	8.84%	4-Mar-23	1,310.00
22	92 - C Series	9.29%	21-Aug-22	640.00
23	91- B Series	9.39%	29-Jun-22	2,695.20
24	88- C Series	9.48%	15-Apr-22	184.70
25	78- B Series	9.44%	23-Sep-21	1,180.00
26	76- A Series	9.36%	1-Aug-21	2,589.40
27	75- C Series	9.61%	29-Jun-21	2,084.70
28	74 Series	9.70%	9-Jun-21	1,693.20
29	XXVIII Series	8.85%	31-May-21	600.00
30	73 Series	9.18%	15-Apr-21	1,000.00
31	72 - B Series	8.99%	15-Jan-21	1,219.00
32	71 - A Series	9.05%	15-Dec-20	192.70
33	70 Series	8.78%	15-Nov-20	1,549.00
34	68 - B Series	8.70%	15-Jul-20	1,424.00
35	66 - A Series	3 year INCMTBMK +	15-Jun-20	500.00
36	65 - Series	8.70%	14-May-20	162.50
37	65 - Series	1 year INCMTBMK + 98	14-May-20	1,175.00
38	85 - C Series	9.30%	15-Apr-20	79.50
39	64 - Series	8.95%	30-Mar-20	492.00
40	87 - D Series	9.42%	20-Mar-20	650.80
41	63 - Series	8.90%	15-Mar-20	184.00
42	100 - A Series	8.86%	4-Mar-20	54.30
43	99 - B Series	8.82%	20-Feb-20	733.00
44	62 - A Series	8.70%	15-Jan-20	845.40
45	61 - Series	8.50%	15-Dec-19	351.00
46	60 - B Series	1 year INCMTBMK + 179	20-Nov-19	925.00
47	59 - B Series	8.80%	15-Oct-19	1,216.60
48	57 - B Series	8.60%	7-Aug-19	866.50
49	90 - B Series	9.41%	1-Jun-19	391.00
50	98 (III) Series	8.72%	8-Feb-19	324.00
51	82- C Series	9.70%	15-Dec-18	2,060.00
52	52 - C Series	11.25%	28-Nov-18	1,950.60
53	51 - C Series	11.00%	15-Sep-18	3,024.40
54	XLIX - B Series	10.85%	11-Aug-18	428.60
55	XLVIII - C Series	10.55%	15-Jul-18	259.70
56	XLVII - C Series	9.68%	9-Jun-18	780.70
57	102 - A(I) Series	8.90%	18-Mar-18	403.00
58	101 - A Series	8.95%	11-Mar-18	3,201.00
59	99 - A Series	8.77%	20-Feb-18	2.00
60	98 (II) Series	8.72%	8-Feb-18	324.00
61	72 - A Series	8.97%	15-Jan-18	144.00
62	97 Series	8.75%	15-Jan-18	1,000.00
63	XL - C Series	9.28%	28-Dec-17	650.00
64	XVIII Series	7.87%	13-Nov-17	25.00
65	93 - B Series	8.91%	15-Oct-17	950.00
66	XVII Series	8.21%	3-Oct-17	25.00
67	92 - A Series	9.01%	21-Aug-17	1,530.00
68	92 - B Series	9.27%	21-Aug-17	1,930.00
69	91 - A Series	9.40%	29-Jun-17	107.50
70	90 - A Series	9.61%	1-Jun-17	552.90
71	XIII Series	9.60%	24-May-17	65.00
72	XXXV Series	9.96%	18-May-17	530.00
73	XIII Series	9.60%	16-May-17	125.00
74	89 - A Series	9.52%	2-May-17	2,595.00
75	88- B Series	9.66%	15-Apr-17	100.20
76	XXXIV Series	9.90%	30-Mar-17	500.50
77	88 - A Series	9.61%	28-Mar-17	284.00
78	XXXIII - B Series	9.90%	22-Mar-17	561.50
79	87 - C Series	9.59%	20-Mar-17	217.50
80	87- A Series	9.62%	20-Mar-17	1,267.00
81	87 - B Series	9.72%	20-Mar-17	23.00
82	84 Series	9.33%	17-Feb-17	1,521.20
83	98 (I) Series	8.72%	8-Feb-17	324.00
84	82 - B Series	9.64%	15-Dec-16	825.00
85	XXXI - A Series	8.78%	11-Dec-16	1,451.20
86	81 Series	9.49%	29-Nov-16	1,138.00
87	XVIII Series	7.87%	13-Nov-16	25.00
88	XVII Series	8.21%	3-Oct-16	25.00
89	XXIX - A Series	8.80%	7-Sep-16	250.00
90	77- A Series	9.41%	1-Sep-16	1,083.60
91	75 - B Series	9.62%	29-Jun-16	360.00
92	XXVII - A Series	8.20%	17-Mar-16	1,000.00
93	XXVI Series	7.95%	24-Feb-16	1,261.80
94	XXV Series	7.60%	30-Dec-15	1,734.70
95	52 - B Series	11.30%	28-Nov-15	5.80
96	XVIII Series	7.87%	13-Nov-15	25.00
97	XVII Series	8.21%	3-Oct-15	25.00
98	50 - C Series	10.70%	25-Aug-15	80.80
99	68 - A Series	8.25%	15-Jul-15	147.00
100	65 - Series	8.70%	14-May-15	1,337.50
101	89 - B Series	9.46%	2-May-15	2,056.00
102	85 - A Series	9.51%	15-Apr-15	661.30
103	64 - Series	8.95%	30-Mar-15	492.00
104	63 - Series	8.90%	15-Mar-15	184.00
105	83 Series	9.55%	13-Jan-15	1,292.30
106	61 - Series	8.50%	15-Dec-14	351.00
107	82 - A Series	9.63%	15-Dec-14	2,100.00
108	96 Series	8.90%	14-Dec-14	1,903.00
109	XVIII Series	7.87%	13-Nov-14	25.00
110	XXI B Series	7.00%	2-Nov-14	51.90
111	59 - A Series	8.45%	15-Oct-14	288.20
112	93 - A Series	8.85%	15-Oct-14	1,788.00
113	XVII Series	8.21%	3-Oct-14	25.00
114	58 - B Series	8.45%	17-Sep-14	331.10
115	57 - B Series	8.60%	7-Aug-14	866.50
116	75 - A Series	9.64%	29-Jun-14	555.00
117	55 - B Series	7.50%	11-May-14	146.90
118	54 - A Series	8.90%	16-Feb-14	196.50
119	52 - A Series	11.40%	28-Nov-13	662.70

		120	XVIII Series	7.87%	13-Nov-13	25.00
		121	XVII Series	8.21%	3-Oct-13	25.00
		122	78 - A Series	9.43%	23-Sep-13	655.00
		123	51 - B Series	11.10%	15-Sep-13	594.00
		124	50 - B Series	10.75%	25-Aug-13	78.40
		125	XLIX - A Series	10.90%	11-Aug-13	313.60
		126	XLVIII - B Series	10.70%	15-Jul-13	217.40
		127	XLVII - B Series	9.60%	9-Jun-13	495.30

33 As at 31.03.2013, Bonds of ₹ 7.40 crore (previous year ₹ 7.10 crore) are held by PFC Ltd. Employees Provident Fund Trust and Bonds of ₹ 0.50 crore (previous year ₹ 0.70 crore) are held by PFC Ltd. Gratuity Trust.

34 Foreign currency 6.61 % Senior Notes (USPP - I) of USD 180 million amounting to ₹ 986.40 crore (previous year ₹ 927.54 crore) are redeemable at par on 05.09.2017.

NOTE - Part A - 4

OTHER LIABILITIES

(₹ in crore)

Description	As at 31.03.2013		As at 31.03.2012		As at 31.03.2011		As at 31.03.2010		As at 31.03.2009	
	Current	Non-Current	Current	Non-Current	Current	Non-Current	Current	Non-Current	Current	Non-Current
Interest Subsidy Fund from GOI	33.06	112.72	49.39	326.82	77.50	374.37	118.11	545.38	171.05	737.89
Interest Differential Fund - KFW	0.00	54.73	0.00	52.01	0.00	49.01	0.00	47.60	0.00	34.19
Advance received / amount payable to Subsidiaries (including interest payable thereon)	3.58	295.60	114.93	160.63	0.00	247.79	1.86	185.00	48.97	158.54
Amount payable to GoI under R-APDRP	0.25	0.00	11.09	0.00	6.88	0.00	0.11	0.00	0.00	0.00
Interest Accrued but not due :										
On Bonds	4771.01	0.00	3405.60	0.00	2302.77	0.00	1594.67	0.00	1288.03	0.00
On Loans	119.15	0.00	90.96	0.00	120.80	0.00	121.82	0.00	116.59	0.00
	4890.16	0.00	3496.56	0.00	2423.57	0.00	1716.49	0.00	1404.62	0.00
Unpaid/ unclaimed										
Bonds	4.71	0.00	5.27	0.00	6.52	0.00	22.83	0.00	0.96	0.00
Interest on Bonds	3.21	0.00	3.55	0.00	3.65	0.00	4.07	0.00	0.66	0.00
Dividend	1.20	0.00	0.98	0.00	0.60	0.00	0.55	0.00	0.23	0.00
	9.12	0.00	9.80	0.00	10.77	0.00	27.45	0.00	1.85	0.00
Others	127.65	76.75	117.91	11.18	264.38	7.21	146.01	0.00	212.42	0.00
TOTAL	**5063.82**	**539.80**	**3799.68**	**550.64**	**2783.10**	**678.38**	**2010.03**	**777.98**	**1838.91**	**930.62**

NOTE - Part A - 5

PROVISIONS

(₹ in crore)

Description	As at 31.03.2013		As at 31.03.2012		As at 31.03.2011		As at 31.03.2010		As at 31.03.2009	
	Current	Non-Curren	Current	Non-Current	Current	Non-Current	Current	Non-Current	Current	Non-Current
Employee Benefits										
Economic Rehabilitation of Employees	0.12	1.19	0.09	1.15	0.23	1.03	0.20	1.11	0.20	1.09
Leave Encashment	1.14	19.25	0.95	16.79	0.75	14.72	0.59	12.25	0.29	6.86
Proposed Wage Revision	0.00	0.00	0.00	0.00	0.00	0.00	6.20	0.00	21.89	0.00
Staff Welfare Expenses	1.15	12.14	0.72	11.01	0.52	9.41	0.47	8.12	0.66	7.50
Gratuity / Superannuation Fund	1.63	0.00	7.24	0.00	5.78	0.00	4.54	0.00	3.02	0.00
Others										
Taxation - Income Tax (net)	20.86	11.62	83.10	13.03	33.48	0.04	**0.00**	0.00	0.00	0.00
Taxation - Fringe Benefit Tax	0.00	0.00	0.00	0.00	0.80	0.00	0.80	0.00	2.90	0.00
CSR Expenses	0.00	0.00	16.39	0.00	11.86	0.00	0.00	0.00	0.00	0.00
Contingent provision against Standard Assets	14.66	118.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Proposed Final Dividend	132.00	0.00	132.00	0.00	197.99	0.00	172.17	0.00	154.95	0.00
Proposed Corporate Dividend Tax	22.43	0.00	21.41	0.00	32.12	0.00	29.26	0.00	26.33	0.00
TOTAL	**193.99**	**162.33**	**261.90**	**41.98**	**283.53**	**25.20**	**214.23**	**21.48**	**210.24**	**15.45**

NOTE - Part A - 6
FIXED ASSETS

(₹ in crore)

	Description	GROSS BLOCK					ACCUMULATED DEPRECIATION					NET BLOCK				
		As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009	As at 31.03.2013	As at 31.03.2012	As at 01.04.2011	As at 31.03.2010	As at 31.03.2009	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009
I.	**TANGIBLE ASSETS :**															
	Owned Assets															
	Land (Freehold)	3.38	2.59	2.59	2.59	2.59	0.00	0.00	0.00	0.00	0.00	3.38	2.59	2.59	2.59	2.59
	Land (Leasehold)	37.87	37.87	37.87	38.33	38.33	0.00	0.00	0.00	0.00	0.00	37.87	37.87	37.87	38.33	38.33
	Buildings	24.92	25.54	24.14	24.14	24.14	7.20	6.28	5.33	4.34	3.30	17.72	19.26	18.81	19.80	20.84
	EDP Equipments	13.81	12.81	11.22	7.33	6.68	10.59	8.94	7.03	6.07	5.43	3.22	3.87	4.19	1.26	1.25
	Office and other equipments	13.84	12.46	11.59	11.21	11.06	7.67	6.86	6.04	5.19	4.25	6.17	5.60	5.55	6.02	6.81
	Furniture & Fixtures	7.49	7.48	7.19	7.02	6.88	5.30	4.93	4.44	3.87	3.20	2.19	2.55	2.75	3.15	3.68
	Vehicles	0.08	0.13	0.13	0.18	0.18	0.07	0.12	0.11	0.15	0.14	0.01	0.01	0.02	0.03	0.04
	Sub Total (1)	**101.39**	**98.88**	**94.73**	**90.80**	**89.86**	**30.83**	**27.13**	**22.95**	**19.62**	**16.32**	**70.56**	**71.75**	**71.78**	**71.18**	**73.54**
	Leased Assets															
	Plant & Machinery	0.00	0.00	0.00	0.00	5.47	0.00	0.00	0.00	0.00	5.47	0.00	0.00	0.00	0.00	0.00
	Lease Adjustment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Sub Total (2)	**0.00**	**0.00**	**0.00**	**0.00**	**5.47**	**0.00**	**0.00**	**0.00**	**0.00**	**5.47**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
II.	**Intangible Assets :**															
	Purchased Software (Useful Life - 5 years)	7.87	6.86	4.21	2.41	2.00	4.09	2.60	1.56	0.82	0.39	3.78	4.26	2.65	1.59	1.61
		7.87	**6.86**	**4.21**	**2.41**	**2.00**	**4.09**	**2.60**	**1.56**	**0.82**	**0.39**	**3.78**	**4.26**	**2.65**	**1.59**	**1.61**
III.	**Capital Works in Progress - Intangible Assets ****	0.00	0.45	2.28	1.73	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.45	2.28	1.73	0.00
		0.00	**0.45**	**2.28**	**1.73**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.45**	**2.28**	**1.73**	**0.00**

NOTE - Part A - 7						
NON- CURRENT INVESTMENTS						
						(₹ in crore)
	Description	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009
(A)	**Trade Investments (Quoted)**					
I.	**Equity Instruments**					
	- Valued at Cost					
	1,20,00,000 (Previous year 1,20,00,000) Equity Shares of ₹ 10/- each fully paid up of PTC Ltd.	12.00	12.00	12.00	12.00	12.00
	Sub Total	12.00	12.00	12.00	12.00	12.00
(B)	**Other Investments (Unquoted-Non Trade)**					
I.	**Equity Instruments**					
	21,87,015 (Previous year 21,87,015 Equity Shares of ₹ 10/- each fully paid up of National Power Exchange Ltd. **	2.19	2.19	2.19	0.83	0.83
	28,00,000 (Previous year 28,00,000) Equity Shares of Rs. ₹ 10/- each fully paid up of Power Exchange India Ltd.	2.80	2.80	1.75	1.75	0.00
	2,25,00,000 (Previous year 6,25,000) Equity Shares of ₹ 10/- each fully paid up of Energy Efficiency Services (P)	22.50	0.63	0.63	0.63	0.00
	2,66,40,000 (Previous year 55,90,000) Equity Shares of ₹ 10/- each fully paid up of Subsidiaries**	26.64	5.59	0.47	0.47	0.47
	- Valued at Cost (NPA)					
	50,000 Equity Shares of Rs.10/- each fully paid up of	0.00	0.00	0.00	0.05	0.00
	Less : Provision for Contingencies	0.00	0.00	0.00	0.05	0.00
		0.00	0.00	0.00	0.00	0.00
II.	**Preference Shares**					
	8,40,00,000 (Previous year Nil) 10% Fully Convertible Preference shares of ₹10/- each fully paid up of Subsidiaries**	84.00	0.00	0.00	0.00	0.00
III.	**Bonds / Debentures**					
	8,330 (Previous Year 8,330) 4% Bonds of ₹100/- each of IMP Power Ltd. (Unquoted - Non Trade)	0.08	0.08	0.08	0.08	0.08
	2,94,44,390 (Previous year 3,40,02,868) OFCD of ₹ 10/- each of R S India Wind Energy Pvt. Ltd.	29.44	34.00	0.00	0.00	0.00
	Less : Provision for contingencies	0.00	34.00	0.00	0.00	0.00
		29.44	0.00	0.00	0.00	0.00
IV.	**Others**					
- Valued at Cost (Less diminution, if any, other than temporary)						
	76,82,816 (Previous year 78,25,127) Units of " Small is Beautiful " Fund of KSK Investment Advisor Pvt. Ltd. (Face value per unit is ` 10)	7.68	7.83	8.73	12.08	14.47
	Less : Provision for diminution	0.15	0.16	0.18	0.24	1.32
		7.53	7.67	8.55	11.84	13.15
V.	**Application Money pending allotment of Shares**					
	Nil Equity Shares (Face value of Rs.10/- each) of Power Exchange India Ltd.	0.00	0.00	0.00	0.00	1.75
	Nil (Previous year 2,43,75,000) Equity Shares (Face value of ₹ 10/- each) of Energy Efficiency Services (P) Ltd.	0.00	24.38	24.38	0.00	0.00
	Sub Total	**175.18**	**43.34**	**38.05**	**15.60**	**16.28**
	TOTAL	**187.18**	**55.34**	**50.05**	**27.60**	**28.28**

Particulars	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009
Aggregate of Quoted Investments					
- Book Adjusted value	12.00	12.00	12.00	12.00	12.00
- Market Value	71.46	73.68	100.08	134.46	83.94
Aggregate of Un-Quoted (non trade) Investments					
- Book Adjusted value	175.18	18.96	13.67	15.60	14.53
Application Money pending allotment of Shares					
- Book Adjusted value	0.00	24.38	24.38	0.00	1.75
TOTAL					
- Book Adjusted value	**187.18**	**55.34**	**50.05**	**27.60**	**28.28**
- Market Value	**71.46**	**73.68**	**100.08**	**134.46**	**83.94**
Note:- The number of units appearing in description column pertains to the investment as on 31.03.2013					

NOTE - Part A - 8

LOANS

(₹ in crore)

	Description	As at 31.03.2013		As at 31.03.2012		As at 31.03.2011		As at 31.03.2010		As at 31.03.2009	
		Current maturities (Twelve Months)	Non Current	Current maturities (Twelve Months)	Non Current	Current maturities (Twelve Months)	Non Current	Current maturities (Twelve Months)	Non Current	Current maturities (Twelve Months)	Non Current
	Long Term										
I	**Secured Loans**										
a)	**Considered Good**										
	Rupee Term Loans (RTLs) to State Electricity Boards, State Power Corporations,Central Public Sector Undertakings and State Governments	10741.69	91997.07	8836.12	65533.38	5403.86	52591.53	3100.83	43982.07	2366.01	34344.59
	RTLs to Independent Power Producers	989.56	13269.75	406.77	6674.03	392.03	3607.44	242.27	1309.78	308.97	2225.10
	Foreign Currency Loans to Independent Power Producers/State Electricity board	27.46	70.76	25.83	92.36	62.88	261.42	86.17	319.94	0.00	587.85
	Buyer's Line of Credit	10.20	122.36	4.89	0.00	6.52	4.89	8.53	11.41	28.03	19.94
	Medium Term Loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30.80	0.00
	Lease Financing to Borrowers	49.95	235.12	35.96	63.00	28.06	103.31	42.00	258.52	33.28	158.32
	RTLs to Equipment Manufacturers	224.83	688.79	1.25	0.00	1.25	1.25	2.50	1.25	3.76	1.25
	Incomes accrued & due on loans	35.23	0.00	3.30	0.00	8.54	0.00	1.93	0.00	14.70	0.00
b)	**Others**										
	RTL to Independent Power Producers - Projects under implementation	0.00	0.00	0.00	0.00	375.00	325.00	0.00	0.00	0.00	0.00
	Less: Provision for contingencies	0.00	0.00	0.00	0.00	1.50	1.30	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	373.50	323.70	0.00	0.00	0.00	0.00
	RTL to Independent Power Producers - NPA	196.77	723.01	62.05	864.97	0.00	8.92	0.00	8.92	0.00	8.92
	Less: Provision for contingencies	27.70	72.30	14.23	86.50	0.00	8.92	0.00	2.68	0.00	2.68
		169.07	650.71	47.82	778.47	0.00	0.00	0.00	6.24	0.00	6.24
	Lease financing to Borrowers - NPA	0.00	0.00	5.55	222.07	15.23	202.26	0.00	0.00	0.00	0.00
	Less: Provision for contingencies	0.00	0.00	0.55	22.21	1.60	21.29	0.00	0.00	0.00	0.00
		0.00	0.00	5.00	199.86	13.63	180.97	0.00	0.00	0.00	0.00
	FCL to Independent Power Producers - NPA	77.80	136.93	49.31	154.52	0.00	0.00	0.00	0.00	0.00	0.00
	Less: Provision for contingencies	7.78	13.69	4.93	15.45	0.00	0.00	0.00	0.00	0.00	0.00
		70.02	123.24	44.38	139.07	0.00	0.00	0.00	0.00	0.00	0.00
	Sub-Total I	**12318.01**	**107157.80**	**9411.32**	**73480.17**	**6290.27**	**57074.51**	**3484.23**	**45889.21**	**2785.55**	**37343.29**

II.	**Un-Secured Loans**										
a)	**Considered Good**										
	Rupee Term Loans (RTLs) to State Electricity Boards, State Power Corporations,Central Public Sector Undertakings and State Governments	3005.33	32068.20	2205.03	32781.57	3638.91	28933.34	2569.29	22910.71	2906.65	18476.57
	RTLs to Independent Power Producers	115.64	3146.20	79.37	4924.35	19.60	609.03	85.00	1870.48	22.54	1042.28
	Foreign Currency Loans to State Electricity Boards and State Power Corporations	0.00	0.00	0.00	0.00	0.00	0.00	22.20	71.45	12.95	115.82
	Foreign Currency Loans to State Power Utilities	11.99	34.87	11.56	44.06	23.58	48.73	0.00	0.00	0.00	0.00
	RTLs to Equipment Manufacturers	0.00	0.00	166.75	786.77	68.92	758.08	0.00	0.00	0.00	0.00
	Buyer's Line of Credit	4.87	87.57	0.00	0.00	0.00	0.00	4.18	0.00	33.35	85.43
	Incomes accrued & due on loans	0.01	0.00	3.00	0.00	0.00	0.00	0.02	0.00	0.01	0.00
b)	**Others**										
	RTLs to State Power Corporations - NPAs	0.00	0.00	0.00	0.00	4.24	0.00	4.24	0.00	4.24	0.00
	Less : Provision for contingencies	0.00	0.00	0.00	0.00	4.24	0.00	4.24	0.00	4.24	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Sub-Total II	**3137.84**	**35336.84**	**2465.71**	**38536.75**	**3751.01**	**30349.18**	**2680.69**	**24852.64**	**2975.50**	**19720.10**
	Total of Long Term	**15455.85**	**142494.64**	**11877.03**	**112016.92**	**10041.28**	**87423.69**	**6164.92**	**70741.85**	**5761.05**	**57063.40**
	Short Term										
I	**Secured**										
	Working Capital Loans to State Electricity Boards and State Power Corporations	1000.00	0.00	2267.02	0.00	500.00	0.00	0.00	0.00	0.00	0.00
	Sub-Total I	**1000.00**	**0.00**	**2267.02**	**0.00**	**500.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
II	**Un-Secured**										
	Working Capital Loans to State Electricity Boards and State Power Corporations	1416.11	0.00	3760.85	0.00	1605.77	0.00	2948.99	0.00	1604.54	0.00
	Working Capital Loans to Independent Power Producers	0.00	0.00	150.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Sub-Total II	**1416.11**	**0.00**	**3910.85**	**0.00**	**1605.77**	**0.00**	**2948.99**	**0.00**	**1604.54**	**0.00**
	Total of Short Term	**2416.11**	**0.00**	**6177.87**	**0.00**	**2105.77**	**0.00**	**2948.99**	**0.00**	**1604.54**	**0.00**
	GrandTotal	**17871.96**	**142494.64**	**18054.90**	**112016.92**	**12147.05**	**87423.69**	**9113.91**	**70741.85**	**7365.59**	**57063.40**

NOTE - Part A - 9											
OTHER ASSETS											
											(₹ in crore)
	Description	As at 31.03.2013		As at 31.03.2012		As at	31.03.2011	As at	31.03.2010	As at	31.03.2009
LOANS & ADVANCES		Current	Non-Curren	Current	Non-Curren	Current	Non-Current	Current	Non-Current	Current	Non-Current
Loans (considered good)											
a)	to Employees (Secured)	2.34	15.23	2.06	13.24	1.87	9.89	1.40	7.58	1.38	7.70
b)	to Employees (Unsecured)	4.11	27.26	3.75	18.84	3.07	12.90	2.06	6.58	1.53	3.84
		6.45	42.49	5.81	32.08	4.94	22.79	3.46	14.16	2.91	11.54
Advances (Unsecured considered good)											
Advances recoverable in cash or in kind or for value to be received											
a)	to Subsidiaries (including interest recoverable there on)	0.10	219.44	103.02	68.74	2.25	131.73	0.00	65.39	52.17	15.61
b)	to Employees	0.77	0.00	0.69	0.00	0.59	0.00	0.40	0.00	0.25	0.00
c)	Prepaid Expenses	2.02	0.00	1.81	0.00	2.19	0.00	1.54	0.00	2.05	0.00
d)	Unamortized financial charges on Commercial	109.80	0.00	0.00	0.00	35.45	0.00	5.15	0.00	54.75	0.00
e)	Others	79.64	0.30	61.52	0.33	324.47	2.23	238.24	0.07	146.57	0.06
f)	Advance Income Tax and Tax Deducted at Source (net)	0.00	105.05	0.00	32.09	0.00	106.52	147.86	9.95	51.48	101.40
g)	Advance Fringe Benefit Tax	0.00	0.00	0.00	0.00	1.29	0.00	1.29	0.00	3.51	0.00
h)	Security Deposits	3.25	0.27	12.24	0.28	3.23	0.25	1.16	0.27	0.24	1.27
		195.58	325.06	179.28	101.44	369.47	240.73	395.64	75.68	311.02	118.34
OTHER ASSETS											
	Accrued but not due :										
a)	Interest on Loan Assets	3252.01	0.00	2474.01	0.00	1863.13	0.00	1545.41	0.00	1335.14	0.00
b)	Other charges on Loan	16.11	0.00	15.88	0.00	60.98	0.00	38.96	0.00	1.78	0.00
c)	Interest on Employee	0.23	8.52	6.72	0.00	5.26	0.00	5.47	0.00	5.36	0.00
d)	Interest on Deposits and Investments	31.50	0.00	14.05	0.00	15.35	0.00	5.10	0.00	0.12	0.00
		3299.85	8.52	2510.66	0.00	1944.72	0.00	1594.94	0.00	1342.40	0.00
Loans & Advances (Unsecured - Others)											
	Non Performing Assets	84.14	0.00	39.53	0.00	1.03	0.00	1.17	0.00	2.28	0.00
	Less : Provision for contingencies	9.26	0.00	4.80	0.00	1.03	0.00	1.17	0.00	2.05	0.00
		74.88	0.00	34.73	0.00	0.00	0.00	0.00	0.00	0.23	0.00
	TOTAL	**3576.76**	**376.07**	**2730.48**	**133.52**	**2319.13**	**263.52**	**1994.04**	**89.84**	**1656.56**	**129.88**
	Particulars	**Balance as at 31.03.2013**	**Maximum during 2012-13**	**Balance as at 31.03.2012**	**Maximum during 2011-12**	**Balance as at 31.03.2011**	**Maximum during 2010-11**	**Balance as at 31.03.2010**	**Maximum during 2009-10**	**Balance as at 31.03.2009**	**Maximum during 2008-09**
	Loans given to Directors	**0.11**	**0.25**	**0.12**	**0.16**	**0.16**	**0.22**	**0.24**	**0.34**	**0.34**	**4.66**
	Loans given to Executives	**37.85**	**43.23**	**28.25**	**32.06**	**20.87**	**25.58**	**13.69**	**16.97**	**10.56**	**13.02**
	Loans given to other	**10.98**	**12.46**	**9.52**	**10.75**	**6.70**	**7.72**	**3.74**	**4.44**	**3.55**	**4.25**

NOTE - Part A -10					
CURRENT INVESTMENTS					
					(₹ in crore)
Description	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009
Equity Instruments - Valued scrip wise at lower of cost or market Price (Trade - Unless otherwise specified)					
5,39,349 Shares (Previous year - 5,39,349 Shares) (Face value of ₹ 10/- each fully paid up) of PGCIL purchased at a cost of ₹ 52	2.80	2.80	2.80	2.80	2.80
Less : Provision for diminution	0.00	0.00	0.00	0.00	0.00
	2.80	2.80	2.80	2.80	2.80
97,952 Shares (Previous year - 97,952 Shares) (Face value of ₹ 10/- each fully paid up) of REC Ltd. purchased at a cost of ₹ 105	1.03	1.03	1.03	1.03	5.21
Less : Provision for diminution	0.00	0.00	0.00	0.00	0.44
	1.03	1.03	1.03	1.03	4.77
TOTAL	**3.83**	**3.83**	**3.83**	**3.83**	**7.57**
Particulars	**As at 31.03.2013**	**As at 31.03.2012**	**As at 31.03.2011**	**As at 31.03.2010**	**As at 31.03.2009**
Aggregate of Quoted Investments					
- Book Adjusted value	3.83	3.83	3.83	3.83	7.57
- Market Value	7.75	7.84	7.98	8.23	9.92
TOTAL					
- Book Adjusted value	**3.83**	**3.83**	**3.83**	**3.83**	**7.57**
- Market Value	**7.75**	**7.84**	**7.98**	**8.23**	**9.92**
Note:- The number of units appearing in description column pertains to the investment as on 31.03.2013					

NOTE - Part A -11						
CASH AND BANK BALANCES						
						(₹ in crore)
		Description	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009
A		**Cash and Cash Equivalents**					
	i)	Balances in current accounts with:					
		Reserve Bank of India	0.05	0.05	0.05	0.05	0.05
		Scheduled Banks	2.81	18.66	247.16	2.55	1.98
			2.86	18.71	247.21	2.60	2.03
	ii)	b) Cheques in hand	0.01	0.06	0.38	1.27	0.00
	iii)	Balances in current accounts with scheduled banks for payment of interest on bonds, dividend etc.	1.25	0.98	0.61	0.00	0.00
	iv)	Public issue Account with Escrow Collection Banker	165.37	0.00	0.00	0.00	0.00
	v)	d) Imprest with postal authority	0.00	0.01	0.01	0.01	0.01
	vi)	e) Fixed Deposits with Scheduled Banks (original maturity up to three	4579.58	1964.21	2098.03	1386.64	386.67
			4749.07	1983.97	2346.24	1390.52	388.71
B		**Other Balances**					
	i)	Fixed Deposits with Scheduled Banks (original maturity more than three months)	4.74	4.23	4.02	3.78	3.52
			4.74	4.23	4.02	3.78	3.52
		TOTAL	**4753.81**	**1988.20**	**2350.26**	**1394.30**	**392.23**

NOTE - Part A - 12						
REVENUE FROM OPERATIONS						
						(₹ in crore)
	Description	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009
(A)	**Interest**					
	Interest on Loans	16887.64	12602.47	9760.51	7847.59	6338.58
	Prepayment Premium on Loans/Interest restructuring Premium	10.96	14.87	27.85	14.53	8.95
	Upfront fees on Loans	39.69	26.81	41.72	22.06	12.48
	Service charges on Loans	0.00	0.02	0.07	0.11	0.14
	Management, Agency & Guarantee Fees	115.56	65.37	96.77	48.62	41.28
	Commitment charges on Loans	4.34	2.60	3.04	4.54	3.01
	Less : Commitment charges on Loans waived	0.00	0.00	0.08	0.00	0.00
		4.34	2.60	2.96	4.54	3.01
	Income from surplus funds	156.16	244.97	93.18	48.81	112.40
	Lease income	29.40	18.59	15.81	19.57	23.02
	Bill Discounting Income	0.00	0.00	0.00	0.00	0.18
	Sub- Total (A)	**17243.75**	**12975.70**	**10038.87**	**8005.83**	**6540.04**
(B)	**Other Financial Services**					
	Nodal Agency Fees under R-APDRP	16.52	39.15	89.62	-17.33	17.33
	Advisory Fees - UMPPs	0.00	0.00	0.00	13.60	0.00
	Income from Consultancy Assignments	0.00	0.00	0.00	0.00	0.00
	Sub- Total (B)	**16.52**	**39.15**	**89.62**	**-3.73**	**17.33**
	TOTAL	**17260.27**	**13014.85**	**10128.49**	**8002.10**	**6557.37**

NOTE - Part A - 13					
OTHER INCOME					
					(₹ in crore)
Description	**Year ended 31.03.2013**	**Year ended 31.03.2012**	**Year ended 31.03.2011**	**Year ended 31.03.2010**	**Year ended 31.03.2009**
Dividend Income					
Dividend / Interest Income on Long term Investments	7.99	1.84	1.56	1.59	5.10
Dividend Income on Current Investments	0.25	0.20	0.15	0.12	0.31
Net gain / loss on sale of investments					
Profit on sale of Assets	0.01	0.01	0.00	3.26	0.00
Profit on sale of Current Investments	0.05	0.00	0.00	0.00	0.00
Profit on sale of Long term Investments	0.00	0.84	1.78	0.53	0.00
Others					
Interest on Income Tax Refund	0.18	16.58	24.49	54.43	17.97
Miscellaneous Income	3.80	2.71	2.75	6.93	2.79
Excess Liabilities written back	0.00	0.08	1.34	7.90	0.00
TOTAL	**12.28**	**22.26**	**32.07**	**74.76**	**26.17**

NOTE - Part A - 14						
INTEREST, FINANCE AND OTHER CHARGES						
						(₹ in crore)
	Description	**Year ended 31.03.2013**	**Year ended 31.03.2012**	**Year ended 31.03.2011**	**Year ended 31.03.2010**	**Year ended 31.03.2009**
I.	**Interest**					
	On Bonds	8579.57	6213.02	4835.41	3700.99	2790.15
	On Loans	1772.32	1808.14	1417.53	1051.21	1074.27
	to GOI on Interest Subsidy Fund	19.00	36.02	56.22	80.70	98.19
	Rebate for Timely Payment to Borrowers	167.46	181.29	157.05	127.36	112.78
	Swap Premium (Net)	13.45	-8.19	-153.05	-42.31	13.89
		10551.80	8230.28	6313.16	4917.95	4089.28
II.	**Other Charges**					
	Commitment & Agency Fees	1.13	1.04	0.67	0.49	0.85
	Financial Charges on Commercial Paper	200.74	57.47	15.45	64.49	81.55
	Guarantee, Listing & Trusteeship fees	1.99	1.64	1.71	1.98	2.11
	Management Fees on Foreign Currency Loans	64.44	0.00	61.04	27.71	0.00
	Bank / Other charges	0.07	0.19	0.07	0.00	0.01
		268.37	60.34	78.94	94.67	84.52
	Interest paid on advances received from	7.63	9.08	6.85	4.28	7.19
	Less : Interest received on advances given to subsidiaries	4.70	2.64	1.43	0.82	0.60
		2.93	6.44	5.42	3.46	6.59
III.	Net Translation / Transactions Exchange Loss / gain (-)	167.98	167.60	26.38	-103.84	252.53
	TOTAL	**10991.08**	**8464.66**	**6423.90**	**4912.24**	**4432.92**

NOTE - Part A - 15					
BOND ISSUE EXPENSES					
					(₹ in crore)
Description	**Year ended 31.03.2013**	**Year ended 31.03.2012**	**Year ended 31.03.2011**	**Year ended 31.03.2010**	**Year ended 31.03.2009**
Interest on Application Money	61.27	123.76	37.42	27.06	38.18
Credit Rating Fees	2.84	2.85	1.57	2.24	1.81
Other Issue Expenses	24.97	63.64	20.83	10.68	7.39
Stamp Duty Fees	8.25	6.64	3.23	3.81	18.30
TOTAL	**97.33**	**196.89**	**63.05**	**43.79**	**65.68**

NOTE - Part A - 16					
EMPLOYEE BENEFIT EXPENSES					
					(₹ in crore)
Description	**Year ended 31.03.201**	**Year ended 31.03.201**	**Year ended 31.03.201**	**Year ended 31.03.201**	**Year ended 31.03.200**
Salaries and Wages	63.54	51.75	47.92	51.39	35.08
Contribution to Provident and other funds	5.95	5.00	4.87	3.69	1.54
Staff Welfare	7.61	8.78	7.41	12.56	5.73
Rent for Residential accomodation of employees	3.84	6.55	6.89	4.06	2.29
	80.94	**72.08**	**67.09**	**71.70**	**44.64**

NOTE - Part A - 17					
OTHER EXPENSES					
					(₹ in crore)
Description	**Year ended 31.03.2013**	**Year ended 31.03.2012**	**Year ended 31.03.2011**	**Year ended 31.03.2010**	**Year ended 31.03.2009**
Office Rent	0.54	0.49	0.40	0.35	0.33
Electricity & Water charges	1.38	1.02	0.90	1.02	1.11
Insurance	0.04	0.11	0.03	0.12	0.11
Repairs & Maintenance	2.38	1.82	1.96	2.35	2.48
Stationery & Printing	0.92	0.69	0.46	0.34	0.89
Travelling & Conveyance	7.40	5.81	5.30	4.61	4.28
Postage, Telegraph & Telephone	1.47	0.85	0.70	1.11	0.56
Professional & Consultancy charges	0.82	1.94	1.80	7.02	2.63
Expenditure relating to Consultancy Assignme	0.00	0.00	0.00	0.00	12.52
CSR Expenses	13.32	13.24	11.86	1.07	0.00
Sustainable Development Expenses	2.98	0.00	0.00	0.00	0.00
Miscellaneous	19.39	19.70	15.30	13.78	8.20
Loss on sale of assets	0.04	0.03	0.06	0.02	0.01
Auditors' remuneration	0.48	0.60	0.38	0.26	0.22
Donation	0.00	0.00	0.00	0.00	4.98
Service Tax	5.93	4.30	1.62	1.26	0.68
Rates & Taxes	0.78	0.72	0.65	1.02	3.06
Wealth Tax	0.00	0.01	0.00	0.01	0.01
Contribution to PMC (MoP)	0.55	0.54	0.00	0.00	0.00
TOTAL *	**58.42**	**51.87**	**41.42**	**34.34**	**42.07**
Less : Re-imbursement of expenditure incurred for operationalization of R-APDRP	0.00	0.00	15.89	0.00	0.00
TOTAL	**58.42**	**51.87**	**25.53**	**34.34**	**42.07**
Note :-	**Year ended 31.03.2013**	**Year ended 31.03.2012**	**Year ended 31.03.2011**	**Year ended 31.03.2010**	**Year ended 31.03.2009**
1) Miscellaneous includes :					
Books & Periodicals	0.04	0.03	0.03	0.03	0.03
Advertisement	5.25	6.39	6.12	4.88	3.30
Membership & Subscription	0.60	0.65	0.82	1.01	0.39
Entertainment	0.49	0.56	0.42	0.36	0.29
Conference & Meeting Expenses	1.15	1.46	1.33	1.36	0.51
Security Expenses	1.10	0.89	0.74	0.67	0.52
Training	0.65	0.35	0.43	0.34	0.51
EDP Expenses	2.04	1.23	1.52	0.66	0.18
Business Promotion / Related Expenses	0.17	0.14	0.10	0.14	0.10
Interest on income tax U/S 234	4.07	4.90	0.22	0.00	0.00
Equipment Hire Charges	0.00	0.00	0.00	0.34	0.14

2) Auditors' Remuneration includes :					
Audit fees	0.15	0.15	0.12	0.12	0.11
Tax Audit fees	0.04	0.04	0.04	0.04	0.03
Other certification services	0.29	0.41	0.23	0.10	0.07
Reimbursement of Expenses	0.00	0.00	0.01	0.00	0.01

Note - Part A -18

PRIOR PERIOD ITEMS (NET)

(₹ in crore)

Description	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009
Prior Period Expenses :					
Interest & other Charges	1.18	0.44	0.19	(0.40)	(0.26)
Issue Expenses	0.00	(0.23)	0.00	0.00	0.00
Personnel & Administration Expenses - CSR*	(16.39)	0.00	0.00	0.00	0.00
Personnel & Administration Expenses - Others	0.28	(0.73)	0.04	0.07	0.75
Depreciation	0.00	0.03	(0.03)	0.00	0.00
Miscellaneous Expenses	0.00	0.00	0.00	0.00	0.00
	(14.93)	**(0.49)**	**0.20**	**(0.33)**	**0.49**
Prior Period Income :					
Interest Income	(3.47)	0.34	0.13	(0.20)	0.51
Other Income	(2.65)	0.00	0.00	0.00	0.00
Total	**(8.81)**	**(0.83)**	**0.07**	**(0.13)**	**(0.02)**

Annexure IV

Part – B

FINANCIAL YEAR 2012-13

SIGNIFICANT ACCOUNTING POLICIES

1 BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The Financial Statements have been prepared in accordance with historical cost convention on accrual basis in accordance with Generally Accepted Accounting Principles (GAAP) and Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and relevant provisions of the Companies Act, 1956.

The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets, liabilities (including contingent liabilities), revenues and expenses of the reporting period. The difference between the actual results and the estimates are recognized in the period in which the results are known and/or materialized.

2 RECOGNITION OF INCOME/EXPENDITURE

2.1 Income and expenses (except as stated below) are accounted for on accrual basis.

2.1.1 Income on non-performing assets and assets stated in the proviso to paragraph 6.2,infra is recognized in the year of its receipt. However, any unrealized income recognized before the asset in question became non-performing asset or the income recognized in respect of assets as stated in the proviso to paragraph 6.2,infra which remained due but unpaid for a period more than six months is reversed.

2.1.2 Income under the head carbon credit is accounted for in the year in which it is received by the Company.

2.2 Rebate on account of timely payment by borrowers is accounted for, on receipt of entire amount due on time.

2.3 Discount / financial charges / interest on the commercial papers and zero coupon bonds (deep discount bonds) are amortized proportionately over the period of its tenure.

2.4 Expenditure on issue of shares is charged to the securities premium account.

2.5 Income from dividend is accounted for in the year of declaration of dividend.

2.6 Recoveries in borrower accounts are appropriated as per the loan agreements.

2.7 The Company raises demand for principal installments due, as per loan agreements. The repayment is adjusted against earliest disbursement, irrespective of the rate of interest being charged on various disbursements.

2.8 Prior period expenses / income and prepaid expenses upto ₹ 5,000/- are charged to natural heads of account.

2.9 (i) Nodal Agency Fees under Restructured Accelerated Power Development and Reforms Programme (R – APDRP) are accounted for @1% of the sanctioned

project cost in three stages- 0.40% on sanction of the project, 0.30% on disbursement of the funds and remaining 0.30% after completion of the sanctioned project (for Part – A) and verification of AT&C loss of the project areas (for Part – B).

(ii) Actual expenditure incurred for operationalising the R– APDRP are reimbursed by Ministry of Power, Government of India and is accounted for in the period in which the expenditure is so incurred.

3. FIXED ASSETS/DEPRECIATION

3.1 Fixed assets are shown at historical cost less accumulated depreciation, except for the assets retired from active use and held for disposal, which are stated at lower of the book value or net realizable value.

3.2 Additions to fixed assets are being capitalized on the basis of bills approved or estimated value of work done as per contracts in cases where final bills are yet to be received/ approved.

3.3 Depreciation on assets is provided on written down value method, in accordance with the rates prescribed in Schedule XIV of the Companies Act, 1956.

3.4 Items of fixed assets acquired during the year costing up to ₹ 5,000/- are fully depreciated.

4 INTANGIBLE ASSETS / AMORTIZATION

4.1 Intangible assets such as software are shown at the cost of acquisition, and amortization is done under straight-line method over the life of the assets estimated by the Company.

5 INVESTMENTS

5.1 Quoted current investments are valued scrip wise at lower of cost or fair value.

5.2 Unquoted current investments are valued at lower of cost or fair value.

5.3 Long term investments are valued at cost. Provision is made for diminution, other than temporary in the value of such investments. However, diminution in value is reversed, when there is rise in the value or if the reason for the reduction no longer exists.

5.4 Investments in mutual funds / venture capital funds are valued at cost, less diminution, if any, other than temporary. However, diminution in value is reversed, when there is rise in the value or if the reason for the reduction no longer exists.

6 PROVISIONS / WRITE OFF AGAINST LOANS AND ADVANCES

Prudential Norms

6.1 PFC being a Government owned Non Banking Financial Company (NBFC) is exempt from the RBI directions relating to Prudential Norms. The Company, however, has formulated its own set of Prudential Norms with effect from 01.04.2003, which has been revised from time to time.

In respect of private sector utilities, the Company applies RBI exposure norms, as advised by RBI, vide their letter of December, 2008. Further, RBI exempted PFC from its prudential exposure norms in respect of lending to State / Central entities in power sector till March'2012, vide their letter dated 18.03.2010. RBI has now extended the exemption from its prudential norms upto March'2013, vide their letter dated 04.04.2012.

RBI has accorded the status of Infrastructure Finance company (IFC) to PFC, vide their letter dated 28.07.2010. Accordingly, PFC maintains CRAR as applicable to IFC.

6.2 As per prudential norms approved by the Board of Directors and the Ministry of Power, an asset including a lease asset, in respect of which, interest, principal installment and/or other charges remain due but unpaid for a period of six months or more, a term loan inclusive of unpaid interest and other dues if any , when the principal installment and /or interest remains unpaid for a period of six months or more, any amount which remains due but unpaid for a period of six months or more under bill discounting scheme and any amount due on account of sale of assets or services rendered or reimbursement of expenses incurred which remains unpaid for a period of six months or more are classified as Non-Performing Assets (NPA).

However, the following assets would not be classified as non-performing assets and the income on these loans is recognized on realisation basis.

(i) Loans in respect of projects which are under implementation as per RBI Circular No. ref DBS.FID No. C-11/01.02.00/2001-02 dated February 1, 2002 read with D.O. letter DBS FID No 1285/01.02.00/2001-02 dated May 14, 2002 and RBI letter No.DBOD.BP.No.7675/21.04.048/2008-09 dated 11.11.2008 are classified in line with RBI guidelines for asset classification of Infrastructure projects, as applicable to banks from time to time.

(ii) A facility which is backed by the Central / State Government guarantee or by the State Government undertaking for deduction from central plan allocation or a loan to State department , for a period not exceeding 12 months from the date from which Company's dues have not been paid by the borrower.

(iii) A loan disbursed to an integrated power entity which is bifurcated on account of division of states, the company shall follow the government order issued for division of assets and liabilities, unless the same is stayed by any court and the case is pending in the court.

(iv) Non servicing of part of dues disputed by the borrower for a period not exceeding 12 months from the date from which the company's dues have not been paid by the borrower. The disputed income shall be

recognized only when it is actually realized. Any such disputed income already recognized in the books of accounts shall be reversed. Disputed dues means amount on account of financial charges like commitment charges , penal interest etc. and the disputed differential income on account of interest reset not serviced by the borrower due to certain issues remains unresolved. A dispute shall be acknowledged on case to case basis with the approval of the Board of Directors.

6.3 NPA classification and provisioning norms for loans, other credits and lease assets are given as under

(i) NPA for a period not exceeding 18 months	:	Sub-standard asset
(iii) NPA exceeding 18 months	:	Doubtful asset
(iv) When an asset is identified as loss asset or assets remain doubtful asset exceeding 36 months, whichever is earlier	:	Loss asset

6.4 Provision against NPAs is made at the rates indicated below: -

(i) Sub-standard assets	:	10%
(ii) Doubtful assets:		
(a) Secured portion / facility including that guaranteed by the state / central government or by the state government undertaking for deduction from central plan allocation or loan to state department.		
Upto 1 year	:	20%
1 – 3 years	:	30%
More than 3 years	:	100%
(b) Unsecured	:	100%
(iii) Loss assets	:	100%

The entire loss assets shall be written off. In case, a loss asset is permitted to remain in the books for any reason, 100% of outstanding shall be provided for.

For the purpose of assets classification and provisioning –

(i) facilities granted to Government sector entities are considered loan-wise.

(ii) facilities granted to Private sector entities are considered borrower - wise.

(iii) facilities falling under paragraph 6.2 (i), supra, shall be classified in line with RBI guidelines for asset classification of infrastructure projects, as applicable to banks from time to time, but provisioning for such facilities shall be as per PFC Prudential Norms applicable from time to time.

6.5 Provision for standard assets shall be created in phases in three years from the FY 2012-13 @ of 0.0833% p.a, in order to bring it to 0.25% on 31st March 2015. This provision shall not be netted off from gross loan assets, but shall be shown separately in the balance sheet.

6.6 Restructuring, Reschedulement or Renegotiation of term(s) of loan:

(i) PFC may, not more than once (in each of the following three stages), restructure or reschedule or renegotiate the terms of infrastructure loan agreement as per the policy framework laid down by the Board of Directors of the company under the following stages:

a) Before commencement of commercial production
b) After commencement of commercial production but before the asset has been classified as sub-standard;
c) After the commencement of commercial production and the asset has been classified as sub-standard.

Provided that in each of the above three stages, the restructuring and / or rescheduling and/or renegotiation of principal and / or of interest may take place, with or without sacrifice, as part of the restructuring or rescheduling or renegotiating package evolved.

Provided further that in exceptional circumstance(s), for reasons to be recorded in writing, PFC may consider restructuring / reschedulement / renegotiation of terms of loan agreement second time before COD of the project with the approval of Board of Directors.

Provided further that extension of repayment schedule before COD* of the project in respect of Government Sector Entities, without any sacrifice** of either principal or interest, will not be considered as restructuring / rescheduling / renegotiation for the purpose of applicability of this section.

* Completion Date for projects where COD is not applicable.

** The term "sacrifice" shall mean waiver / reduction of principal and / or the interest dues and / or future applicable interest rate as a part of Restructuring / Reschedulement / Renegotiation package for the purpose of giving effect to the extant provision in respect of Government sector entities.

(ii) Provision for shortfall in security of Restructured / Rescheduled / Renegotiated Loans:

Where the asset is partly secured, a provision to the extent of shortfall in the security available, shall be made while restructuring and / or rescheduling and / or renegotiation of the loans, apart from the provision required on present value basis and as per prudential norms.

(iii) Treatment of Restructured / Rescheduled / Renegotiated Standard Loan:

The rescheduling or restructuring or renegotiation of the instalments of principal alone, at any of the aforesaid first two stages shall not cause a standard asset to be re-classified in the sub-standard category, if the project is re-examined and found to be viable by the Board of Directors of PFC or by a functionary at least one step senior to the functionary who sanctioned the initial loan for the project, within the policy framework laid down by the Board.

Provided that rescheduling or renegotiation or restructuring of interest element at any of the foregoing first two stages shall not cause a standard asset to be downgraded to sub-standard category subject to the condition that the amount of interest foregone, if any, on account of adjustment in the element of interest as specified later, is either written off or 100 per cent provision is made there against.

(iv) Treatment of Restructured / Rescheduled / Renegotiated sub-standard Asset:

A sub-standard asset shall continue to remain in the same category in case of restructuring or rescheduling or renegotiation of the instalments of principal until the expiry of one year and the amount of interest foregone, if any, on account of adjustment, including adjustment by way of write off of the past interest dues, in the element of interest as specified later, shall be written off or 100 per cent provision made there against.

(v) Adjustment of Interest:

Where rescheduling or renegotiation or restructuring involves a reduction in the rate of interest, the interest adjustment shall be computed by taking the difference between the rate of interest as currently applicable to the loan (as adjusted for the risk rating applicable to the borrower) and the reduced rate and aggregating the present value (discounted at the rate currently applicable to infrastructure loan, adjusted for risk enhancement) of the future interest payable so stipulated in the restructuring or rescheduling or renegotiation proposal.

(vi) Funded Interest:

In the case of funding of interest in respect of NPAs, where the interest funded is recognized as income, the interest funded shall be fully provided for.

(vii) Eligibility for Upgradation of Restructured / Rescheduled / Renegotiated Sub-standard Infrastructure loan:

The sub-standard asset subjected to rescheduling and / or renegotiation and / or restructuring, whether in respect of instalments of principal amount, or interest amount, by whatever modality, shall not be upgraded to the standard category until expiry of one year of satisfactory performance under the restructuring and / or rescheduling and/or renegotiation terms.

(viii) Reversal of Provision:

Reversal of provision made for a restructured / rescheduled / renegotiated NPA towards principal is permitted when the account becomes a standard asset. The provision made in a restructured / rescheduled / renegotiated account towards interest sacrifice may be reversed every year (NPV of interest sacrifice for the respective year) on receipt of all repayment obligations for the respective year.

(ix) Conversion of Debt into Equity:

Where the amount due as interest is converted into equity or any other instrument, and income is recognized in consequence, full provision shall be made for the amount of income so recognized to offset the effect of such income recognition:

Provided that no provision is required to be made, if the conversion of interest is into equity which is quoted;

Provided further that in such cases, interest income may be recognized at market value of equity, as on the date of conversion, not exceeding the amount of interest converted to equity.

(x) Conversion of Debt into Debentures:

Where principal amount and / or interest amount in respect of NPAs is converted into debentures, such debentures shall be treated as NPA, ab initio, in the same asset classification as was applicable to the loan just before conversion and provision shall be made as per norms.

(xi) These norms shall be applicable to the loans which have been restructured and / or rescheduled and / or renegotiated and which are fully or partly secured standard / sub-standard asset.

For the above paragraphs, Restructuring / Re-schedulement / Renegotiation shall cover terms of agreement relating to principal and interest.

However, this section shall not be applicable to the following set of assets:

a) A facility which is backed by Central / State Government Guarantee or by state government undertaking for deduction from central plan allocation or a loan to state department.

b) Loans falling under paragraph 6.2(i).

7 FOREIGN EXCHANGE TRANSACTIONS:

7.1 The following transactions are accounted for at the exchange rates prevailing on the date of the transaction as per Accounting Standard – 11.

(i) Expenses and income in foreign currency; and

(ii) Amounts borrowed and lent in foreign currency.

7.2 The following balances are translated in Indian Currency at the exchange rates prevailing on the date of closing of accounts as per Accounting Standard – 11.

(i) Foreign currency loan liabilities.

(ii) Funds kept in foreign currency account with banks abroad.

(iii) Contingent liabilities in respect of guarantees given in foreign currency.

(iv) Income earned abroad but not remitted / received in India.

(v) Loans granted in foreign currency.

(vi) Expenses and income accrued but not due on foreign currency loans/borrowing.

7.3 Where the Company has entered into a forward contract or an instrument that is, in substance a forward contract, the difference between the forward rate and the exchange rate on the date of transaction is recognized as income or expense over the life of the contract, as per Accounting Standard – 11.

7.4 In case of loan from KFW, Germany, exchange difference is transferred to Interest Differential Fund Account – KFW as per loan agreement.

7.5 In accordance with the paragraph 46A of the Accounting Standards (AS) 11, the exchange differences on the long term foreign currency monetary items are amortized over their balance period.

8. Derivative transactions

8.1 Derivative transactions include forwards, interest rate swaps, currency swaps, and currency and cross currency options to hedge on balance sheet assets or liabilities.

8.2 These derivative transactions are done for hedging purpose, and not for trading or speculative purpose. These are accounted for on accrual basis, and are not marked to market.

9 GRANTS FROM GOVERNMENT OF INDIA:

9.1 Where grants are first disbursed to the grantee, the same are shown as amount recoverable from the Govt. of India and are squared up on receipt of amount.

9.2 Where grants are received in advance from Govt. of India, the same are shown as current liabilities till the payments are released to the grantee.

10 INTEREST SUBSIDY FUND

10.1 Interest subsidy for eligible borrowers received from the Ministry of Power, Govt. of India under Accelerated Generation & Supply Programme (AG&SP) on net present value (NPV) basis is credited to Interest Subsidy Fund on receipt and is passed on to the borrowers over the eligible period of loan on respective dates of interest demands. Any excess / shortfall in the Interest Subsidy Fund is refunded or adjusted/charged off on completion of respective scheme.

10.2 Interest Subsidy Fund is credited at the year-end with interest on the outstanding balance in the subsidy fund by debiting statement of Profit & Loss, at rates specified in the Scheme.

11 R-APDRP FUND

11.1 Amounts received from the Government of India under Re-structured Accelerated Power Development & Reforms Programme (R – APDRP) as a Nodal agency for on lending to eligible borrowers are back to back arrangements with no profit or loss arising to the Company.

12 INCOME/RECEIPT/EXPENDITURE ON SUBSIDIARIES

12.1 Expenditure incurred on the subsidiaries is debited to the account "Amount recoverable from concerned subsidiary".

12.2 Expenses in respect of man days (employees) are allocated to subsidiaries and administrative overheads are apportioned to subsidiaries on estimated basis. Direct expenses are booked to respective subsidiaries.

12.3 Interest on amount recoverable from Subsidiaries is accounted for at the rate of interest applicable for project loan / scheme (generation) to state sector borrower (category A) as per the policy of the Company.

12.4 Amounts received by subsidiaries as commitment advance from power procurers are parked with the Company as inter-corporate loans and interest is provided on unused portion of these loans at the mutually agreed interest rates.

12.5 Request for Qualification (RFQ) document / Request for Proposal (RFP) document developed for subsidiaries (incorporated for UMPP) are provided to subsidiary companies at a price equivalent to sale proceeds of RFQ / RFP document received by the subsidiary companies from the prospective bidders. The same is accounted for as income of the company on receipt from subsidiary company.

12.6 The Company incurs expenditure for development work in the UMPPs. The expenditure incurred is shown as amount recoverable from the respective subsidiaries set up for development of UMPPs. Provisioning / write off is considered to the extent not recoverable, when an UMPP is abandoned by the Ministry of Power, Government of India.

13 EMPLOYEE BENEFITS

13.1 Provident Fund, Gratuity, Pension Fund and Post Retirement Benefits

Company's contribution paid / payable during the financial year towards Provident Fund and pension fund are charged in the statement of Profit and Loss. The Company's obligation towards gratuity to employees and post retirement benefits such as medical benefits, economic rehabilitation benefit, and settlement allowance after retirement are actuarially determined and provided for as per Accounting Standard – 15 (Revised).

13.2 Other Employee Benefits

The Company's obligation towards sick leave, earned leave, service award scheme are actuarially determined and provided for, as per Accounting Standard – 15 (Revised)

14 INCOME TAX

14.1 Income Tax comprising of current tax is determined in accordance with the applicable tax laws and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) in accordance with Accounting Standard – 22 on Accounting for Taxes on Income.

Deferred tax charge or credit and corresponding deferred tax liabilities or assets are recognized using tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred Tax Assets are recognized and carried forward to the extent there is a reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

14.2 Since the Company has passed a Board resolution that it has no intention to make withdrawal from the Special Reserve created and maintained under section 36(1)(viii) of the Income Tax Act, 1961, the special reserve created and maintained is not capable of being reversed and thus it becomes a permanent difference. The Company does not create any deferred tax liability on the said reserve in accordance with the clarification of the Accounting Standard Board of the Institute of Chartered Accountants of India**.**

15 Cash Flow Statement

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard – 3 on Cash Flow Statement.

Part – B

FINANCIAL YEAR 2011-12

SIGNIFICANT ACCOUNTING POLICIES

1 BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The Financial Statements have been prepared in accordance with historical cost convention on accrual basis in accordance with Generally Accepted Accounting Principles (GAAP) and Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and relevant provisions of the Companies Act, 1956.

The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets, liabilities (including contingent liabilities), revenues and expenses of the reporting period. The difference between the actual results and the estimates are recognized in the period in which the results are known and/or materialized.

2 RECOGNITIONOF INCOME/EXPENDITURE

2.1 Income and expenses (except as stated below) are accounted for on accrual basis.

2.1.1 Income on non-performing assets and assets stated in the proviso to paragraph 6.2, infra is recognized in the year of its receipt. However, any unrealized income recognized before the asset in question became non-performing asset or the income recognized in respect of assets as stated in the proviso to paragraph 6.2,infra which remained due but unpaid for a period more than six months is reversed.

2.1.2 Income under the head carbon credit , is accounted for in the year in which it is received by the Company.

2.2 Rebate on account of timely payment by borrowers is accounted for, on receipt of entire amount due on time.

2.3 Discount /financial charges/interest on the commercial papers and zero coupon bonds (deep discount bonds) are amortized proportionately over the period of its tenure.

2.4 Expenditure on issue of shares is charged to the securities premium account.

2.5 Income from dividend is accounted for in the year of declaration of dividend.

2.6 Recoveries in borrower accounts are appropriated as per the loan agreements.

2.7 The Company raises demand for principal installments due, as per loan agreements. The repayment is adjusted against earliest disbursement, irrespective of the rate of interest being charged on various disbursements.

2.8 Prior period expenses/income and prepaid expenses up to₹ 5,000/- are charged to natural heads of account.

2.9 (i) Nodal Agency Fees under Restructured Accelerated Power Development and Reforms Programme (R – APDRP) are accounted for @1% of the sanctioned project cost in three stages- 0.40% on sanction of the project, 0.30% on disbursement of the funds and remaining 0.30% after completion of the

sanctioned project (for Part – A) and verification of AT&C loss of the project areas (for Part – B).

(ii) Actual expenditure incurred for operationalising the R– APDRP are reimbursed by Ministry of Power, Government of India and is accounted for in the period in which the expenditure is so incurred.

3. FIXED ASSETS/DEPRECIATION

3.1 Fixed assets are shown at historical cost less accumulated depreciation, except for the assets retired from active use and held for disposal, which are stated at lower of the book value or net realizable value.

3.2 Additions to fixed assets are being capitalized on the basis of bills approved or estimated value of work done as per contracts in cases where final bills are yet to be received/ approved.

3.3 Depreciation on assets is provided on written down value method, in accordance with the rates prescribed in Schedule XIV of the Companies Act, 1956.

3.4 Items of fixed assets acquired during the year costing up to₹ 5,000/- are fully depreciated.

4 INTANGIBLE ASSETS / AMORTIZATION

4.1 Intangible assets such as software are shown at the cost of acquisition, and amortization is done under straight-line method over the life of the assets estimated by the Company.

5 INVESTMENTS

5.1 Quoted current investments are valued scrip wise at lower of cost or fair value.

5.2 Unquoted current investments are valued at lower of cost or fair value.

5.3 Long term investments are valued at cost. Provision is made for diminution, other than temporary in the value of such investments. However, diminution in value is reversed, when there is rise in the value or if the reason for the reduction no longer exists.

5.4 Investments in mutual funds/venture capital funds are valued at cost, less diminution, if any, other than temporary. However, diminution in value is reversed, when there is rise in the value or if the reason for the reduction no longer exists.

6 PROVISIONS/WRITE OFF AGAINST LOANS AND ADVANCES

Prudential Norms

6.1 PFC being a Government owned Non Banking Financial Company (NBFC) is exempt from the RBI directions relating to Prudential Norms. The Company, however, has formulated its own set of Prudential Norms with effect from 01.04.2003, which has been revised from time to time.

In respect of private sector utilities, the Company applies RBI exposure norms, as advised by RBI, vide their letter of December, 2008. Further, RBI exempted PFC from its prudential exposure norms in respect of lending to State / Central entities in power sector till March'2012, vide their letter dated 18.03.2010.

RBI has accorded the status of Infrastructure Finance company (IFC) to PFC, vide their letter dated 28.07.2010. Accordingly, PFC maintains CRAR as applicable to IFC.

6.2 As per prudential norms approved by the Board of Directors and the Ministry of Power, an asset including a lease asset, in respect of which, interest, principal installment and/or other charges remain due but unpaid for a period of six months or more, a term loan inclusive of unpaid interest and other dues if any , when the principal installment and /or interest remains unpaid for a period of six months or more, any amount which remains due but unpaid for a period of six months or more under bill discounting scheme and any amount due on account of sale of assets or services rendered or reimbursement of expenses incurred which remains unpaid for a period of six months or more are classified as Non-Performing Assets (NPA).

However, the following assets would not be classified as non-performing assets and the income on these loans is recognized on realization basis.

(ii) Loans in respect of projects which are under implementation as per RBI Circular No. ref DBS.FID No. C-11/01.02.00/2001-02 dated February 1, 2002 read with D.O. letter DBS FID No 1285/01.02.00/2001-02 dated May 14, 2002 and RBI letter No.DBOD.BP.No.7675/21.04.048/2008-09 dated 11.11.2008 are classified in line with RBI guidelines for asset classification of Infrastructure projects, as applicable to banks from time to time.

(ii) A facility which is backed by the Central / State Government guarantee or by the State Government undertaking for deduction from central plan allocation or a loan to State department , for a period not exceeding 12 months from the date from which Company's dues have not been paid by the borrower.

(iii) A loan disbursed to an integrated power entity which is bifurcated on account of division of states, the company shall follow the government order issued for division of assets and liabilities, unless the same is stayed by any court and the case is pending in the court.

(iv) Non servicing of part of dues disputed by the borrower for a period not exceeding 12 months from the date from which the company's dues have not been paid by the borrower. The disputed income shall be recognized only when it is actually realized. Any such disputed income already recognized in the books of accounts shall be reversed. Disputed dues means amount on account of financial charges like commitment charges , penal interest etc. and the disputed differential income on account of interest reset not serviced by the borrower due to certain issues remains unresolved. A dispute shall be acknowledged on case to case basis with the approval of the Board of Directors.

6.3 NPA classification and provisioning norms for loans, other credits and lease assets are given as under

(i) NPA for a period not exceeding 18 months : Sub-standard asset

(ii) NPA exceeding 18 months : Doubtful asset

(v) When an asset is identified as loss asset or assets remain doubtful asset exceeding 36 months, which ever is earlier : Loss asset

6.4 Provision against NPAs is made at the rates indicated below: -

(i) Sub-standard assets : 10%

(ii) Doubtful assets:

(a) Secured portion/facility including that guaranteed by the state / central government or by the state government undertaking for deduction from central plan allocation or loan to state department.

Up to 1 year	:	20%
1 – 3 years	:	30%
More than 3 years	:	100%

(b) Unsecured : 100%

(iii) Loss assets : 100%

The entire loss assets shall be written off. In case, a loss asset is permitted to remain in the books for any reason, 100% of outstanding shall be provided for.

For the purpose of assets classification and provisioning –

(iv) facilities granted to Government sector entities are considered loan-wise.

(v) facilities granted to Private sector entities are considered borrower - wise.

(vi) Facilities falling under paragraph 6.2 (i), supra, shall be classified in line with RBI guidelines for asset classification of infrastructure projects, as applicable to banks from time to time, but provisioning for such facilities shall be as per PFC Prudential Norms applicable from time to time.

6.5 Restructuring, Reschedulement or Renegotiation of term(s) of loan:

(iii) PFC may, not more than once (in each of the following three stages), restructure or reschedule or renegotiate the terms of infrastructure loan agreement as per the policy framework laid down by the Board of Directors of the company under the following stages:

a) Before commencement of commercial production
b) After commencement of commercial production but before the asset has been classified as sub-standard;

c) After the commencement of commercial production and the asset has been classified as sub-standard.

Provided that in each of the above three stages, the restructuring and/or rescheduling and/or renegotiation of principal and/or of interest may take place, with or without sacrifice, as part of the restructuring or rescheduling or renegotiating package evolved.

Provided further that in exceptional circumstance(s), for reasons to be recorded in writing, PFC may consider restructuring/reschedulement/renegotiation of terms of loan agreement second time before COD of the project with the approval of Board of Directors.

Provided further that extension of repayment schedule before COD* of the project in respect of Government Sector Entities, without any sacrifice** of either principal or interest, will not be considered as restructuring/rescheduling/renegotiation for the purpose of applicability of this section.

* Completion Date for projects where COD is not applicable.

** The term "sacrifice" shall mean waiver/reduction of principal and/or the interest dues and/or future applicable interest rate as a part of Restructuring / Reschedulement/ Renegotiation package for the purpose of giving effect to the extant provision in respect of Government sector entities.

(ii) Provision for shortfall in security of Restructured/Rescheduled/Renegotiated Loans:

Where the asset is partly secured, a provision to the extent of shortfall in the security available, shall be made while restructuring and/or rescheduling and/or renegotiation of the loans, apart from the provision required on present value basis and as per prudential norms.

(iii) Treatment of Restructured/Rescheduled/Renegotiated Standard Loan:

The rescheduling or restructuring or renegotiation of the instalments of principal alone, at any of the aforesaid first two stages shall not cause a standard asset to be re-classified in the sub-standard category, if the project is re-examined and found to be viable by the Board of Directors of PFC or by a functionary at least one step senior to the functionary who sanctioned the initial loan for the project, within the policy framework laid down by the Board.

Provided that rescheduling or renegotiation or restructuring of interest element at any of the foregoing first two stages shall not cause a standard asset to be downgraded to sub-standard category subject to the condition that the amount of interest foregone, if any, on account of adjustment in the element of interest as specified later, is either written off or 100 per cent provision is made there against.

(iv) Treatment of Restructured/Rescheduled/Renegotiated sub-standard Asset:

A sub-standard asset shall continue to remain in the same category in case of restructuring or rescheduling or renegotiation of the instalments of principal until the expiry of one year and the amount of interest foregone, if any, on account of adjustment, including adjustment by way of write off of the past interest dues, in the element of interest as specified later, shall be written off or 100 per cent provision made there against.

(v) Adjustment of Interest:

Where rescheduling or renegotiation or restructuring involves a reduction in the rate of interest, the interest adjustment shall be computed by taking the difference between the rate of interest as currently applicable to the loan (as adjusted for the risk rating applicable to the borrower) and the reduced rate and aggregating the present value (discounted at the rate currently applicable to infrastructure loan, adjusted for risk enhancement) of the future interest payable so stipulated in the restructuring or rescheduling or renegotiation proposal.

(vi) Funded Interest:

In the case of funding of interest in respect of NPAs, where the interest funded is recognized as income, the interest funded shall be fully provided for.

(vii) Eligibility for Up gradation of Restructured/Rescheduled/Renegotiated Sub-standard Infrastructure loan:

The sub-standard asset subjected to rescheduling and/or renegotiation and/or restructuring, whether in respect of instalments of principal amount, or interest amount, by whatever modality, shall not be upgraded to the standard category until expiry of one year of satisfactory performance under the restructuring and/or rescheduling and/or renegotiation terms.

(viii) Reversal of Provision:

Reversal of provision made for a restructured/rescheduled/renegotiated NPA towards principal is permitted when the account becomes a standard asset. The provision made in a restructured/rescheduled/renegotiated account towards interest sacrifice may be reversed every year (NPV of interest sacrifice for the respective year) on receipt of all repayment obligations for the respective year.

(ix) Conversion of Debt into Equity:

Where the amount due as interest is converted into equity or any other instrument, and income is recognized in consequence, full provision shall be made for the amount of income so recognized to offset the effect of such income recognition:

Provided that no provision is required to be made, if the conversion of interest is into equity which is quoted;

Provided further that in such cases, interest income may be recognized at market value of equity, as on the date of conversion, not exceeding the amount of interest converted to equity.

(x) Conversion of Debt into Debentures:

Where principal amount and/or interest amount in respect of NPAs is converted into debentures, such debentures shall be treated as NPA, abinitio, in the same asset classification as was applicable to the loan just before conversion and provision shall be made as per norms.

(xi) These norms shall be applicable to the loans which have been restructured and / or rescheduled and / or renegotiated and which are fully or partly secured standard / sub-standard asset.

For the above paragraphs, Restructuring / Re-schedulement / Renegotiation shall cover terms of agreement relating to principal and interest.

However, this section shall not be applicable to the following set of assets:

c) A facility which is backed by Central/State Government Guarantee or by state government undertaking for deduction from central plan allocation or a loan to state department.

d) Loans falling under paragraph 6.2(i).

7 FOREIGN EXCHANGE TRANSACTIONS:

7.1 The following transactions are accounted for at the exchange rates prevailing on the date of the transaction as per Accounting Standard – 11.

(i) Expenses and income in foreign currency; and

(ii) Amounts borrowed and lent in foreign currency.

7.2 The following balances are translated in Indian Currency at the exchange rates prevailing on the date of closing of accounts as per Accounting Standard – 11.

(i) Foreign currency loan liabilities.

(ii) Funds kept in foreign currency account with banks abroad.

(iii) Contingent liabilities in respect of guarantees given in foreign currency.

(iv) Income earned abroad but not remitted / received in India.

(v) Loans granted in foreign currency.

(vi) Expenses and income accrued but not due on foreign currency loans/borrowing.

7.3 Where the Company has entered into a forward contract or an instrument that is, in substance a forward contract, the difference between the forward rate and the exchange rate on the date of transaction is recognized as income or expense over the life of the contract, as per Accounting Standard – 11.

7.4 In case of loan from KFW, Germany, exchange loss, if any, at the year-end is debited to Interest Differential Fund Account – KFW as per loan agreement.

7.5 In accordance with the paragraph 46A of the Accounting Standards (AS) 11, the exchange differences on the long term foreign currency monetary items are amortized over their balance period."

8. Derivative transactions

8.1 Derivative transactions include forwards, interest rate swaps, currency swaps, and currency and cross currency options to hedge on balance sheet assets or liabilities.

8.2 These derivative transactions are done for hedging purpose, and not for trading or speculative purpose. These are accounted for on accrual basis, and are not marked to market.

9 GRANTS FROM GOVERNMENT OF INDIA:

9.1 Where grants are first disbursed to the grantee, the same are shown as amount recoverable from the Govt. of India and are squared up on receipt of amount.

9.2 Where grants are received in advance from Govt. of India, the same are shown as current liabilities till the payments are released to the grantee.

10 INTEREST SUBSIDY FUND

10.1 Interest subsidy for eligible borrowers received from the Ministry of Power, Govt. of India under Accelerated Generation & Supply Programme (AG&SP) on net present value (NPV) basis is credited to Interest Subsidy Fund on receipt and is passed on to the borrowers over the eligible period of loan on respective dates of interest demands. Any excess/shortfall in the Interest Subsidy Fund is refunded or adjusted/charged off on completion of respective scheme.

10.2 Interest Subsidy Fund is credited at the year-end with interest on the outstanding balance in the subsidy fund by debiting Profit &Loss account, at rates specified in the Scheme.

11 R-APDRP FUND

11.1 Amounts received from the Government of India under Re-structured Accelerated Power Development & Reforms Programme (R – APDRP) as a Nodal agency for on lending to eligible borrowers are back to back arrangements with no profit or loss arising to the Company.

12 INCOME/RECEIPT/EXPENDITURE ON SUBSIDIARIES

12.1 Expenditure incurred on the subsidiaries is debited to the account "Amount recoverable from concerned subsidiary".

12.2 Expenses in respect of man days(employees) are allocated to subsidiaries and administrative overheads are apportioned to subsidiaries on estimated basis. Direct expenses are booked to respective subsidiaries.

12.3 Interest on amount recoverable from Subsidiaries is accounted for at the rate of interest applicable for project loan / scheme (generation) to state sector borrower (category A) as per the policy of the Company.

12.4 Amounts received by subsidiaries as commitment advance from power procurers are parked with the Company as inter-corporate loans and interest is provided on unused portion of these loans at the mutually agreed interest rates.

12.5 Request for Qualification (RFQ) document / Request for Proposal (RFP)document developed for subsidiaries (incorporated for UMPP) are provided to subsidiary companies at a price equivalent to sale proceeds of RFQ/RFP document received by the subsidiary companies from the prospective bidders. The same is accounted for as income of the company on receipt from subsidiary company.

12.6 The Company incurs expenditure for development work in the UMPPs. The expenditure incurred is shown as amount recoverable from the respective subsidiaries set up for development of UMPPs. Provisioning / write off is considered to the extent not recoverable, when an UMPP is abandoned by the Ministry of Power, Government of India.

13 EMPLOYEE BENEFITS

13.1 Provident Fund, Gratuity and post retirement benefits

Company's contribution paid/payable during the financial year towards Provident Fund is charged in the Profit and Loss Account. The Company's obligation towards gratuity to employees and post retirement benefits such as medical benefits, economic rehabilitation benefit, and settlement allowance after retirement are actuarially determined and provided for as per Accounting Standard – 15 (Revised).

13.2 Other Employee Benefits

The Company's obligation towards sick leave, earned leave, service award scheme are actuarially determined and provided for, as per Accounting Standard – 15 (Revised)

14 INCOME TAX

14.1. Income Tax comprising of current tax is determined in accordance with the applicable tax laws and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) in accordance with Accounting Standard – 22 on Accounting for Taxes on Income.

Deferred tax charge or credit and corresponding deferred tax liabilities or assets are recognized using tax rates that have been enacted or substantially established by the balance sheet date. Deferred Tax Assets are recognized and carried forward to the extent there is a reasonable

certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

14.2. Since the Company has passed a Board resolution that it has no intention to make withdrawal from the Special Reserve created and maintained under section 36(1)(viii) of the Income Tax Act, 1961, the special reserve created and maintained is not capable of being reversed and thus it becomes a permanent difference. The Company does not create any deferred tax liability on the said reserve in accordance with the clarification of the Accounting Standard Board of the Institute of Chartered Accountants of India**.**

15 Cash Flow Statement

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard – 3 on Cash Flow Statement.

Part – B

FINANCIAL YEAR 2010-11

SIGNIFICANT ACCOUNTING POLICIES

1 BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The Financial Statements have been prepared in accordance with historical cost convention on accrual basis in accordance with Generally Accepted Accounting Principles (GAAP) and Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and relevant provisions of the Companies Act, 1956.

The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets, liabilities (including contingent liabilities), revenues and expenses of the reporting period. The difference between the actual results and the estimates are recognized in the period in which the results are known and / or materialized.

2 RECOGNITION OF INCOME / EXPENDITURE

2.1 Income and expenses (except as stated below) are accounted for on accrual basis.

2.1.1 Income on non-performing assets and assets stated in the proviso to paragraph 6.2, infra is recognized in the year of its receipt. However, any unrealized income recognized before the asset in question became non-performing asset or the income recognized in respect of assets as stated in the proviso to paragraph 6.2, infra which remained due but unpaid for a period more than six months is reversed.

2.1.2 Fee for advisory and professional services for developing Ultra Mega Power Projects is accounted for on transfer of the project to the successful bidder.

2.1.3 Premium on interest restructuring is accounted for in the year in which the restructuring is approved.

2.1.4 Premium on premature repayment of loan is accounted for in the year in which it is received by the Company.

2.1.5 Rebate on account of timely payment by borrowers is accounted for, on receipt of entire amount due on time.

2.1.6 Income under the head carbon credit, upfront fees, lead manager fees, facility agent fees, security agent fee and service charges etc. on loans is accounted for in the year in which it is received by the Company.

2.1.7 The discount / financial charges / interest on the commercial papers and zero coupon bonds (deep discount bonds) are amortized proportionately over the period of its tenure.

2.1.8 Expenditure on issue of shares is charged off to the share premium received on the issue of shares.

2.2 Lease rental is accounted for on accrual basis. Income from Lease Rentals in respect of leases prior to 01.04.2001 is recognized on the basis of implicit interest rate, in the lease, in accordance with Guidance Note on Accounting for Leases issued by the Institute of Chartered Accountants of India. Leases effected from 01.04.2001 are accounted for in accordance with Accounting Standard – 19 on Leases.

2.3. Income from dividend is accounted for in the year of declaration of dividend.

2.4. Recoveries in borrower accounts are appropriated as per the loan agreements.

2.5. The Company is raising demand of installments due as per loan agreements. The repayment is adjusted against earliest disbursement irrespective of the rate of interest being charged on various disbursements.

2.6. Prior period expenses / income and prepaid expenses upto Rs.5,000/- are charged to natural heads of account.

2.7. (i) Nodal Agency Fees under Restructured Accelerated Power Development and Reforms Programme (R – APDRP) is accounted for @1% of the sanctioned project cost in three steps- 0.40% on sanction of the project, 0.30% on disbursement of the funds and remaining 0.30% after completion of the sanctioned project (for Part – A) and verification of AT&C loss of the project areas (for Part – B).

(ii) The actual expenditure incurred for operationalising the R– APDRP are reimbursable from Ministry of Power, Government of India and accounted for in the period so incurred.

3. FIXED ASSETS/DEPRECIATION

3.1 Fixed assets are shown at historical cost less accumulated depreciation, except the assets retired from active use and held for disposal, which are stated at lower of the book value or net realizable value.

3.2 Additions to fixed assets are being capitalized on the basis of bills approved or estimated value of work done as per contracts in cases where final bills are yet to be received / approved.

3.3 Depreciation on assets other than leased assets is provided on written down value method, in accordance with the rates prescribed in Schedule XIV of the Companies Act, 1956.

3.4 Depreciation on assets leased prior to 01.04.2001 is provided for on straight line method at the rates prescribed under the Schedule XIV to the Companies Act, 1956 or over the primary balance period of lease of assets, whichever is higher. The value of the net block so arrived at is further adjusted by balance in the lease equalization account. The assets leased after 01.04.2001 are not required to be depreciated as per Accounting Standard – 19.

3.5 Items of fixed assets acquired during the year costing up to Rs.5,000/- are fully depreciated.

4. INTANGIBLE ASSETS / AMORTIZATION

Intangible assets such as software are shown at cost of acquisition and amortization is done under straight-line method over life of the assets estimated by the Company.

5 INVESTMENTS

5.1 Quoted current investments are valued scrip wise at lower of cost or fair value.

5.2 Unquoted current investments are valued at lower of cost or fair value.

5.3 Long term investments are valued at cost. Provision is made for diminution, other than temporary in the value of such investments. However, diminution in value is reversed when there is rise in the value or if the reason for the reduction no longer exists.

5.4 Investments in mutual fund / venture capital fund are valued at cost, less diminution, if any, other than temporary. However, diminution in value is reversed when there is rise in the value or if the reason for the reduction no longer exists.

6 PROVISIONS/WRITE OFF AGAINST LOANS AND ADVANCES

Prudential Norms

6.1 PFC being a Government owned Non Banking Financial Company (NBFC) is exempt from the RBI directions relating to Prudential Norms. The Company, however, has formulated its own set of Prudential Norms with effect from 01.04.2003, which has been revised from time to time.

In respect of private sector utilities, the Company applies RBI exposure norms, as advised by RBI, vide letter of December, 2008. Further, RBI exempted PFC from its prudential exposure norms in respect of lending to State / Central entities in power sector till March'2012, vide its letter dated 18.03.2010.

RBI has accorded the status of Infrastructure Finance company (IFC) to PFC, vide its letter dated 28.07.2010. Accordingly, PFC maintains CRAR as applicable to IFC.

6.2 As per prudential norms approved by the Board of Directors and the Ministry of Power, an asset including a lease asset, in respect of which installments of loan, interest and / or other charges remain due but unpaid for a period of six months or more, a term loan inclusive of unpaid interest and other dues if any , when the installment and /or interest remains unpaid for a period of six months or more, any amount which remains due but unpaid for a period of six months or more under bill discounting scheme and any amount due on account of sale of assets or services rendered or reimbursement of expenses incurred which remains unpaid for a period of six months or more are classified as Non-Performing Assets (NPA).

However, the following assets would not be classified as non-performing assets and the income on these loans is recognized on receipt basis.

(iii) Loans in respect of projects which are under implementation as per RBI Circular No. ref DBS.FID No. C-11/01.02.00/2001-02 dated February 1, 2002 read with D.O. letter DBS FID No 1285/01.02.00/2001-02 dated May 14, 2002 and RBI letter No.DBOD.BP.No.7675/21.04.048/2008-09 dated. 11.11.2008 are classified in line with RBI guidelines for asset classification of Infrastructure projects, as applicable to banks from time to time.

(ii) A facility which is backed by the Central / State Government guarantee or by the State Government undertaking for deduction from central plan allocation or a loan to State department , for a period not exceeding 12 months from the date from which Company's dues have not been paid by the borrower.

(iii) A loan disbursed to an integrated power entity which is bifurcated on account of division of states, the company shall follow the government order issued for division of assets and liabilities, unless the same is stayed by any court and the case is pending in the court.

(iv) Non servicing of part of dues disputed by the borrower for a period not exceeding 12 months from the date from which the company's dues have not been paid by the borrower. The disputed income shall be recognized only when it is actually realized. Any such disputed income already recognized in the books of accounts shall be reversed. Disputed dues means amount on account of financial charges like commitment charges , penal interest etc. and the disputed differential income on account of interest reset not serviced by the borrower due to certain issues remains unresolved. A dispute shall be acknowledged on case to case basis with the approval of the Board of Directors.

6.3 NPA classification and provisioning norms for loans, other credits and lease assets are given as under

(i) NPA for a period not exceeding 18 months	:	Sub-standard asset
(ii) NPA exceeding 18 months	:	Doubtful asset
(vi) When an asset is identified as loss asset or assets remain doubtful asset exceeding 36 months, which ever is earlier	:	Loss asset

6.4 Provision against NPAs is made at the rates indicated below: -

(i) Sub-standard assets : 10%

(ii) Doubtful assets:

(a) Secured portion / facility including that guaranteed by the state / central government or by the state government undertaking for deduction from plan allocation or loan to state department.

Up to 1 year	:	20%
1 – 3 years	:	30%
More than 3 years	:	100%

(b) Unsecured : 100%

(iii) Loss assets : 100%

The entire loss assets shall be written off. In case, a loss asset is permitted to remain in the books for any reason, 100% of outstanding shall be provided for.

For the purpose of assets classification and provisioning –

(vii) facilities granted to Government sector entities are considered loan-wise.

(viii) facilities granted to Private sector entities are considered borrower -wise.

7 FOREIGN EXCHANGE TRANSACTIONS:

7.1 The following transactions are accounted for at the exchange rates prevailing on the date of the transaction as per Accounting Standard – 11.

(i) Expenses and income in foreign currency; and

(ii) Amounts borrowed and lent in foreign currency.

7.2 The following balances are translated in Indian Currency at the exchange rates prevailing on the date of closing of accounts as per Accounting Standard – 11.

(i) Foreign currency loan liabilities.

(ii) Funds kept in foreign currency account with banks abroad.

(iii) Contingent liabilities in respect of guarantees given in foreign currency.

(iv) Income earned abroad but not remitted / received in India.

(v) Loans granted in foreign currency.

(vi) Expenses and income accrued but not due on foreign currency loans / borrowing.

7.3 Where ever the Company has entered into a forward contract or an instrument that is, in substance a forward exchange contract, the difference between the forward rate and exchange rate on the date of transaction is recognized as income or expenses over the life of the contract as per Accounting Standard – 11.

7.4 In case of loan from KFW, Germany, exchange loss, if any, at the year-end is debited to Interest Differential Fund Account – KFW as per loan agreement.

8 GRANTS FROM GOVERNMENT OF INDIA:

8.1 Where grants are first disbursed to the grantee, the same are shown as amount recoverable from the Govt. of India and are squared up on receipt of amount.

8.2 Where grants are received in advance from Govt. of India, the same are shown as current liabilities till the payments are released to the grantee.

9 INTEREST SUBSIDY FUND

9.1 Interest subsidy for eligible borrowers received from the Ministry of Power, Govt. of India under Accelerated Generation & Supply Programme (AG & SP) on net present value (NPV) basis is credited to Interest Subsidy Fund on receipt and is passed on to the borrowers over the eligible period of loan on respective dates of interest demands. Any excess / shortfall in the Interest Subsidy Fund is refunded or adjusted / charged off at the completion of respective scheme.

9.2 Interest Subsidy Fund is credited at the year-end with interest on the outstanding balance in the subsidy fund by debiting Profit & Loss account, at rates specified in the Scheme.

10 R-APDRP FUND

10.1 Loans received from the Government of India under Re-structured Accelerated Power Development & Reforms Programme (R – APDRP) as a Nodal agency for on lending to eligible borrowers are back to back arrangements with no profit or loss arising to the Company.

11 INCOME/RECEIPT/EXPENDITURE ON SUBSIDIARIES

11.1 Expenditure incurred on the subsidiaries is debited to the account "Amount recoverable from concerned subsidiary".

11.2 Expenses in respect of man days (employees) are allocated to subsidiaries and administrative overheads are apportioned to subsidiaries on estimated basis. Direct expenses are booked to respective subsidiaries.

11.3 Interest on amount recoverable from Subsidiaries is accounted for at the rate of interest applicable for project loan / scheme (generation) to state sector borrower (category A) as per the policy of the Company.

11.4 Amounts received by subsidiaries as commitment advance from power procurers are parked with the Company as inter-corporate loan and interest is provided on unused portion of these loans at the mutually agreed interest rates.

11.5 Request for Qualification (RFQ) document / Request for Proposal (RFP) document developed for subsidiaries (incorporated for UMPP) are provided to subsidiary companies at a price equivalent to sale proceeds of RFQ / RFP document received by the subsidiary companies from the prospective bidders. The same is accounted for as income of the company on receipt from subsidiary company.

11.6 The company incurs expenditure for development work in the UMPPs. The expenditure incurred is shown as amount recoverable from the respective subsidiaries set up for development of UMPPs. Provisioning / write off is considered to the extent not recoverable when an UMPP is abandoned by the Ministry of Power, Government of India.

12 EMPLOYEE BENEFITS

12.1 Provident Fund, Gratuity and post retirement benefits

Company's contribution paid / payable during the financial year towards Provident Fund is charged in the Profit and Loss Account. The Company's obligation towards gratuity to employees and post retirement benefits such as medical benefits, economic rehabilitation benefit, and settlement allowance after retirement are actuarially determined and provided for as per Accounting Standard – 15 (Revised).

12.2 Other Employee Benefits

The Company's obligation towards sick leave, earned leave, service award scheme are actuarially determined and provided for as per Accounting Standard – 15 (Revised)

13 INCOME TAX

13.1. Income Tax comprising of current tax is determined in accordance with the applicable tax laws and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) in accordance with Accounting Standard – 22 on Accounting for Taxes on Income of the Institute of Chartered Accounts of India.

Deferred tax charge or credit and corresponding deferred tax liabilities or assets are recognized using tax rates that have been enacted or substantially established by the balance sheet date. Deferred Tax Assets are recognized and carried forward to the extent there is a reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

13.2. Since the Company has passed a Board resolution that it has no intention to make withdrawal from the Special Reserve created and maintained under section 36(1)(viii) of the Income Tax Act, 1961, the special reserve created and maintained is not capable of being reversed and thus it becomes a permanent difference. The Company does not create any deferred tax liability on the said reserve in accordance with the clarification of the Accounting Standard Board of the Institute of Chartered Accountants of India.

14 Cash Flow Statement

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard – 3 on Cash Flow Statement.

Part – B
FINANCIAL YEAR 2009-10

SIGNIFICANT ACCOUNTING POLICIES

1 BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The Financial Statements have been prepared in accordance with historical cost convention on accrual basis in accordance with Generally Accepted Accounting Principles (GAAP) and Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and relevant provisions of the Companies Act, 1956.

The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets, liabilities (including contingent liabilities), revenues and expenses of the reporting period. The difference between the actual results and the estimates are recognized in the period in which the results are known and / or materialized.

2 RECOGNITION OF INCOME / EXPENDITURE

2.1 Income and Expenses (except as stated below) are accounted for on accrual basis.

2.1.1 Income on Non Performing Assets and Assets stated in the proviso to paragraph 6.2, infra is recognized in the year of its receipt. However, any unrealized income recognized before the asset in question became non-performing asset or the income recognized in respect of assets as stated in the proviso to paragraph 6.2, infra which remained due but unpaid for a period more than six months is reversed.

2.1.2 Fee for advisory and professional services for developing Ultra Mega Power Projects is accounted for on transfer of the project to the successful bidder.

2.1.3 Premium on interest restructuring is accounted for in the year in which the restructuring is approved.

2.1.4 Premium on premature repayment of loan is accounted for in the year in which it is received by the Company.

2.1.5 Rebate on account of timely payment by borrowers is accounted for, on receipt of entire amount due on time.

2.1.6 Income under the head carbon credit, upfront fees, lead manager fees, facility agent fees, security agent fee and service charges etc. on loans is accounted for in the year in which it is received by the Company.

2.1.7 The discount/financial charges/interest on the Commercial Papers and Zero Coupon Bonds (Deep Discount Bonds) are amortized proportionately over the period of its tenure.

2.1.8 Expenditure on issue of shares is charged off to the Share Premium received on the issue of shares.

2.2 Lease rental is accounted for on accrual basis. Income from Lease Rentals in respect of leases prior to 1.4.2001 is recognized on the basis of implicit

interest rate, in the lease, in accordance with 'Guidance Note on Accounting for Leases' issued by the Institute of Chartered Accountants of India. Leases effected from 01.04.2001 are accounted for in accordance with Accounting Standard-19 on "Leases".

2.3 Income from Dividend is accounted for in the year of declaration of dividend.

2.4 Recoveries in borrower accounts are appropriated as per the loan agreements.

2.5 The Company is raising demand of installments due as per loan agreements. The repayment is adjusted against earliest disbursement irrespective of the rate of interest being charged on various disbursements.

2.6 Prior period expenses / income and prepaid expenses upto Rs.5000/- are charged to natural heads of account.

3 FIXED ASSETS/DEPRECIATION

3.1 Fixed assets are shown at historical cost less accumulated depreciation, except the assets retired from active use and held for disposal, which are stated at lower of the book value or net realizable value.

3.2 The additions to Fixed Assets are being capitalized on the basis of bills approved or estimated value of work done as per contracts in cases where final bills are yet to be received / approved.

3.3 Depreciation on assets other than leased assets is provided on Written Down Value method, in accordance with the rates prescribed in Schedule XIV of the Companies Act, 1956.

3.4 Depreciation on assets leased prior to 01.04.2001 is provided on Straight Line Method at the rates prescribed under Schedule XIV to the Companies Act, 1956 or over the primary balance period of lease of assets, whichever is higher. The value of the net block so arrived at is further adjusted by balance in the lease equalization account. The assets leased after 01.04.2001 are not required to be depreciated as per Accounting Standard-19.

3.5 Items of fixed assets acquired during the year costing up to Rs.5000/- are fully depreciated.

4 INTANGIBLE ASSETS / AMORTIZATION

Intangible assets such as software are shown at cost of acquisition and amortization is done under straight-line method over life of the assets estimated by the Company.

5 INVESTMENTS

5.1 Quoted current investments are valued scrip wise at lower of Cost or Fair value.

5.2 Unquoted current investments are valued at lower of cost or Fair value.

5.3 Long term investments are valued at cost. Provision is made for diminution, other than temporary in the value of such investments. However, diminution in value is reversed when there is rise in the value or if the reason for the reduction is no longer exists.

5.4 Investments in Mutual Fund / Venture Capital Fund are valued at cost, less diminution, if any, other than temporary. However, diminution in value is reversed when there is rise in the value or if the reason for the reduction is no longer exists.

6 PROVISIONS/WRITE OFF AGAINST LOANS AND ADVANCES

Prudential Norms

6.1 In terms of Reserve Bank of India's Notification No. DNBS.135/CGM (VSNM) – 2000 dated 13th January 2000, the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions are not applicable to the Company, being a Govt. Company registered with RBI as NBFC. The Company has however, formulated its own set of Prudential Norms with effect from 1.4.2003 which are revised from time to time.

6.2 As per Prudential Norms approved by the Board of Directors and Ministry of Power, an asset including a lease asset, in respect of which installments of loan, interest and / or other charges remain due but unpaid for a period of six months or more, a term loan inclusive of unpaid interest and other dues if any , when the installment and /or interest remains unpaid for a period of six months or more, any amount which remains due but unpaid for a period of six months or more under bill discounting scheme and any amount due on account of sale of assets or services rendered or reimbursement of expenses incurred which remains unpaid for a period of six months or more are classified as Non-Performing Assets (NPA).

However, the following assets would not be classified as Non-Performing Assets and the income on these loans is recognized on receipt basis.

(iv) Loans in respect of projects which are under implementation as per RBI Circular No. ref DBS.FID No. C-11/01.02.00/2001-02 dated February 1, 2002 read with D.O. letter DBS FID No 1285/01.02.00/2001-02 dated May 14, 2002 and RBI letter No.DBOD.BP.No.7675/21.04.048/2008-09 dated. 11.11.2008 are classified in line with RBI guidelines for asset classification of Infrastructure projects, as applicable to banks from time to time.

(ii) A facility which is backed by Central / State Government guarantee or by State Government undertaking for deduction from central plan allocation or a loan to State department , for a period not exceeding 12 months from the date from which Company's dues have not been paid by the borrower.

(iii) A loan disbursed to an integrated power entity which is bifurcated on account of division of states, the company shall follow the government order issued for division of assets and liabilities, unless the same is stayed by any court and the case is pending in the court.

(iv) Non servicing of part of dues disputed by the borrower for a period not exceeding 12 months from the date from which the company's dues

have not been paid by the borrower. The disputed income shall be recognized only when it is actually realized. Any such disputed income already recognized in the books of accounts shall be reversed. Disputed dues means amount on account of financial charges like commitment charges , penal interest etc. and the disputed differential income on account of interest reset not serviced by the borrower due to certain issues remains unresolved. A dispute shall be acknowledged on case to case basis with the approval of Board of Directors.

6.3 NPA classification and provisioning norms for loans, other credits and lease assets are given as under

(i) NPA for a period not exceeding 18 months	:	Sub-standard asset
(ii) NPA exceeding 18 months	:	Doubtful asset
(vii) When an asset is identified as loss Asset or assets remain doubtful asset exceeding 36 months, which ever is earlier	:	Loss Asset

6.4 The provision against NPAs is made at the rates indicated below: -

(i) Sub-Standard Assets : 10%

(ii) Doubtful assets:

(a) Secured portion/facility including that guaranteed by state / central government or by state government undertaking for deduction from plan allocation or loan to state department.

Up to 1 year	:	20%
1 – 3 years	:	30%
More than 3 years	:	100%

(b) Unsecured : 100%

(iii) Loss assets : 100%

The entire loss assets shall be written off. In case, a loss asset is permitted to remain in the books for any reason, 100% of outstanding shall be provided for.

6.5 For the purpose of Assets Classification and Provisioning

(i) Facilities granted to Government Sector entities are considered loan-wise.

(ii) Facilities granted to Private sector entities are considered borrower - wise.

7 FOREIGN EXCHANGE TRANSACTIONS:

7.1 The following transactions are accounted for at the exchange rates prevailing on the date of the transaction as per Accounting Standard-11.

(i) Expenses and income in foreign currency; and

(ii) The amounts borrowed and lent in foreign currency.

7.2 The following balances are translated in Indian Currency at the exchange rates prevailing on the date of closing of accounts as per Accounting Standard-11.

(i) Foreign Currency Loan liabilities to the extent not hedged.

(ii) Funds kept in foreign currency account with Banks abroad.

(iii) Contingent liabilities in respect of guarantees given in foreign currency.

(iv) Income earned abroad but not remitted / received in India.

(v) Loans granted in foreign currency.

(vi) Expenses and income accrued but not due on foreign currency loans/ borrowings.

7.3 Where ever the Company has entered into a forward contract or an instrument that is, in substance a forward exchange contract, the difference between the forward rate and exchange rate on the date of transaction is recognized as income or expenses over the life of the contract as per Accounting Standard-11.

7.4 In case of loan from KFW, Germany, exchange loss, if any, at the year-end is debited to Interest Differential Fund Account-KFW as per loan agreement.

8 GRANTS FROM GOVERNMENT OF INDIA:

8.1 Where grants are first disbursed to the grantee, the same are shown as amount recoverable from the Govt. of India and are squared up on receipt of amount.

8.2 Where grants are received in advance from Govt. of India, the same are shown as Current liabilities till the payments are released to the grantee.

9 INTEREST SUBSIDY FUNDS

9.1 Interest Subsidy for eligible borrowers received from Ministry of Power, Govt. of India under Accelerated Generation & Supply Programme (AG&SP) on Net Present Value (NPV) basis is credited to Interest Subsidy Fund on receipt and is passed on to the borrowers over the eligible period of loan on respective dates of interest demands. Any excess / shortfall in the Interest Subsidy Fund is refunded or adjusted / charged off at the completion of respective scheme.

9.2 The Interest Subsidy Fund is credited at the year-end with interest on the outstanding balance in the subsidy fund by debiting Profit & Loss account, at rates specified in the Scheme.

10 R-APDRP FUND

10.1 Loans received from Government of India under Re-structured Accelerated Power Development & Reforms Programme (R-APDRP) as a Nodal agency for

on lending to eligible borrowers are back to back arrangements with no profit or loss arising to the Company.

11 INCOME/RECEIPT/EXPENDITURE ON SUBSIDIARIES

11.1 Expenditure incurred on the subsidiaries is debited to the account "Amount recoverable from concerned Subsidiary".

11.2 Expenses in respect of man days (employees) are allocated to Subsidiaries and administrative overheads are apportioned to Subsidiaries on estimated basis. Direct expenses are booked to respective Subsidiaries.

11.3 Interest on amount recoverable from Subsidiaries is accounted for at the rate of interest applicable for term loans to large generation projects, reforming states as per the policy of the Company.

11.4 The amounts received by Subsidiaries as Commitment Advance from Power Procurers are parked with the Company as Inter Corporate Loan and Interest is provided on unused portion of these loans at the mutually agreed interest rates.

11.5 Request for Qualification (RFQ) document / Request for Proposal (RFP) document developed for subsidiaries (incorporated for UMPP) are provided to subsidiary companies at a price equivalent to sale proceeds of RFQ / RFP document received by the subsidiary companies from the prospective bidders. The same is accounted for as income of the company on receipt from subsidiary company.

12 EMPLOYEE BENEFITS

12.1 Provident Fund, Gratuity and post retirement benefits

The Company's Contribution paid / payable during the financial year towards Provident Fund is charged in the Profit and Loss Account. The Company's obligation towards gratuity to employees and post retirement benefits such as medical benefits, economic rehabilitation benefit, and settlement allowance after retirement are actuarially determined and provided for as per Accounting Standard-15 (Revised).

12.2 Other Employee Benefits

The Company's obligation towards sick leave, earned leave, service award scheme are actuarially determined and provided for as per Accounting Standrad-15 (Revised)

13 INCOME TAX

13.1. Income Tax comprising of Current Tax is determined in accordance with the applicable tax laws and Deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) in accordance with Accounting Standard-22 on 'Accounting for Taxes on Income' of the Institute of Chartered Accountants of India.

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been

enacted or substantially established by the Balance Sheet date. Deferred Tax Assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

13.2. Since the Company has passed a Board resolution that it has no intention to make withdrawal from the Special Reserve created and maintained under section 36(1)(viii) of the Income Tax Act, 1961, the special reserve created and maintained is not capable of being reversed and thus it becomes a permanent difference. The Company does not create any deferred tax liability on the said reserve in accordance with the clarification of Accounting Standard Board of Institute of Chartered Accountants of India**.**

15 Cash Flow Statement

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard 3 - 'Cash Flow Statement'.

Part – B
FINANCIAL YEAR 2008-09

SIGNIFICANT ACCOUNTING POLICIES

1 BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The Financial Statements have been prepared in accordance with historical cost convention on accrual basis in accordance with Generally Accepted Accounting Principles (GAAP) and Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and relevant provisions of the Companies Act, 1956.

The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets, liabilities (including contingent liabilities), revenues and expenses of the reporting period. The difference between the actual results and the estimates are recognized in the period in which the results are known and/or materialized.

2 RECOGNITION OF INCOME/EXPENDITURE

2.1 Incomes and Expenses (except as stated below) are accounted for on accrual basis.

2.1.1 Income on Non Performing Assets and Assets stated in proviso to paragraph 6.2 infra is recognized in the year of its receipt. However, any unrealized income recognized before the asset in question became non-performing asset or the income recognized in respect of assets as stated in proviso to paragraph 6.2 infra which remained due but unpaid for a period more than six months is reversed.

2.1.2 Fee for advisory and professional services for developing Ultra Mega Power Projects is accounted for on transfer of the project to the successful bidder.

2.1.3 Nodal Agency Fees under Restructured Accelerated Power Development and Reforms Programme is accounted for on sanction of loans under the said scheme.

2.1.4 Lease rental is accounted for on accrual basis. Income from Lease Rentals in respect of leases prior to 1.4.2001 is recognized on the basis of implicit interest rate, in the lease, in accordance with 'Guidance Note on Accounting for Leases' issued by the Institute of Chartered Accountants of India. Leases effected from 01.04.2001 are accounted for in accordance with Accounting Standard-19 on "Accounting for leases".

2.1.5 Premium on interest restructuring is accounted for in the year in which the restructuring is approved.

2.1.6 Premium on premature repayment of loan is accounted for in the year in which it is received by the Company.

2.1.7 Rebate on account of timely payments by borrowers is accounted for, on receipt of entire amount due in time.

2.1.8 Income under the head carbon credit, upfront fees, lead manager fees, facility agent fees, security agent fee and service charges on loans is accounted for in the year in which it is received by the Company.

2.1.9 Expenditure incurred on raising of funds is charged to the Profit and Loss Account in the year in which it is incurred.

2.1.10 The discount/financial charges/interest on the Commercial Papers and Zero Coupon Bonds (Deep Discount Bonds) are amortized proportionately over the period of its tenure.

2.1.11 Income from Dividend is accounted for in the year of declaration of dividend.

2.1.12 Expenditure on issue of shares is charged off to the Share Premium received on the issue of shares.

2.2 Recoveries in borrower accounts are appropriated as per the loan agreements.

2.3 The Company is raising demand of installments due as per loan agreements. The repayment is adjusted against earliest disbursement irrespective of the rate of interest being charged on various disbursements.

2.4 Prior period expenses/income and prepaid expenses upto Rs.5000/- are charged to natural heads of account.

3 FIXED ASSETS/DEPRECIATION

3.1 Fixed assets are shown at historical cost less accumulated depreciation, except the assets retired from active use and held for disposal, which are stated at lower of the book value or net realizable value.

3.2 The additions to Fixed Assets are being capitalized on the basis of bills approved or estimated value of work done as per contracts in cases where final bills are yet to be received/ approved.

3.3 Depreciation on assets other than leased assets is provided on Written Down Value method, in accordance with the rates prescribed in Schedule XIV of the Companies Act, 1956.

3.4 Depreciation on assets leased prior to 01.04.2001 is provided on Straight Line Method at the rates prescribed under Schedule XIV to the Companies Act, 1956 or over the primary balance period of lease of assets, whichever is higher. The value of the net block so arrived at is further adjusted by balance in the lease equalization account. The assets leased after 01.04.2001 are not required to be depreciated as per Accounting Standard-19.

3.5 Items of fixed assets acquired during the year costing up to Rs.5000/- are fully depreciated.

4 INTANGIBLE ASSETS / AMORTIZATION

Intangible assets such as software are shown at cost of acquisition and amortization is done under straight-line method over life of the assets estimated by the Company.

5 INVESTMENTS

5.1 Quoted current investments are valued scrip wise at lower of Cost or Fair value.

5.2 Unquoted current investments are valued at lower of cost or Fair value.

5.3 Long term investments are *valued* at cost. Provision is made for diminution, other than temporary in the value of such investments.

5.4 Investments in Mutual Fund/Venture Capital Fund are valued at cost, less diminution, if any, other than temporary.

6 PROVISIONS/WRITE OFF AGAINST LOANS AND ADVANCES

Prudential Norms

6.1 In terms of Reserve Bank of India's Notification No. DNBS.135/CGM (VSNM) – 2000 dated 13th January 2000, the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions are not applicable to the Company, being a Govt. Company registered with RBI as NBFC. The Company has however, formulated its own set of Prudential Norms with effect from 1.4.2003 and which are revised from time to time.

6.2 As per Prudential Norms approved by the Board of Directors and Ministry of Power, an asset including a lease asset, in respect of which installments of loan, interest and/or other charges remain due but unpaid for a period of 6 months or more, a term loan inclusive of unpaid interest and other dues if any , when the installment and /or interest remains unpaid for a period of six months or more, any amount which remains due but unpaid for a period of six months or more under bill discounting scheme and any amount due on account of sale of assets or services rendered or reimbursement of expenses incurred which remains unpaid for a period of six months or more are classified as Non-Performing Assets (NPA).

However, the following assets would not be classified as Non-Performing Assets and the income on these loans is recognized on receipt basis.

(v) Loans in respect of projects which are under implementation as per RBI Circular No. ref DBS.FID No. C-11/01.02.00/2001-02 dated February 1, 2002 read with D.O. letter DBS FID No 1285/01.02.00/2001-02 dated May 14, 2002 and RBI letter No.DBOD.BP.No.7675/21.04.048/2008-09 dated. 11.11.2008 are classified in line with RBI guidelines for asset classification of Infrastructure projects, as applicable to banks from time to time.

(ii) A facility which is backed by Central / State Government guarantee or by State Government undertaking for deduction from central plan allocation or a loan to State department , for a period not exceeding 12 months from the date from which Company's dues have not been paid by the borrower.

(iii) A loan disbursed to an integrated power entity which is bifurcated on account of division of states , company shall follow the government order

issued for division of assets & liabilities unless the same is stayed by any court and the case is pending in the court.

(iv) Non servicing of part of dues disputed by the borrower for a period not exceeding 12 months from the date from which company's dues have not been paid by the borrower. The disputed income shall be recognized only when it is actually realized. Any such disputed income already recognized in the books of accounts shall be reversed. Disputed dues means amount on account of financial charges like commitment charges , penal interest etc. and the disputed differential income on account of interest reset not serviced by the borrower due to certain issues remains unresolved. A dispute shall be acknowledged on case to case basis with the approval of Board of Directors.

6.3 NPA classification and provisioning norms for loans, other credits and lease assets are given as under

(i) NPA for a period not exceeding 18 months	:	Sub-standard asset
(ii) NPA exceeding 18 months	:	Doubtful asset
(viii) When an asset is identified as loss Asset or assets remain doubtful asset exceeding 36 months, which ever is earlier	:	Loss asset

6.4 The provision against NPAs is made at the rates indicated below: -

(i) Sub-Standard Assets : 10%

(ii) Doubtful assets:

(a) Secured portion/facility including that guaranteed by state / central government or by state government undertaking for deduction from plan allocation or loan to state department.

Up to 1 year	:	20%
1 – 3 years	:	30%
More than 3 years	:	100%

(b) Unsecured : 100%

(iii) Loss assets : 100%

The entire loss assets shall be written off. In case, a loss asset is permitted to remain in the books for any reason, 100% of outstanding shall be provided for.

6.5 For the purpose of Assets Classification and Provisioning

(i) Facilities granted to Government Sector entities are considered loan-wise.

(iii) Facilities granted to Private sector entities are considered borrower - wise.

7 FOREIGN EXCHANGE TRANSACTIONS:

7.1 The following transactions are accounted for at the exchange rates prevailing on the date of the transaction as per Accounting Standard-11.

(i) Expenses and income in foreign currency; and

(ii) The amounts borrowed and lent in foreign currency.

7.2 The following balances are translated in Indian Currency at the exchange rates prevailing on the date of closing of accounts as per Accounting Standard-11.

(i) Foreign Currency Loan liabilities to the extent not hedged.

(ii) Funds kept in foreign currency account with Banks abroad.

(iii) Contingent liabilities in respect of guarantees given in foreign currency.

(iv) Income earned abroad but not remitted / received in India.

(v) Loans granted in foreign currency.

(vi) Expenses and income accrued but not due on foreign currency loans/ borrowings.

7.3 Where ever the Company has entered into a forward contract or an instrument that is, in substance a forward exchange contract, the difference between the forward rate and exchange rate on the date of transaction is recognized as income or expenses over the life of the contract as per Accounting Standard-11.

7.4 In case of loan from KfW, Germany, exchange loss, if any, at the year-end is debited to Interest Differential Fund Account-KfW as per loan agreement.

8 GRANTS FROM GOVERNMENT OF INDIA:

8.1 Where grants are first disbursed to the grantee, the same are shown as amount recoverable from the Govt. of India and are squared up on receipt of amount.

8.2 Where grants are received in advance from Govt. of India, the same are shown as Current liabilities till the payments are released to the grantee.

9 INTEREST SUBSIDY FUNDS

9.1 Interest Subsidy for eligible borrowers received from Ministry of Power, Govt. of India under Accelerated Generation & Supply Programme (AG&SP) on Net Present Value (NPV) basis is credited to Interest Subsidy Fund on receipt and is passed on to the borrowers over the eligible period of loan on respective dates of interest demands. Any excess/shortfall in the Interest Subsidy Fund is refunded or adjusted/charged off at the completion of respective scheme.

9.2 The Interest Subsidy Fund is credited at the year-end with interest on the outstanding balance in the subsidy fund by debiting P&L account, at rates specified in the Scheme.

10 R-APDRP FUND

Loans received from Government of India under Re-structured Accelerated Power Development & Reforms Programme (R-APDRP) as a Nodal agency for on lending to eligible borrowers are back to back arrangements with no profit or loss arising to the Company. Also refer the policy at paragraph 2.1.3 supra.

11 EXPENDITURE ON SUBSIDIARIES

11.1 Expenditure incurred on the subsidiaries is debited to the account "Amount recoverable from concerned Subsidiary".

11.2 Expenses in respect of man days (employees) are allocated to Subsidiaries and administrative overheads are apportioned to Subsidiaries on estimated basis. Direct expenses are booked to respective Subsidiaries.

11.3 Interest on amount recoverable from Subsidiaries is accounted for at the rate of interest applicable for term loans to large generation projects, reforming states as per the policy of the Company.

11.4 The amounts received by Subsidiaries as Commitment Advance from Power Procurers has been parked with the Company as Inter Corporate Loan and Interest is provided on unused portion of these loans at the mutually agreed interest rates.

11.5 Request for Qualification (RFQ) / Request for Proposal (RFP) developed for subsidiaries (incorporated for UMPP) are provided to subsidiary companies at a price equivalent to sale proceeds of RFQ/RFP received by the subsidiary companies from the prospective bidders. The same is accounted for as income of the company on receipt from subsidiary company.

12 EMPLOYEE BENEFITS

12.1 Provident Fund, Gratuity and post retirement benefits

The Company's Contribution paid/payable during the financial year towards Provident Fund is charged in the Profit and Loss Account. The Company's obligation towards gratuity to employees and post retirement benefits such as medical benefits, economic rehabilitation benefit, and settlement allowance after retirement are actuarially determined and provided for as per Accounting Standard-15 (Revised).

12.2 Other Employee Benefits

The Company's obligation towards sick leave, earned leave, leave travel concession, service award scheme are actuarially determined and provided for as per Accounting Standrad-15 (Revised)

13 INCOME TAX

13.1. Income Tax comprising of Current Tax determined in accordance with the applicable tax laws and Deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) is in accordance with Accounting Standard-22 on 'Accounting for Taxes on Income' of the Institute of Chartered Accounts of India.

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantially established by the Balance Sheet date. Deferred Tax Assets are recognized and carry forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

13.2. Since the Company has passed a Board resolution that it has no intention to make withdrawal from the Special Reserve created and maintained under section 36(1)(viii) of the Income Tax Act, 1961, the special reserve created and maintained is not capable of being reversed and thus it becomes a permanent difference. The Company is not creating any deferred tax liability on the said reserve in accordance with the clarification of Accounting Standard Board of Institute of Chartered Accountants of India**.**

14. CASH FLOW STATEMENT

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard - 3 on 'Cash Flow Statement'.

Part – C
FINANCIAL YEAR 2012-13
Other Notes on Accounts

1. The Company is a government company engaged in extending financial assistance to power sector.

2. Contingent liabilities:

(a)

(₹ in crore)

S.No	Particulars	Amount as on 31.03.2013	Amount as on 31.03.2012
1.	Default guarantees issued in foreign currency - US $ 7.54 million (as on 31.03.2012 US $ 10.94 million)	41.34	56.40
2.	Guarantees issued in domestic currency	335.57	371.93
3.	Claims against the Company not acknowledged as debts	0.04	0.00
4.	Outstanding disbursement commitments to the borrowers by way of Letter of Comfort against loans sanctioned	4,247.61	5,730.38
	Total	**4,624.56**	**6,158.71**

(b) Additional demands raised by the Income Tax Department totaling to ₹ 55.93 crore (as on 31.03.2012 ₹ 40.01 crore) of earlier years are being contested. Further, the Income Tax Department has filed appeals before ITAT against the orders of CIT (A) allowing relief totaling to ₹ 67.96 crore (as on 31.03.2012 ₹ 65.03 crore). The same are being contested. The Management does not consider it necessary to make provision, as the probability of tax liability devolving on the Company is negligible.

3. Estimated amount of contract remaining to be executed on account of capital contracts, not provided for, is Nil crore (as on 31.03.2012 ₹ 0.57 crore).

4. Additional demands raised by the Income Tax Department (net of relief granted by Appellate Authorities) amounting to ₹ 31.24 crore for Assessment Years 2001-02 to 2010-11 have been provided for and are being contested by the Company.

5. In line with circular No. 6 / 3 / 2001 – CL.V dated 18.04.2002 of the Government of India, then Ministry of Law, Justice Company Affairs, and Department of Company Affairs, the Company had been creating till FY 2011-12, Debenture Redemption Reserve (DRR) upto 50% of the value of, debentures issued through public issue, over the maturity period of such debentures and no DRR in case of privately placed debentures.

In recent circular no 11/02/2012-CL-V(A) dated 11.02.2013, MoCA (Ministry of Corporate Affairs) has prescribed that adequacy of DRR will be 25% of the value of debentures issued through public issue and no DRR is required in the case of privately placed debentures.

In this regard, the Company has requested the MoCA for clarification, which is awaited. Pending receipt of clarification, the Company has created and maintained DRR in line with the circular dated 18.04.2002.

6. Foreign currency actual outgo and earning:

(₹ in crore)

S.No.	Description	FY ended 31.03.2013	FY ended 31.03.2012
A.	**Expenditure in foreign currency**		
i)	Interest on loans from foreign institutions	187.78	159.37
ii)	Financial & Other charges	74.88	11.08
iii)	Traveling Expenses	0.13	0.21
iv)	Training Expenses	0.11	0.12
B.	**Earning in foreign currency**	Nil	Nil

7.1 Related party disclosures:

Key managerial personnel:

Name of the key managerial personnel	
Shri Satnam Singh, CMD	(with effect from 01.08.2008)
Shri M K Goel, Director	(with effect from 27.07.2007)
Shri R. Nagarajan, Director	(with effect from 31.07.2009)
Shri A K Agarwal, Director	(with effect from 13.07.2012)

Managerial remuneration:

(₹ in crore)

	Chairman & Managing Director		Other Directors	
	For FY ended 31.03.2013	**For FY ended 31.03.2012**	**For FY ended 31.03.2013**	**For FY ended 31.03.2012**
Salaries and allowances	0.51	0.42	1.00	0.93
Contribution to provident fund and other welfare fund	0.04	0.02	0.09	0.05
Other perquisites / payments	0.09	0.13	0.24	0.39
Total	**0.64**	**0.57**	**1.33**	**1.37**

In addition to the above perquisites, the Chairman & Managing Director and other Directors have been allowed to use staff car including private journey up to a ceiling of 1,000 kms per month on payment of ₹ 2,000/- per month (₹ 780/- per month till 20.01.2013).

7.2 Investment in share capital of companies incorporated in India as subsidiaries / joint venture companies including companies promoted as Special Purpose Vehicles (SPV) for ultra-mega power projects are given below:-

SL	Name of the companies	Date of investment	No. of shares subscribed	% of ownership	Amount (₹ in crore)
A	**Subsidiary Company (i)**				
1.	PFC Consulting Limited	09.04.2008	50,000	100%	0.05
2.(a)	PFC Green Energy Limited (Equity Shares) (ii)	29.07.2011 08.12.2011 29.03.2012 21.03.2013	50,000 44,50,000 4,90,000 2,10,00,000	100%	25.99
(b)	PFC Green Energy Limited (Preference Shares) (ii)	21.03.2013	8,40,00,000	100%	84.00
3.	PFC Capital Advisory Services Ltd (iii)	01.09.2011	1,00,000	100%	0.10
4	Power Equity Capital Advisors (Private) Limited (iv)	15.04.2008 11.10.2011	15,000 35,000	100%	0.05
	Sub-Total (A)		**11,01,90,000**		**110.19**
B	**Subsidiary Companies promoted as SPVs for Ultra Mega Power Projects**				
1.	Coastal Maharashtra Mega Power Limited	05.09.2006	50,000	100%	0.05
2.	Orissa Integrated Power Limited	05.09.2006	50,000	100%	0.05
3.	Coastal Karnataka Power Limited	14.09.2006	50,000	100%	0.05
4.	Coastal Tamil Nadu Power Limited	31.01.2007	50,000	100%	0.05
5.	Chhattisgarh Surguja Power Limited	31.03.2008	50,000	100%	0.05
6.	Sakhigopal Integrated Power Limited	27.01.2010	50,000	100%	0.05
7.	Ghogarpalli Integrated Power Limited	27.01.2010	50,000	100%	0.05
8.	Tatiya Andhra Mega Power Limited	27.01.2010	50,000	100%	0.05
9.	Deoghar Mega Power Limited	30.07.2012	50,000	100%	0.05
	Sub-Total (B)		**4,50,000**		**0.45**
C	**Joint venture Companies (i)**				
1	National Power Exchange Limited (v)	18.12.2008 03.09.2010	8,33,000 13,54,015	16.66%	0.83 1.36
2.	Energy Efficiency Services Limited (vi)	21.01.2010 26.03.2013	6,25,000 2,18,75,000	25%	0.63 21.87
	Sub-Total (C)		**2,46,87,015**		**24.69**
	TOTAL (A) + (B) + (C)		**13,53,27,015**		**135.33**

(i) The financial statements are consolidated as per Accounting Standard 21 – Consolidated Financial Statements, Accounting Standard 27 – Financial Reporting of Interests in Joint Ventures and Accounting Standard – 23 Accounting For Investment in Associates in Consolidated Financial Statements.

(ii) PFC Green Energy Ltd. (PFCGEL) was incorporated on 30.03.2011 as a wholly owned subsidiary of the Company to extend finance and financial services to renewable and non-conventional sources of energy. The authorized share capital of PFCGEL is ₹ 1200.00 crores consisting of 100 crore equity shares of ₹ 10/- each and 20 crore preference shares of ₹ 10/- each. The paid-up share capital of the company as on

March 31st, 2013 is ₹ 109.99 crore consisting ₹ 25.99 crore of equity share capital (Face value - ₹ 10/- each) and ₹ 84.00 crore of preference share capital (Face value - ₹ 10/- each). The certificate of commencement of business has been received on 30.07.2011. The company received its certificate of registration (CoR) to function as Non- Banking Financial Company (NBFC) on October 01, 2012. The company has started its commercial operation during FY 2012-13.

(iii) PFC Capital Advisory Services Limited (PFCCAS) was incorporated on 18.07.2011 as a wholly owned subsidiary of the Company for providing debt syndication in the areas of power, energy, infrastructure and other industries. The authorized share capital of PFCCAS is ₹ 1.00 crore and paid up share capital of the company is ₹ 0.10 crore The certificate of commencement of business has been received on 02.09.2011. The company started its commercial operation during FY 2011-12.

(iv) Power Equity Capital Advisors (Private) Limited (PECAP), has become wholly owned subsidiary of the Company on 11.10.2011 after the Company acquired, at par, the remaining 70% ownership from the erstwhile individual owners.

(v) National Power Exchange Limited (NPEL) have been jointly promoted by Power Finance Corporation Limited (PFC), NTPC Limited, NHPC Limited and Tata Consultancy Services Limited (TCS) for carrying out the business of providing a platform for trading of power through an organized exchange. NPEL has not commenced its operation.

(vi) Energy Efficiency Services Limited (EESL) has been jointly promoted by PFC, NTPC, PGCIL and Rural Electrification Corporation Limited (REC) with equal participation in equity capital for implementing energy efficiency projects. Further, the Company has paid ₹ 24.375 crore (₹ 10.75 crore on 31.12.2010 and ₹ 13.63 crore on 27.01.2011) towards additional subscription to equity shares. EESL has allotted equity shares amounting to ₹ 21.875 crore on 26.03.2013 and refunded ₹ 2.50 crore.

7.3 The Company's share of assets, liabilities, contingent liabilities and capital commitment as on 31.03.2013 and income and expenses for the period in respect of joint venture entities based on audited accounts are given below:

(₹ in crore)

SL	Particulars	As at 31.03.2013			As at 31.03.2012		
		NPEL	EESL	Total	NPEL	EESL	Total
	Ownership (%)	16.66	25.00		16.66	25	
A	Assets						
	- Non-Current Assets	0.00	0.25	0.25	0.01	0.09	0.10
	- Current assets	1.35	29.12	30.47	1.45	31.08	32.53
	Total	**1.35**	**29.37**	**30.72**	**1.46**	**31.17**	**32.63**
B	Liabilities						
	- Non-Current liabilities	-	0.02	0.02	-	0.00	0.00
	- Current Liabilities	0.23	3.47	3.70	0.04	4.37	4.41
	Total	**0.23**	**3.49**	**3.72**	**0.04**	**4.37**	**4.41**
C	Contingent liabilities	0.00	0.00	0.00	0.01	0.00	0.01
D	Capital commitments	-	-	-	-	-	-
		During the FY ended 31.03.2013			**During the FY ended 31.03.2012**		
E	Income	0.12	3.63	3.75	0.12	3.17	3.29
F	Expenses	0.41	1.28	1.69	0.34	1.17	1.51

7.4 The details of amount recoverable (including interest thereon) from the respective subsidiaries are given below:

(₹ in crore)

Name of the Subsidiary Companies	Amount as on 31.03.2013	Amount as on 31.03.2012	Maximum during FY 2012-13	Maximum During FY 2011-12
Coastal Maharashtra Mega Power Limited	7.00	5.72	7.00	5.72
Orissa Integrated Power Limited	90.31	73.21	90.31	73.21
Coastal Karnataka Power Limited	2.80	2.40	2.80	2.40
Coastal Tamil Nadu Power Ltd.	40.41	29.75	40.41	29.75
Chhattisgarh Surguja Power Limited	60.50	50.85	60.50	50.85
Sakhigopal Integrated Power Company Limited	3.26	1.16	3.26	1.16
Ghogarpalli Integrated Power Company Limited	2.89	0.90	2.89	0.90
Tatiya Andhra Mega Power Limited	9.84	7.71	9.84	7.71
Deoghar Mega Power Ltd	2.43	0.00	2.43	0.00
PFC Green Energy Ltd.	0.00	0.05	0.00	2.25
PFC Capital Advisory Services Limited	0.10	0.01	0.10	0.04
Total	**219.54**	**171.76**	**219.54**	**173.99**

7.5 The details of amounts payable to subsidiaries (including interest) in respect of amounts contributed by power procurers and other amounts payable are given below:

(₹ in crore)

Name of the subsidiary companies	Amount as on 31.03.2013	Amount as on 31.03.2012	Maximum during FY 2012-13	Maximum During FY 2011-12
PFC Consulting Limited (PFCCL) *	3.54	3.09	3.54	3.14
PFC Green Energy Ltd.	0.03	0.00	(0.05)	0.00
Coastal Maharashtra Mega Power Limited	52.97	49.39	52.97	49.39
Orissa Integrated Power Limited	62.57	57.49	62.57	57.49
Coastal Tamil Nadu Power Limited	58.92	54.35	58.92	54.35
Chhattisgarh Surguja Power Limited	56.17	51.08	56.17	51.08
Sakhigopal Integrated Power Company Limited	20.69	19.23	20.69	19.23
Ghogarpalli Integrated Power Company Limited	19.27	17.91	19.27	17.91
Tatiya Andhra Mega Power Limited	25.02	23.02	25.02	23.02
Total	**299.18**	**275.56**	**299.10**	**275.61**

7.6 (i) Investment in "Small is Beautiful" Fund: -

The Company has outstanding investment of ₹ 7.68 crore (as on 31.03.2012 ₹ 7.83 crore) in units of Small is Beautiful Fund. The face value of the Fund is ₹ 10 per unit. The NAV as on 31.03.2012 was ₹ 10.33 per unit and as on 31.03.2013 is ₹ 9.77 per unit. As investment in Small is Beautiful Fund is long term investment, the fluctuation in NAV in the current scenario is considered as temporary.

(ii) Investment in equity (unquoted) in Power Exchange India Limited:-

Power Exchange India Ltd. (PXIL) has been promoted by National Stock Exchange (NSE) and National Commodity and Derivatives Exchange Limited (NCDEX). The authorized share capital is ₹ 100 crore consisting of 80 crore equity shares of ₹ 10/- each and 20 crore preference shares of ₹ 10/- each as on 31.03.2013. The paid up equity share capital of PXIL is ₹ 46.05 crore, as on 31.03.2013. The Company has subscribed ₹ 2.80 crore of the paid up capital of PXIL.

8. Interest Differential Fund (IDF) – KFW

The agreement between KFW and PFC provides that the IDF belongs to the borrowers solely and will be used to cover the exchange risk variations under this loan and any excess will be used in accordance with the agreement. The balance in the IDF fund has been kept under separate account head titled as Interest Differential Fund – KFW and shown as a liability. The total fund accumulated as on 31.03.2013 is ₹ 54.73 crore (as on 31.03.2012 ₹ 52.01crore), after transferring exchange difference of ₹ 15.21 crore (as on 31.03.2012 ₹ 15.66 crore).

9. Foreign currency liabilities not hedged by a derivative instrument or otherwise:-

Liabilities in Foreign Currencies	Amount (in millions)	
	31.03.2013	**31.03.2012**
USD	805.90	392.49
EURO	22.80	24.73
JPY	41,643.20	41,643.20

10. (a) Asset under finance lease after 01.04.2001:

(i) The gross investment in the leased assets and the present value of the minimum value receivable at the balance sheet date and the value of unearned financial income are given in the table below:

The future lease rentals are given below:-

(₹ in crore)

Particulars	As on 31.03.2013	As on 31.03.2012
Total of future minimum lease payments (Gross Investments)	500.33	571.09
Present value of lease payments	285.07	326.58
Unearned finance income	215.26	244.51
Maturity profile of total of future minimum lease payments (Gross Investment)		
Not later than one year	70.77	70.77
Later than one year and not later than 5 years	127.55	172.61
Later than five years	302.01	327.71
Total	**500.33**	**571.09**
Break up of present value of lease payments		
Not later than one year	45.93	41.51
Later than one year and not later than 5 years	53.44	90.75
Later than five years	185.70	194.32
Total	**285.07**	**326.58**

(ii) The Company had sanctioned an amount of ₹ 88.90 crore in the year 2004 as finance lease for financing wind turbine generator (commissioned on 19.07.2004). The sanction was reduced to ₹ 88.85 crore in December 2006. The gross investment stood at the level of ₹ 18.11 crore as on 31.03.2013. The lease rent is to be recovered within a period of 15 Years, starting from 19.07.2004, which comprises of 10 years as a primary period and 5 years as a secondary period.

(iii) The Company had sanctioned an amount of ₹ 98.44 crore in the year 2004 as finance lease for financing wind turbine generator (commissioned on 18.5.2004). The gross investment stood at ₹ 17.42 crore as on 31.03.2013. The lease rent is to be recovered within a period of 20 years, starting from 18.05.2004, which comprises of 10 years as a primary period and a maximum of another 10 years as a secondary period.

(iv) The Company had sanctioned an amount of ₹ 93.51 crore in the year 2004 as finance lease for financing wind turbine generator (commissioned on 09.06.2005). The gross investment stood at ₹ 34.28 crore as on 31.03.2013. The lease rent is to be recovered within a period of 19 years 11 months, starting from 09.06.2005, which comprises of 10 years as a primary period and a maximum of 9 years and 11 months as a secondary period.

(v) The Company had sanctioned an amount of ₹ 228.94 crore in the year 2008 as finance lease for financing wind turbine generator (commissioned on 18.05.2011). The gross investment stood at ₹ 430.52 crore as on 31.03.2013. The lease rent is to be recovered within a period of 25 years, starting from 01.01.2012, which comprises of 18 years as a primary period and a maximum of 7 years as a secondary period.

b) Operating Lease:

The Company's operating leases consists:-

Premises for offices and for residential use of employees are lease arrangements, and are usually renewable on mutually agreed terms, and are cancellable. Rent for residential accommodation of employees include ₹ 3.84 crore (during FY ended 31.03.2012 ₹ 6.55 crore) towards lease payments, net of recoveries in respect of premises for residential use of employees. Lease payments in respect of premises for employees are shown as rent for residential accommodation of employees in Note Part A 16 – Employee Benefit Expenses. Lease payments in respect of premises for offices are shown as office rent in Note Part A 17 – Other Expenses.

11. Subsidy under Accelerated Generation & Supply Programme (AG&SP):

(i) The Company claimed subsidy from Govt. of India at net present value calculated at indicative interest rates in accordance with the GOI's letter vide D.O.No.32024 / 17 / 97 – PFC dated 23.09.1997 and O.M.No.32024 / 23 / 2001 – PFC dated 07.03.2003, irrespective of the actual repayment schedule, moratorium period and duration of repayment. The amount of interest subsidy received and to be passed on to the borrower is retained as Interest Subsidy Fund Account. The impact of difference between the indicative rate and period considered at the time of claims and at the time of actual disbursement can be ascertained only after the end of the respective schemes. However on the basis of the projections made for each project (based upon certain assumptions that these would remain same over the projected period of each loan / project), the Company estimated the net excess amount of ₹ 5.69 crore and ₹ 68.30 crore as at 31.03.2013 for IX and X Plan, respectively under AG&SP schemes, and there is no shortfall. This net excess amount is worked out on overall basis and not on individual basis and may vary due to change in assumptions, if any, during the projected period such as changes in moratorium period, repayment period, loan restructuring, pre-payment, interest rate reset etc. Any excess / shortfall in the interest subsidy fund will be refunded or adjusted / charged off on completion of the respective scheme.

(ii) The balance under the head Interest Subsidy Fund shown as liability, represents the amount of subsidy received from Ministry of Power, Govt. of India which is to be passed on to the borrowers against their interest liability arising in future, under Accelerated Generation & Supply Programme (AG&SP), which comprises of the following : -

(₹ in crore)

Particulars	As on 31.03.2013	As on 31.03.2012
Opening balance of Interest Subsidy Fund	376.21	451.87
Add : - Received during the period	--	--
: - Interest credited during the period	18.99	36.01
: - Refund by the borrower due to non – commissioning of project in time	--	17.65
Less : Interest subsidy passed on to borrowers	49.42	77.67
Refunded to MoP:		
(a) Estimated net excess against IX Plan	--	34.00
(b) Due to non- commissioning of Project in time	--	17.65
(c) Estimated net excess against X Plan	200.00	
Closing balance of interest subsidy fund	**145.78**	**376.21**

12. The Company had exercised the option under para 46A of the amended AS-11 'The Effects of Changes in Foreign Exchange Rates' to amortize the exchange differences on the long term foreign currency monetary items over their tenure. Consequently, as on 31.03.2013, ₹ 477.97 crore (as on 31.03.2012 ₹ 515.41 crore) has been carried forward in the Foreign Currency Monetary Item Translation Difference Account (FCMITDA) and shown on the asset side of the balance sheet, as a separate line item.

As per the recent announcement dated 30.03.2013 of the ICAI, the debit or credit balance in FCMITDA should be shown on the "Equity and Liabilities" side of the balance sheet under the head "Reserve and Surplus", as a separate line item.

The Company has requested (vide letter dated 09.05.2013) for clarification from the Government of India, Ministry of Corporate Affairs (MoCA) on the applicability of ICAI announcement. The clarification is awaited.

Pending receipt of clarification from the MoCA, the FCMITDA is continued to be shown on the asset side of the balance sheet, as a separate line item, in line with presentation made in previous year.

13. (i) The Company has been designated as the Nodal Agency for operationalisation and associated service for implementation of the Re-structured Accelerated Power Development and Reforms Programme (R – APDRP) during XI Plan by the Ministry of Power, Government of India (GOI) under its overall guidance.

Projects under the scheme are being taken up in two parts. Part – A includes the projects for establishment of baseline data and IT applications for energy accounting as well as IT based customer care centers. Part – B includes regular distribution strengthening projects. GoI provides 100% loan for Part A and up to 25% (up to 90% for special category States) loan for Part – B. Balance funds for Part – B projects can be raised by the utilities from PFC / REC / multi-lateral institutions and / or own resources. The loans under Part – A alongwith interest thereon is convertible into grant as per R – APDRP guidelines. Similarly, upto 50% (up to 90% for special category states) of the loan against Part –B project would be convertible in to grant as per R – APDRP guidelines. Enabling activities of the programe are covered under Part – C.

The loans under R – APDRP are routed through the Company for disbursement to the eligible utilities. The amount so disbursed but not converted in to grants as per R – APDRP guidelines will be repaid along with interest to the GoI on receipt from the borrowers.

The details are furnished below :

(₹ in crore)

Particulars	**Amount recoverable from borrowers & payable to GOI**		**R – APDRP Fund**		**Amount payable to GOI (Interest earned on Fixed Deposit)**	
	As at 31.03.2013	**As at 31.03.2012**	**As at 31.03.2013**	**As at 31.03.2012**	**As at 31.03.2013**	**As at 31.03.2012**
Opening balance	5,502.88	3,902.88	0.00	0.00	11.09	6.88
Additions during the year	1,217.45	1,600.00	1,217.45	1,600.00	1.03	4.17
Disbursements / refunds / changes during the year	25.70	---	1,217.45	1,600.00	11.93	---
Total	**6,694.63**	**5,502.88**	**0.00**	**0.00**	**0.19**	**11.05**
Interest accrued but not due	1,327.94	775.24	**0.00**	**---**	0.06	0.04
Closing balance	**8,022.57**	**6,278.12**	**0.00**	**0.00**	**0.25**	**11.09**

(ii) As on 31.03.2013, the total amount of nodal agency fee and reimbursement of expenditure received / receivable by PFC has been as under:-

(₹ in crore)

	During the FY ended 31.03.2013	**During the FY ended 31.03.2012**	**Cumulative up-to**	
			31.03.2013	**31.03.2012**
Nodal agency fee*	16.52	39.15	145.29	128.77
Reimbursement of expenditure	21.81	22.66	83.67	61.86
Total	**38.33**	**61.81**	**228.96**	**190.63**

* Exclusive of Service Tax

(iii) As per Office Memorandum No. 14 / 03 / 2008 – APDRP dated 20th August, 2010 of the MoP, GoI, the total amount receivable against the nodal agency fee plus the reimbursement of actual expenditure will not exceed ₹ 850 crore or 1.7 % of the likely outlay under Part A & B of R – APDRP, whichever is less.

14. The net deferred tax liabilities of ₹ 219.79 crore (as on 31.03.2012 ₹ 87.43 crore) have been computed as per Accounting Standard 22 Accounting for Taxes on Income.

The breakup of deferred tax liabilities is given below: -

(₹ in crore)

Description	As on 31.03.2013	As on 31.03.2012
(a) Deferred Tax Asset (+)		
(i) Provision for expenses not deductible under Income Tax Act	7.82	16.49
(b) Deferred Tax Liabilities (-)		
(i) Depreciation	-1.04	-0.96
(ii) Lease income on new leases	-95.00	-101.58
(iii) Amortization	-1.29	-1.38
(iv) Unamortized Exchange Loss (Net)	-130.28	0.00
Net Deferred Tax liabilities (-)/Assets (+)	-219.79	-87.43

15. In compliance with Accounting Standard – 20 on Earning Per Share issued by the Institute of Chartered Accountants of India, the calculation of Earning Per Share (basic and diluted) is as under:-

Particulars	FY ended 31.03.2013	FY ended 31.03.2012
Net Profit after tax used as numerator (₹ in crore)	4,419.60	3,031.74
Weighted average number of equity shares used as denominator (basic)	131,99,82,855	129,50,00,707
Weighted average number of equity shares used as denominator (diluted)	131,99,90,939	129,50,00,707
Earning per share (basic & diluted) (₹)	33.48	23.41
Face value per share (₹)	10	10

16. The Company has no outstanding liability towards Micro, Small and Medium enterprises.

17. Leasehold land is not amortized, as it is a perpetual lease.

18. Liabilities and assets denominated in foreign currency have generally been translated at TT selling rate of SBI at year end as given below: -

S. No.	Exchange Rates	31.03.2013	31.03.2012
1	USD / INR	54.80	51.5300
2	JPY / INR	0.5847	0.6318
3	EURO / INR	70.28	69.0500

In-case of specific provision in the loan agreement for a rate other than SBI TT selling rate, the rate has been taken as prescribed in the respective loan agreement.

19.1 The Company has made the public issue of 69,97,468 tax free bonds (secured) tranche - I at the face value of ₹ 1,000 each during the current financial year and has mobilized ₹ 699.75 crore. The security has been created on 03-Jan-2013 and bonds have been allotted on 04-Jan-2013. The bonds have been listed in the BSE on 10-Jan-2013. The proceeds of the bond issue have been utilized for the purpose mentioned in the offer document.

19.2 The Company has made public issue of 16,53,680 tax free bonds (secured) tranche - II at the face value of ₹ 1,000 each during the current financial year and has mobilized ₹ 165.37 crore. The Bonds have been allotted on 28-Mar-2013 and have been listed in the BSE on 03-April-2013. The security has been created in April 2013. As on 31.03.2013, the proceeds of the bond issue were in Public Issue Account of the escrow collection banker. Subsequent to listing and security creation, the bonds issue proceeds have been transferred in April 2013 by the escrow collection banker to the regular current account of the Company and the Company has utilized the proceeds in April 2013 for the purpose mentioned in the offer document.

20. Disclosures as per Accounting Standard –15 :-

A. Provident fund

The Company pays fixed contribution to provident fund at prescribed rates to a separate trust, which invests the funds in permitted securities. The contribution to the fund for the period is recognized as expense and is charged to the statement of profit and loss account. The obligation of the Company is to make such fixed contribution and to ensure a minimum rate of return to the members as specified by GoI. Any short fall for payment of interest to members as per specified rate of return has to be compensated by the Company. The Company estimates that no liability will take place in this regard in the near future and hence no further provision is considered necessary.

B. Gratuity

The Company has a defined gratuity scheme and is managed by a separate trust. The provision for the same

has been made on actuarial valuation based upon total number of years of service rendered by the employee subject to a maximum amount of ₹ 10 lakh.

C. Pension

The Company has a defined contribution pension scheme introduced in line with guidelines of the Department of Public Enterprise (DPE) and is managed by a separate trust. Employer contribution to the fund has been contributed on monthly basis. Pension is payable to the employee of the corporation as per the scheme.

D. Post Retirement Medical Scheme (PRMS)

The Company has Post-Retirement Medical Scheme (PRMS), under which retired employees and their dependent family member are provided with medical facilities in empanelled hospitals. They can also avail reimbursement of out-patient treatment subject to a ceiling fixed by the Company.

E. Terminal Benefits

Terminal benefits include settlement in home town for employees & their dependents.

F. Leave

The Company provides for earned leave benefit and half-pay leave to the credit of the employees, which accrue on half yearly basis @ 15 days and 10 days, respectively. Maximum of 300 days of earned leave can be accumulated during the service of an employee which can be availed or encashed. There is no limit in accumulation of half pay leave during the service. However, at the time of separation / superannuation, half pay leave and earned leave can be encashed subject to limit of 300 days. The liability for the same is recognized, based on actuarial valuation.

The above mentioned schemes (D, E and F) are unfunded and are recognized on the basis of actuarial valuation. The summarised position of various defined benefits recognized in the statement of profit and loss account, balance sheet are as under {Figures in brackets ( ) represents to as on 31.03.2012}

i) Expenses recognised in Statement of Profit and Loss Account

(₹ in crore)

	Gratuity	PRMS	Leave
Current service cost	1.18 (0.99)	0.36 (0.29)	1.89 (1.57)
Interest cost on benefit obligation	1.12 (1.08)	0.67 (0.61)	1.42 (1.31)
Expected return on plan assets	-1.22 (-0.94)	0.00 (0.00)	0.00 (0.00)
Net actuarial (gain) / loss recognised in the year	0.40 (-0.49)	0.46 (0.60)	2.37 (0.46)
Expenses recognised in Statement of Profit & Loss Account	*1.48 (0.64)	1.49 (1.50)	*5.68 (3.34)

(*) Includes ₹ 0.13 crore (as on 31.03.2012 ₹ 0.13 crore) and ₹ 0.58 crore (as on 31.03.2012 ₹ 0.30 crore) and ₹ 0.04 crore (as on 31.03.2012 ₹ 0.13 crore) for gratuity, leave and PRMS respectively allocated to subsidiary companies.

ii) The amount recognized in the Balance Sheet

(₹ in crore)

	Gratuity	PRMS	Leave
Present value of obligation as at 31.03.2013 (i)	16.16 (14.03)	9.50 (8.33)	20.39 (17.74)
Fair value of plan assets at 31.03.2013 (ii)	14.67 (12.95)	0.00 (0.00)	0.00 (0.00)
Difference (ii) – (i)	-1.48 (-1.08)	-9.50 (-8.33)	-20.39 (-17.74)
Net asset / (liability) recognized in the Balance Sheet	-1.48 (-1.08)	-9.50 (-8.33)	-20.39 (-17.74)

iii) Changes in the present value of the defined benefit obligations

(₹ in crore)

	Gratuity	PRMS	Leave
Present value of obligation as at 01.04.2012	14.03 (12.69)	8.33 (7.13)	17.74 (15.47)
Interest cost	1.12 (1.08)	0.67 (0.61)	1.42 (1.31)

Current service cost	1.18 (0.99)	0.36 (0.29)	1.89 (1.57)
Benefits paid	-0.62 (-0.40)	-0.32 (-0.30)	-3.03 (-1.07)
Net actuarial (gain)/loss on obligation	0.45 (-0.33)	0.46 (0.60)	2.37 (0.46)
Present value of the defined benefit obligation as at 31.03.2013	16.16 (14.03)	9.50 (8.33)	20.39 (17.74)

iv) Changes in the fair value of plan assets

(₹ in crore)

	Gratuity	PRMS	Leave
Fair value of plan assets as at 01.04.2012	14.03 (10.57)	0.00 (0.00)	0.00 (0.00)
Expected return on plan assets	1.22 (0.94)	0.00 (0.00)	0.00 (0.00)
Contributions by employer	0.00 (1.68)	0.00 (0.00)	0.00 (0.00)
Benefit paid	-0.62 (-0.40)	0.00 (0.00)	0.00 (0.00)
Actuarial gain / (loss)	0.04 (0.16)	0.00 (0.00)	0.00 (0.00)
Fair value of plan assets as at 31.03.2013	14.67 (12.95)	0.00 (0.00)	0.00 (0.00)

v) One percent increase / decrease in the inflation rate would impact liability for medical cost of PRMS, as under:-

Cost increase by 1% ₹ 2.09 crore
Cost decrease by 1% ₹ -1.31 crore

vi) During the period, the Company has provided liability towards contribution to the Gratuity Trust of ₹ 1.48 crore, to PRMS of ₹ 1.62 crore, to leave ₹ 6.04 crore and to pension ₹ 0.69 crore (during the FY ended 31.03.2012 towards contribution to the Gratuity Trust of ₹ 0.64 crore, to PRMS of ₹ 1.50 crore, to leave ₹ 3.34 crore and to pension ₹ 2.54 crore).

G. Other Employee Benefits:-

During the period, provision of ₹ 0.08 crore (during the FY ended 31.03.2012 ₹-0.01 crore) has been made for Economic Rehabilitation Scheme for Employees and provision of ₹ 0.37 crore has been made for Long Service Award for Employees (during the FY ended 31.03.2012 ₹ 0.58 crore) on the basis of actuarial valuation made at the end of the year by charging / crediting the statement of profit and loss account.

H. Details of the Plan Asset:-

The details of the plan assets at cost, as on 31.03.2013 are as follows:-

(₹ in crore)

SL	Particulars	FY ended 31.03.2013	FY ended 31.03.2012
i)	Government Securities	8.53	7.83
ii)	Corporate bonds / debentures	5.61	5.12
	Total	**14.14**	**12.95**

I. Actuarial assumptions

Principal assumptions used for actuarial valuation are:-

Method used	Projected Unit Credit Method
Discount rate	8.00 %
Expected rate of return on assets – Gratuity	8.70%
Future salary increase	6.00 %

The estimates of future salary increases considered in actuarial valuation, take into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

21.1 Details of provision as required in Accounting Standard – 29, {Figures in brackets ( ) represents to as on 31.03.2012}, are as under :

(₹ in crore)

Provision for	Opening Balance (as on 1st April of the FY) (1)	Addition during the period (2)	Paid / adjusted during the period (3)	Closing Balance 4 = (1+2-3)
Post-Retirement Medical Scheme	8.33 (7.13)	1.62 (1.50)	0.45 (0.30)	9.50 (8.33)
Gratuity	0.64 (1.72)	1.48 (0.64)	0.64 (1.72)	1.48 (0.64)
Pension	6.60 (4.06)	0.69 (2.54)	7.14 (0.00)	0.15 (6.60)
Leave Encashment	17.74 (15.47)	6.04 (3.34)	3.39 (1.07)	20.39 (17.74)
Economic Rehabilitation Scheme for employee	1.24 (1.26)	0.08 (-0.01)	0.01 (0.01)	1.31 (1.24)
Bonus / Incentives / Base Line Compensation	26.32 (24.52)	19.50 (17.73)	18.82 (15.93)	27.00 (26.32)
Baggage Allowances	0.07 (0.05)	0.01 (0.02)	0.00 (0.00)	0.08 (0.07)
Service Award	3.33 (2.75)	0.38 (0.58)	0.00 (0.00)	3.71 (3.33)
Income Tax	2,000.83 (2,215.13)	1,547.63 (1,075.78)	128.63 (1,290.08)	3,419.83 (2,000.83)
FBT	0.00 (0.80)	0.00 0.00	0.00 (0.80)	0.00 (0.00)
Proposed Final Dividend	132.00 (197.99)	132.00 (132.00)	132.00 (197.99)	132.00 (132.00)
Proposed Corporate Dividend Tax	21.41 (32.12)	22.43 (21.41)	21.41 (32.12)	22.43 (21.41)

21.2 The Company has formulated a Corporate Social Responsibility (CSR) policy in line with the guidelines issued by the Ministry of Heavy Industries and Public Enterprises (Department of Public Enterprises) vide Office Memorandum F.No.15(3)/2007 -DPE(GM)-GL-99 dated 09.04.2010.

As per the CSR policy of the Company, a minimum of 0.5% of the consolidated profit after tax of the previous year will be allocated every financial year for CSR Activities, and Company was creating CSR provision for this purpose up to FY 2011-12.

Now, the Expert Advisory Committee of the Institute of Chartered Accountants of India (ICAI) has given opinion that unspent expenditure on CSR activities should not be recognized as provision, but a reserve may be created as an appropriation of profits.

Accordingly, CSR provision of ₹ 16.39 crore (amount unspent as at 01.04.2012) has been reversed to the credit of the statement of profit & loss through prior period account, and CSR reserve of ₹ 18.36 crore has been created as appropriation of profit, the details of which are as under:

(₹ in crore)

CSR Reserve	Amount
Opening balance	0.00
Add : Appropriation on account of un-spent amount as on 31.03.2012 Less: Amount spent during the year against CSR allocation of earlier years	16.39 9.30
Add : Appropriation during the year on account of un-spent amount (CSR allocation of ₹ 15.29 crore less amount spent ₹ 4.02 crore)	11.27
Closing Balance as on 31.03.2013	18.36

21.3 The Company has formulated a Sustainable Development (SD) policy in line with the guidelines issued by the Ministry of Heavy Industries and Public Enterprises (Department of Public Enterprises) vide Office Memorandum No.3(9)/2010 -DPE(MoU) dated 23.09.2011.

As per the SD policy approved by the Company, a minimum of ₹ 50 lakh plus 0.1% of profit after tax

	(consolidated) exceeding ₹ 100 crore of the previous year will be allocated every financial year for SD Projects/ Activities. The unspent amount of ₹ 0.49 crore has been appropriated from profits as SD reserve.
22.	Board of Directors in its meeting held on 09.11.2012 amended the prudential norms of the Company, subject to approval of Ministry of Power, and accorded approval to create provision on standard assets in phases with effect from FY 2012-13 in 3 year period (i.e. 0.0833% p.a.), in order to bring it to 0.25% by 31.03.2015. Accordingly, the Company has amended the accounting policy to this effect and has made provision of ₹ 132.79 crore for the FY ended 31.03.2013. If the company had followed the earlier policy, the net profit for the FY ended 31.03.2013 would have been higher by ₹ 132.79 crore (net of taxes). The approval for the change in prudential norms by the Ministry of Power, Government of India is under process.
23.	(i) During the year, the Company has sent letters seeking confirmation of balances as on 31.12.2012 to the borrowers and confirmation from all, except from two borrowers, have been received. (ii) There are no unpaid / unclaimed bonds, interests on bonds and dividends, which are over 7 years as on 31.03.2013 (previous period ₹ Nil). However, an amount of ₹ 0.56 crore (previous year ₹ 0.47 crore) remaining unpaid pending completion of transfer formalities by the claimants.
24.	The Capital Funds, Risk Weighted Assets and Capital Risk Adjusted Ratio (CRAR) of the Company are given hereunder:-

	Items	FY 2012-13	FY 2011-12
i)	Capital Fund - a. Tier I (₹ in crore)	22,641.33	19,544.65
	- b. Tier II (₹ in crore)	1,541.80	1,158.61
ii)	Risk weighted assets (₹ in crore)	1,34,522.65	1,27,066.12
iii)	CRAR	17.98%	16.29%
iv)	CRAR – Tier I Capital	16.83%	15.38%
v)	CRAR – Tier II Capital	1.15%	0.91%

25.	The Company has no exposure to real estate sector as on 31.03.2013.
26.	The Company does not have more than one reportable segment in terms of Accounting Standard 17 on Segment Reporting.
27.	Previous year's figures have been re-grouped / re-arranged, wherever practicable to make them comparable.
28.	Figures have been rounded off to the nearest crore of rupees with two decimals.

Notes at Part A (1 to 18), Part B and Part C form an integral part of Consolidated Balance Sheet and Consolidated Statement of Profit & Loss.

Part – C
FINANCIAL YEAR 2011-12
Other Notes on Accounts

1. The Company is a government company engaged in extending financial assistance to power sector.

2. Contingent liabilities:

(i) Default guarantees issued by the Company in foreign currency :

a) EURO Nil million equivalents ₹Nilcrore (as on 31.03.2011 EURO 0.355 million equivalents to ₹2.27crore).

b) US $ 10.94 million equivalent to ₹56.40crore(as on 31.03.2011 US $ 14.34million equivalent to ₹64.75crore).

(ii) Default guarantee issued by the Company in Indian Rupee ₹371.93crore (as on 31.03.2011₹ 400.00crore).

(iii) Bank guarantee issued by the Company in Indian Rupee ₹135.32crore (as on 31.03.2011₹50.04crore).

(iv) Additional demands raised by the Income Tax Department of ₹ 2.55 crore,₹ 4.51crore, ₹ 0.36crore, ₹ 9.24 crore, ₹ 7.44crore, ₹ 4.67 crore and ₹ 11.24 crore for Assessment Years 2000-01, 2001-02, 2002-03, 2005-06, 2007-08, 2008-09 and 2009-10 respectively are being contested. Further, the Income Tax Department has filed appeals before ITAT against the orders of CIT(A) allowing relief of ₹ 22.22 crore, 21.13 crore and ₹ 21.68 crore for AYs 2004-05 to 2006-07, respectively. The same are being contested. The Management does not consider it necessary to make any provision, as the probability of any tax liability devolving on the Company is negligible.

(v) Claims against the Company not acknowledged as debts are ₹Nil crore (as on 31.03.2011₹ 7.80 crore).

(vi) Outstanding disbursement commitments to the borrowers by way of Letter of Comfort issued against loans sanctioned is ₹5,730.38crore as on 31.03.2012 (as on 31.03.2011₹5,758.02crore).

3. Estimated amount of contract remaining to be executed on account of capital contracts, not provided for, is ₹0.57 crore (as on31.03.2011₹3.70crore).

4. Additional demands raised by the Income Tax Department (net of relief granted by Appellate Authorities) amounting to ₹ 29.76crore for Assessment Years 2001-02 to 2009-10 were provided for and are being contested by the Company.

5. The Company creates Debenture Redemption Reserve (DRR) upto 50% of the value of bonds / debentures issued through public issue, during the maturity period of such bonds / debentures.

The Company is not required to create Debenture redemption reserve in case of privately placed debentures as per circular No. 6 / 3 / 2001 – CL.V dated 18.04.2002 of the Government of India, Ministry of Law, Justice Company Affairs, and Department of Company Affairs.

The Company is not required to maintain reserve fund under section 45 – I C of the Reserve Bank of India Act, 1934 by transferring 20 % of its net profits, as it is exempted by RBI, vide RBI letter dated 24.01.2000.

6. Foreign currency actual outgo and earning:

(₹ in crore)

S.No.	Description	FY ended 31.03.2012	FY ended 31.03.2011
A.	**Expenditure in foreign currency**		
i)	Interest on loans from foreign institutions	159.37	108.40
ii)	Financial & Other charges	11.08	57.37
iii)	Traveling Expenses	0.21	0.16
iv)	Training Expenses	0.12	0.10
B.	**Earning in foreign currency**	Nil	Nil

7.1 Related party disclosures:

Key managerial personnel:

Name of the key managerial personnel	
ShriSatnam Singh, CMD	(with effect from 01.08.2008)
Shri M K Goel, Director	(with effect from 27.07.2007)
Shri Rajeev Sharma, Director	(from 09.03.2009 to 29.11.2011)
Shri R. Nagarajan, Director	(with effect from 31.07.2009)

Managerial remuneration:

(₹ in crore)

	Chairman & Managing Director		Other Directors	
	For FY ended 31.03.2012	For FY ended 31.03.2011	For FY ended 31.03.2012	For FY ended 31.03.2011
Salaries and allowances	0.42	0.23	0.93	0.66
Contribution to provident fund and other welfare fund	0.02	0.02	0.05	0.05
Other perquisites / payments	0.13	0.13	0.39	0.38
Total	**0.57**	**0.38**	**1.37**	**1.09**

In addition to the above perquisites, the Chairman & Managing Director and other Directors have been allowed to use staff car including private journey up to a ceiling of 1,000 kms per month on payment of ₹ 780/- per month.

7.2 Investment in equity share capital of companies incorporated in India as subsidiaries / associates / joint venture companies including companies promoted as Special Purpose Vehicles (SPV) for ultra-mega power projects are given below:-

SL	Name of the companies	Date of investment	No. of shares subscribed	% of ownership	Amount (₹ in crore)
A	**Subsidiary Company (i)**				
1.	PFC Consulting Limited	09.04.2008	50,000	100%	0.05
2.	PFC Green Energy Limited (ii)	29.07.2011 08.12.2011 29.03.2012	50,000 44,50,000 4,90,000	100%	4.99
3.	PFC Capital Advisory Services Ltd. (iii)	01.09.2011	1,00,000	100%	0.10
4	Power Equity Capital Advisors (Private) Limited (iv)	15.04.2008 11.10.2011	15,000 35,000	100%	0.05
	Sub-Total (A)		51,90,000		5.19
B	**Subsidiary Companies promoted as SPVs for Ultra Mega Power Projects (v)**				
1.	Coastal Maharashtra Mega Power Limited	05.09.2006	50,000	100%	0.05
2.	Orissa Integrated Power Limited	05.09.2006	50,000	100%	0.05
3.	Coastal Karnataka Power Limited	14.09.2006	50,000	100%	0.05
4.	Coastal Tamil Nadu Power Limited	31.01.2007	50,000	100%	0.05
5.	Chhattisgarh Surguja Power Limited	31.03.2008	50,000	100%	0.05
6.	Sakhigopal Integrated Power Limited	27.01.2010	50,000	100%	0.05
7.	Ghogarpalli Integrated Power Limited	27.01.2010	50,000	100%	0.05
8.	Tatiya Andhra Mega Power Limited	27.01.2010	50,000	100%	0.05
	Sub-Total (B)		4,00,000		0.40
C	**Joint venture Companies (i)**				
1	National Power Exchange Limited (vi)	18.12.2008 03.09.2010	8,33,000 13,54,015	16.66%	0.83 1.36
2.	Energy Efficiency Services Limited (vii)	21.01.2010	6,25,000	25%	0.63
	Sub-Total (C)		28,12,015		2.82
	TOTAL (A) + (B) + (C)		**84,02,015**		**8.41**

(i) The financial statements are consolidated as per Accounting Standard 21 – Consolidated Financial Statements, Accounting Standard 27 – Financial Reporting of Interests in Joint Ventures and Accounting Standard – 23 Accounting For Investment in Associates in Consolidated Financial Statements.

(ii) PFC Green Energy Ltd. (PFCGEL) was incorporated on 30.03.2011 as a wholly owned subsidiary of the Company to extend finance and financial services to renewable and non-conventional sources of energy. The authorized share capital of PFCGEL is ₹ 1200.00 crores and paid-up share capital is ₹4.99crores. The certificate of commencement of business has been received on 30.07.2011.

(iii) PFC Capital Advisory Services Limited (PFCCAS) was incorporated on 18.07.2011 as a wholly owned subsidiary of the Company for providing debt syndication in the areas of power, energy, infrastructure and other industries. The authorized share capital of PFCCAS is ₹ 1 crore (Rupees one crore) and paid up share capital of the company is ₹ 0.10 crore. The certificate of commencement of business has been received on 02.09.2011.

(iv) Power Equity Capital Advisors (Private) Limited (PECAP), has become wholly owned subsidiary of the Company on 11.10.2011 after the Company acquired, at par, the remaining 70% ownership from the erstwhile individual owners.

(v) The subsidiary companies were incorporated as SPVs under the mandate from the Government of India for development of ultra-mega power projects (UMPPs) with the intention to hand over the same to successful bidders on completion of the bidding process. The financial statements of these subsidiaries are attached as required under Section 212 of the Companies Act, 1956 without consolidating, in accordance with paragraph 11 of Accounting Standard-21.

(vi) Power Finance Corporation Limited (PFC), NTPC Limited, NHPC Limited and Tata Consultancy Services Limited (TCS), have jointly promoted National Power Exchange Limited (NPEL). NPEL will carry out the business of providing a platform for trading of power through an organized exchange. NPEL has not commenced its operation.

(vii) Energy Efficiency Services Limited (EESL) has been jointly promoted by PFC, NTPC, PGCIL and Rural Electrification Corporation Limited (REC) with equal participation in equity capital for implementing energy efficiency projects. Further, the Company has paid ₹ 24.38crore towards additional subscription to equity shares; the allotment of equity shares is awaited from EESL.

7.3 The Company's share of assets, liabilities, contingent liabilities and capital commitment as on 31.03.2012 and income and expenses for the period in respect of joint venture entities based on audited accounts are given below:

(₹ in crore)

SL	Particulars	As at 31.03.2012			As at 31.03.2011		
		NPEL	EESL	Total	NPEL	EESL	Total
	Ownership (%)	16.66	25		16.66	25	
A	Assets						
	- Non-Current Assets	0.01	0.09	0.10	0.01	0.13	0.14
	- Current assets	1.45	31.08	32.53	1.76	27.85	29.61
	Total	**1.46**	**31.17**	**32.63**	**1.77**	**27.98**	**29.75**
B	Liabilities						
	- Non-Current liabilities	-	0.00	0.00	-	-	-
	- Current Liabilities	0.04	4.37	4.41	0.12	2.43	2.55
	Total	**0.04**	**4.37**	**4.41**	**0.12**	**2.43**	**2.55**
C	Contingent liabilities	0.01	-	0.01	0.01	-	0.01
D	Capital commitments	-	-	-	-	-	-
		During the FYended 31.03.2012			During the FY ended31.03.2011		
E	Income	0.12	3.17	3.29	0.07	1.50	1.57
F	Expenses	0.34	1.17	1.51	0.32	0.37	0.69

7.4 The details of amount recoverable (including interest thereon) from the respective subsidiaries are given below:

(₹ in crore)

Name of the Subsidiary Companies	Amount as on 31.03.2012	Amount as on 31.03.2011	Maximum during FY 2011-12	Maximum During FY 2010-11
Coastal Maharashtra Mega Power Limited	5.72	4.88	5.72	4.95
Orissa Integrated Power Limited	73.21	58.40	73.21	58.40
Coastal Karnataka Power Limited	2.40	2.08	2.40	2.11
Coastal Tamil Nadu Power Ltd.	29.75	18.74	29.75	18.74
Chhattisgarh Surguja Power Limited	50.85	41.05	50.85	41.05
Sakhigopal Integrated Power Limited	1.16	0.65	1.16	0.65
Ghogarpalli Integrated Power Limited	0.90	0.53	0.90	0.53
Tatiya Andhra Mega Power Limited	7.71	5.40	7.71	5.40
PFC Green Energy Ltd.	0.05	2.25	2.25	2.25
PFC Capital Advisory Services Limited	0.01	0.00	0.04	0.00
Total	**171.76**	**133.98**	**173.99**	**134.08**

7.5 The details of amounts payable to subsidiaries (including interest) in respect of amounts contributed by power procurers and other amounts payable are given below:

(₹ in crore)

Name of the subsidiary companies	Amount as on 31.03.2012	Amount as on 31.03.2011	Maximum during FY 2011-12	Maximum During FY 2010-11
PFC Consulting Limited	3.09	0.00	3.14	1.99
Coastal Maharashtra Mega Power Limited	49.39	45.65	49.39	45.65
Orissa Integrated Power Limited	57.49	52.47	57.49	52.47
Coastal Tamil Nadu Power Limited	54.35	50.02	54.35	50.02
Chhattisgarh Surguja Power Limited	51.08	46.13	51.08	46.13
Sakhigopal Integrated Power Limited	19.23	17.74	19.23	17.74
Ghogarpalli Integrated Power Limited	17.91	16.52	17.91	16.52
Tatiya Andhra Mega Power Limited	23.02	19.26	23.02	19.26
Total	**275.56**	**247.79**	**275.61**	**249.78**

7.6 (v) Investment in "Small is Beautiful" Fund: -

The Company has outstanding investment of ₹7.83crore (as on31.03.2011₹8.73crore) in units of Small is Beautiful Fund. The face value of the Fund is ₹10 per unit. The NAV as on 31.03.2011 was ₹10.08 per unit and as on 31.03.2012 is ₹10.33 per unit. As investment in Small is Beautiful Fund is long term investment, the fluctuation in NAV in the current scenario is considered as temporary.

(vi) Investment in equity (unquoted) in Power Exchange India Limited:-

Power Exchange India Ltd. (PXIL) has been promoted by National Stock Exchange (NSE) and National Commodity and Derivatives Exchange Limited (NCDEX). The authorized share capital is₹ 100 croreas on 31.03.2012. The paid up capital of PXIL is ₹41.05crore, as on 31.03.2012. The Company has subscribed ₹2.80crore of the paid up capital of PXIL.

8. Interest Differential Fund (IDF) – KFW

The agreement between KFW and PFC provides that the IDF belongs to the borrowers solely and will be used to cover the exchange risk variations under this loan and any excess will be used in accordance with the agreement. The balance in the IDF fund has been kept under separate account head titled as Interest Differential Fund – KFW and shown as a liability. The total fund accumulated as on 31.03.2012 is ₹52.01crore (as on31.03.2011₹49.01crore), after adjusting the

exchange loss of ₹0.98crore (as on31.03.2011₹15.74crore).

9. Foreign currency liabilities not hedged by a derivative instrument or otherwise:-

Liabilities in Foreign Currencies	Amount (in millions)	
	31.03.2012	31.03.2011
USD	392.49	381.76
EURO	24.73	26.66
JPY	41,643.20	42,551.04

10. (b) Asset under finance lease after 01.04.2001:

(i) The gross investment in the leased assets and the present value of the minimum value receivable at the balance sheet date and the value of unearned financial income are given in the table below:

The future lease rentals are given below:-

(₹ in crore)

Particulars	As on 31.03.2012	As on 31.03.2011
Total of future minimum lease payments (Gross Investments)	571.09	541.19
Present value of lease payments	326.58	355.96
Unearned finance income	244.51	185.23
Maturity profile of total of future minimum lease payments (Gross Investment)		
Not later than one year	70.77	77.99
Later than one year and not later than 5 years	172.61	246.56
Later than five years	327.71	216.64
Total	**571.09**	**541.19**
Break up of present value of lease payments		
Not later than one year	41.51	43.28
Later than one year and not later than 5 years	90.75	155.19
Later than five years	194.32	157.49
Total	**326.58**	**355.96**

(ii) The Company had sanctioned an amount of ₹88.90 crore in the year 2004 as finance lease for financing wind turbine generator (commissioned on 19.07.2004). The sanction was reduced to ₹ 88.85 crore in December 2006. The gross investment stood at the level of ₹32.06crore as on 31.03.2012. The lease rent is to be recovered within a period of 15 Years, starting from 19.07.2004, which comprises of 10 years as a primary period and 5 years as a secondary period.

(iii) The Company had sanctioned an amount of ₹ 98.44 crore in the year 2004 as finance lease for financing wind turbine generator (commissioned on 18.5.2004). The gross investment stood at ₹32.87crore as on 31.03.2012. The lease rent is to be recovered within a period of 20 years, starting from 18.05.2004, which comprises of 10 years as a primary period and a maximum of another 10 years as a secondary period.

(iv) The Company had sanctioned an amount of ₹93.51 crore in the year 2004 as finance lease for financing wind turbine generator (commissioned on 09.06.2005). The gross investment stood at ₹49.94crore as on 31.03.2012. The lease rent is to be recovered within a period of 19 years 11 months, starting from 09.06.2005, which comprises of 10 years as a primary period and a maximum of 9 years and 11 months as a secondary period.

(v) The Company had sanctioned an amount of ₹228.94 crore in the year 2008 as finance lease for financing wind turbine generator. The gross investment stood at ₹456.23crore as on 31.03.2012. The lease rent is to be recovered within a period of 25 years, starting from 01.01.2012, which comprises of 18 years as a primary period and a maximum of 7 years as a secondary period.

b) Operating Lease:

The Company's operating leases consists:-

Premises for offices and for residential use of employees are lease arrangements, and are usually renewable on mutually

agreed terms, and are cancellable. Rent for residential accommodation of employees include ₹6.55crore (during FYended 31.03.2011₹6.89crore) towards lease payments, net of recoveries in respect of premises for residential use of employees. Lease payments in respect of premises for employees are shown as rent for residential accommodation of employees in Note Part A 15 – Employee Benefit Expenses. Lease payments in respect of premises for offices are shown as office rent in Note Part A 15 – Employee Benefit Expenses.

11. Subsidy under Accelerated Generation & Supply Programme (AG&SP):

(i) The Company claimed subsidy from Govt. of India at net present value calculated at indicative interest rates in accordance with the GOI's letter vide D.O.No.32024 / 17 / 97 – PFC dated 23.09.1997 and O.M.No.32024 / 23 / 2001 – PFC dated 07.03.2003, irrespective of the actual repayment schedule, moratorium period and duration of repayment. The amount of interest subsidy received and to be passed on to the borrower is retained as Interest Subsidy Fund Account. The impact of difference between the indicative rate and period considered at the time of claims and at the time of actual disbursement can be ascertained only after the end of the respective schemes. However on the basis of the projections made for each project (based upon certain assumptions that these would remain same over the projected period of each loan / project), the Company estimated the net excess amount of ₹5.12crore and ₹249.91crore as at 31.03.2012 for IX and X Plan, respectively under AG&SP schemes, and there is no shortfall. This net excess amount is worked out on overall basis and not on individual basis and may vary due to change in assumptions, if any, during the projected period such as changes in moratorium period, repayment period, loan restructuring, pre-payment, interest rate reset etc. Any excess / shortfall in the interest subsidy fund will be refunded or adjusted / charged off on completion of the respective scheme.

(ii)The amount of ₹376.21crore (as on 31.03.2011₹451.87crore) under the head Interest Subsidy Fund, represents the amount of subsidy received from Ministry of Power, Govt. of India which is to be passed on to the borrowers against their interest liability arising in future, under Accelerated Generation & Supply Programme (AG&SP), which comprises of the following : -

(₹in crore)

Particulars	As on 31.03.2012	As on 31.03.2011
Opening balance of Interest Subsidy Fund	451.87	663.49
Add : - Received during the period	--	--
: - Interest credited during the period	36.01	56.22
: - Refund by the borrower due to non – commissioning of project in time	17.65	
Less : Interest subsidy passed on to borrowers	77.67	117.84
Refunded to MoP:		
(d) Estimated net excess against IX Plan	34.00	150.00
(e) Due to non- commissioning of Project in time	17.65	--
Closing balance of interest subsidy fund	**376.21**	**451.87**

12. Pursuant to the notification GSRNo.914(E) dated 29.12.2011 issued by the Government of India, Ministry of Corporate Affairs amending Accounting Standard (AS)11 –The Effects of Changes in Foreign Exchange Rates, the Company has exercised the option under 46A of the amended AS11 and changed the accounting policy to amortize the exchange differences on the long term foreign currency monetary items over the tenure. Consequently, as on 31.03.2012, ₹515.41crore has been carried forward in the Foreign Exchange Monetary Item Translation Difference Account.

Had the Company followed the earlier practice of accounting of exchange differences, the net profit for the year ended 31.03.2012 would have been lower by ₹352.53 crore (net of taxes).

13. (i) The Company has been designated as the Nodal Agency for operationalisation and associated service for implementation of the Re-structured Accelerated Power Development and Reforms Programme (R – APDRP) during XI Plan by theMoP, GoI under it's overall guidance.

Projects under the scheme are being taken up in two parts. Part – A includes the projects for establishment of baseline data and IT applications for energy accounting as well as IT based customer care centers Part – B includes regular distribution strengthening projects. GoI provides 100% loan for Part A and up to 25% (up to 90% for special category States) loan for Part – B. Balance funds for Part – B projects can be raised by the utilities from PFC / REC / multi-lateral institutions and / or own resources. The loans under Part – Aalongwith interest thereon is convertible into grant as per R – APDRP guidelines. Similarly, upto 50% (up to 90% for special category states) of the loan against Part –B project would be convertible in to grant as per R – APDRP guidelines. Enabling activities of the programmes are covered under Part – C.

The loans under R – APDRP are routed through the Company for disbursement to the eligible utilities. The amount so disbursed but not converted in to grants as per R – APDRP guidelines will be repaid along with interest to the GoI on receipt from the borrower
The details are furnished below :

(₹ in crore)

Particulars	**Amount recoverable from borrowers & payable to GOI**		**R – APDRP Fund**		**Amount payable to GOI (Interest earned on Fixed Deposit)**	
	As at 31.03.2012	**As at 31.03.2011**	**As at 31.03.2012**	**As at 31.03.2011**	**As at 31.03.2012**	**As at 31.03.2011**
Opening balance	3902.88	1,646.09	0.00	0.00	6.88	0.11
Additions during the year	1600.00	2256.79	1600.00	2256.79	4.17	6.29
Disbursements / changes during the year			1600.00	2256.79		
Total	**5502.88**	**3902.88**	**0.00**	**0.00**	**11.05**	**6.40**
Interest accrued but not due	775.24	413.01			0.04	0.48
Closing balance	**6278.12**	**4315.89**	**0.00**	**0.00**	**11.09**	**6.88**

(ii) As on 31.03.2012, the total amount of nodal agency fee and reimbursement of expenditure received / receivable by PFC has been as under:-

(₹ in crore)

	During the FY ended 31.03.2012	Cumulative up-to	
		31.03.2012	31.03.2011
Nodal agency fee*	39.15	128.77	89.62
Reimbursement of expenditure	22.66	61.86	39.20
Total	**61.81**	**190.63**	**128.82**

*Exclusive of Service Tax

(vii) As per Office Memorandum No. 14 / 03 / 2008 – APDRP dated 20th August, 2010 of the MoP, GoI, the total amount receivable against the nodal agency fee plus the reimbursement of actual expenditure will not exceed ₹ 850 crore or 1.7 % of the likely outlay under Part A & B of R – APDRP, whichever is less.

14. The net deferred tax liabilities of ₹87.43crore (as on31.03.2011₹82.97crore) have been computed as per Accounting Standard 22 Accounting for Taxes on Income.

The breakup of deferred tax liabilities is given below: -

(₹ in crore)

Description	As on 31.03.2012	As on 31.03.2011
(a) Deferred Tax Asset (+)		
(i) Provision for expenses not deductible under Income Tax Act	16.49	18.02
(b) Deferred Tax Liabilities (-)		

(i) Depreciation	-0.96	-0.44
(ii) Lease income on new leases	-101.58	-99.69
(iii) Amortization	-1.38	-0.86
Net Deferred Tax liabilities (-)/Assets (+)	-87.43	-82.97

15. In compliance with Accounting Standard – 20 on Earning Per Share issued by the Institute of Chartered Accountants of India, the calculation of Earning Per Share (basic and diluted) is as under:-

Particulars	FY ended 31.03.2012	Previous year 31.03.2011
Net Profit after tax used as numerator (₹ in crore)	3,031.74	2,619.58
Weighted average number of equity shares used as denominator (basic & diluted)	129,50,00,707	114,77,66,700
Earning per share (basic & diluted) (₹)	23.41	22.82
Face value per share (₹)	10	10

16. The Company has no outstanding liability towards Micro, Small and Medium enterprises.

17. Leasehold land is not amortized, as it is a perpetual lease.

18. Liabilities and assets denominated in foreign currency have generally been translated at TT selling rate of SBI at year end as given below: -

S. No.	Exchange Rates	31.03.2012	31.03.2011
1	USD / INR	51.5300	45.1400
2	JPY / INR	0.6318	0.5484
3	EURO / INR	69.0500	63.9900

In-case of specific provision in the loan agreement for a rate other than SBI TT selling rate, the rate has been taken as prescribed in the respective loan agreement.

19. During the period, the Company has made Follow on Public Offer (FPO) through book building process of 229,553,340 number of equity shares of ₹ 10/- each. The FPO comprised of fresh issue of 172,165,005 equity shares of ₹ 10/- each by the Company and an offer for sale of 57,388,335 equity shares of ₹10/- each by the President of India acting through the Ministry of Power, Government of India. The equity shares have been priced at ₹ 203.00 per equity share for qualified institutional bidders and non-institutional bidders and at ₹ 192.85 per equity shares (5% of discount on ₹ 203.00) for retail individual bidders and eligible employees. The Company has raised₹ 3,433.65 crore from issue of fresh shares to the public.Post issue, the holding of Government of India in the paid up equity share capital of the Company has come down from 89.78% to 73.72%.The equity shares offered to the public including equity shares offered for sale by the Government of India have been allotted on 24.05.2011 and have been listed in the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE) on 27.05.2011.Accordingly, issued and paid up share capital has increased from ₹ 1147.77croreto ₹1319.93 crore and an amount of ₹3,241.57 crore (net of issue expenses of ₹ 19.91) has been taken to securities Premium Reserve.The proceeds of the issue (net of issue expenses) have been utilized fully for the purpose mentioned in the offer document.

20. (i) The Company has made a public issue of 470,722 number of infrastructure bonds (secured) at the face value of ₹5,000/- each aggregating to ₹ 235.36crore. The bonds have been allotted on 31.03.2011 and have been listed in the Bombay Stock Exchange (BSE) on 11.04.2011. The proceeds of the bond issue have been utilized for the purpose mentioned in the offer document.

(ii) The Company has made a public issue of 1,91,284 number of infrastructure bonds (secured) at the face value of ₹ 5,000/- each aggregating to ₹ 95.64 crore during the current year. The bonds have been allotted on 21.11.2011 and have been listed in the Bombay Stock Exchange (BSE) on 02.12.2011. The proceeds of the bond issue have been utilized for the purpose mentioned in the offer document.

(iii)The Company has made public issue of 40,33,1300 number of tax free bonds (secured) at the face value of ₹ 1,000 each aggregating to ₹ 4,033.13 crore during the current financial year. The Bonds have been allotted on 01.02.2012 and have been listed in the BSE on 14.02.2012. The proceeds of the bond issue have been utilized for the purpose mentioned in the offer document.

21. Disclosures as per Accounting Standard –15 :-

A. Provident fund

The Company pays fixed contribution to provident fund at prescribed rates to a separate trust, which invests the funds in permitted securities. The contribution to the fund for the period is recognized as expense and is charged to the profit and loss account. The obligation of the Company is to make such fixed contribution and to ensure a minimum rate of return to the members as specified by GoI. Any short fall for payment of interest to members as per specified rate of return has to be compensated by the Company. The Company estimates that no liability will take place in this regard in the near future and hence no further provision is considered necessary.

B. Gratuity

The Company has a defined gratuity scheme and is managed by a separate trust. The provision for the same has been made on actuarial valuation based upon total number of years of service rendered by the employee subject to a maximum amount of ₹10 lakh.

C. Post Retirement Medical Scheme (PRMS)

The Company has Post-Retirement Medical Scheme (PRMS), under which retired employees and the dependent family membershare provided medical facilities in empanelled hospitals. They can also avail of reimbursement of out-patient treatment subject to a ceiling fixed by the Company.

D. Terminal Benefits
Terminal benefits include settlement in home town for employees & their dependents.

E. Leave
The Company provides for earned leave benefit and half-pay leave to the credit of the employees, which accrue on half yearly basis @ 15 days and 10 days, respectively. 75% of the earned leave is encashable while in service and a maximum of 300 days earned leave can be accumulated, which is encashable on superannuation / separation. Half pay leave is encashable on separation after 10 years of service or at the time of superannuation subject to a maximum of 300 days. The liability for the same is recognized, based on actuarial valuation.

The above mentioned schemes (C, D and E) are unfunded and are recognized on the basis of actuarial valuation.
The summarised position of various defined benefits recognized in the profit and loss account, balance sheet are as under {Figures in brackets ( ) represents to as on 31.03.2011}

i)Expenses recognised in Profit and Loss Account

(₹in crore)

	Gratuity	PRMS	Leave
Current service cost	0.99 (0.92)	0.29 (0.26)	1.57 (1.73)
Interest cost on benefit obligation	1.08 (0.84)	0.61 (0.49)	1.31 (0.96)
Expected return on plan assets	-0.94 (-0.69)	0.00 (0.00)	0.00 (0.00)
Net actuarial (gain) / loss recognised in the year	-0.49 (0.65)	0.60 (0.17)	0.46 (0.65)
Expenses recognised in Profit & Loss Account	*0.64 (1.72)	1.50 (0.92)	*3.34 (3.34)

(*) Includes ₹0.13 crore (as on31.03.2011₹0.10crore) and ₹0.30 crore (as on31.03.2011₹0.15 crore) and ₹ 0.13crore (as on 31.03.2011 ₹ Nil crore) for gratuity, leave and PRMS respectively allocated to subsidiary companies.

ii) The amount recognized in the Balance Sheet

(₹ in crore)

	Gratuity	PRMS	Leave
Present value of obligation as at 31.03.2012 (i)	14.03 (12.69)	8.33 (7.13)	17.74 (15.47)
Fair value of plan assets at 31.03.2012 (ii)	12.95 (10.57)	0.00 (0.00)	0.00 (0.00)
Difference (ii) – (i)	-1.08 (-2.12)	-8.33 (-7.13)	-17.74 (-15.47)
Net asset / (liability) recognized in the Balance Sheet	-1.08 (-1.72)	-8.33 (-7.13)	-17.74 (-15.47)

iii) Changes in the present value of the defined benefit obligations

(₹ in crore)

	Gratuity	PRMS	Leave
Present value of obligation as at 01.04.2011	12.69 (11.18)	7.13 (6.44)	15.47 (12.84)
Interest cost	1.08 (0.84)	0.61 (0.49)	1.31 (0.96)
Current service cost	0.99 (0.92)	0.29 (0.26)	1.57 (1.73)
Benefits paid	-0.40 (-1.04)	-0.30 (-0.23)	-1.07 (-0.71)
Net actuarial (gain)/loss on obligation	-0.33 (0.79)	0.60 (0.17)	0.46 (0.65)
Present value of the defined benefit obligation as at 31.03.2012	14.03 (12.69)	8.33 (7.13)	17.74 (15.47)

iv) Changes in the fair value of plan assets

(₹ in crore)

	Gratuity	PRMS	Leave
Fair value of plan assets as at 01.04.2011	10.57 (7.92)	0.00 (0.00)	0.00 (0.00)
Expected return on plan assets	0.94 (0.69)	0.00 (0.00)	0.00 (0.00)
Contributions by employer	1.68 (2.86)	0.00 (0.00)	0.00 (0.00)
Benefit paid	-0.40 (-1.04)	0.00 (0.00)	0.00 (0.00)
Actuarial gain / (loss)	0.16 (0.14)	0.00 (0.00)	0.00 (0.00)
Fair value of plan assets as at 31.03.2012	12.95 (10.57)	0.00 (0.00)	0.00 (0.00)

v) One percent increase / decrease in the inflation rate would impact liability for medical cost of PRMS, as under:-

Cost increase by 1% ₹ 0.09 crore
Cost decrease by 1% ₹ 0.05 crore

vi) During the period, the Company has provided liability towards contribution to the Gratuity Trust of ₹0.64crore, to PRMS of ₹1.50crore, to leave ₹3.34crore and to pension ₹2.54crore (during the FY ended 31.03.2011 towards contribution to the Gratuity Trust of ₹1.79crore, to PRMS of ₹0.92crore, to leave ₹3.34crore and to pension ₹2.28crore).

F. Other Employee Benefits:-

During the period, provision of ₹-0.01crore (during the FY ended31.03.2011₹-0.03crore) has been made for Economic Rehabilitation Scheme for Employees and provision of ₹0.58crores has been made for Long Service Award for Employees (during the FY ended31.03.2011₹0.65crore) on the basis of actuarial valuation made at the end of the year by charging / crediting the profit and loss account.

G. Details of the Plan Asset:-

The details of the plan assets at cost, as on 31.03.2012 are as follows:-

(₹ in crore)

SL	Particulars	FY ended 31.03.2012	FYended 31.03.2011
i)	Government Securities	7.83	6.33
ii)	Corporate bonds / debentures	5.12	4.24
	Total	12.95	10.57

H. Actuarial assumptions

Principal assumptions used for actuarial valuation are:-

Method used	Projected Unit Credit Method
Discount rate	8.50 %
Expected rate of return on assets – Gratuity	8.92 %
Future salary increase	6.00 %

The estimates of future salary increases considered in actuarial valuation, take into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

22.1 Details of provision as required in Accounting Standard – 29.

(₹in crore)

Particulars	FY 2011-12	FY 2010-11
Post-Retirement Medical Scheme		
Opening Balance	7.13	6.44
Addition during the year	1.50	0.92
Amount paid / utilized during the period	0.30	0.23
Closing Balance	8.33	7.13
Gratuity		
Opening Balance	1.72	2.76
Addition during the year	0.64	1.79
Amount paid / utilized during the period	1.72	2.83
Closing Balance	0.64	1.72
Pension*		
Opening Balance	4.06	1.78
Addition during the period	2.54	2.28
Amount paid / utilized during the year	0.00	0.00
Closing Balance	6.60	4.06
Leave Encashment		
Opening Balance	15.47	12.84
Addition during the period	3.34	3.34
Amount paid / utilized during the year	1.07	0.71
Closing Balance	17.74	15.47
Wage Revision		
Opening Balance	0.00	6.20
Addition during the period	0.00	0.71
Amount paid / utilized during the year	0.00	6.91
Closing Balance	0.00	0.00
Economic Rehabilitation Scheme for Employee		
Opening Balance	1.26	1.31
Addition during the period	-0.01	-0.03
Amount paid / utilized during the year	0.01	0.02
Closing Balance	1.24	1.26
Bonus / Incentive / Base line Compensation		
Opening Balance	24.52	16.33
Addition during the period	17.73	17.78
Amount paid / utilized during the period	15.93	9.59
Closing Balance	26.32	24.52
Baggage Allowances		

Opening Balance	0.05	0.05
Addition during the period	0.02	0.00
Amount paid / utilized during the period	0.00	0.00
Closing Balance	0.07	0.05
Service Award		
Opening Balance	2.75	2.10
Addition during the year	0.58	0.65
Amount paid / utilized during the period	0.00	0.00
Closing Balance	3.33	2.75
Income Tax		
Opening Balance	2,215.13	1,337.29
Addition during the period (including interest ₹ 4.90crore u/s 234C)	1,075.78	898.99
Amount refunded / adjusted	(1,290.08)	21.15
Closing Balance	2,000.83	2215.13
Fringe Benefit Tax		
Opening Balance	0.80	0.80
Addition during the year	0.00	0.00
Amount adjusted during the period	0.80	0.00
Closing Balance	0.00	0.80
Proposed Final Dividend		
Opening Balance	197.99	172.17
Addition during the period	132.00	197.99
Amount paid / utilized during the period	197.99	172.17
Closing Balance	132.00	197.99
Proposed Corporate Dividend Tax		
Opening Balance	32.12	29.26
Addition during the year	21.41	32.12
Amount paid / utilized during the period	32.12	29.26
Closing Balance	21.41	32.12

* Pension: The Company provides for defined contribution pension scheme introduced in line with guidelines of the Department of Public Enterprise (DPE).

22.2 The Company has formulated a Corporate Social Responsibility (CSR) policy in line with the Guidelines on Corporate Social Responsibility for Central Public Sector Enterprises issued by the Ministry of Heavy Industries and Public Enterprises (Department of Public Enterprises) vide Office Memorandum F.No.15(3)/2007 -DPE(GM)-GL-99 dated 09.04.2010.

As per the CSR policy approved by the Company, a minimum of 0.5% of the profit after tax of the previous year will be allocated every financial year for CSR Activities. Accordingly, an amount of ₹ 13.24crore was provided for during the year ended 31.03.2012 (previous year ₹11.89 crore).

As at 31.03.2012, an amount of ₹32.22crore has been sanctioned by the Company against CSR expenditure for various projects out of which an amount of ₹21.33crore has been disbursed till 31.03.2012.

23 The Company has been paying income tax on perquisite to employees in earlier years and till current year. Pursuant to a decision by the Company, the income tax paid for the current year only has been recovered from the employees.

24. (i) Income on account of premium on premature repayment of loan, Income under the head, upfront fees, lead manager fees, facility agent fees, security agent fee and service charges etc. on loans was earlier accounted for in the year in which it was received by the Company. The Company has changed the accounting policy of recognition of all such income from cash basis to accrual basis in the financial year 2011-12.

Due to change in the accounting policy this year, the income on account of the above for the year is higher by ₹ 0.23 crore. (₹0.23 crore relates to the year 2010-11 and received in 2011-12).

	(ii) Accounting policy under para 6 regarding Provision has been realigned to prudential norms / interpretation of prudential norms of the Company.Since the amendment isrealignment /clarificatory in nature, there is no financial impact.
25.	(iii) During the year, the Company has sent letters seeking confirmation of balances as on 31.12.2011 to the borrowers. However, confirmations in a few cases were yet to be received. (iv) Some of the designated bank accounts opened for making interest payment to bondholders / debenture holders have outstanding balance of ₹ 0.47 crore are subject to reconciliation / confirmation. (v) There are no unpaid / unclaimed bonds, interests on bonds and dividends, which are over 7 years as on 31.03.2012 (previous year ₹ Nil).
26.	The Capital Funds, Risk Weighted Assets and Capital Risk Adjusted Ratio (CRAR) of the Company are given hereunder:-

Items		FY 2011-12	FY 2010-11
i)	Capital Fund - a. Tier I (₹ in crore)	19,544.65	14,197.62
	- b. Tier II (₹ in crore)	1,158.61	984.88
ii)	Risk weighted assets (₹ in crore)	1,27,066.12	96,669.24
iii)	CRAR	16.29%	15.71%
iv)	CRAR – Tier I Capital	15.38%	14.69%
v)	CRAR – Tier II Capital	0.91%	1.02%

27.	The Company has no exposure to real estate sector as on 31.03.2012.
28.	The Company does not have more than one reportable segment in terms of Accounting Standard No. 17 on Segment Reporting.
29.	Previous year's figures have been re-grouped / re-arranged, wherever practicable to make them comparable.
30.	Figures have been rounded off to the nearest crore of rupees with two decimals.

	Part – C **FINANCIAL YEAR 2010-11** **OTHER NOTES ON ACCOUNTS**
1.	The Company is a government company engaged in extending financial assistance to power sector.
2.	Contingent liabilities: (i) Default guarantees issued by the Company in foreign currency : c) EURO 0.355 million equivalents to ₹2.27 crore (previous year EURO 0.710 million equivalents to ₹ 4.35 crore). d) US $ 14.34 million equivalent to ₹64.75 crore (previous year US $ 17.745 million equivalent to ₹80.88 crore).
	(ii) Default guarantee issued by the Company in Indian Rupee: ₹ 400 crore (previous year ₹ 400.00 crore).
	(iii) Bank guarantee issued by the Company in Indian Rupee: ₹50.04 crore (previous year Rs 0.04 crore).
	(iv) The additional demand raised by Income Tax Department of ₹ 9.24 crore, Rs 0.57crs , ₹ 0.03 crore and ₹ 4.48 crs for Assessment Years 2005-06, 2006-07, 2007-08 and 2008-09 respectively are being contested. The management does not consider it necessary to make any provision, as the probability of outflow of resources is negligible.
	(v) Claims against the Company not acknowledged as debts are ₹ 7.80 crore (previous year ₹ 7.80 crore).
	(vi) Outstanding disbursement commitments to the borrowers by way of Letter of Comfort issued against loans sanctioned, ₹5,758.02 crore as at 31.03.2011 (previous year ₹ 3,414.21crore).
3.	Estimated amount of contract remaining to be executed on account of capital contracts, not provided for, is ₹ 3.70 crore (previous year ₹ 4.26 crore).
4.	Additional demands raised by the Income Tax Department (net of relief granted by Appellate Authorities) amounting to ₹ 22.58 crore for Assessment Year 2001-02 to 2008-09 were paid, provided for and are being contested.
5.	A project under implementation having principal outstanding of ₹ 700.00 crore (previous year ₹ 325.00 crore) has been considered as standard asset in terms of RBI circular No. DBS.FID.No.C – 11 / 01.02.00 / 2001-02 dated 01.02.2002 read with D.O. letter DBS.FID No.1285 / 01.02.00 / 2001-02 dated 14.05.2002 (thereby treating the asset as standard till June, 2008), RBI letter no. DBOD, BP.No.7675 / 21.04.048 / 2008-09 dated 11.11.2008 (which inter-alia advised that the date of commencement of commercial operation (DCCO) be treated as 31.03.2009), RBI circular no. DBOD. BP. BC. 85 / 21.04.048 / 2009 -10 dated 31.03.2010 and RBI letter no. DBOD. No. BP. No. 11505 / 21.04.048 / 2010-11 dated- 21.01.2011. (which inter-alia enables that the said asset can be retained as standard asset, if the DCCO is re-fixed within the period of 3 years from the commercial operation of 31.03.2009 provided the change in DCCO is due to reasons beyond control of the promoter and subject to compliance of certain provisions). Accordingly, in terms of the RBI circular no. DBOD. No. BP. BC. 85 / 21.04.048 / 2009 -10 dated 31.03.2010, the Company has made a provision of ₹ 2.80 crore at the rate of 0.40% of the outstanding amount of ₹ 700 crore during the year. However, the Company recognizes interest on this loan on receipt basis in terms of the accounting policy and as per prudential norms approved by the MoP. The Company has approved and finalized amendments to the Financial Realignment Plan (FRP).As per FRP, the Project Company is to issue Zero Coupon Bonds (ZCB) (towards interest outstanding for the period from 01.10.2001 to 31.10.2005) valuing ₹ 103.87 crore. During the FY 2010-11, an amount of ₹ 120.81 crore (including the dues of previous year of ₹ 23.12 crore and the guarantee fee of ₹ 4.60 crore for the current year) became due on the loan as per FRP, out of which ₹ 74.74 crore were received and accounted for as per the accounting policy. The balance of ₹ 46.07 crore being interest and guarantee fee due up to 31.03.2011 and ₹103.87 crore against ZCB have not been recognized, as per the accounting policy.
6	During the year, one borrower had made premature repayment of loan of ₹ 497.92 crore with payment of ₹ 10.99 crore towards prepayment premium. As per the terms and conditions of the loans / prepayment policy of the company, the demand for balance prepayment premium of ₹ 10.79 crores was sent to the borrower, which they have disputed and have not paid. Hence the same has not been accounted for.

7. Interest Subsidy of ₹ 17.65 crore under Accelerated Generation & Supply Programme (AG&SP) along with interest upto 31st March, 2011 amounting to ₹26.78 crore (previous year ₹ 24.67 crore), became recoverable in respect of one project, as the project was not completed till 31.03.2007 and the subsidy was withdrawn by the MoP. The amount of ₹26.78 crore (previous year ₹24.67 crore) is payable to the MoP on receipt from the borrower.

8. The company creates Debenture Redemption Reserve (DRR) upto 50% of the value of bonds / debentures issued through public issue, during the maturity period of such bonds / debentures. Accordingly, during the year the company has created DRR amounting to ₹ 0.06 crore (previous year Nil) on account of public issue of long term infrastructure bonds.

The Company is not required to create Debenture redemption reserve in case of privately placed debentures as per circular No. 6 / 3 / 2001 – CL.V dated 18.04.2002 of the Government of India, Ministry of Law, Justice Company Affairs, Department of Company Affairs.

The Company is not required to maintain reserve fund under section 45 – IC of the Reserve Bank of India Act, 1934 by transferring 20 percent of its net profits, as it is exempted by RBI, vide RBI letter dated 24.01.2000.

9. Foreign currency actual outgo and earning:

(₹ in crore)

S.No.	Description	Year ended 31.03.11	Year ended 31.03.10
A.	**Expenditure in foreign currency**		
i)	Interest on loans from foreign institutions	108.40	96.91
ii)	Financial & Other charges	57.37	35.08
iii)	Traveling Expenses	0.16	0.26
iv)	Training Expenses	0.10	0.15
B.	**Earning in foreign currency**	Nil	Nil

10.1 Related party disclosures:

Key managerial personnel:

Name of the key managerial personnel	
Shri Satnam Singh,CMD	(with effect from 01.08.2008)
Shri M K Goel, Director	(with effect from 27.07.2007)
Shri Rajeev Sharma,Director	(with effect from 09.03.2009)
Shri R. Nagarajan, Director	(with effect from 31.07.2009)
Subsidiary company	
Shri N D Tyagi, CEO of PFC Consulting Limited.	
Joint Ventures entities	
Shri R. S. Sharma, Chairman of Energy Efficiency Services Limited	
Shri I. J. Kapoor, Chairman of National Power Exchange Limited	

Managerial remuneration:

(₹ in crore)

	Chairman & Managing Director		Other Directors and CEO	
	For year ended 31.03.2011	For the year ended 31.03.10	For the year ended 31.03.2011	For the year ended 31.03.10
Salaries and allowances	0.23	0.27	0.66	0.70
Contribution to provident fund and other welfare fund	0.02	0.02	0.05	0.04
Other perquisites / payments	0.13	0.18	0.38	0.38
Total	**0.38**	**0.47**	**1.09**	**1.12**

In addition to the above perquisites, the Chairman & Managing Director and other Directors have been allowed to use staff car including private journey up to a ceiling of 1000 kms per month on payment of ₹ 780/- per month.

10.2 Investment in equity share capital of companies incorporated in India as subsidiaries / associates / joint venture companies including companies promoted as Special Purpose Vehicles (SPV) for ultra mega power projects are given below:-

SL	Name of the companies	Date of investment	No. of shares subscribed	% of ownership	Amount (₹ in crore)
A	**Subsidiary Company**				
1.	PFC Consulting Limited (*)	09.04.2008	50,000	100%	0.05
	Sub-Total (A)		50,000		0.05
B	**Subsidiary Companies promoted as SPVs for Ultra Mega Power Projects (**)**				
1.	Coastal Maharashtra Mega Power Limited	05.09.2006	50,000	100%	0.05
2.	Orissa Integrated Power Limited	05.09.2006	50,000	100%	0.05
3.	Coastal Karnataka Power Limited	14.09.2006	50,000	100%	0.05
4.	Coastal Tamil Nadu Power Limited	31.01.2007	50,000	100%	0.05
5.	Chhattisgarh Surguja Power Limited	31.03.2008	50,000	100%	0.05
6.	Sakhigopal Integrated Power Limited	27.01.2010	50,000	100%	0.05
7.	Ghogarpalli Integrated Power Limited	27.01.2010	50,000	100%	0.05
8.	Tatiya Andhra Mega Power Limited	27.01.2010	50,000	100%	0.05
	Sub-Total (B)		4,00,000		0.40
C	**Joint venture Companies (*)**				
1	National Power Exchange Limited (***)	18.12.2008 03.09.2010	8,33,000 13,54,015	16.66%	0.83 1.36
2.	Energy Efficiency Services Limited (****)	21.01.2010	6,25,000	25%	0.63
	Sub-Total (C)		28,12,015		2.82
D	**Associate companies (*)**				
1.	Power Equity Capital Advisors (Private) Limited	15.04.2008	15,000	30%	0.02
	Sub-Total (D)		15,000		0.02
	TOTAL (A) + (B) + (C) + (D)		**32,77,015**		**3.29**

(*) The financial statements are consolidated as per Accounting Standard 21 – Consolidated Financial Statements, Accounting Standard 27 – Financial Reporting of Interests in Joint Ventures and Accounting Standard – 23 Accounting For Investment in Associates in Consolidated Financial Statements.

(**) The subsidiary companies were incorporated as SPVs under the mandate from the Government of India for development of ultra mega power projects (UMPPs) and independent transmission projects with the intention to hand over the same to successful bidder on completion of the bidding process. The Financial Statements of these subsidiariesare attached as required under Section 212 of the Companies Act, 1956 without consolidating in accordance with paragraph 11 of Accounting Standard-21.

(***) Power Finance Corporation Limited (PFC), NTPC Limited, NHPC Limited and Tata Consultancy Services Limited (TCS), have jointly promoted National Power Exchange Limited (NPEL). NPEL will carry out the business of providing a platform for trading of power through an organized exchange. NPEL has not commenced its operation.

(****)Energy Efficiency Services Limited (EESL) has been jointly promoted by PFC, NTPC, PGCIL and Rural Electrification Corporation Limited (REC) with equal participation in equity capital for implementing energy efficiency projects. Further, the Company has paid ₹ 24.38 crore towards additional subscription to equity shares; the allotment of equity shares is awaited from EESL.

The name of Bokaro-Kodarma Maithan Transmission Company Limitedhas been struck off by the Registrar of Companies in the month of January 2011. Accordingly, a provision of ₹ 0.05 crore made against equity investment in the company has been reversed.

10.3 Power Finance Corporation Green Energy Ltd. (PFCGEL) has been incorporated as a wholly owned subsidiary of the Company to extend finance and financial services to promotegreen (renewable and non-conventional sources of) energy with authorized share capital of ₹ 1200.00 crores and subscribed share capital of ₹ 0.05 crores. The certificate of commencement of business is awaited. The subsidiary's financial statement is not consolidated, as the first financial year of the subsidiary has been decided by its Board of directors to be for the period from 30.03.2011 to 31.03.2012.

10.4 The Company's share of assets, liabilities, contingent liabilities and capital commitment as at 31.03.2011 and income and expenses for the period in respect of joint venture entities based on audited / unaudited accounts are given below:

(₹ in crore)

SL	Particulars	As at 31.03.2011			As at 31.03.2010		
		NPEL	EESL	Total	NPEL	EESL	Total
	Ownership (%)	16.66	25		16.66	25	
A	Assets						
	- Long term assets	0.01	0.13	0.14	0.02	-	0.02
	- Current assets	1.76	27.85	29.61	0.73	6.70	7.43
	Total	1.77	27.98	29.75	0.75	6.70	7.45
B	Liabilities						
	- Long term liabilities	-	-	-	-	-	-
	- Current Liabilities	0.12	2.43	2.55	0.20	0.28	0.48
	Total	0.12	2.43	2.55	0.20	0.28	0.48
C	Contingent liabilities	0.01	-		0.01	-	0.01
D	Capital commitments	-	-		-	-	
		For the period			Previous Year		
E	Income	0.07	1.50	1.57	0.03	0.00	0.03
F	Expenses	0.32	0.37	0.69	0.30	0.30	0.60

10.5 The details of amount recoverable (including interest thereon) from the respective subsidiaries are given below:

(₹ in crore)

Name of the Subsidiary Companies	Amount as on 31.03.2011	Amount as on 31.03.2010	Maximum during the period	Maximum During the previous year
Coastal Maharashtra Mega Power Limited	4.88	4.28	4.95	4.28
Orissa Integrated Power Limited	58.40	13.67	58.40	13.67
Coastal Karnataka Power Limited	2.08	1.83	2.11	1.83
Coastal Tamil Nadu Power Ltd.	18.74	11.17	18.74	11.17
Chhattisgarh Surguja Power Ltd.	41.05	33.08	41.05	33.08
Sakhigopal Integrated Power Limited	0.65	0.24	0.65	0.24
Ghogarpalli Integrated Power Limited	0.53	0.24	0.53	0.24
Tatiya Andhra Mega Power Limited	5.40	0.88	5.40	0.88
Power Finance Corporation Green Energy Ltd.	2.25	0.00	2.25	0.00
Total	**133.98**	**65.39**	**134.08**	**65.39**

10.6 The details of amounts payable to subsidiaries (including interest) in respect of amounts contributed by power procurers and other amounts payable are given below:

(₹ in crore)

Name of the subsidiary companies	Amount as on 31.03.2011	Amount as on 31.03.2010	Maximum during the period	Maximum During the previous year
PFC Consulting Limited	0.00	1.86	1.99	1.86
Coastal Maharashtra Mega Power Limited	45.65	42.96	45.65	42.96
Orissa Integrated Power Limited	52.47	48.05	52.47	48.05
Coastal Tamil Nadu Power Ltd.	50.02	46.88	50.02	46.88
Chhattisgarh Surguja Power Ltd.	46.13	41.96	46.13	41.96
Sakhigopal Integrated Power Limited	17.74	5.15	17.74	5.15
Ghogarpalli Integrated Power Limited	16.52	0.00	16.52	0.00
Tatiya Andhra Mega Power Limited	19.26	0.00	19.26	0.00
Total	**247.79**	**186.86**	**249.78**	**186.86**

10.7 (viii) Investment in "Small is Beautiful" Fund: -

The Company has outstanding investment of ₹8.73 crore (previous year ₹ 12.08 crore) in units of Small is Beautiful Fund. The face value of the Fund is ₹ 10 per unit. The NAV as on 31.03.2010 was ₹ 9.80 per unit and as on 31.03.2011 is ₹10.08 per unit. As investment in Small is Beautiful Fund is long term investment, the fluctuation in NAV in the current scenario is considered as temporary.

(ix) Investment in equity (unquoted) in Power Exchange India Limited:-

Power Exchange India Ltd. (PXIL) has been promoted by National Stock Exchange (NSE) and National Commodity and Derivatives Exchange Limited (NCDEX). The authorized capital has been enhanced from ₹ 50 crore to ₹ 100 crore in September 2010. The paid up capital of PXIL is ₹ 40.00 crore, as on 31.03.2011. The Company has subscribed ₹ 1.75 crore of the paid up capital of PXIL.

11. Interest Differential Fund (IDF) – KFW

The agreement between KFW and PFC provides that the IDF belongs to the borrowers solely and will be used to cover the exchange risk variations under this loan and any excess will be used in accordance with the agreement. The balance in the IDF fund has been kept under separate account head titled as Interest Differential Fund – KFW and shown as a liability. The total fund accumulated as on 31.03.2011 is ₹49.01 crore (previous year ₹ 47.60 crore) after adjusting the translation loss of ₹15.74 crore (previous year ₹ 13.73 crore).

12. The Company borrows money in foreign currency to finance power projects. In the opinion of the Company, AS 16 – Borrowing costs is applicable where funds are borrowed for acquisition of qualifying asset. The Company does not have any qualifying asset as per AS 16 and hence the foreign exchange gain / loss have been recognized in the Profit & Loss A/c as per AS 11 – The Effects of Changes in Foreign Exchange Rates.

13. (i) Foreign currency liabilities not hedged by a derivative instrument or otherwise:-

Currencies	Amount (in millions)	
	31.03.2011	31.03.2010
USD	381.76	427.43
EURO	26.66	27.63
JPY	42,551.04	1,590.51

(ii) The company enters into derivative contracts for mitigating exchange rate risk in foreign currency liabilities and interest rate risk in foreign currency and rupee liabilities. Paragraphs 36 and 39 of the AS 11 states that in respect of forward exchange contracts not intended for trading or speculative purpose, the forward premium / discount be amortised over the life of such contracts and the forward exchange contracts intended for trading or speculative purpose be marked to market. The derivatives entered into by the company are in the nature of hedging and not in the nature of speculative or trading. The derivatives in the nature of forwards are dealt with in accordance with AS 11.

The Institute of Chartered Accountants of India (ICAI) had issued an announcement dated 29th March, 2008 regarding accounting for derivatives which gives companies an option either to account for losses, if any, on derivatives based on mark to market valuation or to adopt the principles enunciated in the Accounting Standard (AS) 30 on 'Financial Instruments: Recognition and Measurements'. The Company has not adopted AS 30, nor accounted for mark to market losses for other derivatives outstanding as at 31st March 2011, asthe ICAI, vide their announcement dated 11th February 2011, have stated, inter-alia, that AS - 30 is not presently mandatory and that it is not expected to continue in its present form, and hence the announcement prior to the date of 11th February, 2011, in the management's view, does not hold good.

14. (j) Asset under finance lease after 01.04.2001:

(i) The gross investment in the leased assets and the present value of the minimum value receivable at the balance sheet date and the value of unearned financial income are been given in the table below:

The future lease rentals are given below:-

(₹ in crore)

Particulars	As on 31.03.2011	As on 31.03.10
Total of future minimum lease payments (Gross Investments)	541.19	205.01
Present value of lease payments	355.96	160.63
Unearned finance income	185.23	44.38
Maturity profile of total of future minimum lease payments (Gross Investment)		
Not later than one year	77.99	45.07
Later than one year and not later than 5 years	246.56	156.99
Later than five years	216.64	2.95
Total	**541.19**	**205.01**
Break up of Present Value of Lease Payments		
Not later than one year	43.28	29.26
Later than one year and not later than 5 years	155.19	128.49
Later than five years	157.49	2.88
Total	**355.96**	**160.63**

(ii) The Company had sanctioned an amount of ₹ 88.90 crore in the year 2004 as finance lease for financing wind turbine generator (commissioned on 19.07.2004) which was reduced to ₹ 88.85 crore in December 2006. The gross investment stood at the level of ₹46.01 crore as on 31.03.2011. The lease rent is to be recovered within a period of 15 Years, starting from 19.07.2004, which comprises of 10 years as a primary period and 5 years as a secondary period.

(iii) The Company had sanctioned an amount of ₹ 98.44 crore in the year 2004 as finance lease for financing wind turbine generator (commissioned on 18.5.2004). The gross investment stood at ₹48.33 crore as on 31.03.2011. The lease rent is to be recovered within a period of 20 years, starting from 18.05.2004, which comprises of 10 years as a primary period and maximum of another 10 years as a secondary period.

(iv) The Company had sanctioned an amount of ₹93.51 crore in the year 2004 as finance lease for financing wind turbine generator (commissioned on 09.06.2005). The gross investment stood at ₹65.60 crore as on 31.03.2011. The lease rent is to be recovered within a period of 19 years 11 months, starting from 09.06.2005, which comprises of 10 years as a primary period and maximum of 9 years and 11 months as a secondary period.

(v) The Company had sanctioned an amount of ₹228.94 crore in the year 2008 as finance lease for financing wind turbine generator. The gross investment stood at ₹381.25 crore as on 31.03.2011. The lease rent is to be recovered within a period of 20 years, starting from 31.10.2010, which comprises of 12 years as a primary period and maximum of 8 years as a secondary period.

b) Operating Lease:

The Company's operating leases consists:-
Premises for offices and for residential use of employees are lease arrangements, and are usually renewable on mutually agreed terms, and are cancellable. Rent for residential accommodation of employees include ₹6.89 crore (previous year ₹ 4.06 crore) towards lease payments, net of recoveries in respect of premises for residential use of employees. Lease payments in respect of premises for employees are shown as rent for residential accommodation of employees in Schedule 14 – Personnel, Administration and Other Expenses. Lease payments in respect of premises for offices are shown as office rent in Schedule 14 – Personnel, Administration and Other Expenses.

15. Subsidy under Accelerated Generation & Supply Programme (AG&SP):

(vi) The Company claims subsidy from Govt. of India at net present value calculated at indicative interest rates in accordance with the GOI's letter vide D.O.No.32024 / 17 / 97 – PFC dated 23.09.1997 and O.M.No.32024 / 23 / 2001 – PFC dated 07.03.2003, irrespective of the actual repayment schedule, moratorium period and duration of repayment. The amount of interest subsidy received and to be passed on to the borrower is retained as Interest Subsidy Fund Account. The impact of difference between the indicative rate and period considered at the time of claims and at the time of actual disbursement can be ascertained only after the end of the respective schemes. However on the basis of the projections made for each project (based upon certain

assumptions that these would remain same over the projected period of each loan / project), the Company estimated the net excess amount of ₹35.31 crore and ₹229.43 crore (excluding an amount of ₹ 17.65 crore recoverable from Irrigation Department of Government of Maharashtra) as at 31.03.2011 for IX and X plan respectively under AG&SP schemes and there is no shortfall. This net excess amount is worked out on overall basis and not on individual basis and may vary due to change in assumptions, if any, during the projected period such as changes in moratorium period, repayment period, loan restructuring, pre payment, interest rate reset etc. Any excess / shortfall in the interest subsidy fund will be refunded or adjusted / charged off at the completion of the respective scheme.

(vii) The amount of ₹451.87 crore (Previous year ₹ 663.49 crore) under the head Interest Subsidy Fund, represents the amount of subsidy received from Ministry of Power, Govt. of India which is to be passed on to the borrowers against their interest liability arising in future, under Accelerated Generation & Supply Programme (AG&SP), which comprises of the following : -

(₹in crore)

Particulars	As on 31.03.2011	As on 31.03.10
Opening balance of Interest Subsidy Fund	663.49	908.94
Add : - Received during the period	--	--
: - Interest credited during the period	56.22	80.44
Less : Interest subsidy passed on to borrowers	117.84	169.36
Refunded to MoP:		
(f) Estimated net excess against IX Plan	150.00	150.00
(g) Due to non- commissioning of Project in time	--	6.53
Closing balance of interest subsidy fund	**451.87**	**663.49**

16. (i) The Company has been designated as the Nodal Agency for operationalisation and associated service for implementation of the Re-structured Accelerated Power Development and Reforms Programme (R – APDRP) during XI plan by the , MoP, GoI under it's overall guidance.

Projects under the scheme are being taken up in two parts. Part – A includes the projects for establishment of baseline data and IT applications for energy accounting as well as IT based customer care centers. Part – B includes regular distribution strengthening projects.GoI provides 100% loan for Part A and up to 25% (up to 90% for special category States) loan for Part – B. Balance funds for Part – B projects can be raised by the utilities from PFC / REC / multi-lateral institutions and / or own resources. The loans under Part – A alongwith interest thereon is convertible into grant as per R – APDRP guidelines. Similarly, upto 50% (up to 90% for special category states) of the loan against Part –B project would be convertible in to grant as per R – APDRP guidelines. Enabling activities of the programe is covered under Part – C.

The loans under R – APDRP are routed through the Company for disbursement to the eligible utilities. The amount so disbursed but not converted in to grants as per R – APDRP guidelines will be repaid along with interest to the GoI on receipt from the borrowers.

The details are furnished below :

(₹ in crore)

Particulars	Amount recoverable from borrowers & payable to GOI		R – APDRP Fund		Amount payable to GOI (Interest earned on Fixed Deposit)	
	As at 31.03.2011	As at 31.03.10	As at 31.03.2011	As at 31.03.10	As at 31.03.2011	As at 31.03.10
Opening balance	1,646.09	325.10	0.00	0.00	0.11	0.00
Additions during the year	2256.79	1,320.99	2256.79	1,320.99	6.29	0.11
Disbursements / changes during the year			2256.79	1,320.99		
Total	**3902.88**	**1646.09**	**0.00**	**0.00**	**6.40**	**0.11**
Interest accrued but not due	413.01	109.70			0.48	
Closing balance	**4,315.89**	**1,755.79**	**0.00**	**0.00**	**6.88**	**0.11**

(ii) Pending finalization of norms for payment of nodal agency fee, etc. the accounting policy therefore was held

in abeyance in 2009-10 and fee etc. had not been accounted for in 2009-10. On finalization of norms by MoP, GoI, vide Office Memorandum No. 14/03/2008 – APDRP dated 20th August, 2010, the Company has recognised in the books of accounts, during the year ended 31.03.2011, nodal agency fee income ₹ 89.62 crore (previous year NIL) in respect of sanctions and disbursements done in 2008-09, 2009-10 and 2010-11.

(x) During the year ended 31.03.2011, the Company has recognized ₹ 39.20 crore as amount reimbursed / reimbursable from the Ministry of Power, Govt. of India, towards the actual expenditure incurred in FY 2008-09, 2009-10 and in 2010-11 on various activities for operationalising the programme.

(xi) As on 31.03.2011, the total amount of nodal agency fees and reimbursement of expenditure recognised by PFC has been as under:-

(₹ in crore)

	During 2010-11	Cumulative up-to 31.03.2011
Nodal agency fees	89.62	89.62
Reimbursement of expenditure	39.20	39.20
Total	**128.82**	**128.82**

(xii) As per Office Memorandum No. 14/03/2008 – APDRP dated 20th August, 2010 of the MoP, GoI, the total amount receivable against the nodal agency fee plus the reimbursement of actual expenditure will not exceed ₹ 850 crore or 1.7 % of the likely outlay under Part A & B of R – APDRP, whichever is less.

17. The net deferred tax liabilities of ₹ 82.97 crore (previous year ₹ 46.95 crore) have been computed as per Accounting Standard 22 Accounting for Taxes on Income.

The breakup of deferred tax liabilities is given below: -
(₹ in crore)

Description	As on 31.03.2011	As on 31.03.2010
(a) Deferred Tax Asset (+)		
(i) Provision for expenses not deductible under Income Tax Act	18.02	7.06
(b) Deferred Tax Liabilities (-)		
(ii) Depreciation	-0.44	-0.12
(iii) Lease income on new leases	-99.69	-53.36
(iv) Amortization	-0.86	-0.53
Net Deferred Tax liabilities (-)/Assets (+)	-82.97	-46.95

18. In compliance with Accounting Standard – 20 on Earning Per Share issued by the Institute of Chartered Accountants of India, the calculation of Earning Per Share (basic and diluted) is as under:-

Particulars	**Current year 31.03.2011**	**Previous year 31.03.2010**
Net Profit after tax used as numerator (₹ in crore)	2619.58	2,357.25
Weighted average number of equity shares used as denominator (basic & diluted)	114,77,66,700	114,77,66,700
Earning per share (basic & diluted) (Rupees)	22.82	20.54
Face value per share (Rupees)	10	10

19. The Company has no outstanding liability towards Micro, Small and Medium enterprises.

20. The value of lease hold land aggregating to ₹37.87 crore (previous year ₹ 38.33 crore) comprises of ₹ 31.83 crore (previous year ₹ 31.83crore) paid towards cost of land to Land and Development Office (L&DO), Ministry of Urban Affairs, Govt. of India, stamp duty of ₹2.01 crore (previous year ₹2.47 crore) and capitalization of ground rent of ₹4.03 crore (previous year ₹ 4.03 crore) up to the date of completion of building. The Land and Development Office have executed the perpetual lease deed on 23.03.2011. The registration of the perpetual lease deed is under process.

Leasehold land is not amortized, as it is a perpetual lease.

21. Liabilities and assets denominated in foreign currency have generally been translated at TT selling rate of SBI at year end as given below: -

S. No.	Exchange Rates	31.03.2011	31.03.2010
1	USD / INR	45.1400	45.5800
2	JPY / INR	0.5484	0.4900
3	EURO / INR	63.9900	61.3100

In-case of specific provision in the loan agreement for a rate other than SBI TT selling rate, the rate has been taken as prescribed in the respective loan agreement.

22. Disclosures as per Accounting Standard–15:-

A. Provident fund

The Company pays fixed contribution to provident fund at prescribed rates to a separate trust, which invests the funds in permitted securities. The contribution to the fund for the period is recognized as expense and is charged to the profit and loss account. The obligation of the Company is to make such fixed contribution and to ensure a minimum rate of return to the members as specified by GoI. Any short fall for payment of interest to members as per specified rate of return has to be compensated by the Company. The Company estimates that no liability will take place in this regard in the near future and hence no further provision is considered necessary.

B. Gratuity

The Company has a defined gratuity scheme and is managed by a separate trust. The provision for the same has been made on actuarial valuation based upon total number of years of service rendered by the employee subject to a maximum amount of ₹10 lakh.

C. Post Retirement Medical Scheme (PRMS)

The Company has Post-Retirement Medical Scheme (PRMS), under which retired employees and the dependent family membersare provided medical facilities in empanelled hospitals. They can also avail of reimbursement of out-patient treatment subject to a ceiling fixed by the Company.

D. Terminal Benefits

Terminal benefits include settlement in home town for employees &their dependents.

E. Leave

The Company provides for earned leave benefit and half-pay leave to the credit of the employees, which accrue on half yearly basis @ 15 days and 10 days, respectively. 75% of the earned leave is encashable while in service and a maximum of 300 days earned leave can be accumulated, which is encashable on superannuation / separation. Half pay leave is encashable on separation after 10 years of service or at the time of superannuation subject to a maximum of 300 days. The liability for the same is recognized, based on actuarial valuation.

The above mentioned schemes (C, D and E) are unfunded and are recognized on the basis of actuarial valuation. The summarised position of various defined benefits recognized in the profit and loss account, balance sheet are as under {Figures in brackets ( ) represents to previous year}

i)Expenses recognised in Profit and Loss Account
(₹in crore)

	Gratuity	PRMS	Leave
Current service cost	0.92 (0.80)	0.26 (0.24)	1.73 (1.29)
Interest cost on benefit obligation	0.84 (0.59)	0.49 (0.27)	0.96 (0.54)
Expected return on plan assets	-0.69 (-0.53)	0.00 (0.00)	0.00 (0.00)
Net actuarial (gain)/ loss recognised in the year	0.65 (1.90)	0.17 (2.58)	0.65 (5.53)
Expenses recognised in Profit & Loss Account	*1.72	0.92	*3.34

	(2.76)	(3.09)	(7.36)

(*) Includes ₹0.10 crore (previous year ₹0.08 crore) and ₹ 0.15 crore (previous year ₹0.11 crore) for gratuity and leave, respectively allocated to subsidiary companies.

ii) The amount recognized in the Balance Sheet

(₹ in crore)

	Gratuity	PRMS	Leave
Present value of obligation as at 31.03.2011 (i)	12.69 (11.18)	7.13 (6.44)	15.47 (12.84)
Fair value of plan assets at 31.03.2011 (ii)	10.57 (8.42)	0.00 (0.00)	0.00 (0.00)
Difference (ii) – (i)	-2.12 -2.76)	-7.13 (-6.44)	-15.47 -12.84)
Net asset / (liability) recognized in the Balance Sheet	-1.72 (-2.76)	-7.13 (-6.44)	-15.47 (-12.84)

iii) Changes in the present value of the defined benefit obligations

(₹ in crore)

	Gratuity	PRMS	Leave
Present value of obligation as at 01.04.2010	11.18 (7.96)	6.44 (3.66)	12.84 (7.15)
Interest cost	0.84 (0.59)	0.49 (0.27)	0.96 (0.54)
Current service cost	0.92 (0.80)	0.26 (0.24)	1.73 (1.29)
Benefits paid	-1.04 (-0.07)	-0.23 (-0.31)	-0.71 (-1.67)
Net actuarial (gain)/loss on obligation	0.79 (1.90)	0.17 (2.58)	0.65 (5.53)
Present value of the defined benefit obligation as at 31.03.2011	12.69 (11.18)	7.13 (6.44)	15.47 (12.84)

iv) Changes in the fair value of plan assets

(₹ in crore)

	Gratuity	PRMS	Leave
Fair value of plan assets as at 01.04.2010	*7.92 (7.96)	0.00 (0.00)	0.00 (0.00)
Expected return on plan assets	0.69 (0.53)	0.00 (0.00)	0.00 (0.00)
Contributions by employer	2.86 (0.00)	0.00 (0.00)	0.00 (0.00)
Benefit paid	-1.04 (-0.07)	0.00 (0.00)	0.00 (0.00)
Actuarial gain / (loss)	0.14 (0.00)	0.00 (0.00)	0.00 (0.00)
Fair value of plan assets as at 31.03.2011	*10.57 (8.42)	0.00 (0.00)	0.00 (0.00)

* It has been revised from ₹ 8.42 crore to ₹ 7.92 crore during the current financial year, after finalisation and audit of accounts of Gratuity Trust for the financial year 2009-10.

v) One percent increase / decrease in the inflation rate would impact liability for medical cost of PRMS, as under:-

Cost increase by 1% ₹ 0.14 crore
Cost decrease by 1% ₹ 0.11 crore

vi) During the year, the Company has provided liability towards contribution to the Gratuity Trust of ₹ 1.79 crore, to PRMS of ₹ 0.92 crore, to leave ₹ 3.34 crore and to pension ₹ 2.28 crore. (previous year towards contribution to the Gratuity Trust of ₹2.76 crore, to PRMS of ₹3.09 crore, to leave ₹7.36 crore and to pension ₹1.78 crore).

F. Other Employee Benefits:-

During the year, provision of ₹- 0.03 crore (previous Year ₹ 0.04 crore) has been made for Economic Rehabilitation Scheme for Employees and provision of ₹ 0.65 crores has been made for Long Service Award for Employees (Previous year ₹ 0.01 crore reversed) on the basis of actuarial valuation made at the year end by charging / crediting the profit and loss account.

G. Details of the Plan Asset:-

The details of the plan assets at cost, as on 31.03.2011 are as follows:-

(₹ in crore)

SL	Particulars	2010-11	2009-10
i)	State Government Securities	3.83	1.37
ii)	Central Government Securities	2.50	2.18
iii)	Corporate bonds / debentures	4.24	4.87
	Total	10.57	8.42

H. Actuarial assumptions

Principal assumptions used for actuarial valuation are:-

Method used	Projected Unit Credit Method
Discount rate	7.50 %
Expected rate of return on assets – Gratuity	8.77 %
Future salary increase	5.00 %

The estimates of future salary increases considered in actuarial valuation, take into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

23. Details of provision as required in Accounting Standard – 29.

(₹in crore)

Particulars	Financial year 2010-11	Financial year 2009-10
Post Retirement Medical Scheme		
Opening Balance	6.44	3.66
Addition during the year	0.92	3.09
Amount paid/utilized during the year	0.23	0.31
Closing Balance	7.13	6.44
Gratuity		
Opening Balance	2.76	3.02
Addition during the year$	1.79	2.76
Amount paid/utilized during the year	2.83	3.02
Closing Balance	1.72	2.76
$ Addition for the FY 2010-11 includes ₹ 0.07 crore related to FY 2009-10		
Pension*		
Opening Balance	1.78	0.00
Addition during the year	2.28	1.78
Amount paid/utilized during the year	0.00	0.00
Closing Balance	4.06	1.78
Leave Encashment		
Opening Balance	12.84	7.15
Addition during the year	3.34	7.36
Amount paid/utilized during the year	0.71	1.67
Closing Balance	15.47	12.84
Wage Revision		
Opening Balance	6.20	21.89

Addition during the year	0.71	1.57
Amount paid/utilized during the year	6.91	17.26
Closing Balance	0.00	6.20
Economic Rehabilitation Scheme for Employee		
Opening Balance	1.31	1.29
Addition during the year	-0.03	0.04
Amount paid/utilized during the year	0.02	0.02
Closing Balance	1.26	1.31
Bonus / Incentive / Base line Compensation		
Opening Balance	16.33	9.76
Addition during the year	17.78	14.32
Amount paid/utilized during the year	9.59	7.75
Closing Balance	24.52	16.33
Leave Travel Concession		
Opening Balance	0.00	2.34
Addition during the year	0.00	0.15
Amount paid/utilized during the year	0.00	2.49
Closing Balance	0.00	0.00
Baggage Allowances		
Opening Balance	0.05	0.05
Addition during the year	0.00	0.00
Amount paid/utilized during the year	0.00	0.00
Closing Balance	0.05	0.05
Service Award		
Opening Balance	2.10	2.11
Addition during the year	0.65	-0.01
Amount paid/utilized during the year	0.00	0.00
Closing Balance	2.75	2.10
Income Tax		
Opening Balance	1,337.29	1,489.88
Addition during the year	898.99	800.55
Amount refunded / adjusted	21.15	953.14
Closing Balance	2,215.13	1,337.29
Fringe Benefit Tax		
Opening Balance	0.80	2.90
Addition during the year	0.00	0.00
Amount adjusted during the year	0.00	2.10
Closing Balance	0.80	0.80
Proposed Final Dividend		
Opening Balance	172.17	154.95
Addition during the year **	197.99	172.17
Amount paid / utilized during the year	172.17	154.95
Closing Balance	197.99	172.17
Proposed Corporate Dividend Tax		
Opening Balance	29.26	26.33
Addition during the year	32.12	29.26
Amount paid / utilized during the year	29.26	26.33
Closing Balance	32.12	29.26

* Pension: In view of the guidelines of the Department of Public Enterprise (DPE) for providing superannuation benefits with effect from 01.01.07, the Company is in the process of finalizing pension scheme for its employees. Pending finalisation of the scheme, the Company has made a provision of ₹2.28 crore during the period (previous year ₹ 1.78 crore for the period from 01.01.2007 to 31.03.2010).

** The Company paid an interim dividend of ₹ 3.50 per equity share of ₹ 10 each amounting to ₹ 401.72 crore on 22.01.2011 on the then paid up equity share capital of ₹ 1147.77 crore. The Company has issued 17,21,65,005 number of equity shares in May 2011 resulting in an increase of ₹172.16 crore in paid up equity share capital. The Board of Directors recommended a final dividend of ₹ 1.50 per equity shares of ₹ 10 each amounting to ₹ 197.99 crore on the post issue paid up equity share capital of ₹ 1319.93 crore subject to shareholders' approval in the Annual General Meeting. Total dividend for the financial year 20010-11 is ₹ 5.00 (interim dividend of ₹ 3.50 and final dividend of ₹ 1.50) per equity share of ₹ 10 each on the pre issue share capital of ₹ 1147.77 crore and ₹ 1.50 (final dividend) on the additional share capital of ₹ 172.16 crore issued in May 2011.

24. (i) During the year, the Company has sent letters seeking confirmation of balances as on 31.12.2010 to the borrowers. However, confirmations in few cases were yet to be received.

(ii) Some of the designated bank accounts opened for making interest payment to bondholders / debenture holders have outstanding balance of ₹ 0.50 crore are subject to reconciliation / confirmation.

25. The Capital Funds, Risk Weighted Assets and Capital Risk Adjusted Ratio (CRAR) of the Company are given hereunder:-

Items		current year (*)	Previous year
i)	Capital Fund - a. Tier I (₹ in crore)	14,197.62	12,418.72
	- b. Tier II (₹ in crore)	984.88	842.07
ii)	Risk weighted assets (₹ in crore)	96,669.24	72,880.84
iii)	CRAR	15.71%	18.20%
iv)	CRAR – Tier I Capital	14.69%	17.04%
v)	CRAR – Tier II Capital	1.02%	1.16%

(*) Reserve Bank Of India (RBI), vide their letter No. DNBS.CO. ZMD- N / M-67 / 55.16.009 / 2010-2011 dated 28.02.2011, has advised the Company to assign a risk weight of 20% to State Government guaranteed loans, which have not remained in default.

Reserve for bad and doubtful debts u/s 36 (i) (viia) (c) of Income Tax Act, 1961 is considered as part of Tier II Capital, as advised by RBI, vide their letter No. DNBS.CO.PD.No. 6774 / 03-10-01/2009 – 10 dated 17.06.2010.

26. The Company has no exposure to real estate sector as on 31.03.2011.

27. The Company does not have more than one reportable segment in terms of Accounting Standard No. 17 on Segment Reporting.

28. Previous year's figures have been re-grouped / re-arranged, wherever practicable, to make them comparable with the current period.

29. Figures have been rounded off to the nearest crore of rupees with two decimals.

	Part – C **Financial Year 2009-10**
	Other Notes on Accounts
1.	Contingent liabilities: (i) Default Guarantees issued by the Company in foreign currency : e) EURO 0.710 million equivalents to ₹ 4.35 crore (previous year EURO 1.066 million equivalent to ₹ 7.29 crore). f) US$ 17.745 million equivalent to ₹ 80.88 crore (previous year US$ 21.145 million equivalent to ₹108.79 crore).
	(ii) Default Guarantee issued by the Company in Indian Rupee: ₹ 400.00 crore, (previous year Rs 400.00 crore). (iii) Bank Guarantee issued by the Company in Indian Rupee: Rs 0.04 crore, (previous year Rs 0.04 crore).
	(iv) Outstanding disbursement commitments to the borrowers for Letter of Comforts issued against the loans sanctioned ₹ 3414.21crore (Previous year ₹ 394.88 crore).
	(v) (a) The additional demand raised by Income Tax Department of ₹44.23 crore and ₹1.38 crore for Assessment Year 2006-07 & 2007-08, respectively were paid and are being contested. The management does not consider it necessary to make any provision as the probability of outflow of resources is negligible. (b) CIT(A) has granted refund of ₹2.97 crore for Assessment Year 1996-97 and ₹0.73 crore for Assessment Year 2001-02 against which the Income Tax department has filed appeals before ITAT and are pending, as Income tax department has not yet received permission of the Committee of Disputes (COD). (c) The Income tax department has filed appeals before Delhi High Court against its own order and the order of ITAT granting refund of ₹0.36 crore &₹0.31 crore for Assessment Year 2001-02 & 2002-03. The Income tax department has not yet obtained the COD's permission.
	(vi) Claim not acknowledged as debts are ₹ 7.80 crore (previous year ₹7.80 crore).
	(vii) Estimated amounts of contracts remaining to be executed on account of capital contracts is ₹ 4.26 crores (Previous Year ₹Nil).
2.	The additional demands raised by Income Tax Department (net of relief granted by Appellate Authorities) of ₹0.26 crore for Assessment Year 1996-97, ₹3.22 crore for Assessment Year 2000-01, ₹5.34 crore for Assessment Year 2001-02, ₹4.74 crore for Assessment Year 2002-03, ₹4.24 crore for Assessment Year 2003-04, ₹3.21 crore for Assessment Year 2004-05 and ₹23.64 crore for Assessment Year 2005-06 were paid and provided for and are being contested.
3.	The Government of India, Ministry of Power, under section 58(4) of the Madhya Pradesh Reorganization Act, 2000 (MPRA) issued an order No 42/8/2000-R&R dated 12.04.2001 through which assets, transfer rights, liabilities, undertaking etc, of erstwhile Madhya Pradesh Electricity Board (MPEB) were passed on to the successor boards namely MPSEB and CSEB after bifurcation of state of Madhya Pradesh. Subsequently, the GOI, Ministry of Power through the Gazette of India Extraordinary-MoP, New Delhi notification dated 04.11.2004 had decided to divide the liability and assets of erstwhile MPEB into MPSEB & CSEB in the ratio of fixed assets of 90:10 respectively. Consequent upon this, CSEB has informed that though it has been clearing the dues of the Company based on the acquired liability of erstwhile MPEB at ₹110.64 crore, it has requested the Company to align the dues in line with MoP order to ₹105.23 crore. Nevertheless, the Company will receive the full amount of principal payment either from CSEB or MPSEB. Further, PFC has taken up the matter with MoP and has requested MoP to review and revise the order on a plea that PFC's loans are project specific and the amount disbursed actually goes into the creation of the assets on such projects are not to be allocated in the manner as suggested by MoP in the new order. The decision of MoP is awaited.
4.	(i) A project under implementation having principal outstanding of Rs 325.00 crores (previous year ₹ 297.98 crore) has been considered as Standard Asset in terms of RBI Circular No. DBS.FID.No.C-11/01.02.00/ 2001-02 dated 1.02.2002 read with D.O. letter DBS.FID No.1285/ 01.02.00/2001-02 dated 14.05.2002 thereby treating the asset as standard till June, 2008, and RBI vide letter no. DBOD, BP.No.7675/ 21.04.048/ 2008-09 dated 11.11.2008 which advised that the date of commencement of commercial operation should be 31.03.2009 (instead of the deemed date of completion of the project i.e. June 2006 as fixed by an independent group setup by RBI), as decided at the time of actual financial closure of the project in September 2006. Based on above, read with RBI Master Circular DBOD No. BP. BC.3 / 21.04.141 / 2009-10 dated 01.07. 2009, the asset may be treated as standard asset not exceeding two years from the date of completion of the project (i.e. 2 years from 31.3.2009). However, the company recognizes the interest on this loan on receipt basis in terms of the Accounting Policy and as per prudential norms approved by Ministry of Power. Further, the Company has approved and finalized the amendments to the Financial Realignment Plan (FRP), inter-alia, determining the scheduled project Commercial Operation Date (COD) as 01.01.2011. Financial Realignment Plan (FRP) has been accepted by the Project Management and is under implementation.

As per FRP, the Project Company will issue Zero Coupon Bonds (ZCB) (towards interest outstanding for the period from 01.10.2001 to 31.10.2005) valuing ₹ 103.87 crore (excluding waiver of interest, penal interest etc. amounting to ₹ 8.64 crore). During the year, the amount of ₹ 54.93 crores (including the dues of previous year of ₹ 8.72 crore and the guarantee fee for current year of ₹ 4.64 crores) became due on the loan as per FRP, out of which Rs 31.81 crores were received and accounted for as per accounting policy. The balance of ₹ 23.12 crores being interest and other charges due as on 31.03.2010 and Rs 103.87 crore against ZCB have not been recognized as per accounting policy .

(ii) One gas based power project, having Principal outstanding of ₹ 401.96 crore could not be commissioned on the scheduled commissioning date (September 2006) due to non availability of gas. Resultantly the company made an interim reschedulement of the loan account on 07.03.2007, followed by final reschedulement on 03.12.2007 in line with the reschedulement done by lead bank as per which repayment of the principal was to commence from 15.10.2009. As the bottleneck of the non availability of gas continued, the lead Bank again restructured /rescheduled the loan account (in line with the lenders meetings dated 12.02.2009) and classified it as standard asset under special regulatory treatment, in accordance with RBI circular DBOD No. BP.BC.84/21.04.048/2008-09 dated 14.11.2008. The company being one of the consortium member of the lenders also rescheduled the loan account on 11.05.2009 and accordingly classified as Standard Asset.

5. During the year, two borrowers had made premature repayment of their loan without prepayment premium including service tax amounting to ₹6.75 crores. As per the terms and condition of loan / policy, the demand for prepayment premium has been sent to the borrowers, which they have disputed and not paid so far and thus has not been accounted for.

One borrower has made part premature repayment of ₹131.21 crores (principal- ₹ 125 crores and pre payment premium / interest etc. ₹6.21 crores). As per the terms of Loan Agreement, the pre-mature repayment can be made only on the interest payment due date. Since the payment is made before the interest payment date, the Company demanded interest upto interest due date. This is disputed by the borrower. Hence the same has not been accounted for.

6. (i)Assets of ₹ 14.38 crore (Previous year ₹15.43 crore) were classified as Non Performing Assets in terms of prudential norms of the Company. Accordingly, a provision of ₹ 8.14 crore is held in the accounts (previous year ₹8.97 crore).

(ii)Interest Subsidy under AG&SP (including interest upto 31st March, 2010) amounting to ₹ 24.67 crores (previous year ₹98.90 crores), became recoverable in respect of one project (previous year two projects) and is yet to be recovered. It became recoverable, as the project was not completed till 31.03.2007 and the subsidy was withdrawn by Ministry of Power. The interest subsidy of ₹ 24.67 crore (previous year ₹ 95.71 crore) is payable to the Ministry of Power and will be paid on its receipt.

7. The Company discontinued interest rate restructuring policy w.e.f. December 2005. However, the loans which were restructured with 3 year reset (after 3 years the loan shall carry original interest rate i.e. the rate before interest restructuring). The borrower was given option to seek further restructuring after 3 years on payment of 50% premium being NPV of difference between original interest rate and Current interest rate for the entire remaining period of Loan. Accordingly the Company has done interest restructuring amounting to ₹Nil (previous year ₹703.35 crore). An amount of ₹Nil (previous year ₹ 8.95 crore) has been received and credited to Profit and Loss Account as Interest Restructuring Premium (Refer schedule 10).

8. The Company is not required to create Bond Redemption Reserve in respect of bonds by virtue of the Department of Company Affairs' Circular of 18.04.2002 according to which the financial institutions within the meaning of Section 4A of the Companies Act, 1956 were not required to create Bond Redemption Reserve in case of privately placed debentures.
The Company is not required to maintain Reserve Fund under Section 45-IC of the Reserve Bank of India Act, 1934 by transferring 20 percent of its net profits, as it is exempted by RBI vide its letter dated 24.01.2000.

9. Foreign currency actual outgo and earnings:

(₹ in crore)

S.No.	Description	Year ended 31.03.10	Year ended 31.03.09
A.	**Expenditure in foreign currency**		
i)	Interest on loans from foreign institutions	96.91	125.80
ii)	Financial & Other charges	35.08	14.56
iii)	Traveling Expenses	0.26	0.15
iv)	Training Expenses	0.15	0.07

B.	**Earning in foreign currency**	Nil	Nil

10.1 Related Party Disclosures:

Key Managerial Personnel:

Name of the Key Managerial Personnel
Shri Satnam Singh,CMD (w.e.f. 01.08.2008)
Shri M K Goel, Director (w.e.f. 27.07.2007)
Shri Rajeev Sharma,Director (w.e.f. 09.03.2009)
Shri R. Nagarajan, Director (w.e.f. 31.07.2009)

Managerial Remuneration:

(₹ in crore)

	Chairman & Managing Director		Other Directors	
	For the year ended 31.03.10	For the year ended 31.03.09	For the year ended 31.03.10	For the year ended 31.03.09
Salaries & Allowances	0.27	0.33	0.70	0.34
Contribution to Provident Fund and other Welfare Fund	0.02	0.01	0.04	0.02
Other Perquisites / Payments	0.18	0.12	0.38	0.13
Total	0.47	0.46	1.12	0.49

In addition to the above perquisites, the Chairman & Managing Director and other Directors have been allowed to use staff car including private journey up to a ceiling of 1000 kms per month on payment of ₹780/- per month.

10.2 Investment in Equity Share Capital of Subsidiaries/Associates/Joint Venture Companies including companies promoted as SPVs for Ultra Mega Power Projects are given below:-

SL	Name of the Companies	Date of Investment	Number of shares subscribed	Percentage of ownership	Amount (₹ in crore)
A	**Subsidiary Company**				
1.	PFC Consulting Limited (*)	09.04.2008	50000	100%	0.05
	Sub-Total (A)		50000		0.05
B	**Subsidiary Companies promoted as SPVs for Ultra Mega Power Projects (**)**				
1.	Chhattisgarh Surguja Power Ltd. (previously known as Akaltara Power Limited)	31.03.2008	50000	100%	0.05
2.	Bokaro-Kodarma Maithan Transmission Co. Ltd.	13.02.2007	50000	100%	0.05
3.	Coastal Karnataka Power Limited	14.09.2006	50000	100%	0.05
4.	Coastal Maharashtra Mega Power Limited	05.09.2006	50000	100%	0.05
5.	Coastal Tamil Nadu Power Limited	31.01.2007	50000	100%	0.05
6.	Orissa Integrated Power Limited	05.09.2006	50000	100%	0.05
7.	Sakhigopal Integrated Power Limited	27.01.2010	50000	100%	0.05
8.	Ghogarpalli Integrated Power Limited	27.01.2010	50000	100%	0.05
9.	Tatiya Andhra Mega Power Limited	27.01.2010	50000	100%	0.05
	Sub-Total (B)		450000		0.45

C	**Associate companies and Joint venture**				
1.	Power Equity Capital Advisors (Pvt.) Limited (*)	15.04.2008	15000	30%	0.02
2.	National Power Exchange Limited (*)	18.12.2008	833,000	16.66%	0.83
3.	Energy Efficiency Services Ltd.(*)	21.01.2010	625,000	25%	0.63
	Sub-Total (C)		1473,000		1.48
	TOTAL (A) + (B) +(C)		1973,000		1.98

(*) The Financial Statements are consolidated as per Accounting Standard 21– 'Consolidated Financial Statements', Accounting Standard 27 – 'Financial Reporting of Interests in Joint Ventures' and Accounting Standard -23 "Accounting For Investment in Associates in Consolidated Financial Statements". The Financial Statements of PFC Consulting Limited are attached as required under Section 212 of the Companies Act, 1956.

(**) The subsidiary companies were incorporated as Special Purpose Vehicle (SPVs) under the mandate from Government of India for development of Ultra Mega Power Projects (UMPPs) and Transmission Projects with the intention to hand over the same to successful bidder on completion of the bidding process. The Financial Statements of these subsidiaries (except Bokaro-Kodarma Maithan Transmission Co. Ltd. (BKMTCL)which is under de-registration process) are attached as required under Section 212 of the Companies Act, 1956 without consolidating in accordance with paragraph 11 of Accounting Standard-21.

During the year two subsidiaries viz Jharkhand Integrated power limited and East North Inter Connection Company Limited have been transferred to successful bidders and three new subsidiaries viz Sakhigopal Integrated Power Limited, Ghogarpalli Integrated Power Limited, Tatiya Andhra Mega Power Limited have been acquired from PFCCL (wholly owned subsidiary) by subscribing hundred percent shares.

10.3 The details of amount recoverable (including interest thereon) from the respective subsidiaries are given below:

(₹ in crore)

Name of the Subsidiary Companies	Amount as on 31.03.2010	Amount as on 31.03.2009
Chhattisgarh Surguja Power Ltd. (previously known as Akaltara Power Limited)	33.08	1.60
Bokaro Kodarma Maithon Tr. Co. Ltd.(**)	0.00	1.12
Coastal Karnataka Power Limited	1.83	1.46
Coastal Maharashtra Mega Power Limited	4.28	3.41
Coastal Tamil Nadu Power Ltd.	11.17	4.37
East-North Interconnection Co. Ltd.	0.00	2.14
Ghogarpali Integrated Power Limited	0.24	-
Jharkhand Integrated Power Ltd	0.00	48.60
Orissa Integrated Power Limited	13.67	4.77
PFC Consulting Limited	-	0.32
Sakhigopal Integrated Power Limited	0.24	--
Tatiya Andhra Mega Power Limited	0.88	--
Total	**65.39**	**67.79**

(**) In respect of Bokaro Kodarma Maithon Transmission Co. Ltd. (BKMTCL), MoP decided to entrust this project to Power Grid Corporation of India Ltd (PGCIL) instead of to PFC. Therefore, PFC requested MoP to advice PGCIL to reimburse PFC ₹1.12 crore on account of expenses incurred so far by PFC, so as to close this project in PFC. In addition to this ₹0.05 crore was also recoverable from BKMTCL. On advice of MoP, an amount of ₹0.82 crore has been recovered fromPGCIL as full and final settlement. ₹ 0.05 crore has also been recovered from BKMTCL. The balance amount of ₹0.25 crores had been written off. Further, pending de-registration of BKMTCL, a provision of ₹0.05 crores has been made against the equity investment in BKMTCL.

10.4 The details of amounts payable to subsidiaries (including interest) in respect of amounts contributed by Power Procurers and other amounts payable are given below:

(₹ in crore)

Name of the Subsidiary Companies	Amount as on 31.03.2010	Amount as on 31.03.2009
Chhattisgarh Surguja Power Ltd. (previously known as Akaltara Power Limited)	41.96	30.13
Coastal Maharashtra Mega Power Limited	42.96	41.40
Coastal Tamil Nadu Power Ltd.	46.88	41.02
Jharkhand Integrated Power Ltd.	--	48.97
Orissa Integrated Power Limited	48.05	45.99
Sakhigopal Integrated Power Limited	5.15	--
PFC Consulting Limited	1.86	--
Total	**186.86**	**207.51**

10.5 The Company has made investments in equity (unquoted) of - "National Power Exchange limited" and "Energy Efficiency Services Ltd".

National Power Exchange Limited (NPEL)

PFC, NTPC, NHPC and TCS have jointly promoted 'National Power Exchange Limited'. The National Power Exchange Ltd (NPEL) will carry out the business of providing platform for trading of power through an organized exchange. The Company has since made the investment of Rs 0.83 crore upto 31st March 2010. NPEL has not commenced its operation.

Energy Efficiency Services Limited (EESL)

Energy Efficiency Services Limited has been jointly promoted by NTPC, PFC, PGCIL and REC with equal participation in equity capital for implementing Energy Efficiency Projects. At the time of incorporation, the authorized equity capital of EESL was ₹10 crores and paid up equity capital was ₹2.50 crores. The company's share in paid up equity capital was ₹ 0.63 crore (25% of paid up capital) comprising of 625,000 equity shares of ₹ 10 each. The authorized share capital of EESL has been enhanced to ₹ 190 crore during the Financial Year ended 31-03-2010. EESL has commenced its operations.

10.6 (xiii) Investment in "Small is Beautiful" Fund: -

The Company had outstanding investment ₹ 12.08 crore (previous year ₹14.47 crore) in units of "Small is Beautiful" Fund. Against this, a sum of ₹ 0.145 crore has been received as dividend during the year. The NAV of the Units of the Fund was ₹ 9.80 per unit of Rs 10 (face value) as on 31.03.2010. The diminution/ increase (-) in value of NAV amounting to ₹ -1.08 crore (Previous year Rs1.32 crore) has been accounted for during the year.

(xiv) Investment in equity (unquoted) in Power Exchange India Limited (PXI):-

Power Exchange India Ltd. has been promoted by NSE and NCDEX. The authorized capital has been enhanced from ₹25 crore to ₹50 crore during the financial year ending 31.03.2010. The paid up capital of PXI was ₹ 34.34 crores, as on 31.03.2010. The Company has subscribed ₹1.75 crore of the paid up capital consisting of 17,50,000 equity shares of ₹10 each in to the equity capital of PXI. PXI has commenced its operations.

11. Interest Differential Fund (IDF) – KFW

The agreement between KFW and PFC provides that the IDF belongs to the borrowers solely and will be used to cover the exchange risk variations under this Loan and any excess will be used in accordance with the agreement. The balance in the IDF fund has been kept under separate account head titled as Interest Differential Fund-KFW and shown as a liability. The total fund accumulated as on 31.03.2010 is ₹47.60 crore (previous year ₹ 34.19 crore) after adjusting the translation loss of ₹ 13.73 crore (previous year ₹ 24.12 crore).

12. During the current year, exchange gain (net) of ₹ 103.84 crore (previous year exchange loss of Rs 252.53 crore) on foreign currency assets and liabilities comprising of translation gain of ₹ 92.51 crore (previous year translation loss of ₹235.66 crore) and actual gain of ₹ 11.33 crore (previous year actual loss of ₹ 16.87 crore) has been recognised in Profit & Loss account as per Accounting Standard 11.

13. The company was having outstanding forward foreign exchange contracts and principal only swaps (POS) against the Foreign Currency Loan liabilities as per details given hereunder:-

i) Forward contracts to cover exchange rate risk in USD / INR leg : US$ 13.9795 million

ii) Forward contracts to cover exchange rate risk in USD / JPY leg : JPY 454 million

iii) Forward contracts to cover EURO /USD leg : Euro 0.9662 million

14. (a) Asset under finance lease after 01.04.2001

(i) The Gross investment in the leased assets and the present value of the minimum value receivable at the balance sheet date has been given in the table below with the description as total of future minimum lease payments and present value of the lease payments amounting to ₹ 205.01 crore and ₹ 160.63 crore respectively. The reconciliation of these figures has also been indicated under the head "unearned finance charges" with an amount of ₹ 44.38 crore.

The future lease rentals are given below:-

(₹ in crore)

Particulars	As on 31.03.10	As on 31.03.09
Total of future minimum lease payments (Gross Investments)	205.01	266.51
Present value of lease payments	160.63	189.08
Unearned finance income	44.38	77.43
Maturity profile of total of future minimum lease payments (Gross Investment)		
Not later than one year	45.07	48.04
Later than one year and not later than 5 years	156.99	192.16
Later than five years	2.95	26.31
Total	**205.01**	**266.51**
Break up of Present Value of Lease Payments		
Not later than one year	29.26	25.41
Later than one year and not later than 5 years	128.49	139.53
Later than five years	2.88	24.14
Total	**160.63**	**189.08**

(ii) The Company had sanctioned an amount of ₹88.90 crore in the year 2004 as finance lease for financing Wind Turbine Generator (commissioned on 19.07.2004) which was reduced to ₹88.85 crore in December 2006. The Gross Investment stood at the level of ₹ 59.95 crore as on 31.3.2010. The lease rent is to be recovered within a period of 15 Years, which comprises of 10 years as a primary period and 5 years as a secondary period.

(iii) The Company had sanctioned an amount of ₹98.44 crore in the year 2004 as finance lease for financing Wind Turbine Generator (commissioned on 18.5.2004). The Gross Investment stood at ₹ 63.79 crore as on 31.3.2010. The lease rent is to be recovered within a period of 20 years, which comprises of 10 years as a primary period and maximum of another 10 years as a secondary period.

(iv) The Company had sanctioned an amount of ₹93.51 crore in the year 2004 as finance lease for financing Wind Turbine Generator (commissioned on 09.06.2005). The Gross Investment stood at ₹ 81.27 crore as on 31.3.2010. The lease rent is to be recovered within a period of 19 years 11 months which comprises of 10 years as a primary period and maximum of 9 years and 11 months as a secondary period.

b) Operating Leases:

The Company's operating leases consists:-

Premises for residential use of employees and offices which are leasing arrangements usually renewable on mutually agreed terms but are not non-cancellable. Rent for residential accommodation of employees include ₹ 4.06 crore (Previous year ₹ 1.83 crore) towards lease payments, net of recoveries in respect of premises for residential use of employees. Lease payments in respect of premises for employees are shown as Rent for Residential Accommodation of employees in Schedule 14- Personnel, Administration and Other Expenses. Lease payments in respect of premises for offices are shown as Office Rent in Schedule 14- Personnel, Administration and Other Expenses.

15 Subsidy under Accelerated Generation & Supply Programme (AG&SP):

The Company is claiming subsidy from Govt. of India at Net Present Value calculated at indicative interest rates in accordance with GOI's letter vide D.O.No.32024/17/97-PFC dated 23.09.1997 and O.M.No.32024/23/2001-PFC dated 07.03.2003 irrespective of the actual repayment schedule, moratorium period and duration of repayment. The amount of interest subsidy received and to be passed on to the borrower is retained as Interest Subsidy Fund Account. The impact of difference between the indicative rate and period considered at the time of claims and at the time of actual disbursement can be ascertained only after the end of the respective schemes. However on the basis of the projections made for each project

(based upon the certain assumptions that these will remain same over the projected period of each loan / project), the Company estimated the net excess amount of ₹166.25 crore and ₹209.97 crore (excluding recoverable amount of ₹ 17.65 crore from Irrigation Department of Government of Maharashtra which is subject to decision of Ministry of Power) as at 31/03/2010 for IX & X plan respectively under AG&SP schemes. This net excess amount is worked out on overall basis and not on individual basis & may vary due to change in assumptions, if any during the projected period such as changes in moratorium period , repayment period , loan restructuring , pre payment , interest rate reset etc. However during the year, the Company has refunded an amount of ₹ 150 Crores as estimated net excess amount lying against IX plan on the directions of MoP and balance amount of excess, if any, will be refunded / adjusted as per further directions of MoP.

The amount of Rs 663.49 crore (previous year ₹ 908.94 . crore) under the head Interest Subsidy Fund represents the amount of subsidy received from Ministry of Power, Govt. of India which is to be passed on to the borrowers against their interest liability arising in future, under Accelerated Generation & Supply Programme (AG&SP), which comprises of the following: -

(₹in crore)

Particulars	As on 31.03.10	As on 31.03.09
Opening balance of Interest Subsidy Fund	908.94	1066.75
Add : - Received during the period	--	--
: - Interest credited during the period (Excluding of Rs 0.26 crores pertaining to previous years)	80.44	98.19
Less : Interest subsidy passed on to borrowers / Refunded to MoP:	169.36	231.17
(h) Estimated Net Excess against IX Plan	150.00	0.00
(i) Due to non- commissioning of Project in time	6.53	24.83
Closing balance of Interest Subsidy Fund	**663.49**	**908.94**

16. One borrower – Chattishgarh State Electricity Board (CSEB) has been un bundled into four power utilities on 1st January 2009. However, the Government of Chattishgarh is yet to issue the final notification / order for division of Assets and liabilities among all the successor power utilities from the date of unbundling of CSEB. Loan Transfer Agreement shall be executed after issue of the said final order by the Govt. of Chhattisgarh. Pending transfer of loans to respective successor power utilities, the loan liabilities are outstanding in the name of CSEB.

17. (i) The Company has been appointed as the 'Nodal Agency' for the operationalisation and implementation of Re-structured Accelerated Power Development and Reforms Programme (R-APDRP), under the overall guidance of the Ministry of Power (MoP), Government of India (GOI).

Projects under the scheme are being taken up in Two Parts. Part-A includes the projects for establishment of baseline data and IT applications for energy accounting / auditing as well as IT based consumer service centers. Part-B includes regular distribution strengthening projects.GoI provide 100% loan for Part A and 25% (90% for special category States) loan for Part B.

The Loans under R-APDRP are being routed through the Company for disbursement to the borrowers. The amount so disbursed along with accrued interest will be paid to Government of India (GOI) on receipt from the borrowers.

The details are furnished below :

(₹ in crore)

Particulars	Amount	Amount
(A) Amount Due to GOI under R-APDRP		
Funds Received from GOI:-		
Up to 31.03.2009	325.10	
During the current financial year	1320.99	
	1646.09	
Add:- Interest accrued but not due on Loan disbursed		
• Upto 31.03.2010	109.70	
• Add:- Interest earned on fixed deposit	0.11	1755.90

	(B) Amount recoverable from borrowers under R-APDRP Amount disbursed to borrowers: Up to 31.03.2009 During the current financial year Add:- Interest accrued but not due • Upto 31.03.2010	 325.10 1320.99 **1646.09** 109.70	 1755.79
	Net amount payable to GOI under R-APDRP (A-B)		**0.11**

(ii) During the previous year, the Company recognized nodal agency fee (NAF) of ₹ 17.33 crore (net of service tax), i.e. @ 1% of loan sanctioned under R-APDRP, as per minutes of meeting held by MoP in August 2008, out of the total adhoc advance of ₹ 25 crore received from MoP. MoP in the meeting held on 29.03.2010 had constituted the Committee to finalise the norms of payment of NAF and reimbursement of expenditure to nodal agency i.e the Company. As such, income of ₹ 43.74 crore accounted for (current year - ₹ 26.41 crore and previous year - ₹ 17.33 crore) has been reversed during the current financial year. The expenditure incurred by PFC will be dealt with as per the decision of Ministry of Power (MoP). Further, pending finalization of norms for payment of NAF etc., the accounting policy on NAF has been held in abeyance.

18. The net deferred tax liabilities of ₹ 46.95 crores (previous year ₹ 55.48 crore) have been computed as per Accounting Standard 22 on "Accounting for Taxes on Income".

The breakup of deferred tax liabilities is given below: -
(₹ in crore)

Description	As on 31.03.2010	As on 31.03.2009
(a) Deferred Tax Asset (+)		
(i) Provision for expenses not deductible under Income Tax Act	7.06	9.30
(b) Deferred Tax Liabilities (-)		
(ii) Depreciation	-0.12	-0.26
(iii) Lease income on new leases	-53.36	-65.07
(iv) Amortization	-0.53	0.55
Net Deferred Tax liabilities (-)/Assets (+)	-46.95	-55.48

19. The Company had started creating deferred tax liability on special reserve created and maintained under Section 36(1) (viii) of Income Act, 1961, as per the opinion of Expert Advisory Committee of ICAI in Financial Year 2004-05. Based upon the clarification received from the Accounting Standard Board of Institute of Chartered Accountants of India (ICAI) vide letter dated 02.06.2009 and as explained in Policy No.13.2, the Company had stopped creating DTL on special reserve created and maintained from Financial Year 2008-09. Further, during the financial year 2008-09, the Company reversed the Deferred Tax Liability (DTL) created in earlier years on special reserve created and maintained under Income Tax Act. The reversal of DTL was done by crediting revenue reserve by ₹745.14 crore for Financial Year 1997-98 to Financial Year 2003-04 (as DTL was created by debiting revenue reserve), crediting Profit and Loss Account by ₹483.24 crores for Financial Year 2004-05 to Financial Year 2007-08 (as DTL was created by debiting Profit and Loss Account for these years) and by debiting DTL by ₹1228.38 crores.

Further, DTL on the Special Reserve created and maintained under Section 36(1) (viii) of Income Tax Act, 1961 for the current year amounting to ₹ 157.93 crore (Previous year ₹ 133.28 crore) has not been created as per paragraph 13.2 of Accounting Policy.

20. In compliance with Accounting Standard – 20 on "Earning Per Share" issued by the Institute of Chartered Accountants of India, the calculation of Earning Per Share (Basic and Diluted) is as under:-

Particulars	Current year 31.03.2010	Previous year 31.03.2009
Net Profit after Tax used as numerator (₹ in crore)	2357.25	1969.96
Weighted average number of equity shares used as denominator (Basic & diluted)	114,77,66,700	114,77,66,700
Earning per share (Basic & diluted) (Rupees)	20.54	17.16
Face value per share (Rupees)	10	10

21. The Company has no outstanding liability towards Micro, Small and Medium enterprises.

22. The value of lease hold land aggregating to ₹38.33 crore(previous year ₹38.33 crore) comprises of amount of ₹31.83 crore (previous year ₹31.83 crore) paid towards cost of land to Land and Development Office (L&DO), Ministry of Urban Affairs, Govt. of India, stamp duty liability of ₹2.47 crore(previous year ₹2.47 crore) and capitalization of ground rent up to the date of completion of building of ₹4.03 crore (previous year ₹ 4.03 crore). In accordance with Memorandum of Agreement (MOA) executed with L&DO, the lease deed is yet to be signed. Pending execution of perpetual lease deed, (which does not have limited useful life) the value of leasehold land is not amortized and / or no provision for depreciation has been made on the said leasehold land.

23 Liabilities and Assets denominated in foreign currency have been translated at TT selling rate of SBI at year end as given below: -

S. No.	Exchange Rates	31.03.2010	31.03.2009
1	INR / US$	45.5800	51.4500
2	INR / JPY	0.4900	0.5265
3	INR / EURO	61.3100	68.4300

24. Disclosures as per Accounting Standard-15:-

A. Provident Fund

The Company pays fixed contribution to Provident Fund at prescribed rates to a separate trust, which invests the funds in permitted securities. The contribution to the fund for the period is recognized as expense and is charged to the profit and loss account. The obligation of the Company is to make such fixed contribution and to ensure a minimum rate of return to the members as specified by GOI. Any short fall for payment of interest to members as per specified rate of return has to be compensated by the Company. The Company estimates that no liability will take place in this regard in the near future and hence no further provision is considered necessary.

B. Gratuity

The company has a defined gratuity scheme and is managed by a separate trust. The provision for the same has been made on actuarial valuation based upon total number of years of service rendered by the employee subject to a maximum amount of ₹10 lakh.

C. Post Retirement Medical Scheme (PRMS)

The Company has Post-Retirement Medical Scheme (PRMS), under which retired employee and the dependent family members are provided medical facilities in empanelled hospitals. They can also avail reimbursement of Out-Patient treatment subject to a ceiling fixed by the Company.

D. Terminal Benefits

Terminal benefits include settlement in home town for employees & dependents.

E. Leave

The Company provides for earned leave benefit and half-pay leave to the credit of the employees which accrue on half yearly basis @ 15 days and 10 days respectively. 75% of the earned leave is encashable while in service and maximum of 300 days earned leave can be accumulated which is encashable on superannuation/ separation. Half pay leave is encashable on separation after 10 years of service or at the time of superannuation subject to a maximum of 300 days. The liability for

the same is recognized based on actuarial valuation.
The above mentioned schemes (C, D and E) are unfunded and are recognized on the basis of actuarial valuation.

The summarised position of various defined benefits recognized in the profit and loss account, balance sheet are as under {Figures in brackets ( ) represents to previous year}

i)Expenses recognised in Profit and Loss Account

(₹in crore)

	Gratuity	PRMS	Leave
Current Service Cost	0.80 (0.57)	0.24 (0.19)	1.29 (0.68)
Interest cost on benefit obligation	0.59 (0.33)	0.27 (0.22)	0.54 (0.46)
Expected return on plan assets	-0.53 (-0.38)	0.00 (0.00)	0.00 (0.00)
Net actuarial (gain)/Loss recognised in the year	1.90 (2.50)	2.58 (0.27)	5.53 (0.18)
Expenses recognised in Profit & Loss Account	2.76(*) (3.02)	3.09 (0.68)	7.36(*) (1.32)

(*) Includes ₹0.08 crore (Previous year ₹0.07 crore) and ₹0.11 crore (Previous year ₹0.11 crore) for gratuity and leave respectively allocated to subsidiary companies.

ii) The amount recognized in the Balance Sheet

(₹ in crore)

	Gratuity	PRMS	Leave
Present value of obligation as at 31.03.2010 (i)	11.18 (7.96)	6.44 (3.66)	12.84 (7.15)
Fair value of plan assets at at 31.3.2010 (ii)	8.42 (4.94)	0.00 (0.00)	0.00 (0.00)
Difference (ii) – (i)	-2.76 (-3.02)	-6.44 (-3.66)	-12.84 (-7.15)
Net Asset/(Liability) recognized in the Balance Sheet	-2.76 (-3.02)	-6.44 (-3.66)	-12.84 (-7.15)

iii) Changes in the Present Value of the defined benefit obligations

(₹ in crore)

	Gratuity	PRMS	Leave
Present value of obligation as at 01.04.2009	7.96 (4.67)	3.66 (3.17)	7.15 (6.47)
Interest Cost	0.59 (0.33)	0.27 (0.22)	0.54 (0.46)
Current Service Cost	0.80 (0.57)	0.24 (0.19)	1.29 (0.68)
Benefits paid	-0.07 (-0.11)	-0.31 (-0.19)	-1.67 (-0.64)
Net actuarial (gain)/loss on obligation	1.90 (2.50)	2.58 (0.27)	5.53 (0.18)
Present value of the defined benefit obligation as at 31.03.2010	11.18 (7.96)	6.44 (3.66)	12.84 (7.15)

iv) Changes in the fair value of plan assets

(₹ in crore)

	Gratuity	PRMS	Leave
Fair value of plan assets as at 01.04.2009	7.96 (4.67)	0.00 (0.00)	0.00 (0.00)
Expected return on plan assets	0.53 (0.38)	0.00 (0.00)	0.00 (0.00)

Contributions by employer	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Benefit paid	-0.07 (-0.11)	0.00 (0.00)	0.00 (0.00)
Acturial gain/(loss)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Fair value of plan assets as at 31.03.2010	8.42 (4.94)	0.00 (0.00)	0.00 (0.00)

v) The effect of one percent increase / decrease in the medical cost of PRMS will impact the liability as under:-

Cost increase by 1% ₹ 0.09 crore
Cost decrease by 1% ₹ 0.07 crore

vi) During the year, the Company has provided liability towards contribution to the Gratuity Trust of ₹2.76 crores, to PRMS of ₹3.09 crore, to leave ₹7.36 crore and to pension ₹1.78 crores. (Previous year towards contribution to the Gratuity Trust of ₹ 3.02 crore, to PRMS of Rs 0.68 crore, to leave ₹ 1.32 crore and to pension scheme ₹NIL).

F. Other Employee Benefits:-

During the year, provision of ₹0.04 crore (previous Year ₹ 1.88 crore) has been made for Economic Rehabilitation Scheme for Employees and provision of ₹ 0.01 crore has been reversed for Long Service Award for Employees (Previous year ₹ 0.27 crore made) on the basis of actuarial valuation made at the year end by charging/crediting the profit and loss account.

G. Details of the Plan Asset:-

The details of the plan assets at cost as on 31st March are as follows:-

(₹ in crore)

		2010	2009
i)	State Government Securities	1.37	0.88
ii)	Central Government Securities	2.18	1.37
iii)	Corporate Bonds/debentures	4.87	2.69
	Total	8.42	4.94

H. Actuarial assumptions

Principal assumptions used for actuarial valuation are:-

Method Used	Projected Unit Credit Method
Discount Rate	7.50 %
Expected rate of return on assets- Gratuity	6.68 %
Future salary increase	5.00 %

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

25. Details of provision as required in AS-29.

(₹in crore)

Particulars	Financial year 2009-10	Financial Year 2008-09
Post Retirement Medical Scheme		
Opening Balance	3.66	3.17
Addition during the year	3.09	0.68
Amount paid/utilized during the year	0.31	0.19
Closing Balance	6.44	3.66
Gratuity		
Opening Balance	3.02	0.08
Addition during the year	2.76	3.02
Amount paid/utilized during the year	3.02	0.08
Closing Balance	2.76	3.02
Pension*		

Opening Balance	0.00	0.00
Addition during the year	1.78	0.00
Amount paid/utilized during the year	0.00	0.00
Closing Balance	1.78	0.00
Leave Encashment		
Opening Balance	7.15	6.47
Addition during the year	7.36	1.32
Amount paid/utilized during the year	1.67	0.64
Closing Balance	12.84	7.15
Wage Revision		
Opening Balance	21.89	17.12
Addition during the year	1.57	4.77
Amount paid/utilized during the year	17.26	0.00
Closing Balance	6.20	21.89
Economic Rehabilitation Scheme for Employee		
Opening Balance	1.29	3.17
Addition during the year	0.04	-1.86
Amount paid/utilized during the year	0.02	0.02
Closing Balance	1.31	1.29
Bonus/Incentive		
Opening Balance	9.76	6.59
Addition during the year	14.32	9.77
Amount paid/utilized during the year	7.75	6.60
Closing Balance	16.33	9.76
Leave Travel Concession		
Opening Balance	2.34	1.91
Addition during the year	0.15	2.20
Amount paid/utilized during the year	2.49	1.77
Closing Balance	0.00	2.34
Baggage Allowances		
Opening Balance	0.05	0.05
Addition during the year	0.00	0.00
Amount paid/utilized during the year	0.00	0.00
Closing Balance	0.05	0.05
Service Award		
Opening Balance	2.11	1.84
Addition during the year	-0.01	0.27
Amount paid/utilized during the year	0.00	0.00
Closing Balance	2.10	2.11
Income Tax		
Opening Balance	1489.88	1049.40
Addition during the year	800.55	492.02
Amount refunded/adjusted	953.14	(51.54)
Closing Balance	1337.29	1489.88

Fringe Benefit Tax		
Opening Balance	2.90	2.91
Addition during the year	0.00	0.73
Amount adjusted during the year	2.10	(0.74)
Closing Balance	0.80	2.90
Proposed Final Dividend		
Opening Balance	154.95	114.78
Addition during the year	172.17	154.95
Amount paid/utilized during the year	154.95	114.78
Closing Balance	172.17	154.95
Proposed Corporate Dividend Tax		
Opening Balance	26.33	19.51
Addition during the year	29.26	26.33
Amount paid/utilized during the year	26.33	19.51
Closing Balance	29.26	26.33

* Pension: In view of the issuance of DPE (Department of Public Enterprise) guidelines for providing superannuation benefits w.e.f. 01.01.07, the Company is in the process of finalizing Pension Scheme for its employees. Pending framing of the scheme, the company has made a provision of ₹ 1.78 crores for the period from 01.01.2007 to 31.03.2010.

26. (viii) During the year, the Company has sent letters seeking confirmation of balances as on 31-12-2009 to borrowers. The balance confirmation is received from all the borrowers confirming 99.99% of the total outstanding balance amount sought for confirmation. Some of the balances of debtors, creditors and loan and advances are subject to confirmation / reconciliation / adjustments, if any.

(ix) Some of the designated bank accounts opened for making interest payment to bondholders/ debenture holders have outstanding balance of ₹ 0.61 crore (remaining unpaid for more than 9 months) are subject to reconciliation/ confirmation.

27. The Capital Funds, Risk weighted Assets and CRAR of the company is given hereunder:-

Items		Current year (*)	Previous year
i)	Capital Fund - a. Tier I (₹ in crore)	12,418.72	10,789.67
	- b. Tier II (₹ in crore)	842.07	718.15
ii)	Risk weighted Assets (₹ in crore)	72,880.84	67,105.89
iii)	CRAR	18.20%	17.15%
iv)	CRAR – Tier I Capital	17.04%	16.08%
v)	CRAR – Tier II Capital (**)	1.16%	1.07%

(*) During the year, RBI vide letter No. DNBS.CO. ZMD-N/4984/14.16.009/2009-10 dated 18.03.2010 has advised the company to assign a risk weight of 20% to State Government guaranteed loans which have not remained in default for a period of more than 90 days.

(**) Reserve for bad and doubtful debts u/s 36(i)(viia)(c) of Income Tax Act, 1961 is considered as part of tier II capital as advised by RBI vide letter No. DNBS.CO.PD.No. 6774/03-10-01/2009-10 dated 17.06.2010.
The Company has no exposure to real estate sector as on 31.03.2010.

28. The pay revision of non executives (including non-unionized supervisors) of the company is due w.e.f. 01.01.2007. Pending implementation of pay revision, a provision of ₹ 1.57 crore (previous year ₹ 4.77 crore both for executives and non-executives) for the year has been made towards wage revision on an estimated basis in line with office memorandum issued by DPE.

29. The Company does not have more than one reportable segment in terms of Accounting Standard No. 17 on Segment Reporting.

30. Previous year's figures have been re-grouped / re-arranged, wherever practicable, to make them comparable with the current year.

31. Figures have been rounded off to crore of rupees with two decimals.

	Part – C Financial Year 2008-09
	OTHER NOTES ON ACCOUNTS
1.	Contingent liabilities: (i) Default Guarantees issued by the Company in foreign currency : (a) EURO 1.066 million equivalents to ₹7.29 crore (previous year EURO 1.421 million equivalent to ₹9.02crore). (b) US$ 21.145 million equivalent to ₹108.79 crore (previous year US$ 24.545 million equivalent to ₹98.45 crore).
	(ii) Default Guarantee issued by the Company in Indian Rupee: ₹400.00 crore, (previous year Rs 400.00 crore). (iii) Bank Guarantee issued by the Company in Indian Rupee: ₹0.04 crore, (previous year Rs 0.04 crore).
	(iv) Outstanding disbursement commitments to the borrowers for Letter of Comforts issued against the loans sanctioned - ₹394.88 crore (Previous year ₹ 795.21 crore).
	v(a) The additional demand raised by Income Tax Department of Rs 0.73 crore for Assessment Year 2001-02 &₹44.23 crore for Assessment Year 2006-07 were paid and are being contested. Further, the demand of ₹17.91 crore for Assessment Year 2007-08 has been raised and is also being contested. The management does not consider it necessary to make any provision as the probability of outflow of resources is negligible. (b) For Assessment Year 1997-98 to 1999-2000 ITAT has granted refund of ₹42.12 crore against which the revenue department has filed an appeal before Delhi High Court which is pending.
	(vi) Claim not acknowledged as debts are ₹7.80 crore (previous year ₹7.80 crore).
	(vii) Contracts of capital nature remaining to be executed and not provided for ₹ Nil (Previous year ₹0.17 crore)
2.	(i) The additional demands raised by Income Tax Department (net of relief granted by Appellate Authorities) of ₹0.26 crore for Assessment Year 1996-97, ₹18.77 crore for Assessment Year 2000-01, ₹23.36 crore for Assessment Year 2001-02, ₹24.71 crore for Assessment Year 2002-03, ₹23.07 crore for Assessment Year 2003-04, ₹63.88 crore for Assessment Year 2004-05 and ₹23.64 crore for Assessment Year 2005-06 were paid, provided for and are being contested. (ii) During the year, the Company has created additional special reserve u/s 36(1)(viii) for Assessment Year 2006-07 to Assessment Year 2008-09 out of the profit of the respective year(s), to match the deduction allowable as per order of Assessing Officer for Assessment Year 2006-07 who held that the deduction of special reserve created & maintained u/s 36(1)(viii) should be allowed before deduction of Reserve created for bad & doubtful debts u/s 36(1)(viia)(c). However, the Company has not reduced the Reserve for bad & doubtful debts for these years amounting to ₹61.42 crore pending decision of Appellate Authority.
3.	The Company has been deploying surplus funds in fixed deposits. In one of such investment, the banker has not paid the interest amount of ₹0.44 crore intimating the inadvertent mistake in mentioning the interest rate at the time of investment. The Company has not recognised the disputed amount as income pending settlement of the dispute.
4.	The Govt.of India, Ministry of Power, under section 58(4) of the Madhya Pradesh Reorganization Act, 2000 (MPRA) issued an order No 42/8/2000-R&R dated 12.04.2001 through which assets, transfer rights, liabilities, undertaking etc, of erstwhile Madhya Pradesh Electricity Board(MPEB) were passed on to the successor boards namely MPSEB & CSEB after bifurcation of state of Madhya Pradesh. Subsequently, the GOI, Ministry of Power through the Gazette of India Extraordinary-MoP, New Delhi notification dtd.4.11.2004 had decided to divide the liability and assets of erstwhile MPEB into MPSEB & CSEB in the ratio of fixed assets of 90:10 respectively. Consequent upon this, CSEB has informed that though it has been clearing the dues of the Company based on the acquired liability of erstwhile MPEB at ₹110.64 crore, it has requested the Company to align the dues in line with MoP order to ₹105.23 crore. Nevertheless, the Company will receive the full amount of principal payment either from CSEB or MPSEB. Further, PFC has taken up the matter with MoP and has requested MoP to review and revise the order on a plea that PFC's loans are project specific and the amount disbursed actually goes into the creation of the assets on such projects are not to be allocated in the manner as suggested by MoP in the new order. The decision of MoP is awaited.
5.	A project under the implementation having total outstanding of ₹105.83 crore excluding additional disbursement of ₹192.15 crore under the loan (previous year as on 31.03.2008 ₹94.54 crore excluding additional disbursement of ₹ 91 crore) has been considered as Standard Asset in terms of RBI Circular No. DBS.FID.No.C-11/01.02.00/ 2001-02 dated 1.02.2002 read with D.O. letter DBS.FID No.1285/

01.02.00/2001-02 dated 14.05.2002 and RBI letter No.DBOD, BP.No.7675/ 21.04.048/ 2008-09 dated 11.11.2008 which clarifies that the date of commencement of commercial operation should be 31.03.2009, as decided at the time of actual financial closure of the project in September 2006. Based upon above clarification read with above referred circulars, the asset is to be treated as standard asset not exceeding 2 years from the date of completion of the project (i.e. 2 years from 31.3.2009). Further, pending clarifications on implementation of the financial restructuring package (FRP) by the lenders, the income is not ascertainable as at 31.3.2009 on the outstanding advance of ₹105.83 crore given prior to 01.11.2005. The interest on this loan is recognized on receipt basis. A remittance of ₹11.40 crore made during the year relating to past dues have been accounted for in the books as income on receipt basis. Further, the interest of ₹19.16 crore (including adjustment of ₹6.74 crore as IDC against disbursement) earned on additional disbursed loan amount of ₹192.15 crore has also been recognized as income on receipt basis.

6. (i)Assets of ₹15.43 crore (Previous year ₹13.96 crore) were classified as Non Performing Assets in terms of prudential norms of the Company. Accordingly, a provision of ₹8.97 crore is held in the accounts (previous year ₹6.80 crore).

(ii)Interest Subsidy under AG&SP (including interest upto 31st March, 2009) amounting to ₹98.90 crore (previous year ₹93.73 crore) which became recoverable in respect of two projects which were not completed till 31.03.2007 as the subsidy was withdrawn by Ministry of Power are yet to be recovered. Out of the interest subsidy of ₹98.90 crore, ₹95.71 crore (previous year ₹ 90.78 crore) is payable to the Ministry of Power and will be paid after its receipt.

7. The Company discontinued interest rate restructuring policy w.e.f. December 2005. However, the loans which were restructured with 3 year reset (after 3 years the loan shall carry original interest rate i.e. the rate before interest restructuring). The borrower was given option to seek further restructuring after 3 years on payment of 50% premium being NPV of difference between Original interest rate and Current interest rate for the entire remaining period of Loan. Accordingly the Company has done interest restructuring amounting to ₹703.35 crore (previous year ₹85.22 crore). An amount of ₹8.95 crore (previous year ₹0.07 crore) has been received and credited to Profit and Loss Account as Interest Restructuring Premium (Refer schedule 10).

8. The Company is not required to create Bond Redemption Reserve in respect of bonds by virtue of the Department of Company Affairs' Circular of 18.04.2002 according to which the financial institutions within the meaning of section 4A of the Companies Act 1956 were not required to create Bond Redemption Reserve in case of privately placed debentures.

The Company is not required to maintain Reserve Fund under Section 45-IC of the Reserve Bank of India Act, 1934 by transferring 20 percent of its net profits, as it is exempted by RBI vide its letter dated 24.01.2000.

9. (a) Expenditure in foreign currency (Actual outgo):

(₹ in crore)

S.No.	Description	Year ended 31.03.2009	Year ended 31.03.2008
i)	a) Interest on loans to foreign institutions	125.80	99.31
	b) Interest on FCNR-B loans to Banks	10.63	6.64
ii)	Financial & Other charges	14.56	21.07
iii)	Traveling Expenses	0.15	0.34
iv)	Training Expenses	0.07	0.01

(c) Earning in foreign currency (Actual Receipt)

(₹ in crore)

S. No.	Description	Year ended 31.03.2009	Year ended 31.03.2008
i)	Interest Received on funds Parked abroad	Nil	1.08

10.1 Related Party Disclosures:

Key Managerial Personnel:

Name of the Key Managerial Personnel	
Dr.V K Garg, CMD	(Ceased to be CMD on 31.07.2008 .)
Shri Satnam Singh,CMD	(w.e.f. 01.08.2008 and Director upto 31.07.2008)
Shri Shyam Wadhera, Director	(Ceased to be Director on 31.07.2008)
Shri M K Goel, Director	(w.e.f. 27.07.2007)
Shri Rajeev Sharma,Director	(w.e.f. 10.03.2009)

Managerial Remuneration:

(₹ in crore)

	Chairman & Managing Director		Other Directors	
	For the year ended 31.03.2009	For the year ended 31.03.2008	For the year ended 31.03.2009	For the year ended 31.03.2008
Salaries & Allowances	0.33	0.16	0.34	0.47
Contribution to Provident Fund and other Welfare Fund	0.01	0.01	0.02	0.02
Other Perquisites / Payments	0.12	0.06	0.13	0.22
Total	0.46	0.23	0.49	0.71

In addition to the above perquisites, the Chairman & Managing Director and other Directors have been allowed to use staff car including private journey up to a ceiling of 1000 kms per month on payment of ₹780/- per month.

10.2 Investment in Equity Share Capital of Subsidiaries/Associates/Joint Venture Companies including companies promoted as SPVs for Ultra Mega Power Projects are given below:-

	Name of the Companies	**Date of Investment**	**Number of shares subscribed**	**Percentage of ownership**	**Amount (₹ in crore)**
	Subsidiary Company				
1.	PFC Consulting Limited **(*)**	09.04.2008	50000	100%	0.05
	Sub-Total (A)		**50000**		**0.05**
	Subsidiary Companies promoted as SPVs for Ultra Mega Power Projects (**)				
1.	Akaltara Power Ltd	31.03.2008	50000	100%	0.05
2.	Bokaro-kodarma Maithon Transmission Co. Limited	13.02.2007	50000	100%	0.05
3.	Coastal Karnataka Power Limited	14.09.2006	50000	100%	0.05
4.	Coastal Maharashtra Mega Power Limited	05.09.2006	50000	100%	0.05
5.	Coastal Tamil Nadu Power Limited	31.01.2007	50000	100%	0.05
6.	East-North Interconnection Co. Limited	13.02.2007	50000	100%	0.05
7.	Jharkhand Integrated Power Limited.	25.01.2007	50000	100%	0.05
8.	Orissa Integrated Power Limited	05.09.2006	50000	100%	0.05
	Sub-Total (B)		**400000**		**0.40**
	Associate companies and Joint venture				
1.	Power Equity Capital Advisors (Pvt.) Limited (***)	15.04.2008	15000	30%	0.02
2.	National Power Exchange Limited (*)	18.12.2008	833000	16.66%	0.83
	Sub_Total (C)		**848000**		**0.85**
	TOTAL (A) + (B) +(C)		**1298000**		**1.30**

(*) The Financial Statements are consolidated as per Accounting Standard 21 – 'Consolidated Financial Statements' and Accounting Standard 27 – 'Financial Reporting of Interests in Joint Ventures'. The Financial Statements of PFC Consulting Limited are attached as required under Section 212 of the Companies Act, 1956.

(**) The subsidiary companies were incorporated as Special Purpose Vehicle (SPVs) under the mandate from Government of India for development of Ultra Mega Power Projects (UMPPs) and Transmission Projects with the intention to hand over the same to successful bidder on completion of the bidding process. The Financial Statements of these subsidiaries (except Bokaro-kodarma Maithon Transmission Co. Limited) are attached as required under Section 212 of the Companies Act, 1956 without consolidating in accordance with paragraph 11 of Accounting Standard-21. In

respect of Bokaro-kodarma Maithon Transmission Co. Limited, the Financial Statement is not attached as the Company has decided to close its Financial Year on 30-06-2009.

(***)The Financial Statement of the Associate Company "Power Equity Capital Advisors(Pvt.) Limited" (PECAP) is not considered for consolidation as the Company was incorporated on 25.03.2008 and decided to close its first Financial Year on 30-05-09. Accordingly, the investment in PECAP is recognized at cost and shown under "Investment" in Schedule -6.

10.3 The details of amount recoverable (including interest thereon) from the respective SPVs are given below:

(₹ in crore)

Name of the Subsidiary Companies	Amount as on 31.03.2009	Amount as on 31.03.2008
Akaltara Power Limited	1.60	0.29
Bokaro Kodarma Maithon Tr. Co. Ltd.(**)	1.12	0.78
Coastal Karnataka Power Limited	1.46	0.73
Coastal Maharashtra Mega Power Limited	3.41	2.33
Coastal Tamil Nadu Power Ltd.	4.37	0.75
East-North Interconnection Co. Ltd.	2.14	0.96
Jharkhand Integrated Power Ltd	48.60	37.30
Orissa Integrated Power Limited	4.77	2.04
PFC Consulting Limited	0.32	--
Total	67.79	45.18

(**) In respect of Bokaro Kodarma Maithon Tr. Co. Ltd., MoP decided to entrust this project to Power Grid Corporation of India Ltd (PGCIL) instead of PFC and therefore PFC requested MoP to advice PGCIL to reimburse ₹1.12 crore expenses incurred so far to PFC so as to close this project in PFC. The MoP is examining the issue. Since, this has not been settled and more than one year has passed and the subsidiary company is in the process of winding up, the Company has provided for the entire recoverable amount in its books treating the same as "doubtful asset".

10.4 The details of amount payable to SPVs (including interest) in respect of amount contributed by Power Procurers are given below:

(₹ in crore)

Name of the Subsidiary Companies	Amount as on 31.03.2009	Amount as on 31.03.2008
Akaltara Power Limited	30.13	--
Coastal Maharashtra Mega Power Limited	41.40	--
Coastal Tamil Nadu Power Ltd.	41.02	38.14
Jharkhand Integrated Power Ltd.	48.97	44.07
Orissa Integrated Power Limited	45.99	42.72
Total	**207.51**	**124.93**

10.5 The Company has also made investments in equity (unquoted) of two power exchanges namely "National Power Exchange limited" and "Power Exchange India Limited":

National Power Exchange Limited (NPEL)

PFC, NTPC, NHPC and TCS have promoted jointly 'National Power Exchange Limited'. The National Power Exchange Ltd will carry out the business of providing platform for trading of power through an organized exchange. The Company has since made the investment of ₹0.83 crore upto 31st March 2009. NPEL has not commenced its operation.

Power Exchange India Limited (PXI)

The PXI has been promoted by NSE and NCDEX with an authorized capital of Rs 25 crore as a nation-wide exchange for trading of electricity.The Company has invested in Power Exchange India Ltd, by subscribing with 7% equity contribution amounting to ₹1.75 crore consists of 17,50,000 equity shares of ₹10 each. The equity shares have been allotted on 08.05.2009 in favour of the Company. The Company is also a Professional Clearing Member (PCM) of Power Exchange to support the activities of Trading Members. PXI has commenced its operations.

10.6 Investment in "Small is Beautiful" Fund: -

The Company had outstanding investment Rs 14.47 crore in units of "Small is Beautiful" Fund. Against this, a sum of ₹0.05 crore has been received as dividend during the year. The NAV of the Units of the Fund was ₹9.09 per unit of Rs 10 (face value). The diminution in value of NAV amounting to ₹1.32 crore (Previous year ₹0.26 crore) has been provided for during the year.

10.7	During the year fourteen number of ongoing consultancy assignments as on 25.04.2008 had been transferred to PFC Consulting Limited, a wholly owned subsidiary of PFC. The value of uncompleted work against such assignments is estimated to ₹13.08 crore and adjusted by debiting expenses and/or advance, as the case may be.
11.	Interest Differential Fund (IDF) – KFW The agreement between KFW and PFC provides that the IDF belongs to the borrowers solely and will be used to cover the exchange risk variations under this Loan and any excess will be used in accordance with the agreement. The balance in the IDF fund has been kept under separate account head titled as Interest Differential Fund-KFW and shown as a liability. The total fund accumulated as on 31.03.2009 is ₹34.19 crore (previous year ₹ 36.85 crore) after adjusting the translation loss of ₹ 24.12 crore (previous year ₹ 18.24 crore).
12.	During the current year, exchange loss (net) of ₹ 252.53 crore (previous year ₹20.14 crore) on foreign currency assets and liabilities comprising of translation loss of ₹235.66 crore and actual loss of ₹16.87 crore has been charged to P&L account as per Accounting Standard 11. However, cumulative exchange loss (net) on account of translation of foreign currency assets & liabilities as at 31.03.2009 is ₹379.64 crore (previous year ₹143.98 crore).
13.	The company was having outstanding forward foreign exchange contracts and principal only swaps (POS) against the Foreign Currency Loan liabilities as per details given hereunder:- i) Forward contracts to cover exchange rate risk in USD/INR leg. US$ 20 million ii) Forward contracts to cover exchange rate risk in EURO/USD leg. EURO 0.969 million iii) Principal only Swap to cover exchange rate risk in USD/INR leg. US$ 110 million
14.	(a) <u>Assets under finance lease prior to 01.04.2001</u> The Company has purchased an asset for ₹5.47 crore and leased to MSEB. Out of the above, the payment of ₹0.45 crore (previous year ₹0.45 crore) is still outstanding. The secondary period of lease expired on 31.03.2009. The borrower requested to sell this asset at a nominal value. Pending sale or transfer of asset or extension of lease period, the same has been continued to be shown under leased assets. (b) <u>Asset under finance lease after 01.04.2001</u> (i) The Gross investment in the leased assets and the present value of the minimum value receivable at the balance sheet date has been given in the table below with the description as total of future minimum lease payments and present value of the lease payments amounting to ₹266.51 crore and ₹189.08 crore respectively. The reconciliation of these figures has also been indicated under the head "unearned finance charges" with an amount of ₹ 77.43 crore. The future lease rentals are given below:-

(₹ in crore)

Particulars	As on 31.03.2009	As on 31.03.2008
Total of future minimum lease payments (Gross Investments)	266.51	302.12
Present value of lease payments (*)	189.08	211.67
Unearned finance income	77.43	90.45
Maturity profile of total of future minimum lease payments (Gross Investment)		
Not later than one year	48.04	45.65
Later than one year and not later than 5 years	192.16	182.58
Later than five years	26.31	73.89
Total	**266.51**	**302.12**
Break up of Present Value of Lease Payments		
Not later than one year	25.41	23.61
Later than one year and not later than 5 years	139.53	125.46
Later than five years	24.14	62.60

Total	**189.08**	**211.67**

(*) excluding outstanding dues of ₹2.52 crore which is under reconciliation in respect ofone finance lease.

(ii) The Company had sanctioned an amount of ₹88.90 crore in the year 2004 as finance lease for financing Wind Turbine Generator (commissioned on 19.07.2004). which was reduced to ₹88.85 crore in December 2006. The Gross Investment stood at the level of ₹76.75 crore as on 31.3.2009. The lease rent is to be recovered within a period of 15 Years, which comprises of 10 years as a primary period and 5 years as a secondary period.

(iii) The Company had sanctioned an amount of ₹98.44 crore in the year 2004 as finance lease for financing Wind Turbine Generator (commissioned on 18.5.2004). The Gross Investment stood at ₹86.57 crore as on 31.3.2009. The lease rent is to be recovered within a period of 20 years, which comprises of 10 years as a primary period and maximum of another 10 years as a secondary period.

(iv) The Company had sanctioned an amount of ₹93.51 crore in the year 2004 as finance lease for financing Wind Turbine Generator (commissioned on 09.06.2005). The Gross Investment stood at ₹103.19 crore as on 31.3.2009. The lease rent is to be recovered within a period of 20 years which comprises of 10 years as a primary period and maximum of 9 years and 11 months as a secondary period.

(v) In two lease financing cases, the borrowers have not accepted interest rate on reset and the matter is lying with Borrowers Grievance Redressal Committee of the Company for decision. The disputed income of ₹2.39 crore has not been recognized in Profit & Loss Account.

c) Operating Leases:

The Company's operating leases consists:-

Premises for residential use of employees and offices which are leasing arrangements usually renewable on mutually agreed terms but are not non-cancellable. Employees' remuneration and benefits include ₹1.83 crore (Previous year ₹ 1.80 crore) towards lease payments, net of recoveries, in respect of premises for residential use of employees. Lease payments in respect of premises for employees are shown as Rent for Residential Accommodation of employees in Schedule 14- Personnel & Administrative Expenses. Lease payments in respect of premises for offices are shown as Office Rent in Schedule 14- Personnel & Administrative Expenses.

15. Subsidy under Accelerated Generation & Supply Programme (AG&SP):

The Company is claiming subsidy from Govt. of India at Net Present Value calculated at indicative interest rates in accordance with GOI's letter vide D.O.No.32024/17/97-PFC dated 23.09.1997 and O.M.No.32024/23/2001-PFC dated 07.03.2003 irrespective of the actual repayment schedule, moratorium period and duration of repayment. The amount of interest subsidy received and to be passed on to the borrower is retained as Interest Subsidy Fund Account. The impact of difference between the indicative rate and period considered at the time of claims and at the time of actual disbursement can be ascertained only after the end of the respective schemes. However on the basis of the projections made for each project (based upon the certain assumptions that these will remain same over the projected period of each loan / project), the Company estimated the net excess amount of ₹283.14 crore and ₹44.27 crore as at 31/03/2009 for IX & X plan respectively under AG&SP schemes. This net excess amount is worked out on overall basis & not on individual basis & may vary due to change in assumptions , if any during the projected period such as changes in moratorium period , repayment period , loan restructuring , pre payment , interest rate reset etc. Hence the Company will return the net excess amount, if any at the end of the respective scheme.

The amount of ₹908.94 crore (previous year ₹1066.75 crore) under the head Interest Subsidy Fund represents the amount of subsidy received from Ministry of Power, Govt. of India which is to be passed on to the borrowers against their interest liability arising in future under Accelerated Generation & Supply Programme (AG&SP) which comprises of the following: -

(₹in crore)

Particulars	**As on 31.03.2009**	**As on 31.03.2008**
Opening balance of Interest Subsidy Fund	1066.75	1231.63
Add : - Received during the period	--	15.48
: - Interest credited during the period	98.19	113.05
Less: Interest subsidy passed on to borrowers	231.17	293.41

Refunded to MoP	24.83	--
Closing balance of Interest Subsidy Fund	908.94	1066.75

16. UPSEB & CSEB against whom loans are outstanding were restructured by the respective State Governments and new entities were formed. Consequently, the liabilities stand transferred to new entities. Loan Transfer agreement in respect of erstwhile UPSEB and unbundled entities of the erstwhile CSEB are to be executed. In respect of CSEB, the transfer agreement will be executed after the notification of final order for transfer of Assets and Liabilities by the Government of Chhatisgarh.

17. During the year, under the R-APDRP scheme, the Company has sanctioned loans of ₹1947.70 crore and disbursed ₹325 crore. The Company is entitled to a nodal agency fees at the rate of 1 percent of loans sanctioned and received an adhoc advance of ₹25.00 crore from Government of India under the said scheme. Accordingly, out of the adhoc advance, a nodal agency fee of ₹17.33 crore (exclusive of service tax) has been recognized and a service tax of ₹ 2.66 crore on total adhoc advance of ₹25.00 crore has been deposited in the current year.

18. The net deferred tax liabilities is ₹55.48 crore (previous year ₹1240.25 crore) computed as per Accounting Standard 22 on "Accounting for Taxes on Income".

The break up of deferred tax liabilities is given below: -
(₹ in crore)

Description	As on 31.03.2009	As on 31.03.2008
(a) Deferred Tax Asset (+)		
(i) Exchange Loss	-	38.14
(ii) Provision for expenses not deductible under Income Tax Act	9.30	6.27
(iii) Amortization	0.55	-
(b) Deferred Tax Liabilities (-)		
(i) Lease Equalization	-	-0.07
(ii) Depreciation	-0.26	-0.40
(iii) Lease income on new leases	-65.07	-55.81
(iv) Special Reserve created and maintained u/s 36(1)(viii) of I.T.Act,1961	-	-1228.38
Net Deferred Tax liabilities (-)/Assets (+)	-55.48	-1240.25

19. The Company has started creating deferred tax liability on special reserve created and maintained under Section 36(1) (viii) of Income Act, 1961, as per the opinion of Expert Advisory Committee of ICAI in Financial Year 2004-05. Now, based upon the clarification received from the Accounting Standard Board of Institute of Chartered Accountants of India (ICAI) vide letter dated 02.06.2009 and as explained in Policy No.13.2, the Company has stopped creating DTL on special reserve created and maintained for Financial Year 2008-09. Further, the Company reversed the Deferred Tax Liability (DTL) created in earlier years on special reserve created and maintained under Income Tax act. The reversal of DTL is done by crediting revenue reserve by ₹745.14 crore for Financial Year 1997-98 to Financial Year 2003-04 (as DTL was credited by debiting revenue reserve), crediting Profit and Loss Account by ₹483.24 crores for Financial Year 2004-05 to Financial Year 2007-08 (as DTL was created by debiting Profit and Loss Account for these years) and by debiting DTL by ₹1228.38 crores. It resulted in increase of profit of current year by ₹483.24 crore. The DTL of ₹133.28 crore on the Special Reserve created and maintained under Section 36(1) (viii) of Income Act, 1961 for the current year has also not been created as per paragraph 13.2 of Accounting Policy.

20. In compliance of Accounting Standard – 20 on "Earning Per Share" issued by the Institute of Chartered Accountants of India, the calculation of Earning Per Share (Basic and Diluted) is as under:-

Particulars	Current year 31.03.2009	Previous year 31.03.2008
Net Profit after Tax used as numerator (₹ in crore)	1969.96	1206.76
Weighted average number of equity shares used as denominator (Basic & Diluted)	1147766700	1147766700
Earning per share (Basic & Diluted) (Rupees)	17.16	10.51
Face value per share (Rupees)	10	10

21. The Company has no outstanding liability towards small-scale industrial undertakings.

22. The value of lease hold land aggregating to ₹38.33 crore(previous year ₹38.33 crore) comprises of amount of ₹31.83 crore (previous year ₹31.83 crore) paid towards cost of land to Land and Development Office (L&DO), Ministry of Urban Affairs, Govt. of India, stamp duty liability of ₹2.47 crore(previous year ₹2.47

crore) and capitalization of ground rent upto the date of completion of building of ₹4.03 crore (previous year ₹ 4.03 crore). In accordance with Memorandum of Agreement (MOA) executed with L&DO, the lease deed is yet to be signed. Pending execution of perpetual lease deed, (which does not have limited useful life) the value of leasehold land is not amortized and /or no provision for depreciation has been made on the said leasehold land.

23 Liabilities and Assets denominated in foreign currency have been translated at TT selling rate of SBI at year end as given below: -

S. No.	Exchange Rates	31.03.2009	31.03.2008
1	INR/US$	51.45	40.11
2	INR/JPY	0.5265	0.4029
3	INR/EURO	68.43	63.47

24. Disclosures as per Accounting Standard-15:-

A. Provident Fund

The Company pays fixed contribution to Provident Fund at prescribed rates to a separate trust, which invests the funds in permitted securities. The contribution to the fund for the period is recognized as expense and is charged to the profit and loss account. The obligation of the Company is to make such fixed contribution and to ensure a minimum rate of return to the members as specified by GOI. Any short fall for payment of interest to members as per specified rate of return has to be compensated by the Company. The Company estimates that no liability will take place in this regard in the near future and hence no further provision is considered necessary.

B. Gratuity

The company has a defined gratuity scheme and is managed by a separate trust. The provision for the same has been made on actuarial valuation based upon total number of years of service rendered by the employee subject to a maximum amount of ₹10 lakh.

C. Post Retirement Medical Facility (PRMF)

The Company has Post-Retirement Medical Facility (PRMF), under which retired employee and the dependent family members are provided medical facilities in the empanelled hospitals. They can also avail reimbursement of Out-Patient treatment subject to a ceiling fixed by the Company.

D. Terminal Benefits

Terminal benefits include settlement in home town for employees & dependents.

E. Leave

The Company provides for earned leave benefit and half-pay leave to the employees of the Company which accrue annually at 30 days and 20 days respectively. 75% of the earned leave is en-cashable while in service upto a maximum of 300 days on superannuation/separation. Half-pay leave is en-cashable on superannuation or separation after 10 years of service as per the rules of the Company. The liability for the same is recognized on the basis of actuarial valuation.

The above mentioned schemes (C,D and E) are unfunded and are recognized on the basis of actuarial valuation.

The summarised position of various defined benefits recognized in the profit and loss account, balance sheet are as under {Figures in brackets ( ) represents to previous year}

i)Expenses recognised in Profit and Loss Account (₹in crore)

	Gratuity	PRMF	Leave
Current Service Cost	0.57 (0.46)	0.19 (0.18)	0.68 (0.73)
Interest cost on benefit obligation	0.33 (0.36)	0.22 (0.23)	0.46 (0.39)
Expected return on plan assets	-0.38 (-0.40)	0.00 (0.00)	0.00 (0.00)
Net actuarial (gain)/Loss recognised in the year	2.50 (-0.31)	0.27 (0.03)	0.18 (1.13)

Expenses recognised in Profit & Loss Account	3.02(*) (0.11)	0.68 (0.44)	1.32(*) (2.25)

(*) Includes ₹0.07 crore (Previous year ₹0.08 crore) and ₹ 0.11crore (Previous year ₹0.09 crore) for gratuity and leave respectively allocated to subsidiaries companies.

ii) The amount recognized in the Balance Sheet (₹ in crore)

	Gratuity	**PRMF**	**Leave**
Present value of obligation as at 31.03.2009 (i)	7.96 (4.67)	3.66 (3.17)	7.15 (6.47)
Fair value of plan assets at at 31.3.2009 (ii)	4.94 (4.59)	0.00 (0.00)	0.00 (0.00)
Difference (ii) – (i)	-3.02 (-0.08)	-3.66 (-3.17)	-7.15 (-6.47)
Net Asset/(Liability) recognized in the Balance Sheet	-3.02 (-0.08)	-3.66 (-3.17)	-7.15 (-6.47)

iii) Changes in the Present Value of the defined benefit obligations (₹ in crore)

	Gratuity	**PRMF**	**Leave**
Present value of obligation as at 01.04.2008	4.67 (4.46)	3.17 (2.88)	6.47 (4.88)
Interest Cost	0.33 (0.36)	0.22 (0.23)	0.46 (0.39)
Current Service Cost	0.57 (0.46)	0.19 (0.18)	0.68 (0.73)
Benefits paid	-0.11 (-0.25)	-0.19 (-0.15)	-0.64 (-0.66)
Net actuarial (gain)/loss on obligation	2.50 (-0.36)	0.27 (0.03)	0.18 (1.13)
Present value of the defined benefit obligation as at 31.03.2009	7.96 (4.67)	3.66 (3.17)	7.15 (6.47)

iv) Changes in the fair value of plan assets (₹ in crore)

	Gratuity	**PRMF**	**Leave**
Fair value of plan assets as at 01.04.2008	4.67 (4.46)	0.00 (0.00)	0.00 (0.00)
Expected return on plan assets	0.38 (0.40)	0.00 (0.00)	0.00 (0.00)
Contributions by employer	0.00 (0.01)	0.00 (0.00)	0.00 (0.00)
Benefit paid	-0.11 (-0.23)	0.00 (0.00)	0.00 (0.00)
Acturial gain/(loss)	0.00 (-0.05)	0.00 (0.00)	0.00 (0.00)
Fair value of plan assets as at 31.03.2009	4.94 (4.59)	0.00 (0.00)	0.00 (0.00)

v) The effect of the one percentage in the medical cost of PRMF will impact the liability as under:-

Cost increase by 1% ₹ 0.04 crore
Cost decrease by 1% ₹ 0.04 crore

vi) During the year, the Company has provided liability towards contribution to the Gratuity Trust of ₹3.02 crore, to PRMF of ₹0.68 crore and leave ₹1.32 crore. (previous year towards contribution to the Gratuity Trust of ₹0.11 crore, to PRMF of Rs 0.44 crore and leave ₹ 2.25 crore.).

F. Other Employee Benefits:-

During the year, provision of ₹1.88 crore has been reversed for Economic Rehabilitation Scheme for Employees (previous year, provision of ₹0.13 crore has been made) and provision of ₹ 0.27 crore has been provided for Long Service Award for Employees (Previous year ₹ Nil) on the basis of actuarial valuation made at the year end by charging/crediting the profit and loss account.

G. Details of the Plan Asset:-

The details of the plan assets at cost as on 31st March are as follows:-
(₹ in crore)

		2009	2008
i)	State Government Securities	0.88	0.82
ii)	Central Government Securities	1.37	1.28
iii)	Corporate Bonds/debentures	2.69	2.49
iv)	RBI Special Deposit	--	--
	Total	4.94	4.59

H. Acturial assumptions

Principal assumptions used for actuarial valuation are:-

Method Used	Projected Unit Credit Method
Discount Rate	7.00%
Expected rate of return on assets- Gratuity	8.04%
Future salary increase	4.50%

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

For the purpose of Actuarial valuation, estimated future increase in emoluments (excluding merger of D.A. and adhoc release) due to proposed wage revision w.e.f. 01.01.2007 has not been considered.

25. Details of provision as required in AS-29.
(₹in crore)

Particulars	Financial year 2008-09	Financial Year 2007-08
Post Retirement Medical Scheme		
Opening Balance	3.17	2.88
Addition during the year	0.68	0.44
Amount paid/utilized during the year	0.19	0.15
Closing Balance	3.66	3.17
Gratuity		
Opening Balance	0.08	0.07
Addition during the year	3.02	0.11
Amount paid/utilized during the year	0.08	0.10
Closing Balance	3.02	0.08
Leave Encashment		
Opening Balance	6.47	4.88
Addition during the year	1.32	2.25
Amount paid/utilized during the year	0.64	0.66
Closing Balance	7.15	6.47
Wage Revision		
Opening Balance	17.12	0.00
Addition during the year	4.77	19.60
Amount paid/utilized during the year	0.00	2.48
Closing Balance	21.89	17.12
Economic Rehabilitation Scheme for Employee		
Opening Balance	3.17	3.04
Addition during the year	-1.86	0.15
Amount paid/utilized during the year	0.02	0.02

Closing Balance	1.29	3.17
Bonus/Incentive		
Opening Balance	6.59	6.65
Addition during the year	9.77	6.70
Amount paid/utilized during the year	6.60	6.76
Closing Balance	9.76	6.59
Leave Travel Concession		
Opening Balance	1.91	0.51
Addition during the year	2.20	4.33
Amount paid/utilized during the year	1.77	2.93
Closing Balance	2.34	1.91
Baggage Allowances		
Opening Balance	0.05	0.04
Addition during the year	0.00	0.01
Amount paid/utilized during the year	0.00	0.00
Closing Balance	0.05	0.05
Service Award		
Opening Balance	1.84	1.84
Addition during the year	0.27	0.00
Amount paid/utilized during the year	0.00	0.00
Closing Balance	2.11	1.84
Income Tax		
Opening Balance	1049.40	776.26
Addition during the year	492.02	482.27
Amount refunded/adjusted	(51.54)	(209.13)
Closing Balance	1489.88	1049.40
Fringe Benefit Tax		
Opening Balance	2.91	1.84
Addition during the year	0.73	0.97
Amount adjusted during the year	(0.74)	0.10
Closing Balance	2.90	2.91
Proposed Final Dividend		
Opening Balance	114.78	114.78
Addition during the year	154.95	114.78
Amount paid/utilized during the year	114.78	114.78
Closing Balance	154.95	114.78
Proposed Corporate Dividend Tax		
Opening Balance	19.51	19.51
Addition during the year	26.33	19.51
Amount paid/utilized during the year	19.51	19.51
Closing Balance	26.33	19.51

26. During the year, the Company has sent letters seeking confirmation of balances as on 31.12.2008 to borrowers. However, some of the balances of debtors, creditors and loan and advances are subject to confirmation/reconciliation/adjustments, if any.

27. The CRAR of the company is given hereunder:-

	Items	Current year	Previous year
i)	CRAR	17.15%	17.20%
ii)	CRAR – Tier I Capital	17.15%	17.20%
iii)	CRAR – Tier II Capital	--	--

The Company has no exposure to real estate sector as on 31.03.2009.

28. The pay revision of the employees of the Company is due w.e.f. 01.01.2007. Pending implementation of pay revision, a provision for the year ₹ 4.77 crore (previous year 19.60 crore) has been made towards wage revision on an estimated basis in line with notification of Government of India.

29. The Company does not have more than one reportable segment in terms of Accounting Standard No. 17 on Segment Reporting.

30. Previous year's figures have been re-grouped / re-arranged, wherever practicable, to make them comparable with the current year.

31. Figures have been rounded off to crore of rupees with two decimals.

Annexure -VI

RELATED PARTY DISCLOSURES (STANDALONE)

Name of Party	Relationship	Nature of Transaction	Payments For the Year ended					Receivable / (Payable) As at				
			31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09
Satnam Singh	CMD	Managerial Remuneration	0.64	0.57	0.38	0.47	0.30	-	-	-	-	-
V K Garg	CMD	Managerial Remuneration	-	-	-	-	0.16	-	-	-	-	-
Satnam Singh	Director	Managerial Remuneration	-	-	-	0.07	0.11	-	-	-	-	-
V S Sexena	Director	Managerial Remuneration	-	-	-	0.00	0.00	-	-	-	-	-
Shyam Wadhera	Director	Managerial Remuneration	-	-	-	-	0.14	-	-	-	-	-
M K Goel	Director	Managerial Remuneration	0.57	0.55	0.39	0.52	0.23	-	-	-	-	-
Rajiv Sharma	Director	Managerial Remuneration	-	0.40	0.37	0.34	0.01	-	-	-	-	-
R Nagarajan	Director	Managerial Remuneration	0.50	0.42	0.33	0.19	-	-	-	-	-	-
A K Agarwal	Director	Managerial Remuneration	0.26	-	-	-	-	-	-	-	-	-
PFC Consulting Limited	Subsidiary Company		-	-	-	-	-	(3.54)	(3.09)	0.00	(1.86)	0.32
PFC Capital Advisory Services Limited	Subsidiary Company		-	-	-	-	-	0.10	0.01	0.00	0.00	0.00

PFC Green Energy Limited	Subsidiary Company		-	-	-	-	-	(0.03)	0.05	2.25	0.00	0.00
Coastal Maharashtra Mega Power Limited	Subsidiary Companies promoted as SPVs for Ultra Mega Power Projects		-	-	-	-	-	(45.97)	(43.67)	(40.77)	(38.68)	(37.99)
Orissa Integrated Power Limited			-	-	-	-	-	27.74	15.72	5.93	(34.38)	(41.22)
Coastal Karnataka Power Limited			-	-	-	-	-	2.80	2.40	2.08	1.83	1.46
Coastal Tamil Nadu Power Limited			-	-	-	-	-	(18.51)	(24.60)	(31.28)	(35.71)	(36.65)
Bokaro-kodarma MAITHON Transmission Co. Limited			-	-	-	-	-	0.00	0.00	0.00	0.00	1.12
Chhattisgarh Surguja Power Limited			-	-	-	-	-	4.33	(0.23)	(5.08)	(8.88)	(28.53)
Sakhigopal Integrated Power Limited			-	-	-	-	-	(17.43)	(18.07)	(17.09)	(4.91)	0.00
Ghogarpalli Integrated Power Limited			-	-	-	-	-	(16.38)	(17.01)	(15.99)	0.24	0.00
Tatiya Andhra Mega Power Limited			-	-	-	-	-	(15.18)	(15.31)	(13.86)	0.88	0.00
East-North Interconnection Co. Limited			-	-	-	-	-	0.00	0.00	0.00	0.00	2.14
Jharkhand Integrated Power Limited.			-	-	-	-	-	0.00	0.00	0.00	0.00	(0.37)
Coastal Gujarat Power Limited			-	-	-	-	-	0.00	0.00	0.00	0.00	0.00
Coastal Andhra Power Limited			-	-	-	-	-	0.00	0.00	0.00	0.00	0.00
Sasan Power Limited			-	-	-	-	-	0.00	0.00	0.00	0.00	0.00
Deoghar Mega Power Ltd			-	-	-	-	-	2.43	0.00	0.00	0.00	0.00

Annexure - VII

Summary of Accounting Ratios(Standalone)

(₹ in crore)

Description	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009
Net Profit after tax	4,419.60	3,031.74	2,619.58	2,357.25	1,969.96
Weighted average number of shares outstanding during the year	1319982855	1295000707	1147766700	1147766700	1147766700
Net Worth	22351.41	19493.12	14197.35	12418.72	10789.67
Average Net Worth	20922.27	16845.24	13308.04	11604.20	9738.92
Accounting Ratios					
Basic & Diluted Earning Per Share	33.48	23.41	22.82	20.54	17.16
Net Assets Value Per Share (Rs.)	169.33	150.53	123.70	108.20	94.01
Return on Average Net Worth(%)	21.12%	18.00%	19.68%	20.31%	20.23%
Long Term Debt / Net worth	5.42	4.92	4.93	4.42	4.00

Annexure VIII

Statement of Dividend paid(Standalone)

(₹ in crore)

Description	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009
Equity share capital	1,320.02	1,319.93	1,147.77	1,147.77	1,147.77
Amount of Dividend:					
Interim Dividend Paid	792.01	659.97	401.72	344.33	304.16
Proposed Final Dividend	132.00	132.00	197.99	172.17	154.95
Total	**924.01**	**791.97**	**599.71**	**516.50**	**459.11**
Rate of Dividend	70.00%	60.00%	52.25%	45.00%	40.00%
Corporate Dividend Tax	150.91	128.47	98.84	87.78	78.02

Statement of tax shelters

Description	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009
Profit before Tax as per books of accounts (A)	**5,958.23**	**4,103.42**	**3,544.21**	**3,013.07**	**1,990.45**
(before prior period adjustments)					
Income Tax Rate	32.4450%	32.4450%	33.2175%	33.99%	33.99%
Tax at above rate	**1,933.15**	**1,331.36**	**1,177.30**	**1,024.23**	**676.55**
Adjustments:					
Permanent Differences :					
Profit / Loss on sale of Fixed Assets	0.04	0.03	0.06	0.02	0.01
Donations as per books of accounts	0.00	0.00	0.00	-4.98	4.98
Wealth Tax	0.00	0.01	0.00	0.01	0.01
Prior Period Adjustments	0.00	0.83	0.00	0.08	0.81
u/s10(23G)	0.00	0.00	0.00	0.00	0.00
Exempted Income u/s 10(34) - Dividend Income	-15.05	-10.28	-6.41	-1.71	-1.62
Reserve for bad & doubtful debts u/s 36(1)(viia)(c)	-250.40	-173.73	-142.46	-123.92	-76.45
Special Reserves u/s 36(1)(viii) *	-1,155.90	-776.19	-598.47	-568.61	-346.23
Contribution to ERMA in r/o KFW-IDF Fund					
Rental Income	-0.12	0.00	-0.02	-0.04	-0.03
Profit on sale of investment	-0.05	-0.84	-1.78	-3.78	0.00
Expenses disallowed under Income Tax Act,1961	12.00	7.33	4.39	3.10	3.07
Contribution to project monitoring centre	0.00	0.00	0.00	0.00	0.00
Other Income (Special Reserve claimed & written back due to Prepayment of loans)	0.00	2.03	12.83	7.14	0.00
Total Permanent Difference (B)	**-1,409.48**	**-950.81**	**-731.86**	**-692.69**	**-415.45**
Timing Difference:					
Difference between depreciation as per Companies Act & depreciation as per Income Tax Act, 1961	-8.36	-40.20	-178.45	-1.90	-2.52
Special Reserves u/s 36(1)(viii)*	0.00	0.00	0.00	0.00	0.00
Lease Income(new leases)	41.51	33.73	29.26	30.97	20.08
Lease Equilisation	0.00	0.00	0.00	0.00	0.27
Provision for Contingencies	80.85	142.79	31.79	-0.57	2.16
Provision for Decline in Value of Investments	0.00	-0.02	-0.07	-1.52	1.49
Provision for Retirement Benefits	9.51	11.17	10.59	5.70	0.00
Foreign Exchange Fluctuation Loss/Gain(-)	91.22	0.00	0.00	0.00	-143.98

Total Timing Differences (C)	**214.73**	**147.47**	**-106.88**	**32.68**	**-122.50**

Taxable Rental Income(D)	**0.09**	**0.00**	**0.02**	**0.03**	**0.02**
Long Term Capital Gain	0.10	0.74	1.34	0.00	0.00
Short Term Capital Gain u/s 111A	0.00	0.00	0.00	0.00	0.00
Short Term Capital Gain other than u/s 111A	0.00	0.00	0.00	1.09	0.00
Total Capital gain (E)	**0.10**	**0.74**	**1.34**	**1.09**	**0.00**
Donations u/s 80G (F)	**0.00**	**0.00**	**0.00**	**0.00**	**4.98**
Taxable Profit (A)+(B)+(C) + (D) +(E) - (F)	**4,763.67**	**3,300.82**	**2,706.83**	**2,354.18**	**1,447.54**
Tax on Income Other than Capital Gain	1,543.54	1,070.71	898.69	799.90	492.02
Tax on Capital Gain	0.02	0.16	0.30	0.37	0.00
Total Tax Liability	**1,543.56**	**1,070.87**	**898.99**	**800.27**	**492.02**
Interest u/s 234B/ 234C	4.07	4.90	0.22	0.28	0.00
Total Tax Liability	**1,547.63**	**1,075.77**	**899.21**	**800.55**	**492.02**

Annexure - X

Capitalization Statement(Standalone)

(₹ in crore)

Description	Year ended 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009
Debts					
Short term debt - Current	8819.77	4071.20	6291.04	2325.12	1400.00
Long term debt - Non current	121150.86	95866.98	69984.03	54913.28	43197.77
Current	9612.08	10187.73	9323.50	9870.01	7562.38
Total Debt	**139582.71**	**110125.91**	**85598.57**	**67108.41**	**52160.15**
Shareholders' Funds					
Share Capital	1320.02	1319.93	1147.77	1147.77	1147.77
Reserves & Surplus	22734.10	19387.59	14034.72	12113.02	10360.05
(-) Revaluation Reserve	0.00	0.00	0.00	0.00	0.00
Net Reserves(Net of Revaluation)	22734.10	19387.59	14034.72	12113.02	10360.05
(-) Reserve for bad and doubtful debts u/s 36(1)(vii a)(c) of IT Act,1961	1409.01	1158.61	984.88	842.07	718.15
(-) Debeture Redemption Reserve	274.85	55.79	0.06	0.00	0.00
(-) CSR and SD Reserve	18.85	0.00	0.00	0.00	0.00
(-) Miscellaneous Expenditure (to the extent not written off)	0.00	0.00	0.20	0.00	0.00
Net worth	**22351.41**	**19493.12**	**14197.35**	**12418.72**	**10789.67**
Long Term Debt / Net worth	**5.42**	**4.92**	**4.93**	**4.42**	**4.00**

Annexure- XI

Details of Contingent Liabilities as at					
					(₹ In crore)
Nature of Transaction	**31-Mar-13**	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**
Guarantees issued in foreign currency	41.34	56.40	67.02	85.23	116.08
Guarantees issued in Indian currency	335.57	371.93	400.00	400.00	400.00
Demand Raised by authorities and disputed	123.89	105.04	14.32	49.98	104.99
Claims not accepted	0.04	0.00	7.80	7.80	7.80
Letter of Comfort	4247.61	5730.38	5,758.02	3,414.21	394.88

Annexure- XII

POWER FINANCE CORPORATION LIMITED

Statement of Consolidated Assets & Liabilities

(₹ in crore)

			Description	Note Part A	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009
I .	A.		**EQUITY & LIABILITIES**						
		(1)	**Share Holders' Funds**						
			(a) Share Capital	1	1320.02	1319.93	1147.77	1147.77	1147.77
			(b) Reserves & Surplus	2	22837.67	19473.02	14093.04	12143.80	10369.78
					24157.69	20792.95	15240.81	13291.57	11517.55
		(2)	**Non-Current Liabilities**						
			(a) Long Term Borrowing						
			Secured	3	6636.67	5361.55	235.36	0.00	0.00
			Unsecured	3	114514.19	90505.43	69748.67	54913.28	43197.77
					121150.86	95866.98	69984.03	54913.28	43197.77
			(b) Deferred Tax Liabilities (Net)		218.63	86.75	82.90	46.93	55.48
			(c) Other Long Term Liabilities	4	539.81	550.64	678.38	923.99	1143.04
			(d) Long Term Provisions	5	162.35	41.98	25.20	21.48	15.45
		(3)	**Current Liabilities**						
			Secured	3					
			(a) Current Maturity of Long term Borrowing (Unsecured)	3	9612.08	10187.73	9323.50	9870.01	7562.38
			(b) Short -Term Borrowing	3					
			Secured		860.55	294.47	913.04	625.12	0.00
			Un-secured		7959.22	3776.73	5378.00	1700.00	1400.00
			(c) Trade Payables		1.15	1.22	0.80	1.20	0.74
			(d) Other Current Liabilities	4	5067.76	3805.30	2801.42	1906.27	1645.74
			(e) Short Term Provisions	5	195.50	276.98	283.99	214.35	212.71
					23696.26	18342.43	18700.75	14316.95	10821.57
			Total		**169925.60**	**135681.73**	**104712.07**	**83514.20**	**66750.86**
II .			**ASSETS**						
		(1)	**Non-current Assets**						
			(a) Fixed Assets	6					
			(i) Tangible Assets		102.40	99.63	94.92	90.90	95.37
			Less: Accumulated Depreciation		31.24	27.29	23.01	19.66	21.80
					71.16	72.34	71.91	71.24	73.57
			(ii) Intangible Assets		7.89	6.88	4.23	2.41	2.00
			Less: Accumulated Amortization		4.10	2.61	1.56	0.82	0.39
					3.79	4.27	2.67	1.59	1.61
			(iii) Capital Works in Progress		0.00	0.45	2.28	1.73	0.00
			(b) Non-Current Investments	7					
			Trade		12.00	12.00	12.00	12.00	12.00
			Others		40.55	11.00	10.80	14.19	15.50
			(c) Long Term Loans	8					
			Secured		107157.80	73480.17	57074.51	45889.22	37343.30
			Un-Secured		35336.84	38536.75	30349.18	24852.63	19720.11
					142494.64	112016.92	87423.69	70741.85	57063.41
			(d) Other Non Current Assets						
			(i) Fixed Deposits with Scheduled Banks (original maturity more than twelve months)	11	22.85	13.26	59.32	13.93	0.80
			(ii) Other	9	376.60	133.78	263.52	89.84	129.88
			(e) Foreign Currency Monetary Item Translation Difference A/c		477.97	515.41	0.00	0.00	0.00
		(2)	**Current Assets**						
			(a) Current Investments	10	3.83	3.83	3.83	3.83	7.57
			(b) Trade receivabales		6.37	4.05	1.34	6.63	4.64
			(c) Cash and Bank Balances	11	4957.47	2087.71	2384.87	1446.48	418.20
			(d) Current Maturity of Long Term Loans	8					
			Secured		12318.01	9411.32	6290.27	3484.23	2785.55
			Un-Secured		3137.84	2465.71	3751.01	2680.69	2975.50
					15455.85	11877.03	10041.28	6164.92	5761.05
			(e) Short Term Loans	8					
			Secured		1,000.00	2,267.02	500.00	0.00	0.00
			Un-Secured		1,416.11	3,910.85	1,605.77	2,948.99	1,604.54
					2416.11	6177.87	2105.77	2948.99	1604.54
			(f) Other Assets	9	3586.41	2751.81	2328.79	1996.99	1658.09
			Total		**169925.60**	**135681.73**	**104712.07**	**83514.20**	**66750.86**

Annexure- XIII

POWER FINANCE CORPORATION LIMITED

Statement of Consolidated Profits & Losses

(₹ in crore)

	Description	Note Part A	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009
I.	**Revenue from Operations**						
	(a) Interest	12	17256.87	12985.09	10038.87	8009.21	6541.54
	(b) Other Financial Services	12	45.74	87.08	136.08	37.91	31.98
II.	**Other Income**						
	Other Income	13	11.86	23.85	39.15	74.59	26.08
III	**Total (I+II)**		**17314.47**	**13096.02**	**10214.10**	**8121.71**	**6599.60**
IV.	**EXPENSES**						
	Interest, Finance and Other Charges	14	10992.87	8466.30	6426.46	4915.39	4436.62
	Bond Issue expenses	15	97.33	196.89	63.05	43.79	65.68
	Employee benefit expenses	16	90.91	81.68	72.97	77.66	46.50
	Provision for contingencies		80.85	142.79	31.79	-0.57	2.17
	Provision for decline in value of investments		(0.003)	-0.02	-0.06	-1.52	1.49
	Depreciation and Amortization expenses		5.96	5.54	5.08	3.83	4.13
	Other Expenses	17	61.95	55.59	29.14	37.27	37.52
	Preliminary Expenses writeen off		0.00	2.27	0.00	0.34	0.01
	Prior Period Items (net)	18	(8.92)	(0.87)	0.08	(0.10)	(0.02)
	Total		**11320.95**	**8950.17**	**6628.51**	**5076.09**	**4594.10**
V.	**Profit before exceptional and extraordinary items and tax (III-IV)**		**5993.52**	**4145.85**	**3585.59**	**3045.62**	**2005.50**
VI.	Exceptional items		**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
VII.	**Profit before extraordinary items and tax (V-VI)**		**5993.52**	**4145.85**	**3585.59**	**3045.62**	**2005.50**
VIII.	Extraordinary items		0.00	0.00	0.00	0.00	0.00
IX.	**Profit Before Tax (VII-VIII)**		**5993.52**	**4145.85**	**3585.59**	**3045.62**	**2005.50**
X.	**Tax Expenses**						
	(1) Current Tax						
	for current year		1551.98	1085.96	912.94	811.66	497.27
	for earlier years		(128.08)	(2.77)	(10.45)	(135.79)	(32.61)
			1423.90	**1083.19**	**902.49**	**675.87**	**464.66**
	(2) Deferred Tax liability(+) / Asset(-)		**131.88**	**3.81**	**35.98**	**-8.55**	**-439.63**
	Less(-)/Add(+): Provision for fringe benefit tax		**0.00**	**0.00**	**0.00**	**0.00**	**0.78**
XI.	**Profit (Loss) for the period from continuing operations (IX-X)**		**4437.74**	**3058.85**	**2647.12**	**2378.30**	**1979.69**

NOTE - Part A - 1

CONSOLIDATED SHARE CAPITAL

(₹ in crore)

Description	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009
Authorised :					
200,00,00,000 Equity shares of ₹10/- each (Previous year 200,00,00,000 shares of ₹10/- each)	2000.00	2000.00	2000.00	2000.00	2000.00
Issued, subscribed and paid up :					
131,99,31,705 Equity shares of `10/- each fully paid-up (Previous year 114,77,66,700 shares of `10/- each fully paid up)	1319.93	1147.77	1147.77	1147.77	1147.77
Add: 83,306 Equity shares of ` 10/- each fully paid-up (previous year 17,21,65,005 equity shares of ` 10/- each fully paid-	0.09	172.16	0.00	0.00	0.00
TOTAL	1320.02	1319.93	1147.77	1147.77	1147.77

Information on Shares in the company held by each shareholder holding more than 5 percent of paid -up equity share capital :

Name of Holders		**31.03.2013**	**31.03.2012**	**31.03.2011**	**31.03.2010**	**31.03.2009**
President of India	% of Share Holding	73.72	73.72	89.78	89.78	89.78
	No. of Shares Held	97,30,61,665	97,30,61,665	1,03,04,50,000	1,03,04,50,000	1,03,04,50,000
	Amount (₹ in crore)	973.06	973.06	1030.45	1030.45	1030.45
Life Insurance Corporation of India	% of Share Holding	5.77	5.83	-	-	-
	No. of Shares Held	7,61,64,471	7,68,90,731			
	Amount (₹ in crore)	76.16	76.89			

Under the Company stock option plan titled as PFC - ESOP 2010, the Remuneration Committee in their meeting held on 23rd December, 2011 had given its approval for FY 2009-10 for grant of 88,040 options, effective from 29th July 2011 and in their meeting held on 30th April 2012 had given its approval for FY 2010-11 for the grant of 92,964 options effective from 30th April 2012 to regular employees of the Company through PFC Employees Welfare Trust, at a price of ` 176.05/- per option for FY 2009-10 and ` 160.75/- per option for FY 2010-11 , exclusive of the face value of ` 10/- per share, convertible into equivalent number of equity shares of ` 10/- each on payment of ` 10 per share.

Out of 88,040 options, 87,888 options has been granted for FY 2009-10, the Company has allotted 83,306 equity shares during the current year upon exercising the stock option under the scheme. For FY 2010-11, out of 92,964 options granted, 69,954 options have been settled in cash and 1,572 options have been cancelled.

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NOTE - Part A - 2

CONSOLIDATED RESERVES & SURPLUS

(₹ in crore)

	Description	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009
(A)	**Securities Premium Reserve**					
	Opening balance	4092.67	851.10	851.10	851.10	851.10
	Add : Addition during the year	1.51	3261.48	0.00	0.00	0.00
	Less: Issue Expenses (FPO)	-0.32	19.91	0.00	0.00	0.00
	Total (A)	4094.50	4092.67	851.10	851.10	851.10
(B)	**Debenture Redemption Reserve**					
	Opening balance	55.79	0.06	0.00	0.00	0.00
	Add : Transfer from Profit and Loss Appropriation	219.06	55.73	0.06	0.00	0.00
	Total (B)	274.85	55.79	0.06	0.00	0.00
(C)	**Others**					
(i)	**Reserve for Bad & doubtful debts u/s 36 (1) (viia) (c) of**					
	Opening balance	1158.61	984.88	842.07	718.15	641.69
	Add : Transfer from Profit and Loss Appropriation	250.40	173.73	142.47	123.92	76.46
	Add : Transfer from Statement of Profit & Loss (Balance Sheet head)	0.00	0.00	0.34	0.00	0.00
		1409.01	1158.61	984.88	842.07	718.15
(ii)	**Special Reserve created u/s 36(1)(viii) of Income Tax Act, 1961 upto Financial Year 1996-97**	599.85	599.85	599.85	599.85	599.85
(iii)	**Special Reserve created and maintained u/s 36 (1) (viii) of Income Tax Act, 1961 from Financial Year 1997-98**					
	Opening balance	5982.06	5204.32	4574.64	4006.03	3613.94
	Add : Transfer from Profit and Loss Appropriation	1155.90	776.20	634.32	568.61	346.23
	Add : Transfer from General Reserve *	1.91	3.57	0.00	0.00	45.86
	Add : Transfer from Profit and Loss Appropriation (Balance Sheet head)	0.00	0.00	0.27	0.00	0.00
	Add : Transfer from Statement of Profit & Loss (Balance Sheet head)	0.00	0.00	7.92	0.00	0.00
	Less : Transfer from Profit and Loss Appropriation (Balance Sheet head) **	0.00	2.03	12.83	0.00	0.00
		7139.87	5982.06	5204.32	4574.64	4006.03
(iv)	**CSR Reserve**					
	Opening balance	0.00	0.00	0.00	0.00	0.00
	Add : Transfer from Profit and Loss Appropriation	18.36	0.00	0.00	0.00	0.00
		18.36	0.00	0.00	0.00	0.00
(v)	**Sustainable Development Reserve**					
	Opening balance	0.00	0.00	0.00	0.00	0.00
	Add : Transfer from Profit and Loss Appropriation	0.49	0.00	0.00	0.00	0.00
		0.49	0.00	0.00	0.00	0.00
(vi)	**General Reserve**					
	Opening balance	2594.40	2293.97	2031.97	1795.97	1615.41
	Add : Transfer from Statement of Profit & Loss for the year	442.00	304.00	262.00	236.00	197.00
	Less: Transferred to Special Reserve *	1.91	3.57	0.00	0.00	16.44
		3034.49	2594.40	2293.97	2031.97	1795.97
	Total (C)	12202.07	10334.92	9083.02	8048.53	7120.00
(D)	**Surplus**					
	Opening balance	4989.64	4158.86	3244.17	2398.68	860.09
	Add : Adjustments during the current year	0.00	0.00	0.67	0.00	745.14
	Add : Transfers from Special Reserve under Income Tax Act, 1961 **	0.00	2.03	12.83	0.00	0.00
	Less : Transfers to Reserve for Bad & doubtful debts and Special Reserve under Income Tax Act, 1961	0.00	0.00	0.61	0.00	29.42
	Less : Transfers to Special Reserve under Income Tax Act, 1961	0.00	0.00	7.92	0.00	0.00
	Add : Surplus retained from the Profit and Loss Appropriation for the year	1276.61	828.75	909.72	845.49	822.87
	Total (D)	6266.25	4989.64	4158.86	3244.17	2398.68
	Grand Total (A+B+C+D)	**22837.67**	**19473.02**	**14093.04**	**12143.80**	**10369.78**
Note :	**Profit and Loss Appropriation**					

	Description	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009
	Profit after tax for the year	4437.74	3058.85	2647.12	2378.30	1979.69
	Less : CSR Reserves					
	Transfer to CSR Reserve (relating to earlier years)	16.39	0.00	0.00	0.00	0.00
	Transfer from CSR Reserve (relating to earler years)	(9.30)	0.00	0.00	0.00	0.00
	Transfer to CSR Reserves (relating to current year)	11.27	0.00	0.00	0.00	0.00
		18.36	0.00	0.00	0.00	0.00
	Less: Sustainable Development (SD) Reserve					
	Transfer to SD Reserves	0.49	0.00	0.00	0.00	0.00
		0.49	0.00	0.00	0.00	0.00
	Less : Transfer to Reserves					
	Transfer towards Reserve for Bad & Doubtful Debts u/s 36(1)(viia)(c) of Income Tax Act, 1961	250.40	173.73	142.47	123.92	76.46
	Transfer to Special Reserve created and maintained u/s 36(1)(viii) of Income Tax Act, 1961	1155.90	776.20	634.32	568.61	346.23
	Debenture Redemption Reserve	219.06	55.73	0.06	0.00	0.00
	General Reserve	442.00	304.00	262.00	236.00	197.00
		2067.36	1309.66	1038.85	928.53	619.69
	Less : Dividend & Corporate Dividend Tax					
	Interim Dividend	792.01	659.97	401.72	344.33	304.16
	Proposed Final Dividend	132.00	132.00	197.99	172.17	154.95
	Corporate Dividend Tax on Interim Dividend	128.48	107.06	66.72	58.52	51.69
	Proposed Corporate Dividend Tax	22.43	21.41	32.12	29.26	26.33
		1074.92	920.44	698.55	604.28	537.13
	Total	**1276.61**	**828.75**	**909.72**	**845.49**	**822.87**

* Transferred to match the deduction claimed as per the Income tax return for the Assessment Year 2011-12.

** Special reserve claimed on some of the loan assets in earlier years withdrawn due to pre payment of such loan assets

Note : All the notes mentioned above pertain to the Financial Year 2012-13

NOTE - Part A - 3

CONSOLIDATED BORROWING

(₹ in crore)

Description	As at 31.03.2013		As at 31.03.2012		As at 31.03.2011		As at 31.03.2010		As at 31.03.2009	
	Current	Non-Current	Current	Non-Current	Current	Non-Current	Current	Non-Current	Current	Non-Current
A. Long Term Borrowing										
I. Secured										
a) Bonds										
Infrastructure Bonds	0.00	361.55	0.00	361.55	0.00	235.36	0.00	0.00	0.00	0.00
Tax Free Bonds	0.00	6275.12	0.00	5000.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub- Total (I)	**0.00**	**6,636.67**	**0.00**	**5,361.55**	**0.00**	**235.36**	**0.00**	**0.00**	**0.00**	**0.00**
II. UnSecured										
a) Bonds										
Bonds Guaranteed by the Government of India	0.00	0.00	0.00	0.00	22.00	0.00	20.00	22.00	20.00	42.00
Other Bonds / Debentures	3262.90	95434.62	9753.90	68804.44	5360.18	50519.46	3893.61	41865.82	2742.16	32674.99
Foreign Currency Notes	0.00	986.40	0.00	927.54	0.00	812.52	0.00	820.44	476.32	926.10
	3,262.90	**96,421.02**	**9,753.90**	**69,731.98**	**5,382.18**	**51,331.98**	**3,913.61**	**42,708.26**	**3,238.48**	**33,643.09**
b) Foreign Currency Loans										
Foreign Currency Loans from Foreign banks / Institutions (Guaranteed by the Govt. of India)	19.98	251.49	17.71	262.03	77.82	253.72	69.42	319.62	74.90	430.38
Foreign Currency Loans from Foreign banks (Others)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Syndicated Foreign Currency Loans from banks / Institutions	0.00	6946.68	0.00	4176.92	0.00	3637.91	0.00	1367.40	476.00	0.00
Foreign Currency Loans (FCNR(B) from banks)	219.20	0.00	206.12	0.00	0.00	180.56	181.98	0.00	0.00	205.80
	239.18	**7198.17**	**223.83**	**4438.95**	**77.82**	**4072.19**	**251.40**	**1687.02**	**550.90**	**636.18**
c) Rupee Term Loans										
Rupee Term Loans (From Banks)	4480.00	10895.00	210.00	14704.50	3863.50	13214.50	5405.00	9388.00	3773.00	8118.50
Rupee Term Loans (From Financial Institutions)	1630.00	0.00	0.00	1630.00	0.00	1130.00	300.00	1130.00	0.00	800.00
	6110.00	**10895.00**	**210.00**	**16334.50**	**3863.50**	**14344.50**	**5705.00**	**10518.00**	**3773.00**	**8918.50**
Sub- Total (II)	**9612.08**	**114514.19**	**10187.73**	**90505.43**	**9323.50**	**69748.67**	**9870.01**	**54913.28**	**7562.38**	**43197.77**
B. Short Term Borrowing										
Rupee Term Loans										
I. Secured										
Loan against FD	860.55	0.00	294.47	0.00	913.04	0.00	625.12	0.00	0.00	0.00
Sub- Total (I)	**860.55**	**0.00**	**294.47**	**0.00**	**913.04**	**0.00**	**625.12**	**0.00**	**0.00**	**0.00**
II. UnSecured										
Rupee Term Loans										
Rupee Term Loans from Banks	0.00	0.00	0.00	0.00	2100.00	0.00	0.00	0.00	400.00	0.00
Commercial Paper	5000.00	0.00	0.00	0.00	1950.00	0.00	650.00	0.00	1000.00	0.00
Working Capital Demand Loan / OD / CC / Line of Credit	2959.22	0.00	3776.73	0.00	1328.00	0.00	1050.00	0.00	0.00	0.00
Sub- Total (II)	**7959.22**	**0.00**	**3776.73**	**0.00**	**5378.00**	**0.00**	**1700.00**	**0.00**	**1400.00**	**0.00**
Total (A)+(B)	**18,431.85**	**1,21,150.86**	**14,258.93**	**95,866.98**	**15,614.54**	**69,984.03**	**12,195.13**	**54,913.28**	**8,962.38**	**43,197.77**

Notes:-

The details of Infrastructre Bonds outstanding as at 31.03.2013 are as follows:

	Bond Series	Date of allotment	Rate of Interest p.a.	Amount (₹ in crore)	Date of Redemption	Redemption details	Nature of Security
1	Infrastructure Bonds (2011-12) Series-III	21.11.2011	8.75%	3.23	22-Nov-18	On exercise of put option by the bondholders, redeemable at par, on a date, falling seven years and one day from the date of allotment; otherwise , redeemable at par on a date falling fifteen years from the date of allotment.	Secured by first pari-passu charge on total receivables of the Company (excluding those receivables on which specific charge already created) along with first pari-passu charge on immovable property situated at Guindy,Chennai.
2	Infrastructure Bonds (2011-12) Series - IV	21.11.2011	8.75%	8.83	22-Nov-18	On exercise of put option by the bondholders, redeemable at par with cumulative interest compounded annually, on a date, falling seven years and one day from the date of allotment; otherwise , redeemable at par with cumulative interest compounded annually, on a date falling fifteen years from the date of allotment.	
3	Infrastructure Bonds (2010-11) Series-3	31.03.2011	8.50%	6.13	1-Apr-18	On exercise of put option by the bondholders, redeemable at par, on a date, falling seven years and one day from the date of allotment; otherwise , redeemable at par on a date falling fifteen years from the date of allotment.	Secured by charge on specific book debt of ₹ 4539.03 crore as on 31.03.2013 of the Company along with first charge on immovable property situated at Jangpura, New Delhi.
4	Infrastructure Bonds (2010-11) Series-4	31.03.2011	8.50%	22.75	1-Apr-18	On exercise of put option by the bondholders, redeemable at par with cumulative interest compounded annually, on a date, falling seven years and one day from the date of allotment; otherwise , redeemable at par with cumulative interest compounded annually, on a date falling fifteen years from the date of allotment.	
5	Infrastructure Bonds 86 C Series	30.03.2012	8.72%	0.95	31-Mar-18	On exercise of put option by the bondholders, redeemable at par, on a date, falling six years and one day from the date of allotment; otherwise , redeemable at par on a date falling fifteen years from the date of allotment.	Secured by first pari-passu charge of present and future receivables (excluding those receivables which are specifically charged for infra bond issue during the FY 2010-11) along with first pari passu charge on immovable property situated at Guindy, Chennai.
6	Infrastructure Bonds 86 D Series	30.03.2012	8.72%	2.75	31-Mar-18	On exercise of put option by the bondholders, redeemable at par with cumulative interest compounded annually, on a date, falling six years and one day from the date of allotment; otherwise , reedemable at par with cumulative interest compounded annually, on a date falling fifteen years from the date of allotment.	
7	Infrastructure Bonds 86 A Series	30.03.2012	8.43%	9.04	31-Mar-17	On exercise of put option by the bondholders, redeemable at par, on a date, falling five years and one day from the date of allotment; otherwise , redeemable at par on a date falling ten years from the date of allotment.	Secured by first pari-passu charge of present and future receivables (excluding those receivables which are specifically charged for infra bond issue during the FY 2010-11) along with first pari passu charge on immovable property situated at Guindy, Chennai.
8	Infrastructure Bonds 86 B Series	30.03.2012	8.43%	17.81	31-Mar-17	On exercise of put option by the bondholders, redeemable at par with cumulative interest compounded annually, on a date, falling five years and one day from the date of allotment; otherwise , redeemable at par with cumulative interest compounded annually, on a date falling ten years from the date of allotment.	
9	Infrastructure Bonds (2011-12) Series-I	21.11.2011	8.50%	32.43	22-Nov-16	On exercise of put option by the bondholders, redeemable at par, on a date, falling five years and one day from the date of allotment; otherwise , redeemable at par on a date falling ten years from the date of allotment.	Secured by first pari-passu charge on total receivables of the Company (excluding those receivables on which specific charge already created) along with first pari-passu charge on immovable property situated at Guindy,Chennai.
10	Infrastructure Bonds (2011-12) Series-II	21.11.2011	8.50%	51.15	22-Nov-16	On exercise of put option by the bondholders, redeemable at par with cumulative interest compounded annually, on a date, falling five years and one day from the date of allotment; otherwise , redeemable at par with cumulative interest compounded annually, on a date falling ten years from the date of allotment.	
11	Infrastructure Bonds (2010-11) Series-1	31.03.2011	8.30%	66.80	1-Apr-16	On exercise of put option by the bondholders, redeemable at par, on a date, falling five years and one day from the date of allotment; otherwise , redeemable at par on a date falling ten years from the date of allotment.	Secured by charge on specific book debt of ₹ 4539.03

12	Infrastructure Bonds (2010-11) Series-2	31.03.2011	8.30%	139.68	1-Apr-16	On exercise of put option by the bondholders, redeemable at par with cumulative interest compounded annually, on a date, falling five years and one day from the date of allotment; otherwise , redeemable at par with cumulative interest compounded annually, on a date falling ten years from the date of allotment.	crore as on 31.03.2013 of the Company along with first charge on immovable property situated at Jangpura, New Delhi.

The details of Tax Free Bonds outstanding as at 31.03.2013 are as follows:

	Bond Series	Date of allotment	Rate of Interest p.a.	Amount (₹ in crore)	Date of Redemption	Nature of Security
13	Tax Free Bonds (2012-13) tranche - II - Series II	28-03-2013	7.04%	1.93	28-Mar-28	Secured by first pari-passu charge on total receivables of the Company (excluding those receivables on which specifice charge already created)
14	Tax Free Bonds (2012-13) tranche - II - Series II	28-03-2013	7.54%	67.28	28-Mar-28	
15	Tax Free Bonds (2012-13) tranche - I - Series II	04-01-2013	7.36%	126.96	4-Jan-28	Secured by first pari-passu charge on total receivables of the Company (excluding those receivables on which specifice charge already created) along with first pari-passu charge on immovable property situated at Guindy,Chennai.
16	Tax Free Bonds (2012-13) tranche - I - Series II	04-01-2013	7.86%	230.04	4-Jan-28	
17	TAX FREE BONDS SERIES 95 B	29-11-2012	7.38%	100.00	29-Nov-27	First pair passu charge on the Immovable Property situated at Chennai. All present and future receivables/ loan assets of the Company, together with the underlying security, excluding the receivables on which specific charge has already been created by the Company.
18	TAX FREE BOND SERIES 94 B	22-11-2012	7.38%	25.00	22-Nov-27	
19	Tax Free Bonds(2011-12) tranche -I - Series II	01.02.2012	8.30%	1280.58	1-Feb-27	Secured by first pari-passu charge on total receivables of the Company (excluding those receivables on which specifice charge already created) along with first pari-passu charge on immovable property situated at Guindy,Chennai.
20	Tax Free Bonds Series 80 B	25.11.2011	8.16%	209.34	25-Nov-26	Secured by first pari-passu charge of present and future receivables (excluding those receivables which are specifically charged for infra bond issue during the FY 2010-11) along with first pari passu charge on immovable property situated at Guindy, Chennai.
21	Tax Free Bonds Series 79 B	15.10.2011	7.75%	217.99	15-Oct-26	
22	Tax Free Bonds (2012-13) tranche - II - Series I	28-03-2013	6.88%	46.92	28-Mar-23	Secured by first pari-passu charge on total receivables of the Company (excluding those receivables on which specifice charge already created)
23	Tax Free Bonds (2012-13) tranche - II - Series I	28-03-2013	7.38%	49.24	28-Mar-23	
24	Tax Free Bonds (2012-13) tranche - I - Series I	04-01-2013	7.19%	173.27	4-Jan-23	Secured by first pari-passu charge on total receivables of the Company (excluding those receivables on which specifice charge already created) along with first pari-passu charge on immovable property situated at Guindy,Chennai.
25	Tax Free Bonds (2012-13) tranche - I - Series I	04-01-2013	7.69%	169.48	4-Jan-23	
26	TAX FREE BONDS SERIES 95 A	29-11-2012	7.22%	30.00	29-Nov-22	First pair passu charge on the Immovable Property situated at Chennai. All present and future receivables/ loan assets of the Company, together with the underlying security, excluding the receivables on which specific charge has already been created by the Company.
27	TAX FREE BOND SERIES 94 A	22-11-2012	7.21%	255.00	22-Nov-22	
28	Tax Free Bonds(2011-12) tranche -I - Series I	01.02.2012	8.20%	2752.55	1-Feb-22	Secured by first pari-passu charge on total receivables of the Company (excluding those receivables on which specifice charge already created) along with first pari-passu charge on immovable property situated at Guindy,Chennai.
29	Tax Free Bonds Series 80 A	25.11.2011	8.09%	334.31	25-Nov-21	Secured by first pari-passu charge of present and future receivables (excluding those receivables which are specifically charged for infra bond issue during the FY 2010-11) along with first pari passu charge on immovable property situated at Guindy, Chennai.
30	Tax Free Bonds Series 79 A	15.10.2011	7.51%	205.23	15-Oct-21	

31 Zero Coupon unsecured Taxable Bonds 2022-XIX Series of ₹ 351.22 crore (previous year ₹ 325.04 crore) are redeemable at face value of ₹ 750.00 crore on 30.12.2022 [net of Unamortized Interest of ₹ 398.78 crore (previous year ₹ 424.96 crore)].

32 The details of unsecured Taxable (Non cumulative) Bonds are as follows :

	Bond Series	Coupon Rate	Date of Redemption	Amount (₹ in crore)
1	71 - C Series	9.05%	15-Dec-30	192.70
2	66 - C Series	8.85%	15-Jun-30	633.00
3	103 Series	8.94%	25-Mar-28	2,807.00
4	102 - A (III) Series	8.90%	18-Mar-28	403.00
5	101 - B Series	9.00%	11-Mar-28	1,370.00
6	77- B Series	9.45%	1-Sep-26	2,568.00
7	76 - B Series	9.46%	1-Aug-26	1,105.00
8	71 - B Series	9.05%	15-Dec-25	192.70
9	66 - B Series	8.75%	15-Jun-25	832.00
10	66 - B Series	3 year INCMTBMK + 84.25 bps	15-Jun-25	700.00
11	65 - Series	8.70%	14-May-25	1,087.50
12	65 - Series	1 year INCMTBMK + 63.5 bps	14-May-25	250.00
13	64 - Series	8.95%	30-Mar-25	492.00
14	63 - Series	8.90%	15-Mar-25	184.00
15	62 - B Series	8.80%	15-Jan-25	1,172.60
16	61 - Series	8.50%	15-Dec-24	351.00
17	57 - B Series	8.60%	7-Aug-24	866.50
18	85 - D Series	9.26%	15-Apr-23	736.00

19	102 - A(II) Series	8.90%	18-Mar-23	403.00
20	102 - B Series	8.87%	18-Mar-23	70.00
21	100 - B Series	8.84%	4-Mar-23	1,310.00
22	92 - C Series	9.29%	21-Aug-22	640.00
23	91- B Series	9.39%	29-Jun-22	2,695.20
24	88- C Series	9.48%	15-Apr-22	184.70
25	78- B Series	9.44%	23-Sep-21	1,180.00
26	76- A Series	9.36%	1-Aug-21	2,589.40
27	75- C Series	9.61%	29-Jun-21	2,084.70
28	74 Series	9.70%	9-Jun-21	1,693.20
29	XXVIII Series	8.85%	31-May-21	600.00
30	73 Series	9.18%	15-Apr-21	1,000.00
31	72 - B Series	8.99%	15-Jan-21	1,219.00
32	71 - A Series	9.05%	15-Dec-20	192.70
33	70 Series	8.78%	15-Nov-20	1,549.00
34	68 - B Series	8.70%	15-Jul-20	1,424.00
35	66 - A Series	3 year INCMTBMK + 87.50 bps	15-Jun-20	500.00
36	65 - Series	8.70%	14-May-20	162.50
37	65 - Series	1 year INCMTBMK + 98 bps	14-May-20	1,175.00
38	85 - C Series	9.30%	15-Apr-20	79.50
39	64 - Series	8.95%	30-Mar-20	492.00
40	87 - D Series	9.42%	20-Mar-20	650.80

41	63 - Series	8.90%	15-Mar-20	184.00
42	100 - A Series	8.86%	4-Mar-20	54.30
43	99 - B Series	8.82%	20-Feb-20	733.00
44	62 - A Series	8.70%	15-Jan-20	845.40
45	61 - Series	8.50%	15-Dec-19	351.00
46	60 - B Series	1 year INCMTBMK + 179 bps	20-Nov-19	925.00
47	59 - B Series	8.80%	15-Oct-19	1,216.60
48	57 - B Series	8.60%	7-Aug-19	866.50
49	90 - B Series	9.41%	1-Jun-19	391.00
50	98 (III) Series	8.72%	8-Feb-19	324.00
51	82- C Series	9.70%	15-Dec-18	2,060.00
52	52 - C Series	11.25%	28-Nov-18	1,950.60
53	51 - C Series	11.00%	15-Sep-18	3,024.40
54	XLIX - B Series	10.85%	11-Aug-18	428.60
55	XLVIII - C Series	10.55%	15-Jul-18	259.70
56	XLVII - C Series	9.68%	9-Jun-18	780.70
57	102 - A(I) Series	8.90%	18-Mar-18	403.00
58	101 - A Series	8.95%	11-Mar-18	3,201.00
59	99 - A Series	8.77%	20-Feb-18	2.00
60	98 (II) Series	8.72%	8-Feb-18	324.00
61	72 - A Series	8.97%	15-Jan-18	144.00

62	97 Series	8.75%	15-Jan-18	1,000.00
63	XL - C Series	9.28%	28-Dec-17	650.00
64	XVIII Series	7.87%	13-Nov-17	25.00
65	93 - B Series	8.91%	15-Oct-17	950.00
66	XVII Series	8.21%	3-Oct-17	25.00
67	92 - A Series	9.01%	21-Aug-17	1,530.00
68	92 - B Series	9.27%	21-Aug-17	1,930.00
69	91 - A Series	9.40%	29-Jun-17	107.50
70	90 - A Series	9.61%	1-Jun-17	552.90
71	XIII Series	9.60%	24-May-17	65.00
72	XXXV Series	9.96%	18-May-17	530.00
73	XIII Series	9.60%	16-May-17	125.00
74	89 - A Series	9.52%	2-May-17	2,595.00
75	88- B Series	9.66%	15-Apr-17	100.20
76	XXXIV Series	9.90%	30-Mar-17	500.50
77	88 - A Series	9.61%	28-Mar-17	284.00
78	XXXIII - B Series	9.90%	22-Mar-17	561.50
79	87 - C Series	9.59%	20-Mar-17	217.50
80	87- A Series	9.62%	20-Mar-17	1,267.00
81	87 - B Series	9.72%	20-Mar-17	23.00
82	84 Series	9.33%	17-Feb-17	1,521.20
83	98 (I) Series	8.72%	8-Feb-17	324.00
84	82 - B Series	9.64%	15-Dec-16	825.00
85	XXXI - A	8.78%	11-Dec-16	1,451.20

	Series			
86	81 Series	9.49%	29-Nov-16	1,138.00
87	XVIII Series	7.87%	13-Nov-16	25.00
88	XVII Series	8.21%	3-Oct-16	25.00
89	XXIX - A Series	8.80%	7-Sep-16	250.00
90	77- A Series	9.41%	1-Sep-16	1,083.60
91	75 - B Series	9.62%	29-Jun-16	360.00
92	XXVII - A Series	8.20%	17-Mar-16	1,000.00
93	XXVI Series	7.95%	24-Feb-16	1,261.80
94	XXV Series	7.60%	30-Dec-15	1,734.70
95	52 - B Series	11.30%	28-Nov-15	5.80
96	XVIII Series	7.87%	13-Nov-15	25.00
97	XVII Series	8.21%	3-Oct-15	25.00
98	50 - C Series	10.70%	25-Aug-15	80.80
99	68 - A Series	8.25%	15-Jul-15	147.00
100	65 - Series	8.70%	14-May-15	1,337.50
101	89 - B Series	9.46%	2-May-15	2,056.00
102	85 - A Series	9.51%	15-Apr-15	661.30
103	64 - Series	8.95%	30-Mar-15	492.00
104	63 - Series	8.90%	15-Mar-15	184.00
105	83 Series	9.55%	13-Jan-15	1,292.30
106	61 - Series	8.50%	15-Dec-14	351.00
107	82 - A Series	9.63%	15-Dec-14	2,100.00
108	96 Series	8.90%	14-Dec-14	1,903.00

109	XVIII Series	7.87%	13-Nov-14	25.00
110	XXI B Series	7.00%	2-Nov-14	51.90
111	59 - A Series	8.45%	15-Oct-14	288.20
112	93 - A Series	8.85%	15-Oct-14	1,788.00
113	XVII Series	8.21%	3-Oct-14	25.00
114	58 - B Series	8.45%	17-Sep-14	331.10
115	57 - B Series	8.60%	7-Aug-14	866.50
116	75 - A Series	9.64%	29-Jun-14	555.00
117	55 - B Series	7.50%	11-May-14	146.90
118	54 - A Series	8.90%	16-Feb-14	196.50
119	52 - A Series	11.40%	28-Nov-13	662.70
120	XVIII Series	7.87%	13-Nov-13	25.00
121	XVII Series	8.21%	3-Oct-13	25.00
122	78 - A Series	9.43%	23-Sep-13	655.00
123	51 - B Series	11.10%	15-Sep-13	594.00
124	50 - B Series	10.75%	25-Aug-13	78.40
125	XLIX - A Series	10.90%	11-Aug-13	313.60
126	XLVIII - B Series	10.70%	15-Jul-13	217.40
127	XLVII - B Series	9.60%	9-Jun-13	495.30

33 As at 31.03.2013, Bonds of ₹ 7.40 crore (previous year ₹ 7.10 crore) are held by PFC Ltd. Employees Provident Fund Trust and Bonds of ₹ 0.50 crore (previous year ₹ 0.70 crore) are held by PFC Ltd. Gratuity Trust.

34 Foreign currency 6.61 % Senior Notes (USPP - I) of USD 180 million amounting to ₹ 986.40 crore (previous year ₹ 927.54 crore) are redeemable

at par on 05.09.2017.

NOTE - Part A - 4

CONSOLIDATED OTHER LIABILITIES

(₹ in crore)

Description	As at 31.03.2013		As at 31.03.2012		As at 31.03.2011		As at 31.03.2010		As at 31.03.2009	
	Current	Non-Current	Current	Non-Current	Current	Non-Current	Current	Non-Current	Current	Non-Current
Interest Subsidy Fund from GOI	33.06	112.72	49.39	326.82	77.50	374.37	118.11	545.38	171.05	737.89
Interest Differential Fund - KFW	0.00	54.73	0.00	52.01	0.00	49.01	0.00	47.60	0.00	34.19
Advance received from Subsidiaries (including interest payable thereon)	0.00	295.61	111.84	160.63	0.00	247.79	1.86	185.00	48.97	158.54
Amount payable to GoI under R-APDRP	0.25	0.00	11.09	0.00	6.88	0.00	0.11	0.00	0.00	0.00
Interest Accrued but not due :										
On Bonds	4771.01	0.00	3405.60	0.00	2302.77	0.00	1594.67	0.00	1288.03	0.00
On Loans	119.15	0.00	90.96	0.00	120.80	0.00	121.82	0.00	116.59	0.00
On Interest subsidy fund from GoI										
	4890.16	0.00	3496.56	0.00	2423.57	0.00	1716.49	0.00	1404.62	0.00
Unpaid/ unclaimed										
Bonds	4.72	0.00	5.27	0.00	6.52	0.00	22.83	0.00	0.96	0.00
Interest on Bonds	3.21	0.00	3.55	0.00	3.65	0.00	4.07	0.00	0.66	0.00
Dividend	1.20	0.00	0.98	0.00	0.60	0.00	0.55	0.00	0.23	0.00
	9.13	0.00	9.80	0.00	10.77	0.00	27.45	0.00	1.85	0.00
Others	135.16	76.75	126.62	11.18	282.70	7.21	42.25	146.01	19.25	212.42
TOTAL	**5067.76**	**539.81**	**3805.30**	**550.64**	**2801.42**	**678.38**	**1906.27**	**923.99**	**1645.74**	**1143.04**

NOTE - Part A - 5
CONSOLIDATED PROVISIONS

(₹ in crore)

Description	As at 31.03.2013		As at 31.03.2012		As at 31.03.2011		As at 31.03.2010		As at 31.03.2009	
	Current	Non-Current	Current	Non-Current	Current	Non-Current	Current	Non-Current	Current	Non-Current
Employee Benefits										
Economic Rehabilitation of Employees	0.12	1.19	0.09	1.15	0.23	1.03	0.20	1.11	0.20	1.09
Leave Encashment	1.14	19.27	0.95	16.79	0.75	14.72	0.59	12.25	0.29	6.86
Proposed Wage Revision	0.00	0.00	0.00	0.00	0.00	0.00	6.20	0.00	21.89	0.00
Staff Welfare Expenses	1.15	12.14	0.72	11.01	0.52	9.41	0.59	8.12	0.67	7.50
Gratuity / Superannuation Fund	1.63	0.00	7.24	0.00	5.78	0.00	4.54	0.00	3.02	0.00
Others										
Taxation - Income Tax (net)	22.37	11.62	98.18	13.03	33.94	0.04	0.00	0.00	2.38	0.00
Taxation - Fringe Benefit Tax	0.00	0.00	0.00	0.00	0.80	0.00	0.80	0.00	2.98	0.00
CSR Expenses	0.00	0.00	16.39	0.00	11.86	0.00	0.00	0.00	0.00	0.00
Contingent provision against Standard Assets	14.66	118.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Proposed Final Dividend	132.00	0.00	132.00	0.00	197.99	0.00	172.17	0.00	154.95	0.00
Proposed Corporate Dividend Tax	22.43	0.00	21.41	0.00	32.12	0.00	29.26	0.00	26.33	0.00
TOTAL	**195.50**	**162.35**	**276.98**	**41.98**	**283.99**	**25.20**	**214.35**	**21.48**	**212.71**	**15.45**

NOTE - Part A - 6

CONSOLIDATED FIXED ASSETS

(₹ in crore)

	Description	GROSS BLOCK					ACCUMULATED DEPRECIATION					NET BLOCK				
		As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009
I.	**TANGIBLE ASSETS :**															
	Owned Assets															
	Land (Freehold)	3.38	2.59	2.59	2.59	2.59	0.00	0.00	0.00	0.00	0.00	3.38	2.59	2.59	2.59	2.59
	Land (Leasehold)	37.87	37.87	37.87	38.33	38.33	0.00	0.00	0.00	0.00	0.00	37.87	37.87	37.87	38.33	38.33
	Buildings	24.92	25.54	24.14	24.14	24.14	7.20	6.28	5.33	4.34	3.30	17.72	19.26	18.81	19.80	20.84
	EDP Equipments	14.57	13.45	11.37	7.40	6.70	10.93	9.05	7.07	6.10	5.43	3.64	4.40	4.30	1.30	1.27
	Office and other equipments	14.03	12.53	11.60	11.22	11.06	7.71	6.88	6.04	5.19	4.25	6.32	5.65	5.56	6.03	6.81
	Furniture & Fixtures	7.55	7.52	7.22	7.04	6.90	5.33	4.96	4.46	3.88	3.21	2.22	2.56	2.76	3.16	3.69
	Vehicles	0.08	0.13	0.13	0.18	0.18	0.07	0.12	0.11	0.15	0.14	0.01	0.01	0.02	0.03	0.04
	Sub Total (1)	**102.40**	**99.63**	**94.92**	**90.90**	**89.90**	**31.24**	**27.29**	**23.01**	**19.66**	**16.33**	**71.16**	**72.34**	**71.91**	**71.24**	**73.57**
	Leased Assets															
	Plant & Machinery	0.00	0.00	0.00	0.00	5.47	0.00	0.00	0.00	0.00	5.47	0.00	0.00	0.00	0.00	0.00
	Lease Adjustment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Sub Total (2)	**0.00**	**0.00**	**0.00**	**0.00**	**5.47**	**0.00**	**0.00**	**0.00**	**0.00**	**5.47**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
II.	**Intangible Assets :**															
	Purchased Software (Useful Life - 5 years)	7.89	6.88	4.23	2.41	2.00	4.10	2.61	1.56	0.82	0.39	3.79	4.27	2.67	1.59	1.61
		7.89	**6.88**	**4.23**	**2.41**	**2.00**	**4.10**	**2.61**	**1.56**	**0.82**	**0.39**	**3.79**	**4.27**	**2.67**	**1.59**	**1.61**
III.	**Capital Works in Progress - Intangible Assets ****	0.00	0.45	2.28	1.73	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.45	2.28	1.73	0.00
		0.00	**0.45**	**2.28**	**1.73**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.45**	**2.28**	**1.73**	**0.00**

NOTE - Part A - 7						
CONSOLIDATED NON- CURRENT INVESTMENTS						
						(₹ in crore)
	Description	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009
(A)	Trade Investments					
I.	Equity Instruments (Quoted)					
	- Valued at Cost					
	1,20,00,000 (Previous year 1,20,00,000) Equity Shares of ₹10/- each fully paid up of PTC Ltd.	12.00	12.00	12.00	12.00	12.00
	Sub Total	12.00	12.00	12.00	12.00	12.00
(B)	Other Investments (Unquoted and Non- Trade)					
I.	Equity Instruments - Valued at Cost					
	28,00,000 (Previous year 28,00,000) Equity Shares of Rs. `10/- each fully paid up of Power Exchange India Ltd.	2.80	2.80	1.75	1.75	0.00
	7,00,000 (Previous year 4,50,000) Equity Shares of ₹10/- each fully paid up of Subsidiaries	0.70	0.45	0.42	0.52	0.52
	- Valued at Cost (NPA)					
	50,000 Equity Shares of Rs.10/- each fully paid up of Subsidiaries (Unquoted - Non Trade)	0.00	0.00	0.00	0.05	0.00
	Less : Provision for Contingencies	0.00	0.00	0.00	0.05	0.00
		0.00	0.00	0.00	0.00	0.00
II.	Bonds / Debentures					
	8,330 (Previous year 8,330) 4% Bonds of ₹ 100/- each of IMP Power Ltd.	0.08	0.08	0.08	0.08	0.08
	2,94,44,390 (Previous year 3,40,02,868) OFCD of ₹ 10/- each of R S India Wind Energy Pvt. Ltd.	29.44	34.00	0.00	0.00	0.00
	Less : Provision for contingencies	0.00	34.00	0.00	0.00	0.00
		29.44	0.00	0.00	0.00	0.00

III.	**Others**					
- Valued at Cost (Less diminution, if any, other than temporary)						
	76,82,816 (Previous year 78,25,127) Units of " Small is Beautiful " Fund of KSK Investment Advisor Pvt. Ltd. (Face value per unit is ₹ 10)	7.68	7.83	8.73	12.08	14.47
	Less : Provision for diminution	0.15	0.16	0.18	0.24	1.32
		7.53	7.67	8.55	11.84	13.15
	- Valued at Cost (NPAs)					
IV.	**Application Money pending allotment of Shares**					
	1750000 Equity Shares (Face value of Rs.10/- each) of Power Exchange India Ltd.	0.00	0.00	0.00	0.00	1.75
	Sub Total	40.55	11.00	10.80	14.19	15.50
	TOTAL	**52.55**	**23.00**	**22.80**	**26.19**	**27.50**
	Particulars	**As at 31.03.2013**	**As at 31.03.2012**	**As at 31.03.2011**	**As at 31.03.2010**	**As at 31.03.2009**
	Aggregate of Quoted Investments					
	- Book Adjusted value	12.00	12.00	12.00	12.00	12.00
	- Market Value	71.46	73.68	100.08	134.46	83.94
	Aggregate of Un-Quoted (non trade) Investments					
	- Book Adjusted value	40.55	11.00	10.80	14.19	13.75
	Application Money pending allotment of Shares					
	- Book Adjusted value	0.00	0.00	0.00	0.00	1.75
	TOTAL					
	- Book Adjusted value	**52.55**	**23.00**	**22.80**	**26.19**	**27.50**
	- Market Value	**71.46**	**73.68**	**100.08**	**134.46**	**83.94**

NOTE - Part A - 8

CONSOLIDATED LOANS

(₹ in crore)

	Description	As at 31.03.2013		As at 31.03.2012		As at 31.03.2011		As at 31.03.2010		As at 31.03.2009	
		Current maturities (Twelve Months)	Non Current	Current maturities (Twelve Months)	Non Current	Current maturities (Twelve Months)	Non Current	Current maturities (Twelve Months)	Non Current	Current maturities (Twelve Months)	Non Current
	Long Term										
I	**Secured Loans**										
a)	**Considered Good**										
	Rupee Term Loans (RTLs) to State Electricity Boards, State Power Corporations,Central Public Sector Undertakings and State Governments	10,741.69	91997.07	8,836.12	65533.38	5403.86	52591.53	3100.83	43982.07	2366.01	34344.59
	RTLs to Independent Power Producers	989.56	13269.75	406.77	6674.03	392.03	3607.44	242.27	1309.78	308.97	2225.10
	Foreign Currency Loans to Independent Power Producers	27.46	70.76	25.83	92.36	62.88	261.42	86.17	319.94	0.00	587.85
	Buyer's Line of Credit	10.20	122.36	4.89	0.00	6.52	4.89	8.53	11.41	28.03	19.94
	Medium Term Loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30.80	0.00
	Lease Financing to Borrowers	49.95	235.12	35.96	63.00	28.06	103.31	42.00	258.52	33.28	158.32
	RTLs to Equipment Manufacturers	224.83	688.79	1.25	0.00	1.25	1.25	2.50	1.25	3.76	1.25
	Incomes accrued & due on loans	35.23	0.00	3.30	0.00	8.54	0.00	1.93	0.00	14.70	0.00
b)	**Others**										
	RTL to Independent Power Producers - Projects under implementation	0.00	0.00	0.00	0.00	375.00	325.00	0.00	0.00	0.00	0.00
	Less: Provision for contingencies	0.00	0.00	0.00	0.00	1.50	1.30	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	373.50	323.70	0.00	0.00	0.00	0.00
	RTL to Independent Power Producers - NPA	196.77	723.01	62.05	864.97	0.00	8.92	0.00	8.92	0.00	8.92
	Less: Provision for contingencies	27.70	72.30	14.23	86.50	0.00	8.92	0.00	2.68	0.00	2.68
		169.07	650.71	47.82	778.47	0.00	0.00	0.00	6.24	0.00	6.24
	Lease financing to Borrowers - NPA	0.00	0.00	5.55	222.07	15.23	202.26	0.00	0.00	0.00	0.00
	Less: Provision for contingencies	0.00	0.00	0.55	22.21	1.60	21.29	0.00	0.00	0.00	0.00
		0.00	0.00	5.00	199.86	13.63	180.97	0.00	0.00	0.00	0.00
	FCL to Independent Power Producers - NPA	77.80	136.93	49.31	154.52	0.00	0.00	0.00	0.00	0.00	0.00
	Less: Provision for contingencies	7.78	13.69	4.93	15.45	0.00	0.00	0.00	0.00	0.00	0.00
		70.02	123.24	44.38	139.07	0.00	0.00	0.00	0.00	0.00	0.00
	Sub-Total I	**12318.01**	**107157.80**	**9411.32**	**73480.17**	**6290.27**	**57074.51**	**3484.23**	**45889.22**	**2785.55**	**37343.29**

II.	**Un-Secured Loans**										
a)	**Considered Good**										
	Rupee Term Loans (RTLs) to State Electricity Boards, State Power Corporations,Central Public Sector Undertakings and State Governments	3,005.33	32068.20	2,205.03	32781.57	3638.91	28933.34	2569.29	22910.71	2906.65	18476.58
	RTLs to Independent Power Producers	115.64	3146.20	79.37	4924.35	19.60	609.03	85.00	1870.48	22.54	1042.28
	Foreign Currency Loans to State Electricity Boards and State Power Corporations	0.00	0.00	0.00	0.00	0.00	0.00	22.20	71.44	12.95	115.82
	Foreign Currency Loans to Independent Power Producers	11.99	34.87	11.56	44.06	23.58	48.73	0.00	0.00	0.00	0.00
	RTLs to Equipment Manufacturers	0.00	0.00	166.75	786.77	68.92	758.08	0.00	0.00	0.00	0.00
	Buyer's Line of Credit	4.87	87.57	0.00	0.00	0.00	0.00	4.18	0.00	33.35	85.43
	Incomes accrued & due on loans	0.01	0.00	3.00	0.00	0.00	0.00	0.02	0.00	0.01	0.00
b)	**Others**										
	RTLs to State Power Corporations - NPAs	0.00	0.00	0.00	0.00	4.24	0.00	0.00	4.24	0.00	4.24
	Less : Provision for contingencies	0.00	0.00	0.00	0.00	4.24	0.00	0.00	4.24	0.00	4.24
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Sub-Total II	**3137.84**	**35336.84**	**2465.71**	**38536.75**	**3751.01**	**30349.18**	**2680.69**	**24852.63**	**2975.50**	**19720.11**
	Total of Long Term	**15455.85**	**142494.64**	**11877.03**	**112016.92**	**10041.28**	**87423.69**	**6164.92**	**70741.85**	**5761.05**	**57063.40**
	Short Term										
I	**Secured**										
	Working Capital Loans to State Electricity Boards and State Power Corporations	1,000.00	0.00	2,267.02	0.00	500.00	0.00	0.00	0.00	0.00	0.00
	Sub-Total I	**1000.00**	**0.00**	**2267.02**	**0.00**	**500.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
I	**Un-Secured**										
	Working Capital Loans to State Electricity Boards and State Power Corporations	1,416.11	0.00	3,760.85	0.00	1605.77	0.00	2948.99	0.00	1604.54	0.00
	Working Capital Loans to Independent Power Producers	0.00	0.00	150.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Sub-Total II	**1416.11**	**0.00**	**3910.85**	**0.00**	**1605.77**	**0.00**	**2948.99**	**0.00**	**1604.54**	**0.00**
	Total of Short Term	**2416.11**	**0.00**	**6177.87**	**0.00**	**2105.77**	**0.00**	**2948.99**	**0.00**	**1604.54**	**0.00**
	GrandTotal	**17871.96**	**142494.64**	**18054.90**	**112016.92**	**12147.05**	**87423.69**	**9113.91**	**70741.85**	**7365.59**	**57063.40**

NOTE - Part A - 9

CONSOLIDATED OTHER ASSETS

(₹ in crore)

	Description	As at 31.03.2013		As at 31.03.2012		As at 31.03.2011		As at 31.03.2010		As at 31.03.2009	
	LOANS & ADVANCES	Current	Non-Current	Current	Non-Current	Current	Non-Current	Current	Non-Current	Current	Non-Current
	Loans (considered good)										
a)	to Employees (Secured)	2.34	15.23	2.06	13.24	1.87	9.89	1.40	7.58	1.38	7.70
b)	to Employees (Unsecured)	4.11	27.26	3.75	19.19	3.07	12.90	2.06	6.58	1.53	3.84
		6.45	42.49	5.81	32.43	4.94	22.79	3.46	14.16	2.91	11.54
	Advances (Unsecured considered good)										
	Advances recoverable in cash or in kind or for value to be received										
a)	to Subsidiaries (including interest recoverable there on)	2.37	219.35	103.48	68.64	2.25	131.73	0.43	65.39	52.24	15.61
b)	to Employees	1.16	0.45	0.98	0.00	0.59	0.00	0.40	0.00	0.25	0.00
c)	Prepaid Expenses	2.17	0.00	1.82	0.00	2.19	0.00	1.54	0.00	2.05	0.00
d)	Unamortized financial charges on Commercial Paper	109.80	0.00	0.00	0.00	35.45	0.00	5.15	0.00	54.75	0.00
e)	Others	80.73	0.38	62.48	0.33	332.32	2.23	238.66	0.07	147.00	0.06
f)	Advance Income Tax and Tax Deducted at Source (net)	2.23	105.05	13.62	32.09	1.38	106.52	148.82	9.95	52.36	101.40
g)	Advance Fringe Benefit Tax	0.00	0.00	0.00	0.00	1.29	0.00	1.29	0.00	3.51	0.00
h)	Security Deposits	3.28	0.36	12.29	0.29	3.23	0.25	1.16	0.27	0.24	1.27
		201.74	325.59	194.67	101.35	378.70	240.73	397.45	75.68	312.40	118.34
	OTHER ASSETS										
	Accrued but not due :										
a)	Interest on Loan Assets	3252.01	0.00	2474.01	0.00	1863.13	0.00	1546.55	0.00	1335.14	0.00
b)	Other charges on Loan Assets	16.11	0.00	15.88	0.00	60.98	0.00	38.96	0.00	1.78	0.00
c)	Interest on Employee advances	0.23	8.52	6.72	0.00	5.26	0.00	5.47	0.00	5.36	0.00
d)	Interest on Deposits and Investments	34.99	0.00	19.99	0.00	15.78	0.00	5.10	0.00	0.27	0.00
		3303.34	8.52	2516.60	0.00	1945.15	0.00	1596.08	0.00	1342.55	0.00
	Loans & Advances (Unsecured - Others)										
	Non Performing Assets (NPAs)	84.14	0.00	39.53	0.00	1.03	0.00	1.17	0.00	2.28	0.00
	Less : Provision for contingencies	9.26	0.00	4.80	0.00	1.03	0.00	1.17	0.00	2.05	0.00
		74.88	0.00	34.73	0.00	0.00	0.00	0.00	0.00	0.23	0.00
	TOTAL	**3586.41**	**376.60**	**2751.81**	**133.78**	**2328.79**	**263.52**	**1996.99**	**89.84**	**1658.09**	**129.88**

NOTE - Part A -10					
CONSOLIDATED CURRENT INVESTMENTS					
					(₹ in crore)
Description	**As at 31.03.2013**	**As at 31.03.2012**	**As at 31.03.2011**	**As at 31.03.2010**	**As at 31.03.2009**
Equity Instruments - Valued scrip wise at lower of cost or fair value (Quoted and Trade)					
5,39,349 (Previous year 5,39,349) Equity Shares (Face value of ₹ 10/- each fully paid up) of PGCIL purchased at a cost of ₹ 52	2.80	2.80	2.80	2.80	2.80
Less : Provision for diminution	0.00	0.00	0.00	0.00	0.00
	2.80	2.80	2.80	2.80	2.80
97,952 (Previous year 97,952) Equity Shares (Face value of ₹ 10/- each fully paid up) of REC Ltd. purchased at a cost of ₹ 105	1.03	1.03	1.03	1.03	5.21
Less : Provision for diminution	0.00	0.00	0.00	0.00	0.44
	1.03	1.03	1.03	1.03	4.77
TOTAL	**3.83**	**3.83**	**3.83**	**3.83**	**7.57**
Particulars	**As at 31.03.2013**	**As at 31.03.2012**	**As at 31.03.2011**	**As at 31.03.2010**	**As at 31.03.2009**
Aggregate of Quoted Investments					
- Book Adjusted value	3.83	3.83	3.83	3.83	7.58
- Market Value	7.75	7.84	7.98	8.23	9.92
TOTAL					
- Book Adjusted value	**3.83**	**3.83**	**3.83**	**3.83**	**7.58**
- Market Value	**7.75**	**7.84**	**7.98**	**8.23**	**9.92**

NOTE - Part A -11

CONSOLIDATED CASH AND BANK BALANCES

(₹ in crore)

		Description	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009
Cash and Cash Equivalents							
I	a)	Balances in current accounts with:					
		i) Reserve Bank of India	0.05	0.05	0.05	0.05	0.05
		ii) Scheduled Banks	3.28	21.59	249.16	9.12	2.49
			3.33	21.64	249.21	9.17	2.54
	b)	Cheques in hand	0.62	0.95	0.38	1.27	0.00
	c)	Balances in current account with scheduled banks for payament of interest on bonds,	1.25	0.98	0.61	0.00	0.00
	d)	Public issue Account with Escrow collection Banker	165.37	0.00	0.00	0.00	0.00
	e)	Imprest with postal authority	0.00	0.01	0.01	0.01	0.01
	f)	Fixed Deposits with Scheduled Banks (original maturity up to three months)	4,686.64	1,965.32	2102.19	1395.16	386.67
		Sub-total (A)	4857.21	1988.90	2352.40	1405.61	389.22
II		**Other Bank Balances**					
		Fixed Deposits with Scheduled Banks (original maturity up to twelve months)	100.26	98.81	32.47	40.87	28.98
		Sub-total (B)	100.26	98.81	32.47	40.87	28.98
		Fixed Deposits with Scheduled Banks (original maturity more than twelve months)	22.85	13.26	59.32	13.93	0.80
		Sub-total (C)	22.85	13.26	59.32	13.93	0.80
		TOTAL	**4980.32**	**2100.97**	**2444.19**	**1460.41**	**419.00**

NOTE - Part A - 12

CONSOLIDATED REVENUE FROM OPERATIONS

(₹ in crore)

	Description	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009
(A)	**Interest**					
	Interest on Loans	16,887.64	12,602.47	9760.51	7847.59	6338.58
	Prepayment Premium on Loans/Interest restructuring Premium	10.96	14.87	27.85	14.53	8.95
	Upfront fees on Loans	39.69	26.81	41.72	22.06	12.48
	Service charges on Loans	0.00	0.02	0.07	0.11	0.14
	Management, Agency & Guarantee Fees	115.61	65.37	96.77	48.62	41.28
	Commitment charges on Loans	4.34	2.60	3.04	4.54	3.01
	Less : Commitment charges on Loans waived	0.00	0.00	0.08	0.00	0.00
		4.34	2.60	2.96	4.54	3.01
	Income from surplus funds	169.23	254.36	93.18	52.19	113.90
	Lease income	29.40	18.59	15.81	19.57	23.02
	Bill Discounting Income	0.00	0.00	0.00	0.00	0.18
	Sub- Total (A)	**17256.87**	**12985.09**	**10038.87**	**8009.21**	**6541.54**
(B)	**Other Financial Services**					
	Nodal Agency Fees under R-APDRP	16.52	39.15	89.62	-17.33	17.33
	Advisory Fees - UMPPs	0.00	0.00	46.46	13.60	0.00
	Income from Consultancy Assignments	29.22	47.93	0.00	41.64	14.65
	Sub- Total (B)	**45.74**	**87.08**	**136.08**	**37.91**	**31.98**
	TOTAL	**17302.61**	**13072.17**	**10174.95**	**8047.12**	**6573.52**

NOTE - Part A - 13				
CONSOLIDATED OTHER INCOME				
Description	**Year ended 31.03.2013**	**Year ended 31.03.2012**	**Year ended 31.03.2011**	**Year ended 31.03.2010**
Dividend Income				
Dividend / Interest Income on Long term Investments	7.99	1.84	1.56	1.59
Dividend Income on Current Investments	0.25	0.20	0.15	0.12
Net gain / loss on sale of investments				
Profit on sale of Fixed Assets	0.01	0.01	0.00	3.26
Profit on sale of Long term Investments	0.05	0.84	1.78	0.53
Others				
Interest on Income Tax Refund	0.18	16.58	24.49	54.43
Miscellaneous Income	3.34	4.30	9.83	6.76
Excess Liabilities written back	0.04	0.08	1.34	7.90
TOTAL	**11.86**	**23.85**	**39.15**	**74.59**

NOTE - Part A - 14

CONSOLIDATED INTEREST, FINANCE AND OTHER CHARGES

(₹ in crore)

	Description	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009
I.	**Interest**					
	On Bonds	8,579.57	6,213.02	4835.41	3700.99	2790.15
	On Loans	1,772.32	1,808.14	1417.53	1051.21	1074.28
	to GOI on Interest Subsidy Fund	19.00	36.02	56.22	80.70	98.19
	Rebate for Timely Payment to Borrowers	167.46	181.29	157.05	127.36	112.78
	Swap Premium (Net)	13.45	-8.19	-153.05	-42.31	13.89
		10551.80	8230.28	6313.16	4917.95	4089.29
II.	**Other Charges**					
	Commitment & Agency Fees	1.13	1.04	0.67	0.49	0.85
	Financial Charges on Commercial Paper	200.74	57.47	15.45	64.49	81.55
	Guarantee, Listing & Trusteeship fees	1.99	1.64	1.71	1.98	2.11
	Management Fees on Foreign Currency Loans	64.44	0.00	61.04	27.71	0.00
	Direct overheads for Consultancy Services	0.07	1.80	2.29	2.41	3.69
	Bank / Other charges	1.99	0.19	0.12	0.03	0.01
		270.36	62.14	81.28	97.11	88.21
	Interest paid on advances received from subsidiaries	7.63	9.08	7.07	4.99	7.19
	Less : Interest received on advances given to subsidiaries	4.90	2.80	1.43	0.82	0.60
		2.73	6.28	5.64	4.17	6.59
III.	Net Translation / Transactions Exchange Loss / gain (-)	167.98	167.60	26.38	-103.84	252.53
	TOTAL	**10,992.87**	**8,466.30**	**6,426.46**	**4,915.39**	**4,436.62**

NOTE - Part A - 15

CONSOLIDATED BOND ISSUE EXPENSES

Description	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010
Interest on Application Money	61.27	123.76	37.42	27.06
Credit Rating Fees	2.84	2.85	1.57	2.24
Other Issue Expenses	24.97	63.64	20.83	10.68
Stamp Duty Fees	8.25	6.64	3.23	3.81
TOTAL	**97.33**	**196.89**	**63.05**	**43.79**

NOTE - Part A - 16					
CONSOLIDATED EMPLOYEE BENEFIT EXPENSES					
					(₹ in crore)
Description	**Year ended 31.03.2013**	**Year ended 31.03.2012**	**Year ended 31.03.2011**	**Year ended 31.03.2010**	**Year ended 31.03.2009**
Salaries and Wages	72.06	59.27	52.62	56.19	36.86
Contribution to Provident and other funds	6.84	6.63	5.06	3.95	1.62
Staff Welfare	8.06	9.23	8.40	13.46	5.73
Rent for Residential accomodation of employees	3.95	6.55	6.89	4.06	2.29
	90.91	**81.68**	**72.97**	**77.66**	**46.50**

NOTE - Part A - 17					
CONSOLIDATED OTHER EXPENSES					
					(₹ in crore)
Description	**Year ended 31.03.2013**	**Year ended 31.03.2012**	**Year ended 31.03.2011**	**Year ended 31.03.2010**	**Year ended 31.03.2009**
Office Rent	1.40	1.30	0.72	0.52	0.41
Electricity & Water charges	1.57	1.18	1.29	1.33	1.24
Insurance	0.05	0.12	0.04	0.12	0.11
Repairs & Maintenance	2.51	2.04	2.46	2.79	2.60
Stationery & Printing	0.97	0.81	0.70	0.55	1.00
Travelling & Conveyance	8.38	6.59	6.00	5.08	4.86
Postage, Telegraph & Telephone	1.62	0.97	1.08	1.42	0.68
Professional & Consultancy charges	0.88	2.02	1.89	7.05	2.68
Expenditure relating to Consultancy Assignment	0.00	0.00	0.00	0.00	6.32
CSR Expenses	13.32	13.24	11.86	1.07	0.00
Sustainable Development Expenses	2.98	0.00	0.00	0.00	0.00
Miscellaneous	20.33	20.97	16.14	14.44	8.51
Loss on sale of assets	0.04	0.03	0.06	0.02	0.01
Auditors' remuneration	0.55	0.64	0.40	0.28	0.23
Donation	0.00	0.00	0.00	0.00	4.98
Service Tax	5.93	4.30	1.62	1.26	0.68
Rates & Taxes	0.87	0.83	0.77	1.33	3.20
Wealth Tax	0.00	0.01	0.00	0.01	0.01
Contribution to PMC (MoP)	0.55	0.54	0.00	0.00	0.00
TOTAL	**61.95**	**55.59**	**45.03**	**37.27**	**37.52**
Less : Re-imbursement of expenditure incurred for operationalization of R-APDRP scheme	0.00	0.00	15.89	0.00	0.00
TOTAL	**61.95**	**55.59**	**29.14**	**37.27**	**37.52**

Note :-					
1) Miscellaneous includes :					
Books & Periodicals	0.04	0.03	0.04	0.04	0.04
Advertisement	5.52	6.50	6.30	4.88	3.31
Membership & Subscription	0.60	0.65	0.85	1.01	0.39
Entertainment	0.55	0.61	0.45	0.38	0.30
Conference & Meeting Expenses	1.19	1.50	1.33	1.36	0.51
Security Expenses	1.11	1.04	0.97	0.88	0.57
Training	0.65	0.35	0.43	0.37	0.51
EDP Expenses	2.04	1.23	1.52	0.66	0.18
Business Promotion / Related Expenses	0.17	0.14	0.10	0.14	0.13
Equipment hiring charges	0.00	0.11	0.10	0.44	0.14
Interest on income tax U/S 234	4.07	4.90	0.22	0.00	0.00
2) Auditors' Remuneration includes :					
Audit fees	0.19	0.19	0.14	0.14	0.12
Tax Audit fees	0.05	0.04	0.04	0.04	0.03
Other certification services	0.32	0.41	0.25	0.10	0.07
Reimbursement of Expenses	0.00	0.00	0.01	0.00	0.01

Note - Part A -18					
PRIOR PERIOD ITEMS (NET)					
					(₹ in crore)
Description	**Year ended 31.03.2013**	**Year ended 31.03.2012**	**Year ended 31.03.2011**	**Year ended 31.03.2010**	**Year ended 31.03.2009**
Prior Period Expenses :					
Interest & other Charges	1.18	0.44	0.19	(0.40)	(0.26)
Issue Expenses	0.00	(0.23)	0.00	0.00	0.00
Personnel & Administration Expenses - CSR*	(16.39)	0.00	0.00	0.00	0.00
Personnel & Administration Expenses - Others	0.37	(0.77)	0.05	0.07	0.75
Depreciation	0.00	0.03	(0.03)	0.00	0.00
Miscellaneous Expenses	0.00	0.00	0.00	0.03	0.00
	(14.84)	**(0.53)**	**0.21**	**(0.30)**	**0.49**
Prior Period Income :					
Interest Income	(3.27)	0.34	0.13	(0.20)	0.51
Other Income	(2.65)	0.00	0.00	0.00	0.00
Total	**(8.92)**	**(0.87)**	**0.08**	**(0.10)**	**(0.02)**

Annexure XIV

POWER FINANCE CORPORATION LIMITED

Statement of Consolidated Cashflows

(₹ in crore)

	PARTICULARS	Year Ended 31.03.2013	Year Ended 31.03.2012	Year Ended 31.03.2011	Year Ended 31.03.2010	Year Ended 31.03.2009
I.	**Cash Flow from Operating Activities :-**					
	Net Profit before Tax and Extraordinary items	**5,993.52**	**4,145.85**	**3,585.59**	**3,045.62**	**2,005.50**
	ADD: Adjustments for					
	Loss on Sale of Assets (net)	0.03	0.02	0.06	0.02	0.01
	Depreciation / Amortisation	5.96	5.54	5.08	3.82	4.13
	Amortisation of Zero Coupon Bonds	26.18	24.48	22.52	20.83	19.27
	Foreign Exchange Loss/Gain	163.76	147.83	(2.47)	(248.27)	235.66
	Dimunition in value of investments	(0.00)	(0.02)	(0.06)	(1.52)	1.49
	Provision for Contingencies	80.85	142.79	31.79	(0.57)	2.17
	Dividend / Interest and profit on sale of investment	(11.67)	(12.33)	(6.32)	(5.50)	(5.41)
	Provision for CSR Expenditure & Sustainable Expenditure	16.30	0.00	0.00	0.00	0.00
	Provision for interest under IT Act	4.07	4.90	0.22	0.28	0.00
	Provision for Retirement Benefits/Other Welfare Expenses/Wage	11.65	3.10	10.68	16.74	8.16
	Interest Received	(9.33)	0.00	0.00	0.00	0.00
	Interest paid	0.02	0.01	0.27	0.00	0.00
	Preliminary expenses written off	0.00	0.00	0.00	(0.26)	0.00
	Operating profit before working Capital Changes:	**6281.34**	**4462.16**	**3647.36**	**2831.19**	**2270.98**
	Increase/Decrease :					
	Loans Disbursed (Net)	(30256.10)	(30587.60)	(19755.37)	(15496.04)	(12701.30)
	Other Current Assets	(1070.37)	(743.52)	(554.04)	(255.66)	(289.48)
	Loans & Advances	0.00	0.00	0.00	99.31	(102.07)
	Miscellaneous Expenditure (not written off/adjusted)	0.00	0.00	0.00	0.00	(0.04)
	Foreign Currency Monetary Item Translation Difference A/c	37.44	(515.41)	0.00	0.00	0.00
	Liabilities and provisions	1437.64	970.89	901.05	234.90	685.03
	Cash flow before extraordinary items	**(23570.05)**	**(26413.47)**	**(15761.00)**	**(12586.30)**	**(10136.88)**
	Extraordinary items	0.00	0.00	0.00	0.00	0.00
	Cash Inflow/Outflow from operations before Tax	**(23570.05)**	**(26413.47)**	**(15761.00)**	**(12586.30)**	**(10136.88)**
	Income Tax paid	(1564.97)	(1005.54)	(879.60)	(825.00)	(599.42)
	Income Tax Refund	5.56	388.21	0.00	0.00	0.00
	Net Cash flow from Operating Activities	**(25129.46)**	**(27030.80)**	**(16640.60)**	**(13411.30)**	**(10736.30)**
II.	**Cash Flow From Investing Activities :**					
	Sale / decrease of Fixed Assets	0.05	0.12	0.64	0.05	0.05
	Purchase of Fixed Assets	(4.38)	(7.71)	(7.55)	(1.57)	(2.64)
	Increase/decrease in Capital Works in Progress	0.45	1.83	(0.55)	(1.73)	0.00
	Plant & Machinery (Lease Equalisation)	0.00	0.00	0.00	0.00	0.27
	Investments in Subsidiaries	(0.25)	(0.08)	0.10	(0.05)	(0.12)
	Interest Received	12.42	0.00	0.00	0.00	0.00
	Dividend / Interest and profit on sale of investment	8.29	6.79	7.18	5.50	5.41
	Other Investments	5.85	(36.49)	(21.03)	6.58	29.14
	Net Cash Used in Investing Activities	**22.42**	**(35.54)**	**(21.21)**	**8.78**	**32.11**
III.	**Cash Flow From Financial Activities :**					
	Issue of Equity Shares	1.60	3413.73	0.00	0.00	0.00
	Issue of Bonds	31142.02	33165.07	14023.96	12283.30	12808.90
	Raising of Short Term Loans (Net) - Commercial paper	5000.00	(4050.00)	3400.00	(750.00)	(1080.00)
	Repayment of Loan Against Fixed Deposits (Net) - Including WCL	(251.43)	1830.16	565.92	1675.12	0.00
	Raising of Long Term Loans	1700.00	2200.00	7855.00	8004.50	4750.00
	Repayment of Long Term Loans	(1239.50)	(3863.50)	(5870.00)	(4473.00)	(4449.00)
	Redemption of Bonds	(9753.90)	(5406.66)	(3710.91)	(1981.86)	(892.30)
	Foreign Currency Loans (Net)	2653.46	461.46	2214.60	486.88	(40.46)
	Interest Paid	0.00	(0.01)	(0.98)	0.00	0.00
	Interest Subsidy Fund	(230.43)	(75.66)	(211.62)	(245.45)	(157.81)
	Unclaimed Bonds (Net)	(0.56)	(1.25)	(16.31)	21.87	0.09
	Payment of Final Dividend (including Corporate Dividend Tax) of Previous year	(153.41)	(230.11)	(200.76)	(181.28)	(134.29)
	Payment of Interim Dividend (including Corporate Dividend Tax) of Current year	(920.49)	(767.03)	(468.44)	(402.85)	(355.85)
	Share Application Money	0.00	0.00	0.00	6.09	0.00
	Net Cash in-flow from Financing Activities	**27947.36**	**26676.20**	**17580.46**	**14443.32**	**10449.28**
	Net Increase/Decrease in Cash & Cash Equivalents	**2840.32**	**(390.14)**	**918.65**	**1040.80**	**(254.91)**
	Add : Cash & Cash Equivalents at beginning of the period	2016.89	2379.04	1460.39	419.59	674.50
	Cash & Cash Equivalents at the end of the period	**4857.21**	**1988.90**	**2379.04**	**1460.39**	**419.59**
	Details of Cash & Cash Equivalents at the end of the period:					
	Cheques in hand,Imprest with Postal authority & Balances with Banks	170.57	23.58	250.21	10.45	3.15
	Fixed Deposits with Scheduled Banks	4,686.64	1965.32	2128.83	1449.94	416.44
		4857.21	**1988.90**	**2379.04**	**1460.39**	**419.59**

Annexure-XV

Part – B

FINANCIAL YEAR 2012-13

CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES

A. PRINCIPLES OF CONSOLIDATION

The Consolidated Financial Statements relates to Power Finance Corporation Limited (The Company), its subsidiary, Joint Venture entity and Associate. The Consolidated Financial Statements have been prepared on the following basis:-

i) The Financial Statements of the Company and its subsidiary are combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard (AS) 21 – Consolidated Financial Statements.

ii) The Financial Statements of Joint Venture entity has been combined by applying proportionate consolidation method on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating proportionate share of unrealized profits or losses in accordance with Accounting Standard (AS) 27 – Financial Reporting of interests in Joint Ventures.

iii) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the company's separate financial statements excepts as otherwise stated in the notes to the accounts.

iv) In case of Associates, where the company directly or indirectly through subsidiaries holds more than 20% of equity, investments in Associates are accounted for using equity method in accordance with Accounting Standard (AS) 23 – Accounting for Investments in Associates in Consolidated Financial Statements.

B. Investments in Subsidiaries and Associates which are not consolidated, are accounted for as per Accounting Standard (AS) 13 – Accounting for Investments, as per policy no. 6.3 infra.

C. OTHER SIGNIFICANT ACCOUNTING POLICIES

1 BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The Financial Statements have been prepared in accordance with historical cost convention on accrual basis in accordance with Generally Accepted Accounting Principles (GAAP) and Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and relevant provisions of the Companies Act, 1956.

The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets, liabilities (including contingent liabilities), revenues and expenses of the reporting period. The difference between the actual results and the estimates are recognized in the period in which the results are known and/or materialized.

2 RECOGNITION OF INCOME/EXPENDITURE

2.1 Income and expenses (except as stated below) are accounted for on accrual basis.

2.1.1 Income on non-performing assets and assets stated in the proviso to paragraph 7.2,infra is recognized in the year of its receipt. However, any unrealized income recognized before the asset in question became non-performing asset or the income recognized in respect of assets as stated in the proviso to paragraph 7.2,infra which remained due but unpaid for a period more than six months is reversed.

2.1.2 Income under the head carbon credit is accounted for in the year in which it is received by the Company.

2.2 Rebate on account of timely payment by borrowers is accounted for, on receipt of entire amount due on time.

2.3 Discount / financial charges / interest on the commercial papers and zero coupon bonds (deep discount bonds) are amortized proportionately over the period of its tenure.

2.4 Expenditure on issue of shares is charged to the securities premium account.

2.5 Income from dividend is accounted for in the year of declaration of dividend.

2.6 Recoveries in borrower accounts are appropriated as per the loan agreements.

2.7 The Company raises demand for principal installments due, as per loan agreements. The repayment is adjusted against earliest disbursement, irrespective of the rate of interest being charged on various disbursements.

2.8 Prior period expenses / income and prepaid expenses upto ₹ 5,000/- are charged to natural heads of account.

2.9 (i) Nodal Agency Fees under Restructured Accelerated Power Development and Reforms Programme (R – APDRP) are accounted for @1% of the sanctioned project cost in three stages- 0.40% on sanction of the project, 0.30% on disbursement of the funds and remaining 0.30% after completion of the sanctioned project (for Part – A) and verification of AT&C loss of the project areas (for Part – B).

(ii) Actual expenditure incurred for operationalising the R– APDRP are reimbursed by Ministry of Power, Government of India and is accounted for in the period in which the expenditure is so incurred.

2.10 Income from consultancy service is accounted for on the basis of assessment by the management of actual progress of work executed proportionately with respect to the total scope of work in line with the terms of respective consultancy contracts. Consultancy fees calculated is net of Service Tax as payable under Finance Act, 1994.

2.11 Fees for advisory and professional services for developing ultra mega power projects (Special Purpose Vehicle of the Company) / independent transmission projects, becomes due only on transfer of projects to the success full bidders and is accordingly accounted for at the time of such transfer.

3 MISCELLANOUS EXPENDITURE (PRELIMINARY) EXPENDITURE

Expenditure which are not Intangible Assets in terms of AS-26 will be fully written off in the same year in which they are incurred.

4 FIXED ASSETS/DEPRECIATION

4.1 Fixed assets are shown at historical cost less accumulated depreciation, except for the assets retired from active use and held for disposal, which are stated at lower of the book value or net realizable value.

4.2 Additions to fixed assets are being capitalized on the basis of bills approved or estimated value of work done as per contracts in cases where final bills are yet to be received/ approved.

4.3 Depreciation on assets is provided on written down value method, in accordance with the rates prescribed in Schedule XIV of the Companies Act, 1956.

4.4 Items of fixed assets acquired during the year costing up to ₹ 5,000/- are fully depreciated.

5 INTANGIBLE ASSETS / AMORTIZATION

5.1 Intangible assets such as software are shown at the cost of acquisition, and amortization is done under straight-line method over the life of the assets estimated by the Company.

6 INVESTMENTS

6.1 Quoted current investments are valued scrip wise at lower of cost or fair value.

6.2 Unquoted current investments are valued at lower of cost or fair value.

6.3 Long term investments are valued at cost. Provision is made for diminution, other than temporary in the value of such investments. However, diminution in value is reversed, when there is rise in the value or if the reason for the reduction no longer exists.

6.4 Investments in mutual funds / venture capital funds are valued at cost, less diminution, if any, other than temporary. However, diminution in value is reversed, when there is rise in the value or if the reason for the reduction no longer exists.

7 PROVISIONS / WRITE OFF AGAINST LOANS AND ADVANCES

Prudential Norms

7.1 PFC being a Government owned Non Banking Financial Company (NBFC) is exempt from the RBI directions relating to Prudential Norms. The Company, however, has formulated its own set of Prudential Norms with effect from 01.04.2003, which has been revised from time to time.

In respect of private sector utilities, the Company applies RBI exposure norms, as advised by RBI, vide their letter of December, 2008. Further, RBI exempted PFC from its prudential exposure norms in respect of lending to State / Central entities in power sector till March'2012, vide their letter dated 18.03.2010. RBI has now extended the exemption from its prudential norms upto March'2013, vide their letter dated 04.04.2012.

RBI has accorded the status of Infrastructure Finance company (IFC) to PFC, vide their letter dated 28.07.2010. Accordingly, PFC maintains CRAR as applicable to IFC.

7.2 As per prudential norms approved by the Board of Directors and the Ministry of Power, an asset including a lease asset, in respect of which, interest, principal installment and/or other charges remain due but unpaid for a period of six months or more, a term loan inclusive of unpaid interest and other dues if any , when the principal installment and /or interest remains unpaid for a period of six months or more, any amount which remains due but unpaid for a period of six months or more under bill discounting scheme and any amount due on account of sale of assets or services rendered or reimbursement of expenses incurred which remains unpaid for a period of six months or more are classified as Non-Performing Assets (NPA).

However, the following assets would not be classified as non-performing assets and the income on these loans is recognized on realisation basis.

(i) Loans in respect of projects which are under implementation as per RBI Circular No. ref DBS.FID No. C-11/01.02.00/2001-02 dated February 1, 2002 read with D.O. letter DBS FID No 1285/01.02.00/2001-02 dated May 14, 2002 and RBI letter No.DBOD.BP.No.7675/21.04.048/2008-09 dated 11.11.2008 are classified in line with RBI guidelines for asset classification of Infrastructure projects, as applicable to banks from time to time.

(ii) A facility which is backed by the Central / State Government guarantee or by the State Government undertaking for deduction from central plan allocation or a loan to State department , for a period not exceeding 12 months from the date from which Company's dues have not been paid by the borrower.

(iii) A loan disbursed to an integrated power entity which is bifurcated on account of division of states, the company shall follow the government order issued for division of assets and liabilities, unless the same is stayed by any court and the case is pending in the court.

(iv) Non servicing of part of dues disputed by the borrower for a period not exceeding 12 months from the date from which the company's dues have not been paid by the borrower. The disputed income shall be recognized only when it is actually realized. Any such disputed income already recognized in the books of accounts shall be reversed. Disputed dues means amount on account of financial charges like commitment charges , penal interest etc. and the disputed differential income on account of interest reset not serviced by the borrower due to certain issues remains unresolved. A dispute shall be acknowledged on case to case basis with the approval of the Board of Directors.

7.3 NPA classification and provisioning norms for loans, other credits and lease assets are given as under

(i) NPA for a period not exceeding 18 months	:	Sub-standard asset
(ii) NPA exceeding 18 months	:	Doubtful asset
(iii) When an asset is identified as loss asset or assets remain doubtful asset exceeding 36 months, whichever is earlier	:	Loss asset

7.4 Provision against NPAs is made at the rates indicated below: -

(i) Sub-standard assets	:	10%

(ii) Doubtful assets:

(a) Secured portion / facility including that guaranteed by the state / central government or by the state government undertaking for deduction from central plan allocation or loan to state department.

Upto 1 year	:	20%
1 – 3 years	:	30%
More than 3 years	:	100%
(b) Unsecured	:	100%

(iii) Loss assets : 100%

The entire loss assets shall be written off. In case, a loss asset is permitted to remain in the books for any reason, 100% of outstanding shall be provided for.

For the purpose of assets classification and provisioning –

(i) facilities granted to Government sector entities are considered loan-wise.

(ii) facilities granted to Private sector entities are considered borrower -wise.

(iii) facilities falling under paragraph 6.2 (i), supra, shall be classified in line with RBI guidelines for asset classification of infrastructure projects, as applicable to banks from time to time, but provisioning for such facilities shall be as per PFC Prudential Norms applicable from time to time.

7.5 Provision for standard assets shall be created in phases in three years from the FY 2012-13 @ of 0.0833% p.a, in order to bring it to 0.25% on 31st March 2015. This provision shall not be netted off from gross loan assets, but shall be shown separately in the balance sheet.

7.6 Restructuring, Reschedulement or Renegotiation of term(s) of loan:

(i) PFC may, not more than once (in each of the following three stages), restructure or reschedule or renegotiate the terms of infrastructure loan agreement as per the policy framework laid down by the Board of Directors of the company under the following stages:

a) Before commencement of commercial production;
b) After commencement of commercial production but before the asset has been classified as sub-standard;
c) After the commencement of commercial production and the asset has been classified as sub-standard.

Provided that in each of the above three stages, the restructuring and / or rescheduling and/or renegotiation of principal and / or of interest may take place, with or without sacrifice, as part of the restructuring or rescheduling or renegotiating package evolved.

Provided further that in exceptional circumstance(s), for reasons to be recorded in writing, PFC may consider restructuring / reschedulement / renegotiation of terms of loan agreement second time before COD of the project with the approval of Board of Directors.

Provided further that extension of repayment schedule before COD* of the project in respect of Government Sector Entities, without any sacrifice** of either principal or interest, will not be considered as restructuring / rescheduling / renegotiation for the purpose of applicability of this section.

* Completion Date for projects where COD is not applicable.

** The term "sacrifice" shall mean waiver / reduction of principal and / or the interest dues and / or future applicable interest rate as a part of Restructuring / Reschedulement / Renegotiation package for the purpose of giving effect to the extant provision in respect of Government sector entities.

(ii) Provision for shortfall in security of Restructured / Rescheduled / Renegotiated Loans:

Where the asset is partly secured, a provision to the extent of shortfall in the security available, shall be made while restructuring and / or rescheduling and / or renegotiation of the loans, apart from the provision required on present value basis and as per prudential norms.

(iii) Treatment of Restructured / Rescheduled / Renegotiated Standard Loan:

The rescheduling or restructuring or renegotiation of the instalments of principal alone, at any of the aforesaid first two stages shall not cause a standard asset to be re-classified in the sub-standard category, if the project is re-examined and found to be viable by the Board of Directors of PFC or by a functionary at least one step senior to the functionary who sanctioned the initial loan for the project, within the policy framework laid down by the Board.

Provided that rescheduling or renegotiation or restructuring of interest element at any of the foregoing first two stages shall not cause a standard asset to be downgraded to sub-standard category subject to the condition that the amount of interest foregone, if any, on account of adjustment in the element of interest as specified later, is either written off or 100 per cent provision is made there against.

(iv) Treatment of Restructured / Rescheduled / Renegotiated sub-standard Asset:

A sub-standard asset shall continue to remain in the same category in case of restructuring or rescheduling or renegotiation of the instalments of principal until the expiry of one year and the amount of interest foregone, if any, on account of adjustment, including adjustment by way of write off of the past interest dues, in the element of interest as specified later, shall be written off or 100 per cent provision made there against.

(v) Adjustment of Interest:

Where rescheduling or renegotiation or restructuring involves a reduction in the rate of interest, the interest adjustment shall be computed by taking the difference between the rate of interest as currently applicable to the loan (as adjusted for the risk rating applicable to the borrower) and the reduced rate and aggregating the present value (discounted at the rate currently applicable to infrastructure loan, adjusted for risk enhancement) of the future interest payable so stipulated in the restructuring or rescheduling or renegotiation proposal.

(vi) Funded Interest:

In the case of funding of interest in respect of NPAs, where the interest funded is recognized as income, the interest funded shall be fully provided for.

(vii) Eligibility for Upgradation of Restructured / Rescheduled / Renegotiated Sub-standard Infrastructure loan:

The sub-standard asset subjected to rescheduling and / or renegotiation and / or restructuring, whether in respect of instalments of principal amount, or interest amount, by whatever modality, shall not be upgraded to the standard category until expiry of one year of satisfactory performance under the restructuring and / or rescheduling and/or renegotiation terms.

(viii) Reversal of Provision:

Reversal of provision made for a restructured / rescheduled / renegotiated NPA towards principal is permitted when the account becomes a standard asset. The provision made in a restructured / rescheduled / renegotiated account towards interest sacrifice may be reversed every year (NPV of interest sacrifice for the respective year) on receipt of all repayment obligations for the respective year.

(ix) Conversion of Debt into Equity:

Where the amount due as interest is converted into equity or any other instrument, and income is recognized in consequence, full provision shall be made for the amount of income so recognized to offset the effect of such income recognition:

Provided that no provision is required to be made, if the conversion of interest is into equity which is quoted;

Provided further that in such cases, interest income may be recognized at market value of equity, as on the date of conversion, not exceeding the amount of interest converted to equity.

(x) Conversion of Debt into Debentures:

Where principal amount and / or interest amount in respect of NPAs is converted into debentures, such debentures shall be treated as NPA, ab initio, in the same asset classification as was applicable to the loan just before conversion and provision shall be made as per norms.

(xi) These norms shall be applicable to the loans which have been restructured and / or rescheduled and / or renegotiated and which are fully or partly secured standard / sub-standard asset.

For the above paragraphs, Restructuring / Re-schedulement / Renegotiation shall cover terms of agreement relating to principal and interest.

However, this section shall not be applicable to the following set of assets:

a) A facility which is backed by Central / State Government Guarantee or by state government undertaking for deduction from central plan allocation or a loan to state department.

b) Loans falling under paragraph 7.2(i).

8 FOREIGN EXCHANGE TRANSACTIONS:

8.1 The following transactions are accounted for at the exchange rates prevailing on the date of the transaction as per Accounting Standard – 11.

(i) Expenses and income in foreign currency; and

(ii) Amounts borrowed and lent in foreign currency.

8.2 The following balances are translated in Indian Currency at the exchange rates prevailing on the date of closing of accounts as per Accounting Standard – 11.

(i) Foreign currency loan liabilities.

(ii) Funds kept in foreign currency account with banks abroad.

(iii) Contingent liabilities in respect of guarantees given in foreign currency.

(iv) Income earned abroad but not remitted / received in India.

(v) Loans granted in foreign currency.

(vi) Expenses and income accrued but not due on foreign currency loans/borrowing.

8.3 Where the Company has entered into a forward contract or an instrument that is, in substance a forward contract, the difference between the forward rate and the exchange rate on the date of transaction is recognized as income or expense over the life of the contract, as per Accounting Standard – 11.

8.4 In case of loan from KFW, Germany, exchange difference is transferred to Interest Differential Fund Account – KFW as per loan agreement.

8.5 In accordance with the paragraph 46A of the Accounting Standards (AS) 11, the exchange differences on the long term foreign currency monetary items are amortized over their balance period.

9. Derivative transactions

9.1 Derivative transactions include forwards, interest rate swaps, currency swaps, and currency and cross currency options to hedge on balance sheet assets or liabilities.

9.2 These derivative transactions are done for hedging purpose, and not for trading or speculative purpose. These are accounted for on accrual basis, and are not marked to market.

10 GRANTS FROM GOVERNMENT OF INDIA:

10.1 Where grants are first disbursed to the grantee, the same are shown as amount recoverable from the Govt. of India and are squared up on receipt of amount.

10.2 Where grants are received in advance from Govt. of India, the same are shown as current liabilities till the payments are released to the grantee.

11 INTEREST SUBSIDY FUND

11.1 Interest subsidy for eligible borrowers received from the Ministry of Power, Govt. of India under Accelerated Generation & Supply Programme (AG&SP) on net present value (NPV) basis is credited to Interest Subsidy Fund on receipt and is passed on to the borrowers over the eligible period of loan on respective dates of interest demands. Any excess / shortfall in the Interest Subsidy Fund is refunded or adjusted/charged off on completion of respective scheme.

11.2 Interest Subsidy Fund is credited at the year-end with interest on the outstanding balance in the subsidy fund by debiting statement of Profit & Loss, at rates specified in the Scheme.

12 R-APDRP FUND

12.1 Amounts received from the Government of India under Re-structured Accelerated Power Development & Reforms Programme (R – APDRP) as a Nodal agency for on lending to eligible borrowers are back to back arrangements with no profit or loss arising to the Company.

13 INCOME/RECEIPT/EXPENDITURE ON SUBSIDIARIES

13.1 Expenditure incurred on the subsidiaries is debited to the account "Amount recoverable from concerned subsidiary".

13.2 Expenses in respect of man days (employees) are allocated to subsidiaries and administrative overheads are apportioned to subsidiaries on estimated basis. Direct expenses are booked to respective subsidiaries.

13.3 Interest on amount recoverable from Subsidiaries is accounted for at the rate of interest applicable for project loan / scheme (generation) to state sector borrower (category A) as per the policy of the Company.

13.4 Amounts received by subsidiaries as commitment advance from power procurers are parked with the Company as inter-corporate loans and interest is provided on unused portion of these loans at the mutually agreed interest rates.

13.5 Request for Qualification (RFQ) document / Request for Proposal (RFP) document developed for subsidiaries (incorporated for UMPP) are provided to subsidiary companies at a price equivalent to sale proceeds of RFQ / RFP document received by the subsidiary companies from the prospective bidders. The same is accounted for as income of the company on receipt from subsidiary company.

13.6 The Company incurs expenditure for development work in the UMPPs. The expenditure incurred is shown as amount recoverable from the respective subsidiaries set up for development of UMPPs. Provisioning / write off is considered to the extent not recoverable, when an UMPP is abandoned by the Ministry of Power, Government of India.

14 EMPLOYEE BENEFITS

14.1 Provident Fund, Gratuity, Pension Fund and Post Retirement Benefits

Company's contribution paid / payable during the financial year towards Provident Fund and pension fund are charged in the statement of Profit and Loss. The

Company's obligation towards gratuity to employees and post retirement benefits such as medical benefits, economic rehabilitation benefit, and settlement allowance after retirement are actuarially determined and provided for as per Accounting Standard – 15 (Revised).

14.2 Other Employee Benefits

The Company's obligation towards sick leave, earned leave, service award scheme are actuarially determined and provided for, as per Accounting Standard – 15 (Revised)

15 INCOME TAX

15.1 Income Tax comprising of current tax is determined in accordance with the applicable tax laws and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) in accordance with Accounting Standard – 22 on Accounting for Taxes on Income.

Deferred tax charge or credit and corresponding deferred tax liabilities or assets are recognized using tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred Tax Assets are recognized and carried forward to the extent there is a reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

15.2 Since the Company has passed a Board resolution that it has no intention to make withdrawal from the Special Reserve created and maintained under section 36(1)(viii) of the Income Tax Act, 1961, the special reserve created and maintained is not capable of being reversed and thus it becomes a permanent difference. The Company does not create any deferred tax liability on the said reserve in accordance with the clarification of the Accounting Standard Board of the Institute of Chartered Accountants of India**.**

16 Cash Flow Statement

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard – 3 on Cash Flow Statement.

Part – B
FINANCIAL YEAR 2011-12

CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES

A. PRINCIPLES OF CONSOLIDATION

The Consolidated Financial Statements relates to Power Finance Corporation Limited (The Company), its subsidiary, Joint Venture entity and Associate. The Consolidated Financial Statements have been prepared on the following basis:-

i) The Financial Statements of the Company and its subsidiary are combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard (AS) 21 – Consolidated Financial Statements.

ii) The Financial Statements of Joint Venture entity has been combined by applying proportionate consolidation method on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating proportionate share of unrealized profits or losses in accordance with Accounting Standard (AS) 27 – Financial Reporting of interests in Joint Ventures.

iii) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the company's separate financial statements excepts as otherwise stated in the notes to the accounts.

iv) In case of Associates, where the company directly or indirectly through subsidiaries holds more than 20% of equity, investments in Associates are accounted for using equity method in accordance with Accounting Standard (AS) 23 – Accounting for Investments in Associates in Consolidated Financial Statements.

B. Investments in Subsidiaries and Associates which are not consolidated, are accounted for as per Accounting Standard (AS) 13 – Accounting for Investments, as per policy no. 6.3 infra.

C OTHER SIGNIFICANT ACCOUNTING POLICIES

1 BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

TheFinancial Statements have been prepared in accordance with historical cost convention on accrual basis in accordance with Generally Accepted Accounting Principles (GAAP) andAccounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and relevant provisions of the Companies Act, 1956.

The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets, liabilities (including contingent liabilities), revenues and expenses of the reporting period. The difference between the actual results and the estimates are recognized in the period in which the results are known and/or materialized.

2 RECOGNITIONOF INCOME/EXPENDITURE

2.1 Income and expenses (except as stated below) are accounted for on accrual basis.

2.1.1 Income on non-performing assets and assets stated in the proviso to paragraph 7.2,infra is recognized in the year of its receipt. However, any unrealized income recognized before the asset in question became non-performing asset or the income recognized in respect of assets as stated in the proviso to paragraph 7.2,infra which remained due but unpaid for a period more than six months is reversed.

2.1.2 Income under the head carbon credit, is accounted for in the year in which it is received by the Company.

2.2 Rebate on account of timely payment by borrowers is accounted for, on receipt of entire amount due on time.

2.3 Discount /financial charges/interest on the commercial papers and zero coupon bonds (deep discount bonds) are amortized proportionately over the period of its tenure.

2.4 Expenditure on issue of shares is charged to the securities premium account.

2.5 Income from dividend is accounted for in the year of declaration of dividend.

2.6 Recoveries in borrower accounts are appropriated as per the loan agreements.

2.7 The Company raises demand for principal installments due, as per loan agreements. The repayment is adjusted against earliest disbursement, irrespective of the rate of interest being charged on various disbursements.

2.8 Prior period expenses/income and prepaid expenses up to ₹ 5,000/- are charged to natural heads of account.

2.9 (i) Nodal Agency Fees under Restructured Accelerated Power Development and Reforms Programme (R – APDRP) are accounted for @1% of the sanctioned project cost in three stages- 0.40% on sanction of the project, 0.30% on disbursement of the funds and remaining 0.30% after completion of the sanctioned project (for Part – A) and verification of AT&C loss of the project areas (for Part – B).

(ii) Actual expenditure incurred for operationalising the R– APDRP are reimbursed by Ministry of Power, Government of India and is accounted for in the period in which the expenditure is so incurred.

2.10 Income from consultancy service is accounted for on the basis of assessment by the management of actual progress of work executed proportionately with respect to the total scope of work in line with the terms of respective consultancy contracts. Consultancy fees calculated is net of Service Tax as payable under Finance Act, 1994.

2.11 Fees for advisory and professional services for developing ultra mega power projects (Special Purpose Vehicle of the Company) / independent transmission projects, becomes due only on transfer of projects to the success full bidders and is accordingly accounted for at the time of such transfer.

3 MISCELLANOUS EXPENDITURE (PRELIMINARY) EXPENDITURE

Expenditure which are not Intangible Assets in terms of AS-26 will be fully written off in the same year in which they are incurred.

4 FIXED ASSETS/DEPRECIATION

4.1 Fixed assets are shown at historical cost less accumulated depreciation, except for the assets retired from active use and held for disposal, which are stated at lower of the book value or net realizable value.

4.2 Additions to fixed assets are being capitalized on the basis of bills approved or estimated value of work done as per contracts in cases where final bills are yet to be received / approved.

4.3 Depreciation on assets is provided on written down value method, in accordance with the rates prescribed in Schedule XIV of the Companies Act, 1956.

4.4 Items of fixed assets acquired during the year costing up to₹ 5,000/- are fully depreciated. However, Software individually costing less than ₹ 1,00,000/- is fully amortised in the year of acquisition.

5 INTANGIBLE ASSETS / AMORTIZATION

Intangible assets such as software are shown at the cost of acquisition, and amortization is done under straight-line method over the life of the assets estimated by the Company.

6 INVESTMENTS

6.1 Quoted current investments are valued scrip wise at lower of cost or fair value.

6.2 Unquoted current investments are valued at lower of cost or fair value.

6.3 Long term investments are valued at cost. Provision is made for diminution, other than temporary in the value of such investments. However, diminution in value is reversed, when there is rise in the value or if the reason for the reduction no longer exists.

6.4 Investments in mutual funds/venture capital funds are valued at cost, less diminution, if any, other than temporary. However, diminution in value is reversed, when there is rise in the value or if the reason for the reduction no longer exists.

7 PROVISIONS/WRITE OFF AGAINST LOANS AND ADVANCES

Prudential Norms

7.1 PFC being a Government owned Non Banking Financial Company (NBFC) is exempt from the RBI directions relating to Prudential Norms. The Company, however, has formulated its own set of Prudential Norms with effect from 01.04.2003, which has been revised from time to time.

In respect of private sector utilities, the Company applies RBI exposure norms, as advised by RBI, vide their letter of December, 2008. Further, RBI exempted PFC from its prudential exposure norms in respect of lending to State / Central entities in power sector till March'2012, vide their letter dated 18.03.2010.

RBI has accorded the status of Infrastructure Finance company (IFC) to PFC, vide their letter dated 28.07.2010. Accordingly, PFC maintains CRAR as applicable to IFC.

7.2 As per prudential norms approved by the Board of Directors and the Ministry of Power, an asset including a lease asset, in respect of which, interest, principal installment and/or other charges remain due but unpaid for a period of six months or more, a term loan inclusive of unpaid interest and other dues if any , when the principal installment and /or interest remains unpaid for a period of six months or more, any amount which remains due but unpaid for a period of six months or more under bill discounting scheme and any amount due on account of sale of assets or services rendered or reimbursement of expenses incurred which remains unpaid for a period of six months or more are classified as Non-Performing Assets (NPA).

However, the following assets would not be classified as non-performing assets and the income on these loans is recognized on realization basis.

(ii) Loans in respect of projects which are under implementation as per RBI Circular No. ref DBS.FID No. C-11/01.02.00/2001-02 dated February 1, 2002 read with

D.O. letter DBS FID No 1285/01.02.00/2001-02 dated May 14, 2002 and RBI letter No.DBOD.BP.No.7675/21.04.048/2008-09 dated 11.11.2008 are classified in line with RBI guidelines for asset classification of Infrastructure projects, as applicable to banks from time to time.

(ii) A facility which is backed by the Central / State Government guarantee or by the State Government undertaking for deduction from central plan allocation or a loan to State department , for a period not exceeding 12 months from the date from which Company's dues have not been paid by the borrower.

(iii) A loan disbursed to an integrated power entity which is bifurcated on account of division of states, the company shall follow the government order issued for division of assets and liabilities, unless the same is stayed by any court and the case is pending in the court.

(iv) Non servicing of part of dues disputed by the borrower for a period not exceeding 12 months from the date from which the company's dues have not been paid by the borrower. The disputed income shall be recognized only when it is actually realized. Any such disputed income already recognized in the books of accounts shall be reversed. Disputed dues means amount on account of financial charges like commitment charges , penal interest etc. and the disputed differential income on account of interest reset not serviced by the borrower due to certain issues remains unresolved. A dispute shall be acknowledged on case to case basis with the approval of the Board of Directors.

7.3 NPA classification and provisioning norms for loans, other credits and lease assets are given as under

(i)NPA for a period not exceeding 18 months	:	Sub-standard asset
(ii)NPA exceeding 18 months	:	Doubtful asset
(iv) When an asset is identified As loss asset or assets remain doubtful asset Exceeding 36 months, whichever is earlier :		Loss asset

7.4 Provision against NPAs is made at the rates indicated below: -

(i) Sub-standard assets : 10%

(ii) Doubtful assets:

(a) Secured portion/facility including that guaranteed by the state / central government or by the state government undertaking for deduction from central plan allocation or loan to state department.

Up to 1 year	:	20%
1 – 3 years	:	30%
More than 3 years	:	100%

(b) Unsecured : 100%

(iii) Loss assets : 100%

The entire loss assets shall be written off. In case, a loss asset is permitted to remain in the books for any reason, 100% of outstanding shall be provided for.

For the purpose of assets classification and provisioning –

(i) facilities granted to Government sector entities are considered loan-wise.

(ii) facilities granted to Private sector entities are considered borrower -wise.

(iii) Facilities falling under paragraph 6.2 (i), supra, shall be classified in line with RBI guidelines for asset classification of infrastructure projects, as applicable to banks from time to time, but provisioning for such facilities shall be as per PFC Prudential Norms applicable from time to time.

7.5 Restructuring, Reschedulement or Renegotiation of term(s) of loan:

(ii) PFC may, not more than once (in each of the following three stages), restructure or reschedule or renegotiate the terms of infrastructure loan agreement as per the policy framework laid down by the Board of Directors of the company under the following stages:

a) Before commencement of commercial production
b) After commencement of commercial production but before the asset has been classified as sub-standard;
c) After the commencement of commercial production and the asset has been classified as sub-standard.

Provided that in each of the above three stages, the restructuring and/or rescheduling and/or renegotiation of principal and/or of interest may take place, with or without sacrifice, as part of the restructuring or rescheduling or renegotiating package evolved.

Provided further that in exceptional circumstance(s), for reasons to be recorded in writing, PFC may consider restructuring/reschedulement/renegotiation of terms of loan agreement second time before COD of the project with the approval of Board of Directors.

Provided further that extension of repayment schedule before COD* of the project in respect of Government Sector Entities, without any sacrifice** of either principal or interest, will not be considered as restructuring/rescheduling/renegotiation for the purpose of applicability of this section.

* Completion Date for projects where COD is not applicable.

** The term "sacrifice" shall mean waiver/reduction of principal and/or the interest dues and/or future applicable interest rate as a part of Restructuring / Reschedulement/ Renegotiation package for the purpose of giving effect to the extant provision in respect of Government sector entities.

(ii) Provision for shortfall in security of Restructured/Rescheduled/Renegotiated Loans:

Where the asset is partly secured, a provision to the extent of shortfall in the security available, shall be made while restructuring and/or rescheduling and/or renegotiation of the loans, apart from the provision required on present value basis and as per prudential norms.

(iii) Treatment of Restructured/Rescheduled/Renegotiated Standard Loan:

The rescheduling or restructuring or renegotiation of the instalments of principal alone, at any of the aforesaid first two stages shall not cause a

standard asset to be re-classified in the sub-standard category, if the project is re-examined and found to be viable by the Board of Directors of PFC or by a functionary at least one step senior to the functionary who sanctioned the initial loan for the project, within the policy framework laid down by the Board.

Provided that rescheduling or renegotiation or restructuring of interest element at any of the foregoing first two stages shall not cause a standard asset to be downgraded to sub-standard category subject to the condition that the amount of interest foregone, if any, on account of adjustment in the element of interest as specified later, is either written off or 100 per cent provision is made there against.

(iv) Treatment of Restructured/Rescheduled/Renegotiated sub-standard Asset:

A sub-standard asset shall continue to remain in the same category in case of restructuring or rescheduling or renegotiation of the instalments of principal until the expiry of one year and the amount of interest foregone, if any, on account of adjustment, including adjustment by way of write off of the past interest dues, in the element of interest as specified later, shall be written off or 100 per cent provision made there against.

(v) Adjustment of Interest:

Where rescheduling or renegotiation or restructuring involves a reduction in the rate of interest, the interest adjustment shall be computed by taking the difference between the rate of interest as currently applicable to the loan (as adjusted for the risk rating applicable to the borrower) and the reduced rate and aggregating the present value (discounted at the rate currently applicable to infrastructure loan, adjusted for risk enhancement) of the future interest payable so stipulated in the restructuring or rescheduling or renegotiation proposal.

(vi) Funded Interest:

In the case of funding of interest in respect of NPAs, where the interest funded is recognized as income, the interest funded shall be fully provided for.

(vii) Eligibility for Upgradation of Restructured/Rescheduled/Renegotiated Sub-standard Infrastructure loan:

The sub-standard asset subjected to rescheduling and/or renegotiation and/or restructuring, whether in respect of instalments of principal amount, or interest amount, by whatever modality, shall not be upgraded to the standard category until expiry of one year of satisfactory performance under the restructuring and/or rescheduling and/or renegotiation terms.

(viii) Reversal of Provision:

Reversal of provision made for a restructured/rescheduled/renegotiated NPA towards principal is permitted when the account becomes a standard asset. The provision made in a restructured/rescheduled/renegotiated account towards interest sacrifice may be reversed every year (NPV of interest sacrifice for the respective year) on receipt of all repayment obligations for the respective year.

(ix) Conversion of Debt into Equity:

Where the amount due as interest is converted into equity or any other instrument, and income is recognized in consequence, full provision shall be

made for the amount of income so recognized to offset the effect of such income recognition:

Provided that no provision is required to be made, if the conversion of interest is into equity which is quoted;

Provided further that in such cases, interest income may be recognized at market value of equity, as on the date of conversion, not exceeding the amount of interest converted to equity.

(x) Conversion of Debt into Debentures:

Where principal amount and/or interest amount in respect of NPAs is converted into debentures, such debentures shall be treated as NPA, ab initio, in the same asset classification as was applicable to the loan just before conversion and provision shall be made as per norms.

(xi) These norms shall be applicable to the loans which have been restructured and / or rescheduled and / or renegotiated and which are fully or partly secured standard / sub-standard asset.

For the above paragraphs, Restructuring / Re-schedulement / Renegotiation shall cover terms of agreement relating to principal and interest.

However, this section shall not be applicable to the following set of assets:

c) A facility which is backed by Central/State Government Guarantee or by state government undertaking for deduction from central plan allocation or a loan to state department.

d) Loans falling under paragraph 6.2(i).

8 FOREIGN EXCHANGE TRANSACTIONS:

8.1 The following transactions are accounted for at the exchange rates prevailing on the date of the transaction as per Accounting Standard – 11.

(i) Expenses and income in foreign currency; and

(ii) Amounts borrowed and lent in foreign currency.

8.2 The following balances are translated in Indian Currency at the exchange rates prevailing on the date of closing of accounts as per Accounting Standard – 11.

(i) Foreign currency loan liabilities.

(ii) Funds kept in foreign currency account with banks abroad.

(iii) Contingent liabilities in respect of guarantees given in foreign currency.

(iv) Income earned abroad but not remitted / received inIndia.

(v) Loans granted in foreign currency.

(vi) Expenses and income accrued but not due on foreign currency loans/borrowing.

8.3 Where the Company has entered into a forward contract or an instrument that is, in substance a forward contract, the difference between the forward rate and the exchange rate on the date of transaction is recognized as income or expense over the life of the contract, as per Accounting Standard – 11.

8.4 In case of loan from KFW, Germany, exchange loss, if any, at the year-end is debited to Interest Differential Fund Account – KFW as per loan agreement.

8.5 In accordance with the paragraph 46A of the Accounting Standards (AS) 11, the exchange differences on the long term foreign currency monetary items are amortized over their balance period."

9. Derivative transactions

9.1 Derivative transactions include forwards, interest rate swaps, currency swaps, and currency and cross currency options to hedge on balance sheet assets or liabilities.

9.2 These derivative transactions are done for hedging purpose, and not for trading or speculative purpose. These are accounted for on accrual basis, and are not marked to market.

10 GRANTS FROM GOVERNMENT OF INDIA:

10.1 Where grants are first disbursed to the grantee, the same are shown as amount recoverable from the Govt. of India and are squared up on receipt of amount.

10.2 Where grants are received in advance from Govt. of India, the same are shown as current liabilities till the payments are released to the grantee.

11 INTEREST SUBSIDY FUND

11.1 Interest subsidy for eligible borrowers received from the Ministry of Power, Govt. of India under Accelerated Generation & Supply Programme (AG&SP) on net present value (NPV) basis is credited to Interest Subsidy Fund on receipt and is passed on to the borrowers over the eligible period of loan on respective dates of interest demands. Any excess/shortfall in the Interest Subsidy Fund is refunded or adjusted/charged off on completion of respective scheme.

11.2 Interest Subsidy Fund is credited at the year-end with interest on the outstanding balance in the subsidy fund by debiting Profit &Loss account, at rates specified in the Scheme.

12 R-APDRP FUND

Amounts received from the Government of India under Re-structured Accelerated Power Development & Reforms Programme (R – APDRP) as a Nodal agency for on lending to eligible borrowers are back to back arrangements with no profit or loss arising to the Company.

13 INCOME/RECEIPT/EXPENDITURE ON SUBSIDIARIES

13.1 Expenditure incurred on the subsidiaries is debited to the account "Amount recoverable from concerned subsidiary".

13.2 Expenses in respect of man days (employees) are allocated to subsidiaries and administrative overheads are apportioned to subsidiaries on estimated basis. Direct expenses are booked to respective subsidiaries.

13.3 Interest on amount recoverable from Subsidiaries is accounted for at the rate of interest applicable for project loan / scheme (generation) to state sector borrower (category A) as per the policy of the Company.

13.4 Amounts received by subsidiaries as commitment advance from power procurers are parked with the Company as inter-corporate loans and interest is provided on unused portion of these loans at the mutually agreed interest rates.

13.5 Request for Qualification (RFQ) document / Request for Proposal (RFP) document developed for subsidiaries (incorporated for UMPP) are provided to subsidiary companies at a price equivalent to sale proceeds of RFQ/RFP document received by the subsidiary companies from the prospective bidders. The same is accounted for as income of the company on receipt from subsidiary company.

13.6 The Company incurs expenditure for development work in the UMPPs. The expenditure incurred is shown as amount recoverable from the respective subsidiaries set up for development of UMPPs. Provisioning / write off is considered to the extent not recoverable, when an UMPP is abandoned by the Ministry of Power, Government of India.

14 EMPLOYEE BENEFITS

14.1 Provident Fund, Gratuity and post retirement benefits

Company's contribution paid/payable during the financial year towards Provident Fund is charged in the Profit and Loss Account. The Company's obligation towards gratuity to employees and post retirement benefits such as medical benefits, economic rehabilitation benefit, and settlement allowance after retirement are actuarially determined and provided for as per Accounting Standard – 15 (Revised).

14.2 Other Employee Benefits

The Company's obligation towards sick leave, earned leave, service award scheme are actuarially determined and provided for, as per Accounting Standard – 15 (Revised)

15 INCOME TAX

15.1. Income Tax comprising of current tax is determined in accordance with the applicable tax laws and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) in accordance with Accounting Standard – 22 on Accounting for Taxes on Income.

Deferred tax charge or credit and corresponding deferred tax liabilities or assets are recognized using tax rates that have been enacted or substantially established by the balance sheet date. Deferred Tax Assets are recognized and carried forward to the extent there is a reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

15.2. Since the Company has passed a Board resolution that it has no intention to make withdrawal from the Special Reserve created and maintained under section 36(1)(viii) of the Income Tax Act, 1961, the special reserve created and maintained is not capable of being reversed and thus it becomes a permanent difference. The Company does not create any deferred tax liability on the said reserve in accordance with the clarification of the Accounting Standard Board of the Institute of Chartered Accountants of India**.**

16 Cash Flow Statement

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard – 3 on Cash Flow Statement.

Part – B

FINANCIAL YEAR 2010-11

SIGNIFICANT ACCOUNTING POLICIES

A. PRINCIPLES OF CONSOLIDATION

The Consolidated Financial Statements relates to Power Finance Corporation Limited (The Company), its subsidiary, Joint Venture entity and Associate. The Consolidated Financial Statements have been prepared on the following basis:-

i) The Financial Statements of the Company and its subsidiary are combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard (AS) 21 – Consolidated Financial Statements.

ii) The Financial Statements of Joint Venture entity has been combined by applying proportionate consolidation method on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating proportionate share of unrealized profits or losses in accordance with Accounting Standard (AS) 27 – Financial Reporting of interests in Joint Ventures.

iii) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the company's separate financial statements excepts as otherwise stated in the notes to the accounts.

iv) In case of Associates, where the company directly or indirectly through subsidiaries holds more than 20% of equity, investments in Associates are accounted for using equity method in accordance with Accounting Standard (AS) 23 – Accounting for Investments in Associates in Consolidated Financial Statements.

B Investments in Subsidiaries and Associates which are not consolidated, are accounted for as per Accounting Standard (AS) 13 – Accounting for Investments, as per policy no. 6.3 infra.

C OTHER SIGNIFICANT ACCOUNTING POLICIES

1 BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The Financial Statements have been prepared in accordance with historical cost convention on accrual basis in accordance with Generally Accepted Accounting Principles (GAAP) and Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and relevant provisions of the Companies Act, 1956.

The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets, liabilities (including contingent liabilities), revenues and expenses of the reporting period. The difference between the actual results and the estimates are recognized in the period in which the results are known and / or materialized.

2 RECOGNITION OF INCOME/EXPENDITURE

2.1 Income and expenses (except as stated below) are accounted for on accrual basis.

2.1.1 Income on non-performing assets and assets stated in the proviso to paragraph 7.2, infra is recognized in the year of its receipt. However, any unrealized income recognized before the asset in question became non-performing asset or the income recognized in respect of assets as stated in the proviso to paragraph 6.2, infra which remained due but unpaid for a period more than six months is reversed.

2.1.2 Fee for advisory and professional services for developing Ultra Mega Power Projectsis accounted for on transfer of the project to the successful bidder.

2.1.3 Premium on interest restructuring is accounted for in the year in which the restructuring is approved.

2.1.4 Premium on premature repayment of loan is accounted for in the year in which it is received by the Company.

2.1.5 Income from consultancy service is accounted for on the basis of assessment by the management of actual progress of work executed proportionately with respect to the total scope of work in line with the terms of respective consultancy contracts. Consultancy fees calculated is net of Service Tax as payable under Finance Act, 1994.

2.1.6 Rebate on account of timely paymentby borrowers is accounted for, on receipt ofentire amount due on time.

2.1.7 Income under the head carbon credit, upfront fees, lead manager fees, facility agent fees, security agent fee and service charges etc. on loans is accounted for in the year in which it is received by the Company.

2.1.8 The discount / financial charges / interest on the commercial papers and zero coupon bonds (deep discount bonds) are amortized proportionately over the period of its tenure.

2.1.9 Expenditure on issue of shares is charged off to the share premium received on the issue of shares.

2.2 Lease rental is accounted for on accrual basis. Income from Lease Rentals in respect of leases prior to 1.4.2001 is recognized on the basis of implicit interest rate, in the lease, in accordance with Guidance Note on Accounting for Leases issued by the Institute of Chartered Accountants of India. Leases effectedfrom 01.04.2001 are accounted for in accordance with Accounting Standard – 19 on Leases.

2.3. Income from dividend is accounted for in the year of declaration of dividend.

2.4. Recoveries in borrower accounts are appropriated as per the loan agreements.

2.5. The Company is raising demand of installments due as per loan agreements. The repayment is adjusted against earliest disbursement irrespective of the rate of interest being charged on various disbursements.

2.6. Prior period expenses / income and prepaid expenses up to Rs.5,000/- are charged to natural heads of account.

2.7. (i) Nodal Agency Fees under Restructured Accelerated Power Development and Reforms Programme (R-APDRP) is accounted for @1% of the sanctioned project cost in three steps- 0.40% on sanction of the project, 0.30% on disbursement of the funds and remaining 0.30% after completion of the sanctioned project (for Part-A) and verification of AT&C loss of the project areas (for Part-B).

(iii) The actual expenditure incurred for operationalising the R-APDRP are reimbursable from Ministry of Power, Government of India and accounted for in the period so incurred.

3. MISCELLANOUS EXPENDITURE (PRELIMINARY) EXPENDITURE

Expenditure which are not Intangible Assets in terms of AS-26 will be fully written off in the same year in which theyare incurred.

4 FIXED ASSETS/DEPRECIATION

4.1 Fixed assets are shown at historical cost less accumulated depreciation, except the assets retired from active use and held for disposal, which are stated at lower of the book value or net realizable value.

4.2 Additions to fixed assets are being capitalized on the basis of bills approved or estimated value of work done as per contracts in cases where final bills are yet to be received/ approved.

4.3 Depreciation on assets other than leased assets is provided on written down value method, in accordance with the rates prescribedin Schedule XIV of the Companies Act, 1956.

4.4 Depreciation on assets leased prior to 01.04.2001 is provided for on straight line method at the rates prescribed under the Schedule XIV to the Companies Act, 1956 or over the primary balance period of lease of assets, whichever is higher. The value of the net block so arrived at is further adjusted by balance in the lease equalization account. The assets leased after 01.04.2001 are not required to be depreciated as per Accounting Standard – 19.

4.5 Items of fixed assets acquired during the year costing up to Rs.5,000/- are fully depreciated.

5 INTANGIBLE ASSETS / AMORTIZATION

Intangible assets such as software are shown at cost of acquisition and amortization is done under straight-line method over life of the assets estimated by the Company.

6 INVESTMENTS

6.1 Quoted current investments are valued scrip wise at lower of cost or fair value.

6.2 Unquoted current investments are valued at lower of cost or fair value.

6.3 Long term investments are valued at cost. Provision is made for diminution, other than temporary in the value of such investments. However, diminution in value is reversed when there is rise in the value or if the reason for the reduction no longer exists.

6.4 Investments in mutual fund/ venture capital fund are valued at cost, lessdiminution, if any, other than temporary. However, diminution in value is reversed when there is rise in the value or if the reason for the reduction no longer exists.

7 PROVISIONS/WRITE OFF AGAINST LOANS AND ADVANCES

Prudential Norms

7.1 PFC being a Government owned Non Banking Financial Company (NBFC) is exempt from the RBI directions relating to Prudential Norms. The Company, however, has formulated its own set of Prudential Norms with effect from 1.4.2003, which has been revised from time to time.

In respect of private sector utilities, the Company is applying RBI exposure norms, as advised by RBI, vide letter of December, 2008. Further, RBI exempted PFC from its prudential exposure norms in respect of lending to State / Central entities in power sector till March'2012, vide its letter dated 18.03.2010.

RBI has accorded the status of Infrastructure Finance company (IFC) to PFC, vide its letter dated 28.07.2010. Accordingly, PFC is maintaining CRAR as applicable to IFC.

7.2 As per prudential norms approved by the Board of Directors and the Ministry of Power, an asset including a lease asset, in respect of which installments of loan, interest and/or other charges remain due but unpaid for a period of six months or more, a term loan inclusive of unpaid interest and other dues if any , when the installment and /or interest remains unpaid for a period of six months or more, any amount which remains due but unpaid for a period of six months or more under bill discounting scheme and any amount due on account of sale of assets or services rendered or reimbursement of expenses incurred which remains unpaid for a period of six months or more are classified as Non-Performing Assets (NPA).

However, the following assets would not be classified as non-performing assets and the income on these loans is recognized on receipt basis.

(iii) Loans in respect of projects which are under implementation as per RBI Circular No. ref DBS.FID No. C-11/01.02.00/2001-02 dated February 1, 2002 read with D.O. letter DBS FID No 1285/01.02.00/2001-02 dated May 14, 2002 and RBI letter No.DBOD.BP.No.7675/21.04.048/2008-09 dated. 11.11.2008are classified in line with RBI guidelines for asset classification of Infrastructure projects, as applicable to banks from time to time.

(ii) A facility which is backed by the Central / State Government guarantee or by the State Government undertaking for deduction from central plan allocation or a loan to State department , for a period not exceeding 12 months from the date from which Company's dues have not been paid by the borrower.

(iii) A loan disbursed to an integrated power entity which is bifurcated on account of division of states, thecompany shall follow the government order issued for division of assets and liabilities, unless the same is stayed by any court and the case is pending in the court.

(iv) Non servicing of part of dues disputed by the borrower for a period not exceeding 12 months from the date from which the company's dues have not been paid by the borrower. The disputed income shall be recognized only when it is actually realized. Any such disputed income already recognized in the books of accounts shall be reversed. Disputed dues means amount on account of financial charges like commitment charges , penal interest etc. and the disputed differential income on account of interest reset not serviced by the borrower due to certain issues remains unresolved. A dispute shall be acknowledged on case to case basis with the approval of the Board of Directors.

7.3 NPA classification and provisioning norms for loans, other credits and lease assets are given as under

(i)	NPA for a period not exceeding 18 months	:	Sub-standard asset
(ii)	NPA exceeding 18 months	:	Doubtful asset
(iii)	When an asset is identified as loss asset or assets remain doubtful asset exceeding 36 months, which ever is earlier	:	Loss asset

7.4 **P**rovision against NPAs is made at the rates indicated below: -

(i) Sub-standard assets : 10%

(ii) Doubtful assets:

(a) Secured portion / facilityincluding that guaranteed by the state / central government or by the state government undertaking for deduction from plan allocation or loan to state department.

Up to 1 year	:	20%
1 – 3 years	:	30%
More than 3 years	:	100%

(b) Unsecured : 100%

(iii) Loss assets : 100%

The entire loss assets shall be written off. In case, a loss asset is permitted to remain in the books for any reason, 100% of outstanding shall be provided for.

For the purpose of assets classification and provisioning –

(i) facilities granted to Government sector entities are considered loan-wise.

(ii) facilities granted to Private sector entities are considered borrower -wise.

8 FOREIGN EXCHANGE TRANSACTIONS:

8.1 The following transactions are accounted for at the exchange rates prevailing on the date of the transaction as per Accounting Standard – 11.

(i) Expenses and income in foreign currency; and

(ii) Amounts borrowed and lent in foreign currency.

8.2 The following balances are translated in Indian Currency at the exchange rates prevailing on the date of closing of accounts as per Accounting Standard – 11.

(i) Foreign currency loan liabilities.

(ii) Funds kept in foreign currency account with banks abroad.

(iii) Contingent liabilities in respect of guarantees given in foreign currency.

(iv) Income earned abroad but not remitted / received in India.

(v) Loans granted in foreign currency.

(vi) Expenses and income accrued but not due on foreign currency loans/ borrowing.

8.3 Where ever the Company has entered into a forward contract or an instrument that is, in substance a forward exchange contract, the difference between the forward rate and exchange rate on the date of transaction is recognized as income or expenses over the life of the contract as per Accounting Standard – 11.

8.4 In case of loan from KFW, Germany, exchange loss, if any, at the year-end is debited to Interest Differential Fund Account – KFW as per loan agreement

9 GRANTS FROM GOVERNMENT OF INDIA:

9.1 Where grants are first disbursed to the grantee, the same are shown as amount recoverable from the Govt. of India and are squared up on receipt of amount.

9.2 Where grants are received in advance from Govt. of India, the same are shown as current liabilities till the payments are released to the grantee.

10 INTEREST SUBSIDY FUND

10.1 Interest subsidy for eligible borrowers received from the Ministry of Power, Govt. of India under Accelerated Generation & Supply Programme (AG&SP) on net present value (NPV) basis is credited to Interest Subsidy Fund on receipt and is passed on to the borrowers over the eligible period of loan on respective dates of interest demands. Any excess/shortfall in the Interest Subsidy Fund is refunded or adjusted / charged off at the completion of respective scheme.

10.2 Interest Subsidy Fund is credited at the year-end with interest on the outstanding balance in the subsidy fund by debiting Profit &Loss account, at rates specified in the Scheme.

11 R-APDRP FUND

11.1 Loans received from the Government of India under Re-structured Accelerated Power Development & Reforms Programme (R-APDRP) as a Nodal agency for on lending to eligible borrowers are back to back arrangements with no profit or loss arising to the Company.

12 INCOME/RECEIPT/EXPENDITURE ON SUBSIDIARIES

12.1 Expenditure incurred on the subsidiaries is debited to the account "Amount recoverable from concerned subsidiary".

12.2 Expenses in respect of man days (employees) are allocated to subsidiaries and administrative overheads are apportioned to subsidiaries on estimated basis. Direct expenses are booked to respective subsidiaries.

12.3 Interest on amount recoverable from Subsidiaries is accounted for at the rate of interest applicable for project loan / scheme (generation) to state sector borrower (category A) as per the policy of the Company.

12.4 Amounts received bysubsidiaries as commitment advance from power procurers are parked with the Company as inter-corporate loan and interest is provided on unused portion of these loans at the mutually agreed interest rates.

12.5 Request for Qualification (RFQ) document / Request for Proposal (RFP)document developed for subsidiaries (incorporated for UMPP) are provided to subsidiary companies at a price equivalent to sale proceeds of RFQ/RFP document received by the subsidiary companies from the prospective bidders. The same is accounted for as income of the company on receipt from subsidiary company.

12.6 The company incurs expenditure for development work in the UMPPs. The expenditure incurred is shown as amount recoverable from the respective subsidiaries set up for development of UMPPs. Provisioning / write off is considered to the extent not recoverable when an UMPP is abandoned by the Ministry of Power, Government of India.

13 EMPLOYEE BENEFITS

13.1Provident Fund, Gratuity and post retirement benefits

Company's contribution paid/payable during the financial year towards Provident Fund is charged in the Profit and Loss Account. The Company's obligation towards gratuity to employees and post retirement benefits such as medical benefits, economic rehabilitation benefit, and settlement allowance after retirement are actuarially determined and provided for as per Accounting Standard – 15 (Revised).

13.2Other Employee Benefits

The Company's obligation towards sick leave, earned leave, service award scheme are actuarially determined and provided for as per Accounting Standard – 15 (Revised).

14 INCOME TAX

14.1 Income Tax comprising of current tax is determined in accordance with the applicable tax laws and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) in accordance with Accounting Standard – 22 on Accounting for Taxes on Income of the Institute of Chartered Accounts of India.

Deferred tax charge or credit and corresponding deferred tax liabilities or assets are recognized using tax rates that have been enacted or substantially established by the balance sheet date. Deferred Tax Assets are recognized and carried forward to the extent there is a reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

Offsetting deferred tax assets against deferred tax liability has been done to the extent the enterprise has legally enforceable right to set off assets against

liabilities representing current tax being levied by the same governing taxation laws.

14.2 Since the Company has passed a Board resolution that it has no intention to make withdrawal from the Special Reserve created and maintained under section 36(1)(viii) of the Income Tax Act, 1961, the special reserve created and maintained is not capable of being reversed and thus it becomes a permanent difference. The Company does not create any deferred tax liability on the said reserve in accordance with the clarification of the Accounting Standard Board of the Institute of Chartered Accountants of India**.**

15 Cash Flow Statement

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard – 3 on Cash Flow Statement.

Part – B

FINANCIAL YEAR 2009-10

SIGNIFICANT ACCOUNTING POLICIES

A PRINCIPLES OF CONSOLIDATION

The Consolidated Financial Statements relates to Power Finance Corporation Limited (The Company), its subsidiary, Joint Venture entity and Associate. The Consolidated Financial Statements have been prepared on the following basis:-

i) The Financial Statements of the Company and its subsidiary are combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard (AS) 21 – "Consolidated Financial Statements".

ii) The Financial Statements of Joint Venture entity has been combined by applying proportionate consolidation method on a line by line basis on like items of assets, liabilities, income and expenses after eliminating proportionate share of unrealized profits or losses in accordance with Accounting Standard (AS) 27 – "Financial Reporting of interests in Joint Ventures".

iii) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the company's separate financial statements excepts as otherwise stated in the notes to the accounts.

iv) In case of Associates, where the company directly or indirectly through Subsidiaries holds more than 20% of equity, investments in Associates are accounted for using equity method in accordance with Accounting Standard (AS) 23 – "Accounting for Investments in Associates in Consolidated Financial Statements".

B Investments other than in Subsidiaries and Associates have been accounted for as per Accounting Standard (AS) 13 – "Accounting for Investments".

C. OTHER SIGNIFICANT ACCOUNTING POLICIES

1 BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The Financial Statements have been prepared in accordance with historical cost convention on accrual basis in accordance with Generally Accepted Accounting Principles (GAAP) and Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and relevant provisions of the Companies Act, 1956.

The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets, liabilities (including contingent liabilities), revenues and expenses of the reporting period. The difference between the actual results and the estimates are recognized in the period in which the results are known and / or materialized.

2 RECOGNITION OF INCOME/EXPENDITURE

2.1 Income and Expenses (except as stated below) are accounted for on accrual basis.

2.1.1 Income on Non Performing Assets and Assets stated in the proviso to paragraph 7.2,infra is recognized in the year of its receipt. However, any unrealized income recognized before the asset in question became non-performing asset or the income recognized in respect of assets as stated in the proviso to paragraph 7.2, infra which remained due but unpaid for a period more than six months is reversed.

2.1.2 Fee for advisory and professional services for developing Ultra Mega Power Projectsis accounted for on transfer of the project to the successful bidder.

2.1.3 Premium on interest restructuring is accounted for in the year in which the restructuring is approved.

2.1.4 Premium on premature repayment of loan is accounted for in the year in which it is received by the Company.

2.1.5 Income from consultancy service is accounted for on the basis of assessment by the management of actual progress of work executed proportionately with respect to the total scope of work in line with the terms of respective consultancy contracts. Consultancy fees calculated is net of Service Tax as payable under Finance Act, 1994

2.1.6 Rebate on account of timely paymentby borrowers is accounted for, on receipt ofentire amount due on time.

2.1.7 Income under the head carbon credit, upfront fees, lead manager fees, facility agent fees, security agent fee and service charges etc. on loans is accounted for in the year in which it is received by the Company.

2.1.8 The discount/financial charges/interest on the Commercial Papers and Zero Coupon Bonds (Deep Discount Bonds) are amortized proportionately over the period of its tenure.

2.1.9 Expenditure on issue of shares is charged off to the Share Premium received on the issue of shares.

2.2 Lease rental is accounted for on accrual basis. Income from Lease Rentals in respect of leases prior to 1.4.2001 is recognized on the basis of implicit interest rate, in the lease, in accordance with 'Guidance Note on Accounting for Leases' issued by the Institute of Chartered Accountants of India. Leases effected from 01.04.2001 are accounted for in accordance with Accounting Standard-19 on "Leases".

2.3 Income from Dividend is accounted for in the year of declaration of dividend.

2.4 Recoveries in borrower accounts are appropriated as per the loan agreements.

2.5 The Company is raising demand of installments due as per loan agreements. The repayment is adjusted against earliest disbursement irrespective of the rate of interest being charged on various disbursements.

2.6 Prior period expenses / income and prepaid expenses up to Rs.5000/- are charged to natural heads of account.

3. MISCELLANOUS EXPENDITURE (PRELIMINARY) EXPENDITURE

Expenditure which are not Intangible Assets in terms of AS-26 will be fully written off in the same year in which theyare incurred.

4. FIXED ASSETS/DEPRECIATION

4.1 Fixed assets are shown at historical cost less accumulated depreciation, except the assets retired from active use and held for disposal, which are stated at lower of the book value or net realizable value.

4.2 The additions to Fixed Assets are being capitalized on the basis of bills approved or estimated value of work done as per contracts in cases where final bills are yet to be received/ approved.

4.3 Depreciation on assets other than leased assets is provided on Written Down Value method, in accordance with the rates prescribed in Schedule XIV of the Companies Act, 1956.

4.4 Depreciation on assets leased prior to 01.04.2001 is provided on Straight Line Method at the rates prescribed under Schedule XIV to the Companies Act, 1956 or over the primary balance period of lease of assets, whichever is higher. The value of the net block so arrived at is further adjusted by balance in the lease equalization account. The assets leased after 01.04.2001 are not required to be depreciated as per Accounting Standard-19.

4.5 Items of fixed assets acquired during the year costing up to Rs.5000/- are fully depreciated.

5. INTANGIBLE ASSETS / AMORTIZATION

Intangible assets such as software are shown at cost of acquisition and amortization is done under straight-line method over life of the assets estimated by the Company.

6. INVESTMENTS

6.1 Quoted current investments are valued scrip wise at lower of Cost or Fair value.

6.2 Unquoted current investments are valued at lower of cost or Fair value.

6.3 Long term investments are valued at cost. Provision is made for diminution, other than temporary in the value of such investments. However, diminution in value is reversed when there is rise in the value or if the reason for the reduction is no longer exists.

6.4 Investments in Mutual Fund/Venture Capital Fund are valued at cost, lessdiminution, if any, other than temporary. However, diminution in value is reversed when there is rise in the value or if the reason for the reduction is no longer exists.

7. PROVISIONS/WRITE OFF AGAINST LOANS AND ADVANCES

Prudential Norms

7.1 In terms of Reserve Bank of India's Notification No. DNBS.135/CGM (VSNM) – 2000 dated 13th January 2000, the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions are not applicable to the Company, being a Govt. Company registered with RBI as NBFC. The Company has however, formulated its own set of Prudential Norms with effect from 1.4.2003 which are revised from time to time.

7.2 As per Prudential Norms approved by the Board of Directors and Ministry of Power, an asset including a lease asset, in respect of which installments of loan, interest and/or other charges remain due but unpaid for a period of six months or more, a term loan inclusive of unpaid interest and other dues if any , when the installment and /or interest remains unpaid for a period of six months or more, any amount which remains due but unpaid for a period of six months or more under bill discounting scheme and any amount due on account of sale of assets or services rendered or reimbursement of expenses incurred which remains unpaid for a period of six months or more are classified as Non-Performing Assets (NPA).

However, the following assets would not be classified as Non-Performing Assets and the income on these loans is recognized on receipt basis.

(iv) Loans in respect of projects which are under implementation as per RBI Circular No. ref DBS.FID No. C-11/01.02.00/2001-02 dated February 1, 2002 read with D.O. letter DBS FID No 1285/01.02.00/2001-02 dated May 14, 2002 and RBI letter No.DBOD.BP.No.7675/21.04.048/2008-09 dated. 11.11.2008are classified in line with RBI guidelines for asset classification of Infrastructure projects, as applicable to banks from time to time.

(ii) A facility which is backed by Central / State Government guarantee or by State Government undertaking for deduction from central plan allocation or a loan to State department , for a period not exceeding 12 months from the date from which Company's dues have not been paid by the borrower.

(iii) A loan disbursed to an integrated power entity which is bifurcated on account of division of states, thecompany shall follow the government order issued for division of assets and liabilities, unless the same is stayed by any court and the case is pending in the court.

(iv) Non servicing of part of dues disputed by the borrower for a period not exceeding 12 months from the date from which the company's dues have not been paid by the borrower. The disputed income shall be recognized only when it is actually realized. Any such disputed income already recognized in the books of accounts shall be reversed. Disputed dues means amount on account of financial charges like commitment charges , penal interest etc. and the disputed differential income on account of interest reset not serviced by the borrower due to certain issues remains unresolved. A dispute shall be acknowledged on case to case basis with the approval of Board of Directors.

7.3 NPA classification and provisioning norms for loans, other credits and lease assets are given as under

(i)	NPA for a period not exceeding 18 months	:	Sub-standard asset
(ii)	NPA exceeding 18 months	:	Doubtful asset
(iii)	When an asset is identified as lossAsset or assets remain doubtful asset exceeding 36 months, which ever is earlier	:	Loss Asset

7.4 The provision against NPAs is made at the rates indicated below: -

(i) Sub-Standard Assets : 10%

(ii) Doubtful assets:

(a) Secured portion/facilityincluding that guaranteed by state / central government or by state government undertaking for deduction from plan allocation or loan to state department.

Up to 1 year	:	20%
1 – 3 years	:	30%
More than 3 years	:	100%

(b) Unsecured : 100%

(iii) Loss assets : 100%

The entire loss assets shall be written off. In case, a loss asset is permitted to remain in the books for any reason, 100% of outstanding shall be provided for.

7.5 For the purpose of Assets Classification and Provisioning

(i) Facilities granted to Government Sector entities are considered loan-wise.

(ii) Facilities granted to Private sector entities are considered borrower -wise.

8. FOREIGN EXCHANGE TRANSACTIONS:

8.1 The following transactions are accounted for at the exchange rates prevailing on the date of the transaction as per Accounting Standard-11.

(i) Expenses and income in foreign currency; and

(ii) The amounts borrowed and lent in foreign currency.

8.2 The following balances are translated in Indian Currency at the exchange rates prevailing on the date of closing of accounts as per Accounting Standard-11.

(i) Foreign Currency Loan liabilities to the extent not hedged.

(ii) Funds kept in foreign currency account with Banks abroad.

(iii) Contingent liabilities in respect of guarantees given in foreign currency.

(iv) Income earned abroad but not remitted / received in India.

(v) Loans granted in foreign currency.

(vi) Expenses and income accrued but not due on foreign currency loans/ borrowings.

8.3 Where ever the Company has entered into a forward contract or an instrument that is, in substance a forward exchange contract, the difference between the forward rate and exchange rate on the date of transaction is recognized as income or expenses over the life of the contract as per Accounting Standard-11.

8.4 In case of loan from KFW, Germany, exchange loss, if any, at the year-end is debited to Interest Differential Fund Account-KFW as per loan agreement.

9. GRANTS FROM GOVERNMENT OF INDIA:

9.1 Where grants are first disbursed to the grantee, the same are shown as amount recoverable from the Govt. of India and are squared up on receipt of amount.

9.2 Where grants are received in advance from Govt. of India, the same are shown as Current liabilities till the payments are released to the grantee.

10 INTEREST SUBSIDY FUNDS

10.1 Interest Subsidy for eligible borrowers received from Ministry of Power, Govt. of India under Accelerated Generation & Supply Programme (AG&SP) on Net Present Value (NPV) basis is credited to Interest Subsidy Fund on receipt and is passed on to the borrowers over the eligible period of loan on respective dates of interest demands. Any excess/shortfall in the Interest Subsidy Fund is refunded or adjusted / charged off at the completion of respective scheme.

10.2 The Interest Subsidy Fund is credited at the year-end with interest on the outstanding balance in the subsidy fund by debiting Profit &Loss account, at rates specified in the Scheme.

11 R-APDRP FUND

Loans received from Government of India under Re-structured Accelerated Power Development & Reforms Programme (R-APDRP) as a Nodal agency for on lending to eligible borrowers are back to back arrangements with no profit or loss arising to the Company.

12 INCOME/RECEIPT/EXPENDITURE ON SUBSIDIARIES

12.1 Expenditure incurred on the subsidiaries is debited to the account "Amount recoverable from concerned Subsidiary".

12.2 Expenses in respect of man days (employees) are allocated to Subsidiaries and administrative overheads are apportioned to Subsidiaries on estimated basis. Direct expenses are booked to respective Subsidiaries.

12.3 Interest on amount recoverable from Subsidiaries is accounted for at the rate of interest applicable for term loans to large generation projects, reforming states as per the policy of the Company.

12.4 The amounts received by Subsidiaries as Commitment Advance from Power Procurers are parked with the Company as Inter Corporate Loan and Interest is provided on unused portion of these loans at the mutually agreed interest rates.

12.5 Request for Qualification (RFQ) document / Request for Proposal (RFP)document developed for subsidiaries (incorporated for UMPP) are provided to subsidiary

companies at a price equivalent to sale proceeds of RFQ/RFP document received by the subsidiary companies from the prospective bidders. The same is accounted for as income of the company on receipt from subsidiary company.

13. EMPLOYEE BENEFITS

13.1 Provident Fund, Gratuity and post retirement benefits

The Company's Contribution paid/payable during the financial year towards Provident Fund is charged in the Profit and Loss Account. The Company's obligation towards gratuity to employees and post retirement benefits such as medical benefits, economic rehabilitation benefit, and settlement allowance after retirement are actuarially determined and provided for as per Accounting Standard-15 (Revised).

13.2 Other Employee Benefits

The Company's obligation towards sick leave, earned leave, service award scheme are actuarially determined and provided for as per Accounting Standrad-15 (Revised)

14 INCOME TAX

14.1 Income Tax comprising of Current Tax is determined in accordance with the applicable tax laws and Deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) in accordance with Accounting Standard-22 on 'Accounting for Taxes on Income' of the Institute of Chartered Accountants of India.

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantially established by the Balance Sheet date. Deferred Tax Assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

14.2 Since the Company has passed a Board resolution that it has no intention to make withdrawal from the Special Reserve created and maintained under section 36(1)(viii) of the Income Tax Act, 1961, the special reserve created and maintained is not capable of being reversed and thus it becomes a permanent difference. The Company does not create any deferred tax liability on the said reserve in accordance with the clarification of Accounting Standard Board of Institute of Chartered Accountants of India**.**

15. Cash Flow Statement

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard 3 - 'Cash Flow Statement'.

Part – B

FINANCIAL YEAR 2008-09

SIGNIFICANT ACCOUNTING POLICIES

A PRINCIPLES OF CONSOLIDATION

The Consolidated Financial Statements relates to Power Finance Corporation Limited (The Company), its subsidiary, Joint Venture entity and Associate. The Consolidated Financial Statements have been prepared on the following basis:-

i) The Financial Statements of the Company and its subsidiary are combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard (AS) 21 – "Consolidated Financial Statements".

ii) The Financial Statements of Joint Venture entity has been combined by applying proportionate consolidation method on a line by line basis on like items of assets, liabilities, income and expenses after eliminating proportionate share of unrealized profits or losses in accordance with Accounting Standard (AS) 27 – "Financial Reporting of interests in Joint Ventures".

iii) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the company's separate financial statements excepts as otherwise stated in the notes to the accounts.

iv) In case of Associates, where the company directly or indirectly through Subsidiaries holds more than 20% of equity, investments in Associates are accounted for using equity method in accordance with Accounting Standard (AS) 23 – "Accounting for Investments in Associates in Consolidated Financial Statements".

B Investments other than in Subsidiaries and Associates have been accounted for as per Accounting Standard (AS) 13 – "Accounting for Investments".

C. OTHER SIGNIFICANT ACCOUNTING POLICIES

1 BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The Financial Statements have been prepared in accordance with historical cost convention on accrual basis in accordance with Generally Accepted Accounting Principles (GAAP) and Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and relevant provisions of the Companies Act, 1956.

The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets, liabilities (including contingent liabilities), revenues and expenses of the reporting period. The difference between the actual results and the estimates are recognized in the period in which the results are known and/or materialized.

2 RECOGNITION OF INCOME/EXPENDITURE

2.1 Incomes and Expenses (except as stated below) are accounted for on accrual basis.

2.1.1 Income on Non Performing Assets and Assets stated in proviso to paragraph 6.2 of accounting policies is recognized in the year of its receipt. However, any unrealized income recognized before the asset in question became non-performing assets or the income recognized in respect of assets as stated in proviso to paragraph 6.2 infra which remained due but unpaid for a period more than six months is reversed.

2.1.2 Fee for advisory and professional services for developing Ultra Mega Power Projectsis accounted for on transfer of the project to the successful bidder.

2.1.3 Nodal Agency Fees under Restructured Accelerated Power Development and Reforms Programme is accounted for on sanction of the loans under the said scheme.

2.1.4 Lease rental is accounted for on accrual basis. Income from Lease Rentals in respect of leases prior to 1.4.2001 is recognized on the basis of implicit interest rate, in the lease, in accordance with 'Guidance Note on Accounting for Leases' issued by the Institute of Chartered Accountants of India. Leases effected from 01.04.2001 are accounted for in accordance with Accounting Standard-19 on "Accounting for leases".

2.1.5 Premium on interest restructuring is accounted for as the income for the year in which the restructuring is approved.

2.1.6 Premium on premature repayment of loan is accounted for as the income for the year in which it is received by the Company.

2.1.7 Income from consultancy service is accounted for on the basis of assessment by the management of actual progress of work executed proportionately with respect to the total scope of work in line with the terms of respective consultancy contracts. Consultancy fees calculated is net of Service Tax as payable under Finance Act, 1994.

2.1.8 Rebate on account of timely payments by borrowers is accounted for, on receipt ofentire amount due in time.

2.1.9 Income under the head carbon credit, upfront fees, lead manager fees, facility agent fees, security agent fee and service charges on loans is accounted for in the year in which it is received by the Company.

2.1.10 Expenditure incurred on raising of funds is charged to the Profit and Loss Account in the year in which it is incurred.

2.1.11 The discount/financial charges/interest on the Commercial Papers and Zero Coupon Bonds (Deep Discount Bonds) are amortized proportionately over the period of its tenure.

2.1.12 Income from Dividend is accounted for in the year of declaration of dividend.

2.1.13 Expenditure on issue of shares is charged off to the Share Premium received on the issue of shares.

2.2 Recoveries in borrower accounts are appropriated as per the loan agreements.

2.3 The Company is raising demand of installments due as per loan agreements. The repayment is adjusted against earliest disbursement irrespective of the rate of interest being charged on various disbursements.

2.4 Prior period expenses/income and prepaid expenses uptoRs.5000/- are charged to natural heads of account.

3 FIXED ASSETS/DEPRECIATION

3.1 Fixed assets are shown at historical cost less accumulated depreciation, except the assets retired from active use and held for disposal, which are stated at lower of the book value or net realizable value.

3.2 The additions to Fixed Assets are being capitalized on the basis of bills approved or estimated value of work done as per contracts in cases where final bills are yet to be received/ approved.

3.3 Depreciation on assets other than leased assets is provided on Written Down Value method, in accordance with the rates prescribed in Schedule XIV of the Companies Act, 1956.

3.4 Depreciation on assets leased prior to 01.04.2001 is provided on Straight Line Method at the rates prescribed under Schedule XIV to the Companies Act, 1956 or over the primary balance period of lease of assets, whichever is higher. The value of the net block so arrived at is further adjusted by balance in the lease equalization account. The assets leased after 01.04.2001 are not required to be depreciated as per Accounting Standard-19.

3.5 Items of fixed assets acquired during the year costing up to Rs.5000/- are fully depreciated.

4 INTANGIBLE ASSETS / AMORTIZATION

Intangible assets such as software are shown at cost of acquisition and amortization is done under straight-line method over life of the assets estimated by the Company.

5 INVESTMENTS

5.1 Quoted current investments are valued scrip wise at lower of Cost or Fair value.

5.2 Unquoted current investments are valued at lower of cost or Fair value.

5.3 Long term investments are *valued* at cost. Provision is made for diminution, other than temporary in the value of such investments.

5.4 Investments in Mutual Fund/Venture Capital Fund are valued at cost, lessdiminution, if any, other than temporary.

6 PROVISIONS/WRITE OFF AGAINST LOANS AND ADVANCES

Prudential Norms

6.1 In terms of Reserve Bank of India's Notification No. DNBS.135/CGM (VSNM) – 2000 dated 13th January 2000, the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions are not applicable to the Company, being a Govt. Company registered with RBI as NBFC. The Company has however, formulated its

own set of Prudential Norms with effect from 1.4.2003 and which are revised from time to time.

6.2 As per Prudential Norms approved by the Board of Directors and Ministry of Power, an asset including a lease asset, in respect of which installments of loan, interest and/or other charges remain due but unpaid for a period of 6 months or more, a term loan inclusive of unpaid interest and other dues if any , when the installment and /or interest remains unpaid for a period of six months or more, any amount which remains due but unpaid for a period of six months or more under bill discounting scheme and any amount due on account of sale of assets or services rendered or reimbursement of expenses incurred which remains unpaid for a period of six months or more are classified as Non-Performing Assets (NPA).

However, the following assets would not be classified as Non-Performing Assets and the income on these loans is recognized on receipt basis.

(v) Loans in respect of projects which are under implementation as per RBI Circular No. ref DBS.FID No. C-11/01.02.00/2001-02 dated February 1, 2002 read with D.O. letter DBS FID No 1285/01.02.00/2001-02 dated May 14, 2002 and RBI letter No.DBOD.BP.No.7675/21.04.048/2008-09 dated. 11.11.2008are classified in line with RBI guidelines for asset classification of Infrastructure projects, as applicable to banks from time to time.

(ii) A facility which is backed by Central / State Government guarantee or by State Government undertaking for deduction from central plan allocation or a loan to State department , for a period not exceeding 12 months from the date from which Company's dues have not been paid by the borrower.

(iii) A loan disbursed to an integrated power entity which is bifurcated on account of division of states ,company shall follow the government order issued for division of assets & liabilities unless the same is stayed by any court and the case is pending in the court.

(iv) Non servicing of part of dues disputed by the borrower for a period not exceeding 12 months from the date from which company's dues have not been paid by the borrower. The disputed income shall be recognized only when it is actually realized. Any such disputed income already recognized in the books of accounts shall be reversed. Disputed dues means amount on account of financial charges like commitment charges , penal interest etc. and the disputed differential income on account of interest reset not serviced by the borrower due to certain issues remains unresolved. A dispute shall be acknowledged on case to case basis with the approval of Board of Directors.

6.3 NPA classification and provisioning norms for loans, other credits and lease assets are given as under

(i)	NPA for a period not exceeding 18 months	:	Sub-standard asset
(ii)	NPA exceeding 18 months	:	Doubtful asset
(iii)	When an asset is identified as lossAsset or assets remain doubtful asset exceeding 36 months, which ever is earlier	:	Loss asset

6.4 The provision against NPAs is made at the rates indicated below: -

(i) Sub-Standard Assets : 10%

(ii) Doubtful assets:

(a) Secured portion/facilityincluding that guaranteed by state / central government or by state government undertaking for deduction from plan allocation or loan to state department.

Up to 1 year	:	20%
1 – 3 years	:	30%
More than 3 years	:	100%

(b) Unsecured : 100%

(iii) Loss assets : 100%

The entire loss assets shall be written off. In case, a loss asset is permitted to remain in the books for any reason, 100% of outstanding shall be provided for.

6.5 For the purpose of Assets Classification and Provisioning

(i) Facilities granted to Government Sector entities are considered loan-wise.

v) Facilities granted to Private sector entities are considered borrower -wise.

7 FOREIGN EXCHANGE TRANSACTIONS:

7.1 The following transactions are accounted for at the exchange rates prevailing on the date of the transaction as per Accounting Standard-11.

(i) Expenses and income in foreign currency; and

(ii) The amounts borrowed and lent in foreign currency.

7.2 The following balances are translated in Indian Currency at the exchange rates prevailing on the date of closing of accounts as per Accounting Standard-11.

(i) Foreign Currency Loan liabilities to the extent not hedged.

(ii) Funds kept in foreign currency account with Banks abroad.

(iii) Contingent liabilities in respect of guarantees given in foreign currency.

(iv) Income earned abroad but not remitted / received in India.

(v) Loans granted in foreign currency.

(vi) Expenses and income accrued but not due on foreign currency loans/ borrowings.

7.3 Where ever the Company has entered into a forward contract or an instrument that is, in substance a forward exchange contract, the difference between the forward rate and exchange rate on the date of transaction is recognized as income or expenses over the life of the contract as per Accounting Standard-11.

7.4 In case of loan from KfW, Germany, exchange loss, if any, at the year-end is debited to Interest Differential Fund Account-KfW as per loan agreement.

8 GRANTS FROM GOVERNMENT OF INDIA:

8.1 Where grants are first disbursed to the grantee, the same are shown as amount recoverable from the Govt. of India and are squared up on receipt of amount.

8.2 Where grants are received in advance from Govt. of India, the same are shown as Current liabilities till the payments are released to the grantee.

9 INTEREST SUBSIDY FUNDS

9.1 Interest Subsidy for eligible borrowers received from Ministry of Power, Govt. of India under Accelerated Generation & Supply Programme (AG&SP) on Net Present Value (NPV) basis is credited to Interest Subsidy Fund on receipt and is passed on to the borrowers over the eligible period of loan on respective dates of interest demands. Any excess/shortfall in the Interest Subsidy Fund is refunded or adjusted/charged off at the completion of respective scheme.

9.2 The Interest Subsidy Fund is credited at the year-end with interest on the outstanding balance in the subsidy fund by debiting P&L account, at rates specified in the Scheme.

10 R-APDRP FUND

Loans received from Government of India under Re-structured Accelerated Power Development & Reforms Programme (R-APDRP) as a Nodal agency for on lending to eligible borrowers are back to back arrangements with no profit or loss arising to the Company.Also refer the policy at paragraph 2.1.3 supra.

11 EXPENDITURE ON SUBSIDIARIES

11.1 Expenditure incurred on the subsidiaries is debited to the account "Amount recoverable from concerned Subsidiary".

11.2 Expenses in respect of man days (employees)are allocated to Subsidiaries and administrative overheads are apportioned to Subsidiaries on estimated basis. Direct expenses are booked to respective Subsidiaries.

11.3 Interest on amount recoverable from Subsidiaries is accounted for at the rate of interest applicable for term loans to large generation projects, reforming states as per the policy of the Company.

11.4 The amounts received by Subsidiaries as Commitment Advance from Power Procurers has been parked with the Company as Inter Corporate Loan and Interest is provided on unused portion of these loans at the mutually agreed interest rates.

11.5 Request for Qualification (RFQ) / Request for Proposal (RFP) developed for subsidiaries (incorporated for UMPP) are provided to subsidiary companies at a price equivalent to sale proceeds of RFQ/RFP received by the subsidiary companies from the prospective bidders. The same is accounted for as income of the company on receipt from the subsidiary company.

12 EMPLOYEE BENEFITS

12.1 Provident Fund, Gratuity and post retirement benefits

The Company's Contribution paid/payable during the financial year towards Provident Fund is charged in the Profit and Loss Account. The Company's obligation towards gratuity to employees and post retirement benefits such as medical benefits, economic rehabilitation benefit, and settlement allowance after

retirement are actuarially determined and provided for as per Accounting Standard-15 (Revised).

12.2Other Employee Benefits

The Company's obligation towards sick leave, earned leave, leave travel concession, service award scheme are actuarially determined and provided for as per Accounting Standard-15 (Revised)

13 INCOME TAX

13.1. Income Tax comprising of Current Tax determined in accordance with the applicable tax laws and Deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) is in accordance with Accounting Standard-22 on 'Accounting for Taxes on Income' of the Institute of Chartered Accounts of India.

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantially established by the Balance Sheet date. Deferred Tax Assets are recognized and carry forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

13.2. Since the Company has passed a Board resolution that it has no intention to make withdrawal from the Special Reserve created and maintained under section 36(1)(viii) of the Income Tax Act, 1961, the special reserve created and maintained is not capable of being reversed and thus it becomes a permanent difference. The Company is not creating any deferred tax liability on the said reserve in accordance with the clarification of Accounting Standard Board of Institute of Chartered Accountants of India**.**

14. CASH FLOW STATEMENT

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard-3 on 'Cash Flow Statement'.

Annexure XVI

Part – C
Financial Year 2012-13
Consolidated Other Notes on Accounts

1. The Company is a government company engaged in extending financial assistance to power sector.

2.0 The consolidated financial statements represent consolidation of accounts of the company (Power Finance Corporation Limited), its subsidiary companies and joint venture entities as detailed below:-

Name of the subsidiary companies /joint venture entities	Country of incorporation	Proportion of shareholdings as on		Status of accounts & Accounting period
		31.03.2013	31.03.2012	01.04.2012 – 31.03.2013
Subsidiary Companies				
PFC Consulting Limited (PFCCL)	India	100%	100%	Audited
PFC Green Energy Ltd. (PFCGEL) *	India	100%	100%	Audited
PFC Capital Advisory Services Limited (PFCCAS)	India	100%	100%	Audited
Power Equity Capital Advisors Private Limited (PECAP)	India	100%	100%	Audited
Joint Venture entities				
National Power Exchange Limited	India	16.66%	16.66%	Audited
Energy Efficiency Services Limited	India	25%	25%	Audited

* PFCGEL received Certificate of Registration to function as a Non-Banking Financial Company from Reserve Bank of India on October 01, 2012.

2.1 The financial statements of subsidiaries (incorporated in India) as mentioned below are not consolidated in terms of paragraph 11 of Accounting Standard – 21 which states that a subsidiary should be excluded from consolidation when control is intended to be temporary because the subsidiary is acquired and held exclusively with a view to its subsequent disposal to successful bidder on completion of the bidding process :-

Sl No.	Name of the Company	Date of investment	Proportion of Shareholding as on		Amount (₹ in crore)
			31.03.2013	31.03.2012	
	Subsidiary Companies:				
1.	Coastal Maharashtra Mega Power Limited	05.09.2006	100%	100%	0.05
2.	Orissa Integrated Power Limited	05.09.2006	100%	100%	0.05
3.	Coastal Karnataka Power Limited	14.09.2006	100%	100%	0.05
4.	Coastal Tamil Nadu Power Limited	31.01.2007	100%	100%	0.05
5.	Chhattisgarh Surguja Power Ltd.	31.03.2008	100%	100%	0.05
6.	Sakhigopal Integrated Power Limited	27.01.2010	100%	100%	0.05
7.	Ghogarpalli Integrated Power Company Limited	27.01.2010	100%	100%	0.05
8.	Tatiya Andhra Mega Power Limited	27.01.2010	100%	100%	0.05
9.	Deoghar Mega Power Limited	30.07.2012	100%	--	0.05
10.	DGEN & Uttrakhand Transmission Company Ltd. (Wholly owned subsidiary company of PFCC Limited)	20.12.2011	100%	100%	0.05

	Total				**0.50**

The above subsidiary companies were incorporated as special purpose vehicle (SPVs) under the mandate from Government of India (GOI) for development of ultra mega power projects (UMPPs) and independent transmission projects (ITPs) with the intention to hand over them to successful bidder on completion of the bidding process.

Further, four subsidiary companies (wholly owned subsidiaries of PFCCL) have been created for development of independent transmission projects (ITPs) with the intention to hand over them to successful bidder on completion of the bidding process. The financial statements of these subsidiaries are not attached, as the first financial year of these subsidiaries has been fixed as under :

Sl No.	Name of the Company	Date of investment	Proportion of Shareholding as on 31.03.2013	Amount (₹ in crore)	Accounting Period
	Subsidiary Companies:				
1.	Patran Transmission Company Limited	24.01.2013	100%	0.05	19.12.2012 – 31.12.2013
2.	RAPP Transmission Company Limited	24.01.2013	100%	0.05	20.12.2012 – 31.12.2013
3.	Purulia & Kharagpur Transmission Company Limited	24.01.2013	100%	0.05	15.12.2012 – 31.12.2013
4.	Darbhanga-Motihari Transmission Company Limited	24.01.2013	100%	0.05	18.12.2012 – 31.12.2013
	Total			**0.20**	

2.2 The Company promoted and acquired the shares at face value in the subsidiary company. Therefore, goodwill or capital reserve did not arise.

3. Contingent liabilities:

(a)

(₹ in crore)

S.No	Particulars	Amount as on 31.03.2013	Amount as on 31.03.2012
1.	Default guarantees issued in foreign currency - US $ 7.54 million (as on 31.03.2012 US $ 10.94 million)	41.34	56.40
2.	Guarantees issued in domestic currency	335.57	371.93
3.	Claims against the Company not acknowledged as debts	0.04	0.00
4.	Outstanding disbursement commitments to the borrowers by way of Letter of Comfort against loans sanctioned	4,247.61	5,730.38
	Total	**4,624.56**	**6,158.71**

(b) Additional demands raised by the Income Tax Department totaling to ₹ 55.93 crore (as on 31.03.2012 ₹ 40.01 crore) of earlier years are being contested. Further, the Income Tax Department has filed appeals before ITAT against the orders of CIT(A) allowing relief totaling to ₹ 67.96 crore (as on 31.03.2012 ₹ 65.03 crore). The same are being contested. The Management does not consider it necessary to make provision, as the probability of tax liability devolving on the Company is negligible.

4. Estimated amount of contract remaining to be executed on account of capital contracts, not provided for, is Nil crore (as on 31.03.2012 ₹ 0.57 crore).

5. Additional demands raised by the Income Tax Department (net of relief granted by Appellate Authorities) amounting to ₹ 31.24 crore for Assessment Years 2001-02 to 2010-11 have been provided for and are being contested by the Company.

6. In line with circular No. 6 / 3 / 2001 – CL.V dated 18.04.2002 of the Government of India, then Ministry of Law, Justice Company Affairs, and Department of Company Affairs, the Company had been creating till FY 2011-12, Debenture Redemption Reserve (DRR) upto 50% of the value of , debentures issued through public issue, over the maturity period of such debentures and no DRR in case of privately placed debentures.

In recent circular no 11/02/2012-CL-V(A) dated 11.02.2013, MoCA (Ministry of Corporate Affairs) has prescribed that adequacy of DRR will be 25% of the value of debentures issued through public issue and no DRR is required in the case of privately placed debentures.

In this regard, the Company has requested the MoCA for clarification, which is awaited. Pending receipt of clarification, the Company has created and maintained DRR in line with the circular dated 18.04.2002.

7. Foreign currency actual outgo and earning:

(₹ in crore)

S.No.	Description	FY ended 31.03.2013	FY ended 31.03.2012
A.	**Expenditure in foreign currency**		
i)	Interest on loans from foreign institutions	187.78	159.37
ii)	Financial & Other charges	74.88	11.08
iii)	Traveling Expenses	0.13	0.21
iv)	Training Expenses	0.11	0.12
B.	**Earning in foreign currency**	Nil	Nil

8.1 Related party disclosures:

Key managerial personnel:

Name of the key managerial personnel	
Shri Satnam Singh, CMD	(with effect from 01.08.2008)
Shri M K Goel, Director	(with effect from 27.07.2007)
Shri R. Nagarajan, Director	(with effect from 31.07.2009)
Shri A K Agarwal, Director	(with effect from 13.07.2012)
Subsidiary company	
Shri N. D.Tyagi, CEO of PFC Consulting Limited.	
Shri A.Chakravarti, CEO of PFC Green Energy Ltd.	
Smt Nalini Vajani, CEO of PFC Capital Advisory Services Limited	
Shri C.Ganopadhyay, Director of Power Equity Capital Advisors Private Limited	
Joint Ventures entities	
Shri A.K. Agarwal, Chairman of Energy Efficiency Services Limited	
Shri Jagdish R Bhandari, Chairman of National Power Exchange Limited	

Managerial remuneration:

(₹ in crore)

	Chairman & Managing Director		Other Directors and CEO	
	For FY ended 31.03.2013	For FY ended 31.03.2012	For FY ended 31.03.2013	For FY ended 31.03.2012
Salaries and allowances	0.51	0.42	1.42	0.93
Contribution to provident fund and other welfare fund	0.04	0.02	0.10	0.05
Other perquisites / payments	0.09	0.13	0.25	0.39

Total	**0.64**	**0.57**	**1.77**	**1.37**

In addition to the above perquisites, the Chairman & Managing Director and other Directors have been allowed to use staff car including private journey up to a ceiling of 1,000 kms per month on payment of ₹ 2,000/- per month (₹ 780/- per month till 20.01.2013).

8.2 The details of amount recoverable (including interest thereon) from the respective subsidiaries are given below:

(₹ in crore)

Name of the Subsidiary Companies	Amount as on 31.03.2013	Amount as on 31.03.2012	Maximum during FY 2012-13	Maximum During FY 2011-12
Coastal Maharashtra Mega Power Limited	7.00	5.72	7.00	5.72
Orissa Integrated Power Limited	90.31	73.21	90.31	73.21
Coastal Karnataka Power Limited	2.80	2.40	2.80	2.40
Coastal Tamil Nadu Power Ltd.	40.41	29.75	40.41	29.75
Chhattisgarh Surguja Power Limited	60.50	50.85	60.50	50.85
Sakhigopal Integrated Power Company Limited	3.26	1.16	3.26	1.16
Ghogarpalli Integrated Power Company Limited	2.89	0.90	2.89	0.90
Tatiya Andhra Mega Power Limited	9.84	7.71	9.84	7.71
Deoghar Mega Power Ltd	2.43	0.00	2.43	0.00
Subsidiary of PFCCL	2.28	0.36	2.28	0.36
Total	**221.72**	**172.06**	**221.72**	**172.06**

8.3 The details of amounts payable to subsidiaries (including interest) in respect of amounts contributed by power procurers and other amounts payable are given below:

(₹ in crore)

Name of the subsidiary companies	Amount as on 31.03.2013	Amount as on 31.03.2012	Maximum during FY 2012-13	Maximum During FY 2011-12
Coastal Maharashtra Mega Power Limited	52.97	49.39	52.97	49.39
Orissa Integrated Power Limited	62.57	57.49	62.57	57.49
Coastal Tamil Nadu Power Limited	58.92	54.35	58.92	54.35
Chhattisgarh Surguja Power Limited	56.17	51.08	56.17	51.08
Sakhigopal Integrated Power Company Limited	20.69	19.23	20.69	19.23
Ghogarpalli Integrated Power Company Limited	19.27	17.91	19.27	17.91
Tatiya Andhra Mega Power Limited	25.02	23.02	25.02	23.02
Total	**295.61**	**272.47**	**295.61**	**272.47**

8.4 (i) Investment in "Small is Beautiful" Fund: -

The Company has outstanding investment of ₹ 7.68 crore (as on 31.03.2012 ₹ 7.83 crore) in units of Small is Beautiful Fund. The face value of the Fund is ₹ 10 per unit. The NAV as on 31.03.2012 was ₹ 10.33 per unit and as on 31.03.2013 is ₹ 9.77 per unit. As investment in Small is Beautiful Fund is long term investment, the fluctuation in NAV in the current scenario is considered as temporary.

(ii) Investment in equity (unquoted) in Power Exchange India Limited:-

Power Exchange India Ltd. (PXIL) has been promoted by National Stock Exchange (NSE) and National Commodity and Derivatives Exchange Limited (NCDEX). The authorized share capital is ₹ 100 crore consisting of 80 crore equity shares of ₹ 10/- each and 20 crore preference shares of ₹ 10/- each as on 31.03.2013. The paid up equity share capital of PXIL is ₹ 46.05 crore, as on 31.03.2013. The Company has subscribed ₹ 2.80 crore of the paid up capital of PXIL.

9.	Interest Differential Fund (IDF) – KFW The agreement between KFW and PFC provides that the IDF belongs to the borrowers solely and will be used to cover the exchange risk variations under this loan and any excess will be used in accordance with the agreement. The balance in the IDF fund has been kept under separate account head titled as Interest Differential Fund – KFW and shown as a liability. The total fund accumulated as on 31.03.2013 is ₹ 54.73 crore (as on 31.03.2012 ₹ 52.01crore), after transferring exchange difference of ₹ 15.21 crore (as on 31.03.2012 ₹ 15.66 crore).
10.	Foreign currency liabilities not hedged by a derivative instrument or otherwise:-

Liabilities in Foreign Currencies	**Amount (in millions)**	
	31.03.2013	**31.03.2012**
USD	805.90	392.49
EURO	22.80	24.73
JPY	41,643.20	41,643.20

11. (a) Asset under finance lease after 01.04.2001:

(i) The gross investment in the leased assets and the present value of the minimum value receivable at the balance sheet date and the value of unearned financial income are given in the table below:

The future lease rentals are given below:-

(₹ in crore)

Particulars	As on 31.03.2013	As on 31.03.2012
Total of future minimum lease payments (Gross Investments)	500.33	571.09
Present value of lease payments	285.07	326.58
Unearned finance income	215.26	244.51
Maturity profile of total of future minimum lease payments (Gross Investment)		
Not later than one year	70.77	70.77
Later than one year and not later than 5 years	127.55	172.61
Later than five years	302.01	327.71
Total	**500.33**	**571.09**
Break up of present value of lease payments		
Not later than one year	45.93	41.51
Later than one year and not later than 5 years	53.44	90.75
Later than five years	185.70	194.32
Total	**285.07**	**326.58**

(ii) The Company had sanctioned an amount of ₹ 88.90 crore in the year 2004 as finance lease for financing wind turbine generator (commissioned on 19.07.2004). The sanction was reduced to ₹ 88.85 crore in December 2006. The gross investment stood at the level of ₹ 18.11 crore as on 31.03.2013. The lease rent is to be recovered within a period of 15 Years, starting from 19.07.2004, which comprises of 10 years as a primary period and 5 years as a secondary period.

(iii) The Company had sanctioned an amount of ₹ 98.44 crore in the year 2004 as finance lease for financing wind turbine generator (commissioned on 18.5.2004). The gross investment stood at ₹ 17.42 crore as on 31.03.2013. The lease rent is to be recovered within a period of 20 years, starting from 18.05.2004, which comprises of 10 years as a primary period and a maximum of another 10 years as a secondary period.

(iv) The Company had sanctioned an amount of ₹ 93.51 crore in the year 2004 as finance lease for financing wind turbine generator (commissioned on 09.06.2005). The gross investment stood at ₹ 34.28 crore as on 31.03.2013. The lease rent is to be recovered within a period of 19 years 11 months, starting from 09.06.2005, which comprises of 10 years as a primary period and a maximum of 9 years and 11 months as a secondary period.

(v) The Company had sanctioned an amount of ₹ 228.94 crore in the year 2008 as finance lease for financing wind turbine generator (commissioned on 18.05.2011). The gross investment stood at ₹ 430.52 crore as on 31.03.2013. The lease rent is to be recovered within a period of 25 years, starting from 01.01.2012, which comprises of 18 years as a primary period and a maximum of 7 years as a secondary period.

b) Operating Lease:

The Company's operating leases consists:-

Premises for offices and for residential use of employees are lease arrangements, and are usually renewable on mutually agreed terms, and are cancellable. Rent for residential accommodation of employees include ₹ 3.95 crore (during FY ended 31.03.2012 ₹ 6.55 crore) towards lease payments, net of recoveries in respect of premises for residential use of employees. Lease payments in respect of premises for employees are shown as rent for residential accommodation of employees in Note Part A 16 – Consolidated Employee Benefit Expenses. Lease payments in respect of premises for offices are shown as office rent in Note Part A 17 – Consolidated Other Expenses.

12. Subsidy under Accelerated Generation & Supply Programme (AG&SP):

(i) The Company claimed subsidy from Govt. of India at net present value calculated at indicative interest rates in accordance with the GOI's letter vide D.O.No.32024 / 17 / 97 – PFC dated 23.09.1997 and O.M.No.32024 / 23 / 2001 – PFC dated 07.03.2003, irrespective of the actual repayment schedule, moratorium period and duration of repayment. The amount of interest subsidy received and to be passed on to the borrower is retained as Interest Subsidy Fund Account. The impact of difference between the indicative rate and period considered at the time of claims and at the time of actual disbursement can be ascertained only after the end of the respective schemes. However on the basis of the projections made for each project (based upon certain assumptions that these would remain same over the projected period of each loan / project), the Company estimated the net excess amount of ₹ 5.69 crore and ₹ 68.30 crore as at 31.03.2013 for IX and X Plan, respectively under AG&SP schemes, and there is no shortfall. This net excess amount is worked out on overall basis and not on individual basis and may vary due to change in assumptions, if any, during the projected period such as changes in moratorium period, repayment period, loan restructuring, pre-payment, interest rate reset etc. Any excess / shortfall in the interest subsidy fund will be refunded or adjusted / charged off on completion of the respective scheme.

(ii) The balance under the head Interest Subsidy Fund shown as liability, represents the amount of subsidy received from Ministry of Power, Govt. of India which is to be passed on to the borrowers against their interest liability arising in future, under Accelerated Generation & Supply Programme (AG&SP), which comprises of the following : -

(₹ in crore)

Particulars	As on 31.03.2013	As on 31.03.2012
Opening balance of Interest Subsidy Fund	376.21	451.87
Add : - Received during the period	--	--
: - Interest credited during the period	18.99	36.01
: - Refund by the borrower due to non – commissioning of project in time	--	17.65
Less : Interest subsidy passed on to borrowers	49.42	77.67
Refunded to MoP:		
(a) Estimated net excess against IX Plan	--	34.00
(b) Due to non- commissioning of Project in time	--	17.65
(c) Estimated net excess against X Plan	200.00	
Closing balance of interest subsidy fund	**145.78**	**376.21**

13. The Company had exercised the option under para 46A of the amended AS-11 'The Effects of Changes in Foreign Exchange Rates' to amortize the exchange differences on the long term foreign currency monetary items over their tenure. Consequently, as on 31.03.2013, ₹ 477.97 crore (as on 31.03.2012 ₹ 515.41 crore) has been carried forward in the Foreign Currency Monetary Item Translation Difference Account (FCMITDA) and shown on the asset side of the balance sheet, as a separate line item.

As per the recent announcement dated 30.03.2013 of the ICAI, the debit or credit balance in FCMITDA should be shown on the "Equity and Liabilities" side of the balance sheet under the head "Reserve and Surplus", as a

separate line item.

The Company has requested (vide letter dated 09.05.2013) for clarification from the Government of India, Ministry of Corporate Affairs (MoCA) on the applicability of ICAI announcement. The clarification is awaited.

Pending receipt of clarification from the MoCA, the FCMITDA is continued to be shown on the asset side of the balance sheet, as a separate line item, in line with presentation made in previous year.

14. (i) The Company has been designated as the Nodal Agency for operationalisation and associated service for implementation of the Re-structured Accelerated Power Development and Reforms Programme (R – APDRP) during XI Plan by the Ministry of Power, Government of India (GOI) under its overall guidance.

Projects under the scheme are being taken up in two parts. Part – A includes the projects for establishment of baseline data and IT applications for energy accounting as well as IT based customer care centers. Part – B includes regular distribution strengthening projects. GoI provides 100% loan for Part A and up to 25% (up to 90% for special category States) loan for Part – B. Balance funds for Part – B projects can be raised by the utilities from PFC / REC / multi-lateral institutions and / or own resources. The loans under Part – A alongwith interest thereon is convertible into grant as per R – APDRP guidelines. Similarly, upto 50% (up to 90% for special category states) of the loan against Part –B project would be convertible in to grant as per R – APDRP guidelines. Enabling activities of the programe are covered under Part – C.

The loans under R – APDRP are routed through the Company for disbursement to the eligible utilities. The amount so disbursed but not converted in to grants as per R – APDRP guidelines will be repaid along with interest to the GoI on receipt from the borrowers.

The details are furnished below :

(₹ in crore)

Particulars	Amount recoverable from borrowers & payable to GOI		R – APDRP Fund		Amount payable to GOI (Interest earned on Fixed Deposit)	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
Opening balance	5,502.88	3,902.88	0.00	0.00	11.09	6.88
Additions during the year	1,217.45	1,600.00	1,217.45	1,600.00	1.03	4.17
Disbursements / refunds / changes during the year	25.70	---	1,217.45	1,600.00	11.93	---
Total	**6,694.63**	**5,502.88**	**0.00**	**0.00**	**0.19**	**11.05**
Interest accrued but not due	1,327.94	775.24	**0.00**	**---**	0.06	0.04
Closing balance	**8,022.57**	**6,278.12**	**0.00**	**0.00**	**0.25**	**11.09**

(ii) As on 31.03.2013, the total amount of nodal agency fee and reimbursement of expenditure received / receivable by PFC has been as under:-

(₹ in crore)

	During the FY ended 31.03.2013	During the FY ended 31.03.2012	Cumulative up-to	
			31.03.2013	31.03.2012
Nodal agency fee*	16.52	39.15	145.29	128.77
Reimbursement of expenditure	21.81	22.66	83.67	61.86
Total	**38.33**	**61.81**	**228.96**	**190.63**

* Exclusive of Service Tax

(iii) As per Office Memorandum No. 14 / 03 / 2008 – APDRP dated 20th August, 2010 of the MoP, GoI, the total amount receivable against the nodal agency fee plus the reimbursement of actual expenditure will not

exceed ₹ 850 crore or 1.7 % of the likely outlay under Part A & B of R – APDRP, whichever is less.

15. The net deferred tax liabilities of ₹ 218.63 crore (as on 31.03.2012 ₹ 86.75 crore) have been computed as per Accounting Standard 22 Accounting for Taxes on Income.
The breakup of deferred tax liabilities is given below: -

(₹ in crore)

Description	As on 31.03.2013	As on 31.03.2012
(a) Deferred Tax Asset (+)		
(i) Provision for expenses not deductible under Income Tax Act	8.48	16.49
(ii) Preliminary expenses	0.56	0.73
(b) Deferred Tax Liabilities (-)		
(i) Depreciation	-1.10	-1.01
(ii) Lease income on new leases	-95.00	-101.58
(iii) Amortization	-1.29	-1.38
(iv) Unamortized Exchange Loss (Net)	-130.28	0.00
Net Deferred Tax liabilities (-)/Assets (+)	-218.63	-86.75

16. In compliance with Accounting Standard – 20 on Earning Per Share issued by the Institute of Chartered Accountants of India, the calculation of Earning Per Share (basic and diluted) is as under:-

Particulars	FY ended 31.03.2013	FY ended 31.03.2012
Net Profit after tax used as numerator (₹ in crore)	4,437.74	3,058.85
Weighted average number of equity shares used as denominator (basic)	131,99,82,855	129,50,00,707
Weighted average number of equity shares used as denominator (diluted)	131,99,90,939	129,50,00,707
Earning per share (basic & diluted) (₹)	33.62	23.62
Face value per share (₹)	10	10

17. The Company, its subsidiaries and joint ventures have no outstanding liability towards Micro, Small and Medium enterprises.

18. Leasehold land is not amortized, as it is a perpetual lease.

19. Liabilities and assets denominated in foreign currency have generally been translated at TT selling rate of SBI at year end as given below: -

S. No.	Exchange Rates	31.03.2013	31.03.2012
1	USD / INR	54.80	51.5300
2	JPY / INR	0.5847	0.6318
3	EURO / INR	70.28	69.0500

In-case of specific provision in the loan agreement for a rate other than SBI TT selling rate, the rate has been taken as prescribed in the respective loan agreement.

20.1 The Company has made the public issue of 69,97,468 tax free bonds (secured) tranche - I at the face value of ₹ 1,000 each during the current financial year and has mobilized ₹ 699.75 crore. The security has been created on 03-Jan-2013 and bonds have been allotted on 04-Jan-2013. The bonds have been listed in the BSE on 10-Jan-2013. The proceeds of the bond issue have been utilized for the purpose mentioned in the offer document.

20.2 The Company has made public issue of 16,53,680 tax free bonds (secured) tranche - II at the face value of ₹ 1,000 each during the current financial year and has mobilized ₹ 165.37 crore. The Bonds have been allotted on 28-Mar-2013 and have been listed in the BSE on 03-April-2013. The security has been created in April 2013. As on 31.03.2013, the proceeds of the bond issue were in Public Issue Account of the escrow collection banker. Subsequent to listing and security creation, the bonds issue proceeds have been transferred in April 2013 by the escrow collection banker to the regular current account of the Company and the Company has utilized the proceeds in April 2013 for the purpose mentioned in the offer document.

21. Disclosures as per Accounting Standard –15 :-

A. Provident fund

The Company pays fixed contribution to provident fund at prescribed rates to a separate trust, which invests the funds in permitted securities. The contribution to the fund for the period is recognized as expense and is charged to the statement of profit and loss account. The obligation of the Company is to make such fixed contribution and to ensure a minimum rate of return to the members as specified by GoI. Any short fall for payment of interest to members as per specified rate of return has to be compensated by the Company. The Company estimates that no liability will take place in this regard in the near future and hence no further provision is considered necessary.

B. Gratuity

The Company has a defined gratuity scheme and is managed by a separate trust. The provision for the same has been made on actuarial valuation based upon total number of years of service rendered by the employee subject to a maximum amount of ₹ 10 lakh.

C. Pension

The Company has a defined contribution pension scheme introduced in line with guidelines of the Department of Public Enterprise (DPE) and is managed by a separate trust. Employer contribution to the fund has been contributed on monthly basis. Pension is payable to the employee of the corporation as per the scheme.

D. Post Retirement Medical Scheme (PRMS)

The Company has Post-Retirement Medical Scheme (PRMS), under which retired employees and their dependent family member are provided with medical facilities in empanelled hospitals. They can also avail reimbursement of out-patient treatment subject to a ceiling fixed by the Company.

E. Terminal Benefits

Terminal benefits include settlement in home town for employees & their dependents.

F. Leave

The Company provides for earned leave benefit and half-pay leave to the credit of the employees, which accrue on half yearly basis @ 15 days and 10 days, respectively. Maximum of 300 days of earned leave can be accumulated during the service of an employee which can be availed or encashed. There is no limit in accumulation of half pay leave during the service. However, at the time of separation / superannuation, half pay leave and earned leave can be encashed subject to limit of 300 days. The liability for the same is recognized, based on actuarial valuation.

The above mentioned schemes (D, E and F) are unfunded and are recognized on the basis of actuarial valuation. The summarised position of various defined benefits recognized in the statement of profit and loss account, balance sheet are as under {Figures in brackets ( ) represents to as on 31.03.2012}

i) Expenses recognised in Statement of Profit and Loss Account

(₹ in crore)

	Gratuity	**PRMS**	**Leave**
Current service cost	1.18 (0.99)	0.36 (0.29)	1.89 (1.57)
Interest cost on benefit obligation	1.12 (1.08)	0.67 (0.61)	1.42 (1.31)
Expected return on plan assets	-1.22 (-0.94)	0.00 (0.00)	0.00 (0.00)
Net actuarial (gain) / loss recognised in the year	0.40 (-0.49)	0.46 (0.60)	2.37 (0.46)
Expenses recognised in Statement of Profit & Loss Account	*1.48 (0.64)	1.49 (1.50)	*5.68 (3.34)

(*) Includes ₹ 0.13 crore (as on 31.03.2012 ₹ 0.13 crore) and ₹ 0.58 crore (as on 31.03.2012 ₹ 0.30 crore) and ₹

0.04 crore (as on 31.03.2012 ₹ 0.13 crore) for gratuity, leave and PRMS respectively allocated to subsidiary companies.

ii) The amount recognized in the Balance Sheet

(₹ in crore)

	Gratuity	PRMS	Leave
Present value of obligation as at 31.03.2013 (i)	16.16 (14.03)	9.50 (8.33)	20.39 (17.74)
Fair value of plan assets at 31.03.2013 (ii)	14.67 (12.95)	0.00 (0.00)	0.00 (0.00)
Difference (ii) – (i)	-1.48 (-1.08)	-9.50 (-8.33)	-20.39 (-17.74)
Net asset / (liability) recognized in the Balance Sheet	-1.48 (-1.08)	-9.50 (-8.33)	-20.39 (-17.74)

iii) Changes in the present value of the defined benefit obligations

(₹ in crore)

	Gratuity	PRMS	Leave
Present value of obligation as at 01.04.2012	14.03 (12.69)	8.33 (7.13)	17.74 (15.47)
Interest cost	1.12 (1.08)	0.67 (0.61)	1.42 (1.31)
Current service cost	1.18 (0.99)	0.36 (0.29)	1.89 (1.57)
Benefits paid	-0.62 (-0.40)	-0.32 (-0.30)	-3.03 (-1.07)
Net actuarial (gain)/loss on obligation	0.45 (-0.33)	0.46 (0.60)	2.37 (0.46)
Present value of the defined benefit obligation as at 31.03.2013	16.16 (14.03)	9.50 (8.33)	20.39 (17.74)

iv) Changes in the fair value of plan assets

(₹ in crore)

	Gratuity	PRMS	Leave
Fair value of plan assets as at 01.04.2012	14.03 (10.57)	0.00 (0.00)	0.00 (0.00)
Expected return on plan assets	1.22 (0.94)	0.00 (0.00)	0.00 (0.00)
Contributions by employer	0.00 (1.68)	0.00 (0.00)	0.00 (0.00)
Benefit paid	-0.62 (-0.40)	0.00 (0.00)	0.00 (0.00)
Actuarial gain / (loss)	0.04 (0.16)	0.00 (0.00)	0.00 (0.00)
Fair value of plan assets as at 31.03.2013	14.67 (12.95)	0.00 (0.00)	0.00 (0.00)

v) One percent increase / decrease in the inflation rate would impact liability for medical cost of PRMS, as under:-

Cost increase by 1% ₹ 2.09 crore
Cost decrease by 1% ₹ -1.31 crore

vi) During the period, the Company has provided liability towards contribution to the Gratuity Trust of ₹ 1.48

crore, to PRMS of ₹ 1.62 crore, to leave ₹ 6.04 crore and to pension ₹ 0.69 crore (during the FY ended 31.03.2012 towards contribution to the Gratuity Trust of ₹ 0.64 crore, to PRMS of ₹ 1.50 crore, to leave ₹ 3.34 crore and to pension ₹ 2.54 crore).

G. Other Employee Benefits:-

During the period, provision of ₹ 0.08 crore (during the FY ended 31.03.2012 ₹-0.01 crore) has been made for Economic Rehabilitation Scheme for Employees and provision of ₹ 0.37 crore has been made for Long Service Award for Employees (during the FY ended 31.03.2012 ₹ 0.58 crore) on the basis of actuarial valuation made at the end of the year by charging / crediting the statement of profit and loss account.

H. Details of the Plan Asset:-

The details of the plan assets at cost, as on 31.03.2013 are as follows:-

(₹ in crore)

SL	Particulars	FY ended 31.03.2013	FY ended 31.03.2012
i)	Government Securities	8.53	7.83
ii)	Corporate bonds / debentures	5.61	5.12
	Total	**14.14**	**12.95**

I. Actuarial assumptions

Principal assumptions used for actuarial valuation are:-

Method used	Projected Unit Credit Method
Discount rate	8.00 %
Expected rate of return on assets – Gratuity	8.70%
Future salary increase	6.00 %

The estimates of future salary increases considered in actuarial valuation, take into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

22.1 Details of provision as required in Accounting Standard – 29, {Figures in brackets ( ) represents to as on 31.03.2012}, are as under :

(₹ in crore)

Provision for	Opening Balance (as on 1st April of the FY) (1)	Addition during the period (2)	Paid / adjusted during the period (3)	Closing Balance 4 = (1+2-3)
Post-Retirement Medical Scheme	8.33 (7.13)	1.62 (1.50)	0.45 (0.30)	9.50 (8.33)
Gratuity	0.64 (1.72)	1.48 (0.64)	0.64 (1.72)	1.48 (0.64)
Pension	6.60 (4.06)	0.69 (2.54)	7.14 (0.00)	0.15 (6.60)
Leave Encashment	17.74 (15.47)	6.04 (3.34)	3.39 (1.07)	20.39 (17.74)
Economic Rehabilitation Scheme for employee	1.24 (1.26)	0.08 (-0.01)	0.01 (0.01)	1.31 (1.24)
Bonus / Incentives / Base Line Compensation	26.32 (24.52)	19.50 (17.73)	18.82 (15.93)	27.00 (26.32)
Baggage Allowances	0.07 (0.05)	0.01 (0.02)	0.00 (0.00)	0.08 (0.07)
Service Award	3.33 (2.75)	0.38 (0.58)	0.00 (0.00)	3.71 (3.33)
Income Tax	2,000.83 (2,215.13)	1,547.63 (1,075.78)	128.63 (1,290.08)	3,419.83 (2,000.83)

FBT	0.00 (0.80)	0.00 0.00	0.00 (0.80)	0.00 (0.00)
Proposed Final Dividend	132.00 (197.99)	132.00 (132.00)	132.00 (197.99)	132.00 (132.00)
Proposed Corporate Dividend Tax	21.41 (32.12)	22.43 (21.41)	21.41 (32.12)	22.43 (21.41)

22.2 The Company has formulated a Corporate Social Responsibility (CSR) policy in line with the guidelines issued by the Ministry of Heavy Industries and Public Enterprises (Department of Public Enterprises) vide Office Memorandum F.No.15(3)/2007 -DPE(GM)-GL-99 dated 09.04.2010.

As per the CSR policy of the Company, a minimum of 0.5% of the consolidated profit after tax of the previous year will be allocated every financial year for CSR Activities, and Company was creating CSR provision for this purpose up to FY 2011-12.

Now, the Expert Advisory Committee of the Institute of Chartered Accountants of India (ICAI) has given opinion that unspent expenditure on CSR activities should not be recognized as provision, but a reserve may be created as an appropriation of profits.

Accordingly, CSR provision of ₹ 16.39 crore (amount unspent as at 01.04.2012) has been reversed to the credit of the statement of profit & loss through prior period account, and CSR reserve of ₹ 18.36 crore has been created as appropriation of profit, the details of which are as under:

(₹ in crore)

CSR Reserve	Amount
Opening balance	0.00
Add : Appropriation on account of un-spent amount as on 31.03.2012 Less: Amount spent during the year against CSR allocation of earlier years	16.39 9.30
Add : Appropriation during the year on account of un-spent amount (CSR allocation of ₹ 15.29 crore less amount spent ₹ 4.02 crore)	11.27
Closing Balance as on 31.03.2013	18.36

22.3 The Company has formulated a Sustainable Development (SD) policy in line with the guidelines issued by the Ministry of Heavy Industries and Public Enterprises (Department of Public Enterprises) vide Office Memorandum No.3(9)/2010 -DPE(MoU) dated 23.09.2011.

As per the SD policy approved by the Company, a minimum of ₹ 50 lakh plus 0.1% of profit after tax (consolidated) exceeding ₹ 100 crore of the previous year will be allocated every financial year for SD Projects/ Activities. The unspent amount of ₹ 0.49 crore has been appropriated from profits as SD reserve.

23. Board of Directors in its meeting held on 09.11.2012 amended the prudential norms of the Company, subject to approval of Ministry of Power, and accorded approval to create provision on standard assets in phases with effect from FY 2012-13 in 3 year period (i.e. 0.0833% p.a.), in order to bring it to 0.25% by 31.03.2015.

Accordingly, the Company has amended the accounting policy to this effect and has made provision of ₹ 132.79 crore for the FY ended 31.03.2013.

If the company had followed the earlier policy, the net profit for the FY ended 31.03.2013 would have been higher by ₹ 132.79 crore (net of taxes).

The approval for the change in prudential norms by the Ministry of Power, Government of India is under process.

24. (i) During the year, the Company has sent letters seeking confirmation of balances to the borrowers and confirmation in a few cases are awaited.

(ii) There are no unpaid / unclaimed bonds, interests on bonds and dividends, which are over 7 years as on

	31.03.2013 (previous period ₹ Nil).However, an amount of ₹ 0.56 crore (previous year ₹ 0.47 crore) remaining unpaid pending completion of transfer formalities by the claimants.
25.	In opinion of the management the value of current assets loans and advances on realization in the ordinary course of business will not be less than the value at which these are stated in the Balance Sheet as at 31.03.2013.
26.	Trade receivable (related to PFCCL) includes an amount of ₹ 0.84 crore (previous year ₹ 0.61 crore) which is due for over three years. Based on correspondence with clients in this regard in the opinion of the management, the above said debtors are good for recovery hence no provision has been made for bad and doubtful debts.
27.	The value of invoices raised by PFCCL pursuant to execution of contract agreement / issue of letter of award in respect whereof no income have been recognized and no amount received, have been setoff from assets and liabilities amounting to ₹ 4.40 crore (previous year ₹ 4.21 crore) respectively.
28.	Expenditure incurred by PFCCL on advertisement of ₹ 0.24 crore for searching of Joint Venture Partner is charged to Statement of Profit and Loss. Process of selection of Joint Venture Partner is under progress.
29.	The Disclosure requirement in respect of subsidiary companies and joint venture has been disclosed to the extent available from their audited accounts.
30.	The Company, its subsidiaries and joint ventures have no exposure to real estate sector as on 31.03.2013.
31.	The Company, its subsidiaries and joint ventures does not have more than one reportable segment in terms of Accounting Standard 17 on Segment Reporting.
32.	Previous year's figures have been re-grouped / re-arranged, wherever practicable to make them comparable.
33.	Figures have been rounded off to the nearest crore of rupees with two decimals.

Notes at Part A (1 to 18), Part B and Part C form an integral part of Consolidated Balance Sheet and Consolidated Statement of Profit & Loss.

Part – C
Financial Year 2011-12
Other Notes on Accounts to Consolidated Financial Statements

1. The Company is a government company engaged in extending financial assistance to power sector.

2.0 The consolidated financial statements represent consolidation of accounts of the company (Power Finance Corporation Limited), its subsidiary companies and joint venture entities as detailed below:-

Name of the subsidiary companies /joint venture entities and associate company	Country of incorporation	Proportion of shareholdings as on		Status of accounts &Accounting period
		31.03.2012	31.03.2011	
Subsidiary Companies				
PFC Consulting Limited (PFCCL)	India	100%	100%	Audited Accounts from 01.04.2011to 31.03.2012
PFC Green Energy Ltd. (PFCGEL)	India	100%	--	Audited Accounts from 30.03.2011 to 31.03.2012
PFC Capital Advisory Services Limited (PFCCAS)	India	100%	--	Audited Accounts from 18.07.2011to 31.03.2012
Power Equity Capital Advisors Private Limited (PECAP)	India	100%	30%	Audited Accounts from 01.04.2011 to 31.03.2012
Joint Venture entities				
National Power Exchange Limited	India	16.66%	16.66%	Audited Accounts from 01.04.2011to 31.03.2012
Energy Efficiency Services Limited	India	25%	25%	Audited Accounts from 01.04.2011to 31.03.2012

2.1 The financial statements of subsidiaries (incorporated in India) as mentioned below are not consolidated in terms of paragraph 11 of Accounting Standard – 21 which states that a subsidiary should be excluded from consolidation when control is intended to be temporary because the subsidiary is acquired and held exclusively with a view to its subsequent disposal to successful bidder on completion of the bidding process :-

Sl No.	Name of the Company	Proportion of Shareholding as on	
		31.03.2012	31.03.2011
	Subsidiary Companies:		
1.	Coastal Maharashtra Mega Power Limited	100%	100%
2.	Orissa Integrated Power Limited	100%	100%
3.	Coastal Karnataka Power Limited	100%	100%
4.	Coastal Tamil Nadu Power Limited	100%	100%

	5.	Chhattisgarh Surguja Power Ltd.	100%	100%
	6.	Sakhigopal Integrated Power Limited	100%	100%
	7.	Ghogarpalli Integrated Power Limited	100%	100%
	8.	Tatiya Andhra Mega Power Limited	100%	100%
	9.	DGEN & Uttrakhand Transmission Company Ltd.	100%	--

The above subsidiary companies were incorporated as special purpose vehicle (SPVs) under the mandate from Government of India (GOI) for development of ultra mega power projects (UMPPs) and independent transmission projects (ITPs) with the intention to hand over them to successful bidder on completion of the bidding process. The Financial Statements of these subsidiaries are attached as required under Section 212 of the Companies Act, 1956, except DGEN & Uttrakhand Transmission Company Ltd. which has been incorporated on 15.11.2011. The subsidiary's financial statement is not attached, as the first financial year of the subsidiary has been fixed to be for the period from 15.11.2011 to 31.12.2012.

2.2 The Company promoted and acquired the shares at face value in the subsidiary companies. Therefore, goodwill or capital reserve did not arise.

3. Contingent liabilities:

(i) Default guarantees issued by the Company in foreign currency :

a) EURO Nil million equivalents ₹ Nil crore (as on 31.03.2011 EURO 0.355 million equivalents to ₹2.27crore).

b) US $ 10.94 million equivalent to ₹ 56.40 crore (as on 31.03.2011 US $ 14.34 million equivalent to ₹64.75crore).

(ii) Default guarantee issued by the Company in Indian Rupee ₹371.93crore (as on 31.03.2011₹ 400.00crore).

(iii) Bank guarantee issued by the Company in Indian Rupee ₹135.32crore (as on 31.03.2011₹50.04crore).

(iv) Additional demands raised by the Income Tax Department of ₹ 2.55 crore, ₹ 4.51crore, ₹ 0.36crore, ₹ 9.24 crore, ₹ 7.44crore, ₹ 4.67 crore and ₹ 11.24 crore for Assessment Years 2000-01, 2001-02, 2002-03, 2005-06, 2007-08, 2008-09 and 2009-10 respectively are being contested. Further, the Income Tax Department has filed appeals before ITAT against the orders of CIT (A) allowing relief of ₹ 22.22 crore, 21.13 crore and ₹ 21.68 crore for AYs 2004-05 to 2006-07, respectively. The same are being contested. The Management does not consider it necessary to make any provision, as the probability of any tax liability devolving on the Company is negligible.

(v) Claims against the Company not acknowledged as debts are ₹Nil crore (as on 31.03.2011₹ 7.80 crore).

(vi) Outstanding disbursement commitments to the borrowers by way of Letter of Comfort issued against loans sanctioned is ₹5,730.38crore as on 31.03.2012 (as on 31.03.2011₹5,758.02crore).

4. Estimated amount of contract remaining to be executed on account of capital contracts, not provided for, is ₹0.57 crore (as on31.03.2011₹3.70crore).

5. Additional demands raised by the Income Tax Department (net of relief granted by Appellate Authorities) amounting to ₹ 29.76crore for Assessment Years 2001-02 to 2009-10 were provided for and are being contested by the Company.

6. The Company creates Debenture Redemption Reserve (DRR) up to 50% of the value of bonds / debentures issued through public issue, during the maturity period of such bonds / debentures.

The Company is not required to create Debenture redemption reserve in case of privately placed debentures as per

circular No. 6 / 3 / 2001 – CL.V dated 18.04.2002 of the Government of India, Ministry of Law, Justice Company Affairs, and Department of Company Affairs .

The Company is not required to maintain reserve fund under section 45 – I C of the Reserve Bank of India Act, 1934 by transferring 20 % of its net profits, as it is exempted by RBI, vide RBI letter dated 24.01.2000.

7. Foreign currency actual outgo and earning:

(₹ in crore)

S. No.	Description	FY ended 31.03.2012	FY ended 31.03.2011
A.	**Expenditure in foreign currency**		
i)	Interest on loans from foreign institutions	159.37	108.40
ii)	Financial & Other charges	11.08	57.37
iii)	Traveling Expenses	0.21	0.16
iv)	Training Expenses	0.12	0.10
B.	**Earning in foreign currency**	Nil	Nil

8.0 Related party disclosures:

8.1 Key managerial personnel:

Name of the key managerial personnel	
Power Finance Corporation Ltd.	
Shri Satnam Singh, CMD	(with effect from 01.08.2008)
Shri M K Goel, Director	(with effect from 27.07.2007)
Shri Rajeev Sharma, Director	(from 09.03.2009 to 29.11.2011)
Shri R. Nagarajan, Director	(with effect from 31.07.2009)
Subsidiary company	
Shri N. D.Tyagi, CEO of PFC Consulting Limited.	
Shri A.K. Agarwal, CEO of PFC Green Energy Ltd.	
Shri A.Chakravarti, CEO of PFC Capital Advisory Services Limited	
Shri C.Ganopadhyay, Director Power Equity Capital Advisors Private Limited	
Joint Ventures entities	
Shri A.K. Agarwal, Chairman cum CEO of Energy Efficiency Services Limited	
Shri I. J. Kapoor, Chairman of National Power Exchange Limited	

Managerial remuneration:

(₹ in crore)

	Chairman & Managing Director		**Other Directors and CEO**	
	For FY ended 31.03.2012	For FY ended 31.03.2011	For FY ended 31.03.2012	For FY ended 31.03.2011
Salaries and allowances	0.42	0.23	1.32	1.00
Contribution to provident fund and other welfare fund	0.02	0.02	0.05	0.05
Other perquisites / payments	0.13	0.13	0.39	0.38
Total	**0.57**	**0.38**	**1.76**	**1.43**

In addition to the above perquisites, the Chairman & Managing Director and other Directors have been allowed to use staff car including private journey up to a ceiling of 1,000 kms per month on payment of ₹ 780/- per month.

8.2 The details of amount recoverable (including interest thereon) from the respective subsidiaries are given below:

(₹ in crore)

Name of the Subsidiary Companies	Amount as on 31.03.2012	Amount as on 31.03.2011	Maximum during FY 2011-12	Maximum During FY 2010-11
Coastal Maharashtra Mega Power Limited	5.72	4.88	5.72	4.95
Orissa Integrated Power Limited	73.21	58.40	73.21	58.40
Coastal Karnataka Power Limited	2.40	2.08	2.40	2.11
Coastal Tamil Nadu Power Ltd.	29.75	18.74	29.75	18.74
Chhattisgarh Surguja Power Limited	50.85	41.05	50.85	41.05
Sakhigopal Integrated Power Limited	1.16	0.65	1.16	0.65
Ghogarpalli Integrated Power Limited	0.90	0.53	0.90	0.53
Tatiya Andhra Mega Power Limited	7.71	5.40	7.71	5.40
PFC Green Energy Ltd.	0.05	2.25	2.25	2.25
PFC Capital Advisory Services Limited	0.01	0.00	0.04	0.00
Subsidiary of PFCCL	0.36	0.00	0.36	0.00
Total	**172.12**	**133.98**	**174.35**	**134.08**

8.3 The details of amounts payable to subsidiaries (including interest) in respect of amounts contributed by power procurers and other amounts payable are given below:

(₹ in crore)

Name of the subsidiary companies	Amount as on 31.03.2012	Amount as on 31.03.2011	Maximum during FY 2011-12	Maximum During FY 2010-11
Coastal Maharashtra Mega Power Limited	49.39	45.65	49.39	45.65
Orissa Integrated Power Limited	57.49	52.47	57.49	52.47
Coastal Tamil Nadu Power Limited	54.35	50.02	54.35	50.02
Chhattisgarh Surguja Power Limited	51.08	46.13	51.08	46.13
Sakhigopal Integrated Power Limited	19.23	17.74	19.23	17.74
Ghogarpalli Integrated Power Limited	17.91	16.52	17.91	16.52
Tatiya Andhra Mega Power Limited	23.02	19.26	23.02	19.26
Total	**272.47**	**247.79**	**272.47**	**247.79**

9. (v) Investment in "Small is Beautiful" Fund: -

The Company has outstanding investment of ₹7.83crore (as on31.03.2011₹8.73crore) in units of Small is Beautiful Fund. The face value of the Fund is ₹10 per unit. The NAV as on 31.03.2011 was ₹10.08 per unit and as on 31.03.2012 is ₹10.33 per unit. As investment in Small is Beautiful Fund is long term investment, the fluctuation in NAV in the current scenario is considered as temporary.

(vi) Investment in equity (unquoted) in Power Exchange India Limited:-

Power Exchange India Ltd. (PXIL) has been promoted by National Stock Exchange (NSE) and National Commodity and Derivatives Exchange Limited (NCDEX). The authorized share capital is₹ 100 croreas on 31.03.2012. The paid up capital of PXIL is ₹41.05crore, as on 31.03.2012. The Company has subscribed ₹2.80crore of the paid up capital of PXIL.

10. Interest Differential Fund (IDF) – KFW

The agreement between KFW and PFC provides that the IDF belongs to the borrowers solely and will be used to cover the exchange risk variations under this loan and any excess will be used in accordance with the agreement. The balance in the IDF fund has been kept under separate account head titled as Interest Differential Fund – KFW and shown as a liability. The total fund accumulated as on 31.03.2012 is ₹52.01crore (as on31.03.2011₹49.01crore), after adjusting the exchange loss of ₹0.98crore (as on31.03.2011₹15.74crore).

11. Foreign currency liabilities not hedged by a derivative instrument or otherwise:-

Liabilities in Foreign Currencies	Amount (in millions)	
	31.03.2012	31.03.2011
USD	392.49	381.76
EURO	24.73	26.66
JPY	41,643.20	42,551.04

12. (b) Asset under finance lease after 01.04.2001:

(i) The gross investment in the leased assets and the present value of the minimum value receivable at the balance sheet date and the value of unearned financial income are given in the table below:

The future lease rentals are given below:-

(₹ in crore)

Particulars	**As on 31.03.2012**	**As on 31.03.2011**
Total of future minimum lease payments (Gross Investments)	571.09	541.19
Present value of lease payments	326.58	355.96
Unearned finance income	244.51	185.23
Maturity profile of total of future minimum lease payments (Gross Investment)		
Not later than one year	70.77	77.99
Later than one year and not later than 5 years	172.61	246.56
Later than five years	327.71	216.64
Total	**571.09**	**541.19**
Break up of present value of lease payments		
Not later than one year	41.51	43.28
Later than one year and not later than 5 years	90.75	155.19
Later than five years	194.32	157.49
Total	**326.58**	**355.96**

(ii) The Company had sanctioned an amount of ₹88.90 crore in the year 2004 as finance lease for financing wind turbine generator (commissioned on 19.07.2004). The sanction was reduced to ₹ 88.85 crore in December 2006. The gross investment stood at the level of ₹32.06crore as on 31.03.2012. The lease rent is to be recovered within a period of 15 Years, starting from 19.07.2004, which comprises of 10 years as a primary period and 5 years as a secondary period.

	(iii) The Company had sanctioned an amount of ₹ 98.44 crore in the year 2004 as finance lease for financing wind turbine generator (commissioned on 18.5.2004). The gross investment stood at ₹32.87crore as on 31.03.2012. The lease rent is to be recovered within a period of 20 years, starting from 18.05.2004, which comprises of 10 years as a primary period and a maximum of another 10 years as a secondary period. (iv) The Company had sanctioned an amount of ₹93.51 crore in the year 2004 as finance lease for financing wind turbine generator (commissioned on 09.06.2005). The gross investment stood at ₹49.94crore as on 31.03.2012. The lease rent is to be recovered within a period of 19 years 11 months, starting from 09.06.2005, which comprises of 10 years as a primary period and a maximum of 9 years and 11 months as a secondary period. (v) The Company had sanctioned an amount of ₹228.94 crore in the year 2008 as finance lease for financing wind turbine generator. The gross investment stood at ₹456.23crore as on 31.03.2012. The lease rent is to be recovered within a period of 25 years, starting from 01.01.2012, which comprises of 18 years as a primary period and a maximum of 7 years as a secondary period.
	b) Operating Lease: The Company's operating leases consists:- Premises for offices and for residential use of employees are lease arrangements, and are usually renewable on mutually agreed terms, and are cancellable. Rent for residential accommodation of employees include ₹ 6.55 crore (during FY ended 31.03.2011₹6.89crore) towards lease payments, net of recoveries in respect of premises for residential use of employees. Lease payments in respect of premises for employees are shown as rent for residential accommodation of employees in Note Part A 15 – Employee Benefit Expenses. Lease payments in respect of premises for offices are shown as office rent in Note Part A 15 – Employee Benefit Expenses.
13.	Subsidy under Accelerated Generation & Supply Programme (AG&SP): (iii) The Company claimed subsidy from Govt. of India at net present value calculated at indicative interest rates in accordance with the GOI's letter vide D.O.No.32024 / 17 / 97 – PFC dated 23.09.1997 and O.M.No.32024 / 23 / 2001 – PFC dated 07.03.2003, irrespective of the actual repayment schedule, moratorium period and duration of repayment. The amount of interest subsidy received and to be passed on to the borrower is retained as Interest Subsidy Fund Account. The impact of difference between the indicative rate and period considered at the time of claims and at the time of actual disbursement can be ascertained only after the end of the respective schemes. However on the basis of the projections made for each project (based upon certain assumptions that these would remain same over the projected period of each loan / project), the Company estimated the net excess amount of ₹5.12crore and ₹249.91crore as at 31.03.2012 for IX and X Plan, respectively under AG&SP schemes, and there is no shortfall. This net excess amount is worked out on overall basis and not on individual basis and may vary due to change in assumptions, if any, during the projected period such as changes in moratorium period, repayment period, loan restructuring, pre-payment, interest rate reset etc. Any excess / shortfall in the interest subsidy fund will be refunded or adjusted / charged off on completion of the respective scheme. (iv) The amount of ₹ 376.21 crore (as on 31.03.2011 ₹ 451.87 crore) under the head Interest Subsidy Fund, represents the amount of subsidy received from Ministry of Power, Govt. of India which is to be passed on to the borrowers against their interest liability arising in future, under Accelerated Generation & Supply Programme (AG&SP), which comprises of the following : -

(₹in crore)

Particulars	As on 31.03.2012	As on 31.03.2011
Opening balance of Interest Subsidy Fund	451.87	663.49
Add : - Received during the period	--	--
: - Interest credited during the period	36.01	56.22
: - Refund by the borrower due to non – commissioning of project in time	17.65	
Less : Interest subsidy passed on to borrowers	77.67	117.84
Refunded to MoP:		
(d) Estimated net excess against IX Plan	34.00	150.00
(e) Due to non- commissioning of Project in time	17.65	--
Closing balance of interest subsidy fund	**376.21**	**451.87**

14. Pursuant to the notification GSRNo.914 (E) dated 29.12.2011 issued by the Government of India, Ministry of Corporate Affairs amending Accounting Standard (AS) 11 –The Effects of Changes in Foreign Exchange Rates, the Company has exercised the option under 46A of the amended AS11 and changed the accounting policy to amortize the exchange differences on the long term foreign currency monetary items over the tenure. Consequently, as on 31.03.2012, ₹515.41crore has been carried forward in the Foreign Exchange Monetary Item Translation Difference Account.

Had the Company followed the earlier practice of accounting of exchange differences, the net profit for the year ended 31.03.2012 would have been lower by ₹352.53 crore (net of taxes).

15. (i) The Company has been designated as the Nodal Agency for operationalisation and associated service for implementation of the Re-structured Accelerated Power Development and Reforms Programme (R – APDRP) during XI Plan by the MoP, GoI under its overall guidance.

Projects under the scheme are being taken up in two parts. Part – A includes the projects for establishment of baseline data and IT applications for energy accounting as well as IT based customer care centers. Part – B includes regular distribution strengthening projects. GoI provides 100% loan for Part A and up to 25% (up to 90% for special category States) loan for Part – B. Balance funds for Part – B projects can be raised by the utilities from PFC / REC / multi-lateral institutions and / or own resources. The loans under Part – Aalongwith interest thereon is convertible into grant as per R – APDRP guidelines. Similarly, upto 50% (up to 90% for special category states) of the loan against Part –B project would be convertible in to grant as per R – APDRP guidelines. Enabling activities of the programme covered under Part – C.

The loans under R – APDRP are routed through the Company for disbursement to the eligible utilities. The amount so disbursed but not converted in to grants as per R – APDRP guidelines will be repaid along with interest to the GoI on receipt from the borrowers.
The details are furnished below :

(₹ in crore)

Particulars	Amount recoverable from borrowers & payable to GOI		R – APDRP Fund		Amount payable to GOI (Interest earned on Fixed Deposit)	
	As at 31.03.2012	**As at 31.03.2011**	**As at 31.03.2012**	**As at 31.03.2011**	**As at 31.03.2012**	**As at 31.03.2011**
Opening balance	3902.88	1,646.09	0.00	0.00	6.88	0.11
Additions during the year	1600.00	2256.79	1600.00	2256.79	4.17	6.29
Disbursements / changes during the year			1600.00	2256.79		
Total	**5502.88**	**3902.88**	**0.00**	**0.00**	**11.05**	**6.40**
Interest accrued but not due	775.24	413.01			0.04	0.48
Closing balance	**6278.12**	**4315.89**	**0.00**	**0.00**	**11.09**	**6.88**

(ii) As on 31.03.2012, the total amount of nodal agency fee and reimbursement of expenditure received / receivable by PFC has been as under:-

(₹ in crore)

	During the FY ended 31.03.2012	Cumulative up-to	
		31.03.2012	31.03.2011
Nodal agency fee*	39.15	128.77	89.62
Reimbursement of expenditure	22.66	61.86	39.20
Total	**61.81**	**190.63**	**128.82**

*Exclusive of Service Tax

(iii) As per Office Memorandum No. 14 / 03 / 2008 – APDRP dated 20th August, 2010 of the MoP, GoI, the total amount receivable against the nodal agency fee plus the reimbursement of actual expenditure will not exceed ₹ 850 crore or 1.7 % of the likely outlay under Part A & B of R – APDRP, whichever is less.

16. The net deferred tax liabilities of ₹86.75crore (as on31.03.2011₹82.90 crore) have been computed as per Accounting Standard 22 Accounting for Taxes on Income.

The breakup of deferred tax liabilities is given below: -

(₹ in crore)

Description	As on 31.03.2012	As on 31.03.2011
(a) Deferred Tax Asset (+)		
(i) Provision for expenses not deductible under Income Tax Act	16.49	18.02
(ii)Preliminary expenses written off and brought forward losses	0.73	0.07
(b) Deferred Tax Liabilities (-)		
(i) Depreciation	-1.01	-0.44
(ii) Lease income on new leases	-101.58	-99.69
(iii) Amortization	-1.38	-0.86
Net Deferred Tax liabilities (-)/Assets (+)	-86.75	-82.90

17. In compliance with Accounting Standard – 20 on Earning Per Share issued by the Institute of Chartered Accountants of India, the calculation of Earnings Per Share (basic and diluted) is as under:-

Particulars	**FY ended 31.03.2012**	**Previous year 31.03.2011**
Net Profit after tax used as numerator (₹ in crore)	3,058.85	2,647.12
Weighted average number of equity shares used as denominator (basic & diluted)	129,50,00,707	114,77,66,700
Earnings per share (basic & diluted) (₹)	23.62	23.06
Face value per share (₹)	10	10

18. The Company has no outstanding liability towards Micro, Small and Medium enterprises.

19. Leasehold land is not amortized, as it is a perpetual lease.

20. Liabilities and assets denominated in foreign currency have generally been translated at TT selling rate of SBI at year end as given below: -

S. No.	**Exchange Rates**	**31.03.2012**	**31.03.2011**
1	USD / INR	51.5300	45.1400
2	JPY / INR	0.6318	0.5484
3	EURO / INR	69.0500	63.9900

In-case of specific provision in the loan agreement for a rate other than SBI TT selling rate, the rate has been taken as prescribed in the respective loan agreement.

21. During the period, the Company has made Follow on Public Offer (FPO) through book building process of 229,553,340 number of equity shares of ₹ 10/- each. The FPO comprised of fresh issue of 172,165,005 equity shares of ₹ 10/- each by the Company and an offer for sale of 57,388,335 equity shares of ₹10/- each by the President of India acting through the Ministry of Power, Government of India. The equity shares have been priced at ₹ 203.00 per equity share for qualified institutional bidders and non-institutional bidders and at ₹ 192.85 per equity shares (5% of discount on ₹

	203.00) for retail individual bidders and eligible employees. The Company has raised₹ 3,433.65 crore from issue of fresh shares to the public. Post issue, the holding of Government of India in the paid up equity share capital of the Company has come down from 89.78% to 73.72%.The equity shares offered to the public including equity shares offered for sale by the Government of India have been allotted on 24.05.2011 and have been listed in the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE) on 27.05.2011.Accordingly, issued and paid up share capital has increased from ₹ 1147.77croreto ₹1319.93 crore and an amount of ₹3,241.57 crore (net of issue expenses of ₹ 19.91) has been taken to securities Premium Reserve. The proceeds of the issue (net of issue expenses) have been utilized fully for the purpose mentioned in the offer document.
22.	(i) The Company has made a public issue of 470,722 numbers of infrastructure bonds (secured) at the face value of ₹5,000/- each aggregating to ₹ 235.36crore. The bonds have been allotted on 31.03.2011 and have been listed in the Bombay Stock Exchange (BSE) on 11.04.2011. The proceeds of the bond issue have been utilized for the purpose mentioned in the offer document. (ii) The Company has made a public issue of 1,91,284 number of infrastructure bonds (secured) at the face value of ₹ 5,000/- each aggregating to ₹ 95.64 crore during the current year. The bonds have been allotted on 21.11.2011 and have been listed in the Bombay Stock Exchange (BSE) on 02.12.2011. The proceeds of the bond issue have been utilized for the purpose mentioned in the offer document. (iii)The Company has made public issue of 40,33,1300 number of tax free bonds (secured) at the face value of ₹ 1,000 each aggregating to ₹ 4,033.13 crore during the current financial year. The Bonds have been allotted on 01.02.2012 and have been listed in the BSE on 14.02.2012. The proceeds of the bond issue have been utilized for the purpose mentioned in the offer document.
23.	Disclosures as per Accounting Standard –15 :- A. <u>Provident fund</u> The Company pays fixed contribution to provident fund at prescribed rates to a separate trust, which invests the funds in permitted securities. The contribution to the fund for the period is recognized as expense and is charged to the profit and loss account. The obligation of the Company is to make such fixed contribution and to ensure a minimum rate of return to the members as specified by GoI. Any short fall for payment of interest to members as per specified rate of return has to be compensated by the Company. The Company estimates that no liability will take place in this regard in the near future and hence no further provision is considered necessary. B. <u>Gratuity</u> The Company has a defined gratuity scheme and is managed by a separate trust. The provision for the same has been made on actuarial valuation based upon total number of years of service rendered by the employee subject to a maximum amount of ₹ 10 lakh. C. <u>Post Retirement Medical Scheme (PRMS)</u> The Company has Post-Retirement Medical Scheme (PRMS), under which retired employees and the dependent family members hare provided medical facilities in empanelled hospitals. They can also avail of reimbursement of out-patient treatment subject to a ceiling fixed by the Company. D. <u>Terminal Benefits</u> Terminal benefits include settlement in home town for employees & their dependents. E. <u>Leave</u> The Company provides for earned leave benefit and half-pay leave to the credit of the employees, which accrue on half yearly basis @ 15 days and 10 days, respectively. 75% of the earned leave is encashable while in service and a maximum of 300 days earned leave can be accumulated, which is encashable on superannuation / separation. Half pay leave is encashable on separation after 10 years of service or at the time of superannuation subject to a maximum of 300 days. The liability for the same is recognized, based on actuarial valuation. The above mentioned schemes (C, D and E) are unfunded and are recognized on the basis of actuarial valuation. The summarised position of various defined benefits recognized in the profit and loss account, balance sheet are as under

{Figures in brackets ( ) represents to as on 31.03.2011}

i)Expenses recognised in Profit and Loss Account

(₹in crore)

	Gratuity	PRMS	Leave
Current service cost	0.99 (0.92)	0.29 (0.26)	1.57 (1.73)
Interest cost on benefit obligation	1.08 (0.84)	0.61 (0.49)	1.31 (0.96)
Expected return on plan assets	-0.94 (-0.69)	0.00 (0.00)	0.00 (0.00)
Net actuarial (gain) / loss recognised in the year	-0.49 (0.65)	0.60 (0.17)	0.46 (0.65)
Expenses recognised in Profit & Loss Account	*0.64 (1.72)	1.50 (0.92)	*3.34 (3.34)

(*) Includes ₹0.13 crore (as on31.03.2011₹0.10crore) and ₹0.30 crore (as on31.03.2011₹0.15 crore) and ₹ 0.13 crore (as on 31.03.2011 ₹ Nil crore) for gratuity, leave and PRMS respectively allocated to subsidiary companies.

ii) The amount recognized in the Balance Sheet

(₹ in crore)

	Gratuity	PRMS	Leave
Present value of obligation as at 31.03.2012 (i)	14.03 (12.69)	8.33 (7.13)	17.74 (15.47)
Fair value of plan assets at 31.03.2012 (ii)	12.95 (10.57)	0.00 (0.00)	0.00 (0.00)
Difference (ii) – (i)	-1.08 (-2.12)	-8.33 (-7.13)	-17.74 (-15.47)
Net asset / (liability) recognized in the Balance Sheet	-1.08 (-1.72)	-8.33 (-7.13)	-17.74 (-15.47)

iii) Changes in the present value of the defined benefit obligations

(₹ in crore)

	Gratuity	PRMS	Leave
Present value of obligation as at 01.04.2011	12.69 (11.18)	7.13 (6.44)	15.47 (12.84)
Interest cost	1.08 (0.84)	0.61 (0.49)	1.31 (0.96)
Current service cost	0.99 (0.92)	0.29 (0.26)	1.57 (1.73)
Benefits paid	-0.40 (-1.04)	-0.30 (-0.23)	-1.07 (-0.71)
Net actuarial (gain)/loss on obligation	-0.33 (0.79)	0.60 (0.17)	0.46 (0.65)
Present value of the defined benefit obligation as at 31.03.2012	14.03 (12.69)	8.33 (7.13)	17.74 (15.47)

iv) Changes in the fair value of plan assets

(₹ in crore)

	Gratuity	PRMS	Leave
Fair value of plan assets as at 01.04.2011	10.57 (7.92)	0.00 (0.00)	0.00 (0.00)
Expected return on plan assets	0.94 (0.69)	0.00 (0.00)	0.00 (0.00)
Contributions by employer	1.68 (2.86)	0.00 (0.00)	0.00 (0.00)
Benefit paid	-0.40 (-1.04)	0.00 (0.00)	0.00 (0.00)
Actuarial gain / (loss)	0.16 (0.14)	0.00 (0.00)	0.00 (0.00)
Fair value of plan assets as at 31.03.2012	12.95 (10.57)	0.00 (0.00)	0.00 (0.00)

v) One percent increase / decrease in the inflation rate would impact liability for medical cost of PRMS, as under:-

Cost increase by 1% ₹ 0.09 crore
Cost decrease by 1% ₹ 0.05 crore

vi) During the period, the Company has provided liability towards contribution to the Gratuity Trust of ₹0.64crore, to PRMS of ₹1.50crore, to leave ₹3.34crore and to pension ₹2.54crore (during the FY ended 31.03.2011 towards contribution to the Gratuity Trust of ₹1.79crore, to PRMS of ₹0.92crore, to leave ₹3.34crore and to pension ₹2.28crore).

F. Other Employee Benefits:-

During the period, provision of ₹-0.01crore (during the FY ended31.03.2011₹-0.03crore) has been made for Economic Rehabilitation Scheme for Employees and provision of ₹0.58crore has been made for Long Service Award for Employees (during the FY ended31.03.2011₹0.65crore) on the basis of actuarial valuation made at the end of the year by charging / crediting the profit and loss account.

G. Details of the Plan Asset:-

The details of the plan assets at cost, as on 31.03.2012 are as follows:-

(₹ in crore)

SL	Particulars	FY ended 31.03.2012	FY ended 31.03.2011
i)	Government Securities	7.83	6.33
ii)	Corporate bonds / debentures	5.12	4.24
	Total	12.95	10.57

H. Actuarial assumptions

Principal assumptions used for actuarial valuation are:-

Method used	Projected Unit Credit Method
Discount rate	8.50 %
Expected rate of return on assets – Gratuity	8.92 %
Future salary increase	6.00 %

The estimates of future salary increases considered in actuarial valuation, take into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

24.1 Details of provision as required in Accounting Standard – 29.

(₹in crore)

Particulars	FY 2011-12	FY 2010-11
Post-Retirement Medical Scheme		
Opening Balance	7.13	6.44
Addition during the year	1.50	0.92
Amount paid / utilized during the period	0.30	0.23
Closing Balance	8.33	7.13
Gratuity		
Opening Balance	1.72	2.76
Addition during the year	0.64	1.79
Amount paid / utilized during the period	1.72	2.83
Closing Balance	0.64	1.72
Pension*		
Opening Balance	4.06	1.78
Addition during the period	2.54	2.28
Amount paid / utilized during the year	0.00	0.00
Closing Balance	6.60	4.06
Leave Encashment		
Opening Balance	15.47	12.84
Addition during the period	3.34	3.34
Amount paid / utilized during the year	1.07	0.71
Closing Balance	17.74	15.47
Wage Revision		
Opening Balance	0.00	6.20
Addition during the period	0.00	0.71
Amount paid / utilized during the year	0.00	6.91
Closing Balance	0.00	0.00
Economic Rehabilitation Scheme for Employee		
Opening Balance	1.26	1.31
Addition during the period	-0.01	-0.03
Amount paid / utilized during the year	0.01	0.02
Closing Balance	1.24	1.26
Bonus / Incentive / Base line Compensation		
Opening Balance	24.52	16.33
Addition during the period	17.73	17.78
Amount paid / utilized during the period	15.93	9.59
Closing Balance	26.32	24.52

Baggage Allowances		
Opening Balance	0.05	0.05
Addition during the period	0.02	0.00
Amount paid / utilized during the period	0.00	0.00
Closing Balance	0.07	0.05
Service Award		
Opening Balance	2.75	2.10
Addition during the year	0.58	0.65
Amount paid / utilized during the period	0.00	0.00
Closing Balance	3.33	2.75
Income Tax		
Opening Balance	2,215.13	1,337.29
Addition during the period (including interest ₹ 4.90crore u/s 234C)	1,075.78	898.99
Amount refunded / adjusted	(1,290.08)	21.15
Closing Balance	2,000.83	2215.13
Fringe Benefit Tax		
Opening Balance	0.80	0.80
Addition during the year	0.00	0.00
Amount adjusted during the period	0.80	0.00
Closing Balance	0.00	0.80
Proposed Final Dividend		
Opening Balance	197.99	172.17
Addition during the period	132.00	197.99
Amount paid / utilized during the period	197.99	172.17
Closing Balance	132.00	197.99
Proposed Corporate Dividend Tax		
Opening Balance	32.12	29.26
Addition during the year	21.41	32.12
Amount paid / utilized during the period	32.12	29.26
Closing Balance	21.41	32.12

* Pension: The Company provides for defined contribution pension scheme introduced in line with guidelines of the Department of Public Enterprise (DPE).

24.2 The Company has formulated a Corporate Social Responsibility (CSR) policy in line with the Guidelines on Corporate Social Responsibility for Central Public Sector Enterprises issued by the Ministry of Heavy Industries and Public Enterprises (Department of Public Enterprises) vide Office Memorandum F.No.15(3)/2007 -DPE(GM)-GL-99 dated 09.04.2010.

As per the CSR policy approved by the Company, a minimum of 0.5% of the profit after tax of the previous year will be allocated every financial year for CSR Activities. Accordingly, an amount of ₹13.24crore was provided for during the year ended 31.03.2012 (previous year ₹11.89 crore).

As at 31.03.2012, an amount of ₹32.22crore has been sanctioned by the Company against CSR expenditure for various

projects out of which an amount of ₹21.33crore has been disbursed till 31.03.2012.

25. (i) Income on account of premium on premature repayment of loan, Income under the head, upfront fees, lead manager fees, facility agent fees, security agent fee and service charges etc. on loans was earlier accounted for in the year in which it was received by the Company. The Company has changed the accounting policy of recognition of all such income from cash basis to accrual basis in the financial year 2011-12.

Due to change in the accounting policy this year, the income on account of the above for the year is higher by ₹ 0.23 crore. (₹0.23 Crore relates to the year 2010-11 and received in 2011-12).

(ii) Accounting policy under Para 6 regarding Provision has been realigned to prudential norms / interpretation of prudential norms of the Company. Since the amendment is realignment /clarificatory in nature, there is no financial impact.

26. (iv) During the year, the Company has sent letters seeking confirmation of balances as on 31.12.2011 to the borrowers. However, confirmations in a few cases were yet to be received.

(v) Some of the designated bank accounts opened for making interest payment to bondholders / debenture holders have outstanding balance of ₹ 0.47crore are subject to reconciliation / confirmation.

(vi) There are no unpaid / unclaimed bonds, interests on bonds and dividends, which are over 7 years as on 31.03.2012 (previous year ₹ Nil).

27. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006, in respect of one of the subsidiary company PFCCL as disclosed in the financial statement of PFCCL is as under:

(₹in crore)

	2011-12	2010-11
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year - Principal amount due to micro and small enterprise - interest due on above	 0.28 -	 - -
The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-

28. Sundry Debtors (related to PFCCL) includes an amount of ₹ 0.61crorewhich is due for over three years. Based on correspondence with clients in the recent past in this regard in the opinion of the management of the subsidiary, the above said debtors are good for recovery hence no provision has been made for bad and doubtful debts.

29. During the year PFCCL has incorporated a wholly owned subsidiary companies namely Nagapattinam Madhugiri transmission company limited (incorporated on 20.05.2011). Consequent to the selection of successful bidder (M/s Power Grid Corporation of India Limited) as per Tariff based competitive bidding guidelines for transmission services and guidelines encouraging competition in development of transmission project dated 13.04.2006 (as amended from time to time) and as per issued bidding documents the company was transferred to M/s Power Grid Corporation of India Limited (Successful bidder) vide share purchase agreement dated 29.03.2012 by the PFCCL (transferor). After transfer the company ceases to be a subsidiary of PFCCL. Further as per the Tariff based competitive bidding guidelines for transmission services and guidelines increasing competition in development of transmission project dated 13.04.2006 (as amended from time to time) and as per share purchase agreement, the said company was disinvested at par.

30. The Company has been paying income tax on perquisite to employees in earlier years and till current year. Pursuant to a

	decision by the Company, the income tax paid for the current year only has been recovered from the employees.
31.	The value of invoices raised by PFCCL pursuant to execution of contract agreement / issue of letter of award in respect whereof no amount has been received amounted to ₹4.21 crore (previous year ₹ 7.19 crore has been setoff from assets and liabilities respectively.
32.	In opinion of the management the value of current assets loans and advances on realization in the ordinary course of business will not be less than the value at which these are stated in the Balance Sheet as at 31.03.2012.
33.	Previous year Figures: During the year ended 31.03.2012 the revised Schedule VI notified under the companies act 1956has become applicable to the company. The company has reclassified / regrouped previous year figures to confirm with current year classification.
34.	The Company, its subsidiary and joint venture entities has no exposure to real estate sector as on 31.03.2012.
35.	The Company its subsidiary and joint venture does not have more than one reportable segment in terms of Accounting Standard No. 17 on Segment Reporting.
36.	The disclosure requirement in respect of subsidiary companies and Joint Venture entities has been disclosed to the extent available from their audited accounts.
37.	Figures have been rounded off to the nearest crore of rupees with two decimals.

Part – C
Financial Year 2010-11

Other Notes on Accounts to Consolidated Financial Statements

1. The Company is a government company engaged in extending financial assistance to power sector.

2. The consolidated financial statements represent consolidation of accounts of the company (Power Finance Corporation Limited), its subsidiary company, joint venture entities and associate company as detailed below:-

Name of the subsidiary company /joint venture entities and associate company	**Country of incorporation**	**Proportion of shareholdings as on**		**Status of accounts &accounting period**
		31.03.2011	31.03.2010	
subsidiary company PFC Consulting Limited	India	100%	100%	Audited Accounts from 01.04.2010 to 31.03.2011
Joint Venture entities National Power Exchange Limited	India	16.66%	16.66%	Audited Accounts from 01.04.2010 to 31.03.2011
Energy Efficiency Services Limited	India	25%	25%	Audited Accounts from 01.04.2010 to 31.03.2011
Associate Company Power Equity Capital Advisors Private Limited.	India	30%	30%	Audited Accounts from 01.04.2010 to 31.03.2011

2.1 Power Finance Corporation Green Energy Ltd. (PFCGEL) has been incorporated as a wholly owned subsidiary of the Company to extend finance and financial services to promote green (renewable and non-conventional sources of) energy with authorized share capital of ₹ 1200.00 crores and subscribed share capital of ₹ 0.05 crores. The certificate of commencement of business is awaited. The subsidiary's financial statement is not consolidated, as the first financial year of the subsidiary has been decided by its Board of directors to be for the period from 30.03.2011 to 31.03.2012.

2.2 The financial statements of subsidiaries (incorporated in India) as mentioned below are not consolidated in terms of paragraph 11 of Accounting Standard-21 which states that a subsidiary should be excluded from consolidation when control is intended to be temporary because the subsidiary is acquired and held exclusively

with a view to its subsequent disposal to successful bidder on completion of the bidding process :-

Sl No.	Name of the Company	Proportion of Shareholding as on	
		31.03.2011	31.03.2010
	Subsidiary Companies:		
9.	Coastal Maharashtra Mega Power Limited	100%	100%
10.	Orissa Integrated Power Limited	100%	100%
11.	Coastal Karnataka Power Limited	100%	100%
12.	Coastal Tamil Nadu Power Limited	100%	100%
13.	Chhattisgarh Surguja Power Ltd. (previously known as Akaltara Power Limited)	100%	100%
14.	Sakhigopal Integrated Power Limited	100%	100%
15.	Ghogarpalli Integrated Power Limited	100%	100%
16.	Tatiya Andhra Mega Power Limited	100%	100%

The above subsidiary companies were incorporated as special purpose vehicle (SPVs) under the mandate from Government of India (GOI) for development of ultra megapower projects (UMPPs) and independent transmission projects (ITPs) with the intention to hand over them to successful bidder on completion of the bidding process. The Financial Statements of these subsidiaries are attached as required under Section 212 of the Companies Act, 1956 .

The name of Bokaro-Kodarma Maithan Transmission Company Limited has been struck off by the Registrar of Companies in the month of January 2011. Accordingly, a provision of ₹ 0.05 crore made against equity investment in the company has been reversed.

2.2 The Company promoted and acquired the shares at face value in the subsidiary companies. Therefore, goodwill or capital reserve did not arise.

3. Contingent liabilities:

(i) Default guarantees issued by the Company in foreign currency :

c) EURO 0.355 million equivalents to ₹2.27 crore (previous year EURO 0.710 million equivalents to ₹ 4.35 crore).

d) US $ 14.34 million equivalent to ₹64.75 crore (previous year US $ 17.745 million equivalent to ₹80.88 crore).

(ii) Default guarantee issued by the Company in Indian Rupee: ₹ 400 crore (previous year ₹ 400.00 crore).

(iii) Bank guarantee issued by the Company in Indian Rupee: ₹50.04 crore (previous year Rs 0.04 crore).

(iv) The additional demand raised by Income Tax Department of ₹ 9.24 crore, Rs 0.57crs , ₹ 0.03 crore and ₹ 4.48 crs for Assessment Years 2005-06, 2006-07, 2007-08 and 2008-09 respectively are being contested. The management does not consider it necessary to make any provision, as the probability of outflow of resources is negligible.

(v) Claims against the Company not acknowledged as debts are ₹ 7.80 crore (previous year ₹ 7.80 crore).

(vi) Outstanding disbursement commitments to the borrowers by way of Letter of Comfort issued against loans sanctioned, ₹5,758.02 crore as at 31.03.2011 (previous year ₹ 3,414.21crore).

(vii) Other contingent liabilities of ₹ 0.01 crore (previous year Nil) in case of jointly controlled entity.

4. Estimated amount of contract remaining to be executed on account of capital contracts, not provided for, is ₹ 3.70 crore (previous year ₹12.98 crore). Share of capital commitment in jointly controlled entities is ₹ Nil (previous year

	₹ Nil).
5.	Additional demands raised by the Income Tax Department (net of relief granted by Appellate Authorities) amounting to ₹ 22.58 crore for Assessment Year 2001-02 to 2008-09 were paid, provided for and are being contested.
6.	A project under implementation having principal outstanding of ₹ 700.00 crore (previous year ₹ 325.00 crore) has been considered as standard asset in terms of RBI circular No. DBS.FID.No.C – 11 / 01.02.00 / 2001-02 dated 01.02.2002 read with D.O. letter DBS.FID No.1285 / 01.02.00 / 2001-02 dated 14.05.2002 (thereby treating the asset as standard till June, 2008), RBI letter no. DBOD, BP.No.7675 / 21.04.048 / 2008-09 dated 11.11.2008 (which inter-alia advised that the date of commencement of commercial operation (DCCO) be treated as 31.03.2009), RBI circular no. DBOD. BP. BC. 85 / 21.04.048 / 2009 -10 dated 31.03.2010 and RBI letter no. DBOD. No. BP. No. 11505 / 21.04.048 / 2010-11 dated- 21.01.2011. (which inter-alia enables that the said asset can be retained as standard asset, if the DCCO is re-fixed within the period of 3 years from the commercial operation of 31.03.2009 provided the change in DCCO is due to reasons beyond control of the promoter and subject to compliance of certain provisions). Accordingly, in terms of the RBI circular no. DBOD. No. BP. BC. 85 / 21.04.048 / 2009 -10 dated 31.03.2010, the Company has made a provision of ₹ 2.80 crore at the rate of 0.40% of the outstanding amount of ₹ 700 crore during the year. However, the Company recognizes interest on this loan on receipt basis in terms of the accounting policy and as per prudential norms approved by the MoP. The Company has approved and finalized amendments to the Financial Realignment Plan (FRP).As per FRP, the Project Company is to issue Zero Coupon Bonds (ZCB) (towards interest outstanding for the period from 01.10.2001 to 31.10.2005) valuing ₹ 103.87 crore. During the FY 2010-11, an amount of ₹ 120.81 crore (including the dues of previous year of ₹ 23.12 crore and the guarantee fee of ₹ 4.60 crore for the current year) became due on the loan as per FRP, out of which ₹ 74.74 crore were received and accounted for as per the accounting policy. The balance of ₹ 46.07 crore being interest and guarantee fee due up to 31.03.2011 and ₹103.87 crore against ZCB have not been recognized, as per the accounting policy.
7.	During the year, one borrower had made premature repayment of loan of ₹ 497.92 crore with payment of ₹ 10.99 crore towards prepayment premium. As per the terms and conditions of the loans / prepayment policy of the company, the demand for balance prepayment premium of ₹ 10.79 crores was sent to the borrower, which they have disputed and have not paid. Hence the same has not been accounted for.
8.	Interest Subsidy of ₹ 17.65 crore under Accelerated Generation & Supply Programme (AG&SP) along with interest upto31st March, 2011 amounting to ₹26.78 crore (previous year ₹ 24.67 crore), became recoverable in respect of one project, as the project was not completed till 31.03.2007 and the subsidy was withdrawn by the MoP. The amount of ₹26.78 crore (previous year ₹24.67 crore) is payable to the MoP on receipt from the borrower.
9.	The company creates Debenture Redemption Reserve (DRR) upto 50% of the value of bonds / debentures issued through public issue, during the maturity period of such bonds / debentures. Accordingly, during the year the company has created DRR amounting to ₹ 0.06 crore (previous year Nil) on account of public issue of long term infrastructure bonds. The Company is not required to create Debenture redemption reserve in case of privately placed debentures as per circular No. 6 / 3 / 2001 – CL.V dated 18.04.2002 of the Government of India, Ministry of Law, Justice Company Affairs, Department of Company Affairs. The Company is not required to maintain reserve fund under section 45 – IC of the Reserve Bank of India Act, 1934 by transferring 20 percent of its net profits, as it is exempted by RBI, vide RBI letter dated 24.01.2000.
10. 1	Related party disclosures: Key managerial personnel:

Name of the key managerial personnel
Shri Satnam Singh, CMD (with effect from 01.08.2008)
Shri M K Goel, Director (with effect from 27.07.2007)
Shri Rajeev Sharma, Director (with effect from 09.03.2009)
Shri R. Nagarajan, Director (with effect from 31.07.2009)
Subsidiary company
Shri N D Tyagi, CEO of PFC Consulting Limited.
Joint Ventures entities
Shri R. S. Sharma, Chairman of Energy Efficiency Services Limited
Shri I. J. Kapoor, Chairman of National Power Exchange Limited

Managerial remuneration:

(₹ in crore)

	Chairman & Managing Director		Other Directors and CEO	
	For year ended 31.03.2011	For the year ended 31.03.10	For the year ended 31.03.2011	For the year ended 31.03.10
Salaries and allowances	0.23	0.27	1.00	0.50
Contribution to provident fund and other welfare fund	0.02	0.02	0.05	0.04
Other perquisites / payments	0.13	0.18	0.38	0.38
Total	**0.38**	**0.47**	**1.43**	**1.62**

In addition to the above perquisites, the Chairman & Managing Director and other Directors have been allowed to use staff car including private journey up to a ceiling of 1000 kms per month on payment of ₹ 780/- per month.

10.2 The details of amount recoverable (including interest thereon) from the respective subsidiaries are given below:

(₹ in crore)

Name of the Subsidiary Companies	Amount as on 31.03.2011	Amount as on 31.03.2010	Maximum during the period	Maximum During the previous year
Coastal Maharashtra Mega Power Limited	4.88	4.28	4.95	4.28
Orissa Integrated Power Limited	58.40	13.67	58.40	13.67
Coastal Karnataka Power Limited	2.08	1.83	2.11	1.83
Coastal Tamil Nadu Power Ltd.	18.74	11.17	18.74	11.17
Chhattisgarh Surguja Power Ltd.	41.05	33.08	41.05	33.08
Sakhigopal Integrated Power Limited	0.65	0.24	0.65	0.24
Ghogarpalli Integrated Power Limited	0.53	0.24	0.53	0.24
Tatiya Andhra Mega Power Limited	5.40	0.88	5.40	0.88
Power Finance Corporation Green Energy Ltd.	2.25	0.00	2.25	0.00
Bhopal Dhule Transmission Company Limited and Jabalpur Transmission Company Limited (wholly owned subsidiary of PFC Consulting Ltd)	0.00	0.53	0.00	0.53
Total	**133.98**	**65.92**	**134.08**	**65.92**

10.3 The details of amounts payable to subsidiaries (including interest) in respect of amounts contributed by power procurers and other amounts payable are given below:

(₹ in crore)

Name of the subsidiary companies	Amount as on 31.03.2011	Amount as on 31.03.2010	Maximum during the period	Maximum During the previous year
Coastal Maharashtra Mega Power Limited	45.65	42.96	45.65	42.96
Orissa Integrated Power Limited	52.47	48.05	52.47	48.05
Coastal Tamil Nadu Power Ltd.	50.02	46.88	50.02	46.88
Chhattisgarh Surguja Power Ltd.	46.13	41.96	46.13	41.96
Sakhigopal Integrated Power Limited	17.74	5.15	17.74	5.15
Ghogarpalli Integrated Power Limited	16.52	0.00	16.52	0.00
Tatiya Andhra Mega Power Limited	19.26	0.00	19.26	0.00
Bhopal Dhule Transmission Company Limited and Jabalpur Transmission Company Limited (wholly owned subsidiary of PFC Consulting Ltd)	0.00	26.43	0.00	26.43
Total	**247.79**	**211.43**	**249.78**	**211.43**

10.4 (i) Investment in "Small is Beautiful" Fund: -

The Company has outstanding investment of ₹8.73 crore (previous year ₹ 12.08 crore) in units of Small is Beautiful Fund. The face value of the Fund is ₹ 10 per unit. The NAV as on 31.03.2010 was ₹ 9.80 per unit and as on 31.03.2011 is ₹10.08 per unit. As investment in Small is Beautiful Fund is long term investment, the fluctuation in NAV in the current scenario is considered as temporary.

(ii) Investment in equity (unquoted) in Power Exchange India Limited:-

Power Exchange India Ltd. (PXIL) has been promoted by National Stock Exchange (NSE) and National Commodity and Derivatives Exchange Limited (NCDEX). The authorized capital has been enhanced from ₹ 50 crore to ₹ 100 crore in September 2010. The paid up capital of PXIL is ₹ 40.00 crore, as on 31.03.2011. The Company has subscribed ₹ 1.75 crore of the paid up capital of PXIL.

11. Interest Differential Fund (IDF) – KFW

The agreement between KFW and PFC provides that the IDF belongs to the borrowers solely and will be used to cover the exchange risk variations under this loan and any excess will be used in accordance with the agreement. The balance in the IDF fund has been kept under separate account head titled as Interest Differential Fund – KFW and shown as a liability. The total fund accumulated as on 31.03.2011 is ₹49.01 crore (previous year ₹ 47.60 crore) after adjusting the translation loss of ₹15.74 crore (previous year ₹ 13.73 crore).

12. The Company borrows money in foreign currency to finance power projects. In the opinion of the Company, AS 16 – Borrowing costs is applicable where funds are borrowed for acquisition of qualifying asset. The Company does not have any qualifying asset as per AS 16 and hence the foreign exchange gain / loss have been recognized in the Profit & Loss A/c as per AS 11 -The Effects of Changes in Foreign Exchange Rates.

13. (i) Foreign currency liabilities not hedged by a derivative instrument or otherwise:-

Currencies	Amount (in millions)	
	31.03.2011	31.03.2010
USD	381.76	427.43
EURO	26.66	27.63
JPY	42,551.04	1,590.51

(ii) The company enters into derivative contracts for mitigating exchange rate risk in foreign currency liabilities and interest rate risk in foreign currency and rupee liabilities. Paragraphs 36 and 39 of the AS 11 states that in respect of forward exchange contracts not intended for trading or speculative purpose, the forward premium / discount be amortised over the life of such contracts and the forward exchange contracts intended for trading or speculative purpose be marked to market. The derivatives entered into by the company are in the nature of hedging and not in the nature of speculative or trading. The derivatives in the nature of forwards are dealt with in accordance with AS 11.

The Institute of Chartered Accountants of India (ICAI) had issued an announcement dated 29th March, 2008 regarding accounting for derivatives which gives companies an option either to account for losses, if any, on derivatives based on mark to market valuation or to adopt the principles enunciated in the Accounting Standard (AS) 30 on 'Financial Instruments: Recognition and Measurements'. The Company has not adopted AS 30, nor accounted for mark to market losses for other derivatives outstanding as at 31st March 2011, as the ICAI, vide their announcement dated 11th February 2011, have stated, inter-alia, that AS - 30 is not presently mandatory and that it is not expected to continue in its present form, and hence the announcement prior to the date of 11th February, 2011, in the management's view, does not hold good.

14. (a) Asset under finance lease after 01.04.2001:

(i) The gross investment in the leased assets and the present value of the minimum value receivable at the balance sheet date and the value of unearned financial income are been given in the table below:

The future lease rentals are given below:-

(₹ in crore)

Particulars	**As on 31.03.2011**	**As on 31.03.10**
Total of future minimum lease payments (Gross Investments)	541.19	205.01
Present value of lease payments	355.96	160.63
Unearned finance income	185.23	44.38
Maturity profile of total of future minimum lease payments (Gross Investment)		
Not later than one year	77.99	45.07
Later than one year and not later than 5 years	246.56	156.99
Later than five years	216.64	2.95
Total	**541.19**	**205.01**
Break up of Present Value of Lease Payments		
Not later than one year	43.28	29.26
Later than one year and not later than 5 years	155.19	128.49
Later than five years	157.49	2.88
Total	**355.96**	**160.63**

(ii) The Company had sanctioned an amount of ₹ 88.90 crore in the year 2004 as finance lease for financing wind turbine generator (commissioned on 19.07.2004) which was reduced to ₹ 88.85 crore in December 2006. The

	gross investment stood at the level of ₹46.01 crore as on 31.03.2011. The lease rent is to be recovered within a period of 15 Years, starting from 19.07.2004, which comprises of 10 years as a primary period and 5 years as a secondary period. (iii) The Company had sanctioned an amount of ₹ 98.44 crore in the year 2004 as finance lease for financing wind turbine generator (commissioned on 18.5.2004). The gross investment stood at ₹48.33 crore as on 31.03.2011. The lease rent is to be recovered within a period of 20 years, starting from 18.05.2004, which comprises of 10 years as a primary period and maximum of another 10 years as a secondary period. (iv) The Company had sanctioned an amount of ₹93.51 crore in the year 2004 as finance lease for financing wind turbine generator (commissioned on 09.06.2005). The gross investment stood at ₹65.60 crore as on 31.03.2011. The lease rent is to be recovered within a period of 19 years 11 months, starting from 09.06.2005, which comprises of 10 years as a primary period and maximum of 9 years and 11 months as a secondary period. (v) The Company had sanctioned an amount of ₹228.94 crore in the year 2008 as finance lease for financing wind turbine generator. The gross investment stood at ₹381.25 crore as on 31.03.2011. The lease rent is to be recovered within a period of 20 years, starting from 31.10.2010, which comprises of 12 years as a primary period and maximum of 8 years as a secondary period.
	b) Operating Lease: The Company's operating leases consists:- Premises for offices and for residential use of employees are lease arrangements, and are usually renewable on mutually agreed terms, and are cancellable. Rent for residential accommodation of employees include ₹6.89 crore (previous year ₹ 4.06 crore) towards lease payments, net of recoveries in respect of premises for residential use of employees. Lease payments in respect of premises for employees are shown as rent for residential accommodation of employees in Schedule 14 – Personnel, Administration and Other Expenses. Lease payments in respect of premises for offices are shown as office rent in Schedule 14 – Personnel, Administration and Other Expenses.
15.	Subsidy under Accelerated Generation & Supply Programme (AG&SP): (i) The Company claims subsidy from Govt. of India at net present value calculated at indicative interest rates in accordance with the GOI's letter vide D.O.No.32024 / 17 / 97 – PFC dated 23.09.1997 and O.M.No.32024 / 23 / 2001 – PFC dated 07.03.2003, irrespective of the actual repayment schedule, moratorium period and duration of repayment. The amount of interest subsidy received and to be passed on to the borrower is retained as Interest Subsidy Fund Account. The impact of difference between the indicative rate and period considered at the time of claims and at the time of actual disbursement can be ascertained only after the end of the respective schemes. However on the basis of the projections made for each project (based upon certain assumptions that these would remain same over the projected period of each loan / project), the Company estimated the net excess amount of ₹35.31 crore and ₹229.43 crore (excluding an amount of ₹ 17.65 crore recoverable from Irrigation Department of Government of Maharashtra) as at 31.03.2011 for IX and X plan respectively under AG&SP schemes and there is no shortfall. This net excess amount is worked out on overall basis and not on individual basis and may vary due to change in assumptions, if any, during the projected period such as changes in moratorium period, repayment period, loan restructuring, pre payment, interest rate reset etc. Any excess / shortfall in the interest subsidy fund will be refunded or adjusted / charged off at the completion of the respective scheme.

(iii) The amount of ₹451.87 crore (Previous year ₹ 663.49 crore) under the head Interest Subsidy Fund, represents the amount of subsidy received from Ministry of Power, Govt. of India which is to be passed on to the borrowers against their interest liability arising in future, under Accelerated Generation & Supply Programme (AG&SP), which comprises of the following : -

(₹in crore)

Particulars	As on 31.03.2011	As on 31.03.2010
Opening balance of Interest Subsidy Fund	663.49	908.94
Add : - Received during the period	--	--
: - Interest credited during the period	56.22	80.44
Less : Interest subsidy passed on to borrowers	117.84	169.36
Refunded to MoP:		
(f) Estimated net excess against IX Plan	150.00	150.00
(g) Due to non- commissioning of Project in time	--	6.53
Closing balance of interest subsidy fund	**451.87**	**663.49**

16. (i) The Company has been designated as the Nodal Agency for operationalisation and associated service for implementation of the Re-structured Accelerated Power Development and Reforms Programme (R – APDRP) during XI plan by the ,MoP, GoI under it's overall guidance.Projects under the scheme are being taken up in two parts. Part – A includes the projects for establishment of baseline data and IT applications for energy accounting as well as IT based customer care centers. Part – B includes regular distribution strengthening projects.GoI provides 100% loan for Part A and up to 25% (up to 90% for special category States) loan for Part – B. Balance funds for Part – B projects can be raised by the utilities from PFC / REC / multi-lateral institutions and / or own resources. The loans under Part –Aalongwith interest thereon is convertible into grant as per R – APDRP guidelines. Similarly, upto 50% (up to 90% for special category states) of the loan against Part –B project would be convertible in to grant as per R – APDRP guidelines. Enabling activities of the programe is covered under Part – C.

The loans under R – APDRP are routed through the Company for disbursement to the eligible utilities. The amount so disbursed but not converted in to grants as per R – APDRP guidelines will be repaid along with interest to the GoI on receipt from the borrowers.
The details are furnished below :

(₹ in crore)

Particulars	Amount recoverable from borrowers & payable to GOI		R – APDRP Fund		Amount payable to GOI (Interest earned on Fixed Deposit)	
	As at 31.03.2011	As at 31.03.2010	As at 31.03.2011	As at 31.03.2010	As at 31.03.2011	As at 31.03.2010
Opening balance	1,646.09	325.10	0.00	0.00	0.11	0.00
Additions during the year	2256.79	1,320.99	2256.79	1,320.99	6.29	0.11
Disbursements / changes during the year			2256.79	1,320.99		
Total	**3902.88**	**1646.09**	**0.00**	**0.00**	**6.40**	**0.11**
Interest accrued but not due	413.01	109.70			0.48	
Closing balance	**4,315.89**	**1,755.79**	**0.00**	**0.00**	**6.88**	**0.11**

(ii) Pending finalization of norms for payment of nodal agency fee, etc. the accounting policy therefore was held in abeyance in 2009-10 and fee etc. had not been accounted for in 2009-10. On finalization of norms by MoP, GoI, vide Office Memorandum No. 14/03/2008 – APDRP dated 20th August, 2010, the Company has recognised in the books of accounts, during the year ended 31.03.2011, nodal agency fee income ₹ 89.62 crore (previous year NIL) in respect of sanctions and disbursements done in 2008-09, 2009-10 and 2010-11.

(iv) During the year ended 31.03.2011, the Company has recognized ₹ 39.20 crore as amount reimbursed / reimbursable from the Ministry of Power, Govt. of India, towards the actual expenditure incurred in FY 2008-09, 2009-10 and in 2010-11 on various activities for operationalising the programme.

(v) As on 31.03.2011, the total amount of nodal agency fees and reimbursement of expenditure recognised by PFC has been as under:-

(₹ in crore)

	During 2010-11	Cumulative up-to 31.03.2011
Nodal agency fees	89.62	89.62
Reimbursement of expenditure	39.20	39.20
Total	**128.82**	**128.82**

(vi) As per Office Memorandum No. 14/03/2008 – APDRP dated 20th August, 2010 of the MoP,GoI, the total amount receivable against the nodal agency fee plus the reimbursement of actual expenditure will not exceed ₹ 850 crore or 1.7 % of the likely outlay under Part A & B of R – APDRP, whichever is less.

17. The net deferred tax liabilities of ₹82.90 crore (previous year ₹ 46.93 crore) have been computed as per Accounting Standard 22 Accounting for Taxes on Income.

The breakup of deferred tax liabilities is given below: -

(₹ in crore)

Description	As on 31.03.2011	As on 31.03.2010
(a) Deferred Tax Asset (+)		
(i) Provision for expenses not deductible under Income Tax Act	18.02	7.06
(ii) Preliminary Expenses written off and brought forward losses	0.07	0.02
(b) Deferred Tax Liabilities (-)		
(ii) Depreciation	-0.44	-0.12
(iii) Lease income on new leases	-99.69	-53.36
(iv) Amortization	-0.86	-0.53
Net Deferred Tax liabilities (-)/Assets (+)	-82.90	-46.93

18. In compliance with Accounting Standard – 20 on Earning Per Share issued by the Institute of Chartered Accountants of India, the calculation of Earning Per Share (basic and diluted) is as under:-

Particulars	Current year 31.03.2011	Previous year 31.03.2010
Net Profit after tax used as numerator (₹ in crore)	2647.12	2,357.25
Weighted average number of equity shares used as denominator (basic & diluted)	114,77,66,700	114,77,66,700
Earning per share (basic & diluted) (Rupees)	23.06	20.54
Face value per share (Rupees)	10	10

19. The Company has no outstanding liability towards Micro, Small and Medium enterprises.

20. The value of lease hold land aggregating to ₹37.87 crore (previous year ₹ 38.33 crore) comprises of ₹ 31.83 crore (previous year ₹ 31.83crore) paid towards cost of land to Land and Development Office (L&DO), Ministry of Urban Affairs, Govt. of India, stamp duty of ₹2.01 crore (previous year ₹2.47 crore) and capitalization of ground rent of ₹4.03 crore (previous year ₹ 4.03 crore) up to the date of completion of building. The Land and Development Office have executed the perpetual lease deed on 23.03.2011. The registration of the perpetual lease deed is under process.

Leasehold land is not amortized, as it is a perpetual lease..

21. Liabilities and assets denominated in foreign currency have generally been translated at TT selling rate of SBI at year end as given below: -

S. No.	Exchange Rates	31.03.2011	31.03.2010
1	USD / INR	45.1400	45.5800
2	JPY / INR	0.5484	0.4900
3	EURO / INR	63.9900	61.3100

In-case of specific provision in the loan agreement for a rate other than SBI TT selling rate, the rate has been taken as prescribed in the respective loan agreement.

22. Disclosures as per Accounting Standard–15:-

A. <u>Provident fund</u>

The Company pays fixed contribution to provident fund at prescribed rates to a separate trust, which invests the funds in permitted securities. The contribution to the fund for the period is recognized as expense and is charged to the profit and loss account. The obligation of the Company is to make such fixed contribution and to ensure a minimum rate of return to the members as specified by GoI. Any short fall for payment of interest to members as per specified rate of return has to be compensated by the Company. The Company estimates that no liability will take place in this regard in the near future and hence no further provision is considered necessary.

B. <u>Gratuity</u>

The Company has a defined gratuity scheme and is managed by a separate trust. The provision for the same has been made on actuarial valuation based upon total number of years of service rendered by the employee subject to a maximum amount of ₹10 lakh.

C. <u>Post Retirement Medical Scheme (PRMS)</u>

The Company has Post-Retirement Medical Scheme (PRMS), under which retired employees and the dependent

family members are provided medical facilities in empanelled hospitals. They can also avail of reimbursement of out-patient treatment subject to a ceiling fixed by the Company.

D. Terminal Benefits

Terminal benefits include settlement in home town for employees &their dependents.

E. Leave

The Company provides for earned leave benefit and half-pay leave to the credit of the employees, which accrue on half yearly basis @ 15 days and 10 days, respectively. 75% of the earned leave is encashable while in service and a maximum of 300 days earned leave can be accumulated, which is encashable on superannuation / separation. Half pay leave is encashableon separation after 10 years of service or at the time of superannuation subject to a maximum of 300 days. The liability for the same is recognized, based on actuarial valuation.

The above mentioned schemes (C, D and E) are unfunded and are recognized on the basis of actuarial valuation.

The summarised position of various defined benefits recognized in the profit and loss account, balance sheet are as under {Figures in brackets ( ) represents to previous year}

i)Expenses recognised in Profit and Loss Account
(₹in crore)

	Gratuity	PRMS	Leave
Current service cost	0.92 (0.80)	0.26 (0.24)	1.73 (1.29)
Interest cost on benefit obligation	0.84 (0.59)	0.49 (0.27)	0.96 (0.54)
Expected return on plan assets	-0.69 (-0.53)	0.00 (0.00)	0.00 (0.00)
Net actuarial (gain)/ loss recognised in the year	0.65 (1.90)	0.17 (2.58)	0.65 (5.53)
Expenses recognised in Profit & Loss Account	*1.72 (2.76)	0.92 (3.09)	*3.34 (7.36)

(*) Includes ₹0.10 crore (previous year ₹0.08 crore) and ₹ 0.15 crore (previous year ₹0.11 crore) for gratuity and leave, respectively allocated to subsidiary companies.

ii) The amount recognized in the Balance Sheet

(₹ in crore)

	Gratuity	PRMS	Leave
Present value of obligation as at 31.03.2011 (i)	12.69 (11.18)	7.13 (6.44)	15.47 (12.84)
Fair value of plan assets at 31.03.2011 (ii)	10.57 (8.42)	0.00 (0.00)	0.00 (0.00)
Difference (ii) – (i)	-2.12 (-2.76)	-7.13 (-6.44)	-15.47 -12.84)
Net asset / (liability) recognized in the Balance Sheet	-1.72 (-2.76)	-7.13 (-6.44)	-15.47 (-12.84)

iii) Changes in the present value of the defined benefit obligations

(₹ in crore)

	Gratuity	PRMS	Leave
Present value of obligation as at 01.04.2010	11.18 (7.96)	6.44 (3.66)	12.84 (7.15)
Interest cost	0.84 (0.59)	0.49 (0.27)	0.96 (0.54)
Current service cost	0.92 (0.80)	0.26 (0.24)	1.73 (1.29)
Benefits paid	-1.04 (-0.07)	-0.23 (-0.31)	-0.71 (-1.67)
Net actuarial (gain)/loss on obligation	0.79 (1.90)	0.17 (2.58)	0.65 (5.53)
Present value of the defined benefit obligation as at 31.03.2011	12.69 (11.18)	7.13 (6.44)	15.47 (12.84)

iv) Changes in the fair value of plan assets

(₹ in crore)

	Gratuity	PRMS	Leave
Fair value of plan assets as at 01.04.2010	*7.92 (7.96)	0.00 (0.00)	0.00 (0.00)
Expected return on plan assets	0.69 (0.53)	0.00 (0.00)	0.00 (0.00)
Contributions by employer	2.86 (0.00)	0.00 (0.00)	0.00 (0.00)
Benefit paid	-1.04 (-0.07)	0.00 (0.00)	0.00 (0.00)
Actuarial gain / (loss)	0.14 (0.00)	0.00 (0.00)	0.00 (0.00)
Fair value of plan assets as at 31.03.2011	*10.57 (8.42)	0.00 (0.00)	0.00 (0.00)

* It has been revised from ₹ 8.42 crore to ₹ 7.92 crore during the current financial year, after finalisation and audit of accounts of Gratuity Trust for the financial year 2009-10.

v) One percent increase / decrease in the inflation rate would impact liability for medical cost of PRMS, as under:-

Cost increase by 1% ₹ 0.14 crore
Cost decrease by 1% ₹ 0.11 crore

vi) During the year, the Company has provided liability towards contribution to the Gratuity Trust of ₹ 1.79 crore, to PRMS of ₹ 0.92 crore, to leave ₹ 3.34 crore and to pension ₹ 2.28 crore. (previous year towards contribution to the Gratuity Trust of ₹2.76 crore, to PRMS of ₹3.09 crore, to leave ₹7.36 crore and to pension ₹1.78 crore).

E. Other Employee Benefits:-

During the year, provision of ₹- 0.03 crore (previous Year ₹ 0.04 crore) has been made for Economic Rehabilitation Scheme for Employees and provision of ₹ 0.65crores has been made for Long Service Award for Employees (Previous year ₹ 0.01 crore reversed) on the basis of actuarial valuation made at the year end by charging / crediting the profit and loss account.

F. Details of the Plan Asset:-

The details of the plan assets at cost, as on 31.03.2011 are as follows:-

(₹ in crore)

SL	Particulars	2010-11	2009-10
i)	State Government Securities	3.83	1.37
ii)	Central Government Securities	2.50	2.18
iii)	Corporate bonds / debentures	4.24	4.87
	Total	10.57	8.42

G. Actuarial assumptions

Principal assumptions used for actuarial valuation are:-

Method used	Projected Unit Credit Method
Discount rate	7.50 %
Expected rate of return on assets – Gratuity	8.77 %
Future salary increase	5.00 %

The estimates of future salary increases considered in actuarial valuation, take into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

23. Details of provision as required in Accounting Standard – 29.

(₹in crore)

Particulars	Financial year 2010-11	Financial year 2009-10
Post Retirement Medical Scheme		
Opening Balance	6.44	3.66
Addition during the year	0.92	3.09
Amount paid/utilized during the year	0.23	0.31
Closing Balance	7.13	6.44
Gratuity		
Opening Balance	2.76	3.02
Addition during the year$	1.79	2.76
Amount paid/utilized during the year	2.83	3.02
Closing Balance	1.72	2.76
$ Addition for the FY 2010-11 includes ₹ 0.07 crore related to FY 2009-10		
Pension*		
Opening Balance	1.78	0.00
Addition during the year	2.28	1.78
Amount paid/utilized during the year	0.00	0.00
Closing Balance	4.06	1.78
Leave Encashment		
Opening Balance	12.84	7.15
Addition during the year	3.34	7.36
Amount paid/utilized during the year	0.71	1.67

Closing Balance	15.47	12.84
Wage Revision		
Opening Balance	6.20	21.89
Addition during the year	0.71	1.57
Amount paid/utilized during the year	6.91	17.26
Closing Balance	0.00	6.20
Economic Rehabilitation Scheme for Employee		
Opening Balance	1.31	1.29
Addition during the year	-0.03	0.04
Amount paid/utilized during the year	0.02	0.02
Closing Balance	1.26	1.31
Bonus / Incentive / Base line Compensation		
Opening Balance	16.33	9.76
Addition during the year	17.78	14.32
Amount paid/utilized during the year	9.59	7.75
Closing Balance	24.52	16.33
Leave Travel Concession		
Opening Balance	0.00	2.34
Addition during the year	0.00	0.15
Amount paid/utilized during the year	0.00	2.49
Closing Balance	0.00	0.00
Baggage Allowances		
Opening Balance	0.05	0.05
Addition during the year	0.00	0.00
Amount paid/utilized during the year	0.00	0.00
Closing Balance	0.05	0.05
Service Award		
Opening Balance	2.10	2.11
Addition during the year	0.65	-0.01
Amount paid/utilized during the year	0.00	0.00
Closing Balance	2.75	2.10
Income Tax		
Opening Balance	1,337.29	1,489.88
Addition during the year	898.99	800.55
Amount refunded / adjusted	21.15	953.14
Closing Balance	2,215.13	1,337.29
Fringe Benefit Tax		
Opening Balance	0.80	2.90
Addition during the year	0.00	0.00
Amount adjusted during the year	0.00	2.10
Closing Balance	0.80	0.80

Proposed Final Dividend		
Opening Balance	172.17	154.95
Addition during the year **	197.99	172.17
Amount paid / utilized during the year	172.17	154.95
Closing Balance	197.99	172.17
Proposed Corporate Dividend Tax		
Opening Balance	29.26	26.33
Addition during the year	32.12	29.26
Amount paid / utilized during the year	29.26	26.33
Closing Balance	32.12	29.26

* Pension: In view of the guidelines of the Department of Public Enterprise (DPE) for providing superannuation benefits with effect from 01.01.07, the Company is in the process of finalizing pension scheme for its employees. Pending finalisation of the scheme, the Company has made a provision of ₹2.28 crore during the period (previous year ₹ 1.78 crore for the period from 01.01.2007 to 31.03.2010).

** The Company paid an interim dividend of ₹ 3.50 per equity share of ₹ 10 each amounting to ₹ 401.72 crore on 22.01.2011 on the then paid up equity share capital of ₹ 1147.77 crore. The Company has issued 17,21,65,005 number of equity shares in May 2011 resulting in an increase of ₹ 172.16 crore in paid up equity share capital. The Board of Directors recommended a final dividend of ₹ 1.50 per equity shares of ₹ 10 each amounting to ₹ 197.99 crore on the post issue paid up equity share capital of ₹ 1319.93 crore subject to shareholders' approval in the Annual General Meeting. Total dividend for the financial year 20010-11 is ₹5.00 (interim dividend of ₹ 3.50 and final dividend of ₹ 1.50) per equity share of ₹ 10 each on the pre issue share capital of ₹ 1147.77 crore and ₹ 1.50 (final dividend) on the additional share capital of ₹ 172.16 crore issued in May 2011.

24. (iii) During the year, the Company has sent letters seeking confirmation of balances as on 31.12.2010 to the borrowers. However, confirmations in few cases were yet to be received.
(iv) Some of the designated bank accounts opened for making interest payment to bondholders / debenture holders have outstanding balance of ₹ 0.50 crore are subject to reconciliation / confirmation.

25. The Company and its subsidiary, associates and joint venture entities have no exposure to real estate sector as on 31.03.2011.

26. The Company and its subsidiary do not have more than one reportable segment in terms of Accounting Standard No. 17 on Segment Reporting.

27. The disclosure requirement in respect of subsidiary / associate companies and Joint Venture entities have been disclosed to the extent available from their audited accounts.

28. Previous year's figures have been re-grouped / re-arranged, wherever practicable, to make them comparable with the current period.

29. Figures have been rounded off to the nearest crore of rupees with two decimals.

Part – C
Financial Year 2009-10

Other Notes on Accounts to Consolidated Financial Statements

1. The Consolidated Financial Statements represent consolidation of accounts of the Company (Power Finance Corporation Limited), its subsidiary company and joint venture entities and associate company as detailed below:-

Name of the Subsidiary Company / Joint Venture Entities and Associate Company	**Country of Incorporation**	**Proportion (%) of Shareholdings as on**		**Status of Accounts & Accounting period**
		31.03.2010	31.03.2009	
Subsidiary Company				
PFC Consulting Limited	India	100	100	Audited Accounts from 01.04.2009to 31.03.2010
Joint Venture Entities				
National Power Exchange Limited	India	16.66	16.66	Audited Accounts from 01.04.2009to 31.03.2010
Energy Efficiency Services limited	India	25	--	Audited Accounts from 10.12.2009to 31.03.2010
Associate Company				
Power equity Capital Advisors (P) Ltd.	India	30	---	Audited Accounts from 01.06.2009to 31.03.2010

1.1. The Financial Statements of subsidiaries (incorporated in India) as mentioned below are not consolidated in terms of paragraph 11 of Accounting Standard-21 which states that a subsidiary should be excluded from consolidation when control is intended to be temporary because the subsidiary is acquired and held exclusively with a view to its subsequent disposal to successful bidder on completion of the bidding process :-

Name of the Company	**Proportion (%) of Shareholding as on**	
	31.03.2010	**31.03.2009**
Subsidiary Companies:		
Chhattisgarh Surgical Power Ltd.(previously known as Akaltara Power Limited)	100	100
Bokaro-Kodarma Maithan Transmission Co. Ltd.	100	100

Coastal Karnataka Power Limited	100	100
Coastal Maharashtra Mega Power Limited	100	100
Coastal Tamil Nadu Power Limited	100	100
Orissa Integrated Power Limited	100	100
Sakhigopal Integrated Power Limited	100	---
Ghogarpalli Integrated Power Limited	100	---
Tatiya Andhra Mega Power Limited	100	---
Bhopal Dhule Transmission Company Limited (wholly owned subsidiary company of PFCCL Ltd.)	100	---
Jabalpur Transmission Company Limited (wholly owned subsidiary company of PFCCL Ltd.)	100	---

The above subsidiary companies were incorporated as Special Purpose Vehicle (SPVs) under the mandate from Government of India for development of Ultra Mega Power Projects (UMPPs) and Transmission Projects with the intention to hand over the same to successful bidder on completion of the bidding process.

1.2 The Company promoted and acquired the shares at face value in the Subsidiary Company. Therefore goodwill or capital reserve did not arise.

2.. Contingent liabilities:

(i) Default Guarantees issued by the Company in foreign currency :

e) EURO 0.710 million equivalents to ₹ 4.35 crore (previous year EURO 1.066 million equivalent to ₹ 7.29 crore).

f) US$ 17.745 million equivalent to ₹ 80.88 crore (previous year US$ 21.145 million equivalent to ₹108.79crore).

(ii) Default Guarantee issued by the Company in Indian Rupee: ₹ 400.00 crore, (previous year Rs 400.00crore).

(iii) Bank Guarantee issued by the Company in Indian Rupee: Rs 0.04.crore, (previous year Rs0.04 crore).

(iv) Outstanding disbursement commitments to the borrowers for Letter of Comforts issued against the loans sanctioned ₹3414.21crore (Previous year ₹ 394.88 crore).

(v) (a) The additional demand raised by the Income Tax Department of ₹44.23 crore and ₹1.38 crore for Assessment Year 2006-07 & 2007-08, respectively were paid and are being contested. The management does not consider it necessary to make any provision as the probability of outflow of resources is negligible.

(b) CIT(A) has granted refund of ₹2.97 crore for Assessment Year 1996-97 and₹0.73 crore for Assessment Year 2001-02 against which the Income Tax department has filed appeals before ITAT and are pending, as the Income tax department has not yet received permission of the Committee of Disputes (COD) to pursue the appeals.

(c) The Income tax department has filed appeals before Delhi High Court against its own order and the order of ITAT granting refund of ₹0.36 crore &₹0.31 crore for Assessment Year 2001-02 & 2002-03. The Income tax department. has not yet obtained the COD's permission to pursue the appeals.

(vi) Claim not acknowledged as debts are ₹ 7.80 crore (previous year ₹7.80 crore).

(vii) Estimated amounts of contracts remaining to be executed on account of capital contracts is ₹12.98 crore (Previous Year ₹ 8.37 crore).

3. The additional demands raised by the Income Tax Department (net of relief granted by Appellate Authorities) of ₹0.26 crore for Assessment Year 1996-97, ₹3.22 crore for Assessment Year 2000-01, ₹5.34 crore for Assessment Year 2001-02, ₹4.74 crore for Assessment Year 2002-03, ₹4.24crore for Assessment Year 2003-04, ₹3.21 crore for Assessment Year 2004-05 and ₹23.64 crore for Assessment Year 2005-06 were paid and provided for and are being contested.

4.	The Government of India, Ministry of Power, under section 58(4) of the Madhya Pradesh Reorganization Act, 2000 (MPRA) issued an order No 42/8/2000-R&Rdated 12.04.2001 through which assets, transfer rights, liabilities, undertaking etc, of erstwhile Madhya Pradesh Electricity Board (MPEB) were passed on to the successor boards namely MPSEB and CSEB after bifurcation of state of Madhya Pradesh. Subsequently, the GOI, Ministry of Power through the Gazette of India Extraordinary-MoP, New Delhi notification dated 04.11.2004 had decided to divide the liability and assets of erstwhile MPEB into MPSEB & CSEB in the ratio of fixed assets of 90:10 respectively. Consequent upon this, CSEB has informed that though it has been clearing the dues of the Company based on the acquired liability of erstwhile MPEB at ₹110.64crore, it has requested the Company to align the dues in line with MoP order to ₹105.23crore. Nevertheless, the Company will receive the full amount of principal payment either from CSEB or MPSEB. Further, PFC has taken up the matter with MoP and has requested MoP to review and revise the order on a plea that PFC's loans are project specific and the amount disbursed actually goes into the creation of the assets on such projects are not to be allocated in the manner as suggested by MoP in the new order. The decision of MoP is awaited.
5.	(i) A project under implementation having principal outstanding of Rs 325.00 crores (previous year ₹ 297.98 crore) has been considered as Standard Asset in terms of RBI Circular No. DBS.FID.No.C-11/01.02.00/ 2001-02 dated 1.02.2002 read with D.O. letter DBS.FID No.1285/ 01.02.00/2001-02 dated 14.05.2002thereby treating the asset as standard till June, 2008, and RBI vide letter no. DBOD, BP.No.7675/ 21.04.048/ 2008-09 dated 11.11.2008 which advised that the date of commencement of commercial operation should be 31.03.2009 (instead of the deemed date of completion of the project i.e. June 2006 as fixed by an independent group setup by RBI), as decided at the time of actual financial closure of the project in September 2006. Based on above, read with RBI Master Circular DBOD No. BP. BC.3 / 21.04.141 / 2009-10 dated 01.07. 2009, the asset may be treated as standard asset not exceeding two years from the date of completion of the project (i.e. 2 years from 31.3.2009). However, the company recognizes the interest on this loan on receipt basis in terms of the Accounting Policy and as per prudential norms approved by Ministry of Power. Further, the Company has approved and finalized the amendments to the Financial Realignment Plan(FRP), inter-alia, determining the scheduled project Commercial Operation Date (COD) as 01.01.2011. Financial Realignment Plan(FRP) has been accepted by the Project Management and is under implementation. As per FRP, the Project Company will issue Zero Coupon Bonds (ZCB) (towards interest outstanding for the period from 01.10.2001 to 31.10.2005) valuing ₹ 103.88 crore (excluding waiver of interest, penal interest etc. amounting to ₹ 8.64 crore). During the year, the amount of ₹ 54.93 crores (including the dues of previous year of ₹ 8.72 crore and the guarantee fee for current year of ₹ 4.64 crores) became due on the loan as per FRP, out of which Rs 31.81 crores were received and accounted for as per accounting policy. The balance of ₹ 23.12 crores being interest and other charges due as on 31.03.2010 and Rs 103.87 crore against ZCB have not been recognized as per accounting policy . (ii) One gas based power project, having Principal outstanding of ₹ 401.96 crore could not be commissioned on the scheduled commissioning date (September 2006) due to non availability of gas. Resultantly the company made an interim reschedulement of the loan account on 07.03.2007, followed by final reschedulement on 03.12.2007 in line with the reschedulement done by lead bank as per which repayment of the principal was to commence from 15.10.2009. As the bottleneck of the non availability of gas continued, the lead Bank again restructured /rescheduled the loan account (in line with the lenders meetings dated 12.02.2009) and classified it as standard asset under special regulatory treatment, in accordance with RBI circular DBOD No. BP.BC.84/21.04.048/2008-09 dated 14.11.2008. The company being one of the consortium member of the lenders also rescheduled the loan account on 11.05.2009 and accordingly classified as Standard Asset.
6.	During the year, two borrowers had made premature repayment of their loan without prepayment premium including service tax amounting to ₹6.75 crores. As per the terms and condition of loan / policy, the demand for prepayment premium has been sent to the borrowers, which they have disputed and not paid so far and thus has not been accounted for. One borrower has made part premature repayment of ₹131.21crores (principal- ₹ 125 crores and pre payment premium / interest etc. ₹6.21 crores). As per the terms of Loan Agreement, the pre-mature repayment can be made only on the interest payment due date. Since the payment is made before the interest payment date, the Company demanded interest upto interest due date. This is disputed by the borrower. Hence the same has not been accounted for.

7. (i)Assets of ₹ 14.38 crore (Previous year ₹15.43crore) were classified as Non Performing Assets in terms of prudential norms of the Company. Accordingly, a provision of ₹ 8.14 crore is held in the accounts (previous year ₹8.97crore).

(ii)Interest Subsidy under AG&SP (including interest upto 31st March, 2010) amounting to ₹ 24.67 crores (previous year ₹98.90 crores), became recoverable in respect of one project (previous year two projects) and is yet to be recovered. It became recoverable, as the project was not completed till 31.03.2007 and the subsidy was withdrawn by Ministry of Power. The interest subsidy of ₹ 24.67 crore (previous year ₹ 95.71 crore) is payable to the Ministry of Power and will be paid on its receipt.

8. The Company discontinued interest rate restructuring policy w.e.f. December 2005. However, the loans which were restructured with 3 year reset (after 3 years the loan shall carry original interest rate i.e. the rate before interest restructuring). The borrower was given option to seek further restructuring after 3 years on payment of 50% premium being NPV of difference between original interest rate and Current interest rate for the entire remaining period of Loan. Accordingly the Company has done interest restructuring amounting to ₹Nil (previous year₹703.35 crore). An amount of ₹Nil (previous year₹ 8.95 crore) has been received and credited to Profit and Loss Account as Interest Restructuring Premium (Refer schedule 10).

9. The Company is not required to create Bond Redemption Reserve in respect of bonds by virtue of the Department of Company Affairs' Circular of 18.04.2002 according to which the financial institutions within the meaning of Section 4A of the Companies Act 1956 were not required to create Bond Redemption Reserve in case of privately placed debentures.
The Company is not required to maintain Reserve Fund under Section 45-IC of the Reserve Bank of India Act, 1934 by transferring 20 percent of its net profits, as it is exempted by RBI vide its letter dated 24.01.2000.

10. Foreign currency actual outgo and earnings:

(₹ in crore)

S.No.	Description	Year ended 31.03.2010	Year ended 31.03.2009
A.	**Expenditure in foreign currency**		
i)	Interest on loans from foreign institutions	96.91	125.80
ii)	Financial & Other charges	35.08	14.56
iii)	Traveling Expenses	0.26	0.15
iv)	Training Expenses	0.15	0.07
B.	**Earning in foreign currency**	Nil	Nil

11.1 Related Party Disclosures:

Key Managerial Personnel:

Name of the Key Managerial Personnel	
Shri Satnam Singh, CMD	(w.e.f. 01.08.2008)
Shri M K Goel, Director	(w.e.f. 27.07.2007)
Shri Rajeev Sharma, Director	(w.e.f. 09.03.2009)
Shri R. Nagarajan, Director	(w.e.f. 31.07.2009)
Subsidiary company & Joint Ventures entities	
Shri N D Tyagi	

Shri R. S. Sharma
Shri I. J. Kapoor

Managerial Remuneration:
(₹ in crore)

	Chairman & Managing Director		Other Directors and CEO	
	For the year ended 31.03.10	For the year ended 31.03.09	For the year ended 31.03.10	For the year ended 31.03.09
Salaries & Allowances	0.27	0.33	1.20	0.42
Contribution to Provident Fund and other Welfare Fund	0.02	0.01	0.04	0.02
Other Perquisites / Payments	0.18	0.12	0.38	0.13
Total	0.47	0.46	1.62	0.57

In addition to the above perquisites, the Chairman & Managing Director and other Directors have been allowed to use staff car including private journey up to a ceiling of 1000 kms per month on payment of ₹780/- per month.

11.2 Investment in Equity Share Capital of Subsidiaries/Associates/Joint Venture entities including companies promoted as SPVs for Ultra Mega Power Projects are given below:-

SL	Name of the Companies	Number of shares subscribed	Percentage of ownership	Amount (₹ in crore)
A	**Subsidiary Company**			
1.	PFC Consulting Limited (PFCCL)	50000	100%	0.05
	Sub-Total (A)	**50000**		**0.05**
B	**Subsidiary Companies promoted as SPVs for Ultra Mega Power Projects**			
1.	Chhattisgarh Surguja Power Ltd. (previously known as Akaltara Power Limited)	50000	100%	0.05
2.	Bokaro-Kodarma Maithan Transmission Co. Ltd.	50000	100%	0.05
3.	Coastal Karnataka Power Limited	50000	100%	0.05
4.	Coastal Maharashtra Mega Power Limited	50000	100%	0.05
5.	Coastal Tamil Nadu Power Limited	50000	100%	0.05
6.	Orissa Integrated Power Limited	50000	100%	0.05
7.	Sakhigopal Integrated Power Limited	50000	100%	0.05
8.	Ghogarpalli Integrated Power Limited	50000	100%	0.05
9.	Tatiya Andhra Mega Power Limited	50000	100%	0.05
10.	Bhopal Dhule Transmission Company Limited (wholly owned subsidiary of PFC Consulting Ltd)	50000	100%	0.05
11.	Jabalpur Transmission Company Limited (wholly owned subsidiary of PFC Consulting Ltd)	50000	100%	0.05

	Sub-Total (B)	**550000**		**0.55**
C	**Associate companies and Joint venture entities**			
1.	Power Equity Capital Advisors (Pvt.) Limited	15000	30%	0.02
2.	National Power Exchange Limited	833000	16.66%	0.83
3.	Energy Efficiency Services Ltd.	625000	25%	0.63
	Sub_Total (C)	**1473000**		**1.48**
	TOTAL (A) + (B) +(C)	**2073000**		**2.08**

11.3 The details of amount recoverable (including interest thereon) from the respective subsidiaries are given below:

(₹ in crore)

Name of the Subsidiary Companies	Amount as on 31.03.2010	Amount as on 31.03.2009
PFC Consulting Limited	0.00	0.09
Chhattisgarh Surguja Power Ltd. (previously known as Akaltara Power Limited)	33.08	1.60
BokaroKodarma Maithon Tr. Co. Ltd.(**)	0.00	1.12
Coastal Karnataka Power Limited	1.83	1.46
Coastal Maharashtra Mega Power Limited	4.28	3.41
Coastal Tamil Nadu Power Ltd.	11.17	4.37
East-North Interconnection Co. Ltd.	0.00	2.14
Ghogarpali Integrated Power Limited	0.24	--
Jharkhand Integrated Power Ltd	0.00	48.60
Orissa Integrated Power Limited	13.67	4.77
Sakhigopal Integrated Power Limited	0.24	0.01
Tatiya Andhra Mega Power Limited	0.88	--
Bhopal Dhule Transmission Company Limited and Jabalpur Transmission Company Limited (wholly owned subsidiary of PFC Consulting Ltd)	0.53	--
Total	**65.92**	**67.57**

(**) In respect of Bokaro Kodarma Maithon Transmission Co. Ltd. (BKMTCL), MoP decided to entrust this project to Power Grid Corporation of India Ltd (PGCIL) instead of to PFC. Therefore, PFC requested MoP to advice PGCIL to reimburse PFC ₹1.12 crore on account of expenses incurred so far by PFC, so as to close this project in PFC. In addition to this ₹0.05 crore was recoverable from BKMTCL. On advice of MoP, an amount of ₹0.82 crore has been recovered from PGCIL as full and final settlement. ₹ 0.05 crore has also been recovered from BKMTCL. The balance amount of ₹0.25 crores had been written off. Further, pending de-registration of BKMTCL, a provision of ₹0.05 crores has been made against the equity investment in BKMTCL.

11.4 The details of amount payable to subsidiaries (including interest) in respect of amount contributed by Power Procurers are given below:

(₹ in crore)

Name of the Subsidiary Companies	Amount as on 31.03.2010	Amount as on 31.03.2009
Chhattisgarh Surguja Power Ltd. (previously known as Akaltara Power Limited)	41.96	30.13
Coastal Maharashtra Mega Power Limited	42.96	41.40
Coastal Tamil Nadu Power Ltd.	46.88	41.02
Jharkhand Integrated Power Ltd.	--	48.97
Orissa Integrated Power Limited	48.05	45.99
Sakhigopal Integrated Power Limited	5.15	4.81
Bhopal Dhule Transmission Company Limited and Jabalpur Transmission Company Limited (wholly owned subsidiary of PFC consulting Ltd)	26.43	--
Total	**211.43**	**212.32**

11.5 The Company has made investments in equity (unquoted) of - "National Power Exchange limited" and "Energy Efficiency Services Ltd".

National Power Exchange Limited (NPEL)

PFC, NTPC, NHPC and TCS have jointly promoted 'National Power Exchange Limited'. The National Power Exchange Ltd (NPEL) will carry out the business of providing platform for trading of power through an organized exchange. The Company has since made the investment of Rs 0.83 crore upto 31st March 2010. NPEL has not commenced its operation.

Energy Efficiency Services Limited (EESL)

Energy Efficiency Services Limited has been jointly promoted by NTPC, PFC, PGCIL and REC with equal participation in equity capital for implementing Energy Efficiency Projects. At the time of incorporation, the authorized equity capital of EESL was ₹10 crores and paid up equity capital was ₹2.50 crores. The company's share in paid up equity capital was ₹ 0.63 crore (25% of paid up capital) comprising of 625,000 equity shares of ₹ 10 each. The authorized share capital of EESL has been enhanced to ₹ 190 crore during the Financial Year ended 31-03-2010. EESL has commenced its operations.

11.6 (v) Investment in "Small is Beautiful" Fund: -

The Company had outstanding investment₹ 12.08 crore (previous year ₹14.47 crore) in units of "Small is Beautiful" Fund. Against this, a sum of ₹ 0.145 crore has been received as dividend during the year. The NAV of the Units of the Fund was ₹ 9.80 per unit of Rs 10 (face value) as on 31.03.2010. The diminution/ increase (-) in value of NAV amounting to₹ -1.08crore (Previous year Rs1.32 crore) has been accounted for during the year.

(vi) Investment in equity (unquoted) in Power Exchange India Limited (PXI):-

Power Exchange India Ltd. has been promoted by NSE and NCDEX. The authorized capital has been enhanced from ₹25 crore to ₹50 crore during the financial year ending 31.03.2010. The paid up capital of PXI was ₹34.34crores, as on 31.03.2010. The Company has subscribed₹1.75crore of the paid up capital consisting of 17,50,000 equity shares of ₹10 each in to the equity capital of PXI. PXI has commenced its operations.

12. Interest Differential Fund (IDF) – KFW

The agreement between KFW and PFC provides that the IDF belongs to the borrowers solely and will be used to cover the exchange risk variations under this Loan and any excess will be used in accordance with the agreement. The balance in the IDF fund has been kept under separate account head titled as Interest Differential Fund-KFW and shown as a liability. The total fund accumulated as on 31.03.2010 is ₹47.60crore (previous year ₹34.19 crore) after adjusting the translation loss of ₹13.73crore (previous year ₹24.12crore).

13. During the current year, exchange gain (net) of ₹ 103.84 crore (previous year exchange loss of Rs 252.53. crore) on foreign currency assets and liabilities comprising of translation gain of ₹ 92.51 (previous year translation loss of ₹235.66 crores) crore and actual gain of ₹ 11.33 crore (previous year actual loss of ₹ 16.87 crores) has been recognised in Profit &Loss account as per Accounting Standard 11.

14. The company was having outstanding forward foreign exchange contracts and principal only swaps (POS) against the Foreign Currency Loan liabilities as per details given hereunder:-

i) Forward contracts to cover exchange rate risk in USD/INR leg. : US$13.9795 million

ii) Forward contracts to cover exchange rate risk in USD/JPY leg.: JPY 454 million

iii) Forward contracts to cover EURO /USD leg : Euro0.9662 million

15. (a) Asset under finance lease after 01.04.2001

(i) The Gross investment in the leased assets and the present value of the minimum value receivable at the balance sheet date has been given in the table below with the description as total of future minimum lease payments and present value of the lease payments amounting to ₹ 205.01crore and ₹ 160.63crore respectively. The reconciliation of these figures has also been indicated under the head "unearned finance charges" with an amount of ₹ 44.38crore.

The future lease rentals are given below:-

(₹ in crore)

Particulars	As on 31.03.10	As on 31.03.09
Total of future minimum lease payments (Gross Investments)	205.01	266.51
Present value of lease payments	160.63	189.08
Unearned finance income	44.38	77.43
Maturity profile of total of future minimum lease payments (Gross Investment)		
Not later than one year	45.07	48.04
Later than one year and not later than 5 years	156.99	192.16
Later than five years	2.95	26.31
Total	205.01	**266.51**
Break up of Present Value of Lease Payments		
Not later than one year	29.26	25.41
Later than one year and not later than 5 years	128.49	139.53
Later than five years	2.88	24.14
Total	**160.63**	**189.08**

(ii) The Company had sanctioned an amount of ₹88.90crore in the year 2004 as finance lease for financing Wind Turbine Generator (commissioned on 19.07.2004) which was reduced to ₹88.85crore in December 2006. The Gross Investment stood at the level of ₹ 59.95crore as on 31.3.2010. The lease rent is to be recovered within a period of 15 Years, which comprises of 10 years as a primary period and 5 years as a secondary period.

(iii) The Company had sanctioned an amount of ₹98.44crore in the year 2004 as finance lease for financing Wind Turbine Generator (commissioned on 18.5.2004). The Gross Investment stood at ₹ 63.79crore as on 31.3.2010. The lease rent is to be recovered within a period of 20 years which comprises of 10 years as a primary period and maximum of another 10 years as a secondary period.

(iv) The Company had sanctioned an amount of ₹93.51crore in the year 2004as finance lease for financing Wind Turbine Generator (commissioned on 09.06.2005). The Gross Investment stood at ₹ 81.27crore as on 31.3.2010. The lease rent is to be recovered within a period of 19 years and eleven months which comprises of 10 years as a primary period and maximum of 9 years and 11 months as a secondary period.

b) Operating Leases:

The Company's operating leases consists:-

Premises for residential use of employees and offices which are leasing arrangements usually renewable on mutually agreed terms but are not non-cancellable. Rent for residential accommodation of employees include ₹ 4.06 crore (Previous year ₹ 1.83crore) towards lease payments, net of recoveries in respect of premises for residential use of employees. Lease payments in respect of premises for employees are shown as Rent for Residential Accommodation of employees in Schedule 14- Personnel, Administrative and Other Expenses. Lease payments in respect of premises for offices are shown as Office Rent in Schedule 14- Personnel, Administrative and Other Expenses.

16 Subsidy under Accelerated Generation & Supply Programme (AG&SP):

The Company is claiming subsidy from Govt. of India at Net Present Value calculated at indicative interest rates in accordance with GOI's letter vide D.O.No.32024/17/97-PFC dated 23.09.1997 and O.M.No.32024/23/2001-PFC dated 07.03.2003 irrespective of the actual repayment schedule, moratorium period and duration of repayment. The amount of interest subsidy received and to be passed on to the borrower is retained as Interest Subsidy Fund Account. The impact of difference between the indicative rate and period considered at the time of claims and at the time of actual disbursement can be ascertained only after the end of the respective schemes. However on the basis of the projections made for each project (based upon the certain assumptions that these will remain same over the projected period of each loan / project), the Company estimated the net excess amount of ₹166.25 crore and ₹209.97 crore ((excluding recoverable amount of ₹ 17.65 crore from Irrigation Department of Government of Maharashtra which is subject to decision of Ministry of Power) as at 31/03/2010 for IX & X plan respectively under AG&SP schemes. This net excess amount is worked out on overall basis and not on individual basis & may vary due to change in assumptions, if any during the projected period such as changes in moratorium period , repayment period , loan restructuring , pre payment , interest rate reset etc. However during the year, the Company has refunded an amount of ₹ 150 Crores as estimated net excess amount lying against IX plan on the directions of MoP and balance amount of excess, if any, will be refunded/adjusted as per further directions of MoP.

The amount of Rs 663.49crore (previous year ₹ 908.94.crore) under the head Interest Subsidy Fund represents the amount of subsidy received from Ministry of Power, Govt. of India which is to be passed on to the borrowers against their interest liability arising in future, under Accelerated Generation & Supply Programme (AG&SP), which comprises of the following: -

(₹ in crore)

Particulars	As on 31.03.10	As on 31.03.09
Opening balance of Interest Subsidy Fund	908.94	1066.75
Add: - Received during the period	--	--
: - Interest credited during the period (Excluding of Rs 0.26 crores pertaining to previous years)	80.44	98.19
Less: Interest subsidy passed on to borrowers	169.36	231.17
Refunded to MoP:		
(h) Estimated Net Excess against IX Plan	150.00	0.00
(i) Due to non- commissioning of Project in time	6.53	24.83
Closing balance of Interest Subsidy Fund	**663.49**	**908.94**

17. One borrower- Chattishgarh State Electricity Board (CSEB) has been un bundled into four power utilities on 1st January 2009. However, the Government of Chattishgarh is yet to issue the final notification / order for division of

asset and liabilities among all the successor power utilities from the date of unbundling of CSEB. Loan Transfer Agreement shall be executed after issue of the said final order by the Govt. of Chhattisgarh. Pending transfer of loans to respective successor power utilities, the loan liabilities are outstanding in the name of CSEB.

18. (i) The Company has been appointed as the 'Nodal Agency' for the operationalisation and implementation of Re-structured Accelerated Power Development and Reforms Programme (R-APDRP), under the overall guidance of the Ministry of Power (MoP), Government of India (GOI).

Projects under the scheme are being taken up in Two Parts. Part-A includes the projects for establishment of baseline data and IT applications for energy accounting/auditing as well as IT based consumer service cente₹ Part-B includes regular distribution strengthening projects. GoI provide 100% loan for Part A and 25% (90% for special category States) loan for Part B.

The Loans under R-APDRP are being routed through the Company for disbursement to the borrowers. The amount so disbursed along with accrued interest will be paid to Government of India (GOI) on receipt from the borrowers.

The details are furnished below :

(₹ in crore)

Particulars	Amount	Amount
(A) Amount Due to GOI under R-APDRP		
Funds Received from GOI:-		
Up to 31.03.2009	325.10	
During the current financial year	1320.99	
	1646.09	
Add:- Interest accrued but not due on Loan disbursed		
• Upto 31.03.2010	109.70	
• Add:- Interest earned on fixed deposit	0.11	1755.90
(B) Amount recoverable from borrowers under R-APDRP		
Amount disbursed to borrowers:		
Up to 31.03.2009	325.10	
During the current financial year	1320.99	
	1646.09	
Add:- Interest accrued but not due		
• Upto 31.03.2010	109.70	1755.79
Net amount payable to GOI under R-APDRP (A-B)		**0.11**

(ii) During the previous year, the Company recognized nodal agency fee (NAF) of ₹ 17.33 crore (net of service tax), i.e. @ 1% of loan sanctioned under R-APDRP, as per minutes of meeting held by MoP in August 2008, out of the total adhoc advance of ₹ 25 crore received from MoP. MoP in the meeting held on 29.03.2010 had constituted the Committee to finalise the norms of payment of NAF and reimbursement of expenditure to nodal agency i.e the Company. As such, income of ₹ 43.74 crore accounted for (current year -₹ 26.41crore and previous year - ₹ 17.33 crore) has been reversed during the current financial year. The expenditure incurred by PFC will be dealt with as per the decision of Ministry of Power (MoP). Further, pending finalization of norms for payment of NAF etc., the accounting policy on NAF has been held in abeyance.

19. The net deferred tax liabilities of ₹ 46.93crores (previous year ₹ 55.48crore) have been computed as per Accounting Standard 22 on "Accounting for Taxes on Income".

The breakup of deferred tax liabilities is given below: -

(₹ in crore)

Description	As on 31.03.2010	As on 31.03.2009
(a) Deferred Tax Asset (+)		
(i) Provision for expenses not deductible under Income Tax Act	7.06	9.30
(b) Deferred Tax Liabilities (-)		
(ii) Depreciation	-0.12	-0.26
(iii) Lease income on new leases	-53.36	-65.07
(iv) Amortization	-0.53	0.55
(iv) Preliminary expenses written off and brought forward losses	0.02	--
Net Deferred Tax liabilities (-)/Assets (+)	**-46.93**	-55.48

20. The Company had started creating deferred tax liability on special reserve created and maintained under Section 36(1) (viii) of Income Act, 1961, as per the opinion of Expert Advisory Committee of ICAI in Financial Year 2004-05. Based upon the clarification received from the Accounting Standard Board of Institute of Chartered Accountants of India (ICAI) vide letter dated 02.06.2009 and as explained in Policy No.13.2, the Company had stopped creating DTL on special reserve created and maintained from Financial Year 2008-09. Further, during the financial year 2008-09 Company reversed the Deferred Tax Liability (DTL) created in earlier years on special reserve created and maintained under Income Tax Act. The reversal of DTL was done by crediting revenue reserve by ₹745.14 crore for Financial Year 1997-98 to Financial Year 2003-04 (as DTL was created by debiting revenue reserve), crediting Profit and Loss Account by ₹483.24 crores for Financial Year 2004-05 to Financial Year 2007-08 (as DTL was created by debiting Profit and Loss Account for these years) and by debiting DTL by ₹1228.38 crores.

Further, DTL on the Special Reserve created and maintained under Section 36(1) (viii) of Income Tax Act, 1961 for the current year amounting to ₹ 157.93 crore (Previous year ₹ 133.28 crore) has not been created as per paragraph 13.2 of Accounting Policy.

21. In compliance with Accounting Standard – 20 on "Earning Per Share" issued by the Institute of Chartered Accountants of India, the calculation of Earning Per Share (Basic and Diluted) is as under:-

Particulars	Current year 31.03.2010	Previous year 31.03.2009
Net Profit after Tax used as numerator (₹in crore)	2378.30	1979.69
Weighted average number of equity shares used as denominator (Basic & diluted)	114,77,66,700	114,77,66,700
Earning per share (Basic & diluted) (Rupees)	20.72	17.25
Face value per share (Rupees)	10	10

22. The Company has no outstanding liability towards Micro, Small and Medium enterprises.

23. The value of lease hold land aggregating to ₹38.33crore(previous year ₹38.33 crore) comprises of amount of ₹31.83crore (previous year ₹31.83 crore) paid towards cost of land to Land and Development Office (L&DO), Ministry of Urban Affairs, Govt. of India, stamp duty liability of ₹2.47crore(previous year ₹2.47 crore) and capitalization of ground rent upto the date of completion of building of ₹4.03 crore (previous year ₹ 4.03 crore). In accordance with Memorandum of Agreement (MOA) executed with L&DO, the lease deed is yet to be signed. Pending execution of perpetual lease deed, (which does not have limited useful life) the value of leasehold land is not amortized and /or no provision for depreciation has been made on the said leasehold land.

24 Liabilities and Assets denominated in foreign currency have been translated at TT selling rate of SBI at year end as given below: -

S. No.	Exchange Rates	31.03.2010	31.03.2009
1	INR /US$	45.5800	51.4500
2	INR / JPY	0.4900	0.5265
3	INR /EURO	61.3100	68.4300

25. Disclosures as per Accounting Standard-15:-

A. Provident Fund

The Company pays fixed contribution to Provident Fund at prescribed rates to a separate trust, which invests the funds in permitted securities. The contribution to the fund for the period is recognized as expense and is charged to the profit and loss account. The obligation of the Company is to make such fixed contribution and to ensure a minimum rate of return to the members as specified by GOI. Any short fall for payment of interest to members as per specified rate of return has to be compensated by the Company. The Company estimates that no liability will take place in this regard in the near future and hence no further provision is considered necessary.

B. Gratuity

The company has a defined gratuity scheme and is managed by a separate trust. The provision for the same has been made on actuarial valuation based upon total number of years of service rendered by the employee subject to a maximum amount of ₹10 lakh.

C. Post Retirement Medical Scheme (PRMS)

The Company has Post-Retirement Medical Scheme (PRMS), under which retired employee and the dependent family members are provided medical facilities in empanelled hospitals. They can also avail reimbursement of Out-Patient treatment subject to a ceiling fixed by the Company.

D. Terminal Benefits

Terminal benefits include settlement in home town for employees & dependents.

E. Leave

The Company provides for earned leave benefit and half-pay leave to the credit of the employees which accrue on half yearly basis @ 15 days and 10 days respectively. 75% of the earned leave is encashable while in service and maximum of 300 days earned leave can be accumulated which is encashable on superannuation/ separation. Half pay leave is encashable on separation after 10 years of service or at the time of superannuation subject to a maximum of 300 days. The liability for the same is recognized based on actuarial valuation.
The above mentioned schemes (C, D and E) are unfunded and are recognized on the basis of actuarial valuation.

The summarised position of various defined benefits recognized in the profit and loss account, balance sheet are as under {Figures in brackets ( ) represents to previous year}

i)Expenses recognised in Profit and Loss Account

(₹in crore)

	Gratuity	PRMS	Leave
Current Service Cost	0.80 (0.57)	0.24 (0.19)	1.29 (0.68)
Interest cost on benefit obligation	0.59 (0.33)	0.27 (0.22)	0.54 (0.46)

Expected return on plan assets	-0.53 (-0.38)	0.00 (0.00)	0.00 (0.00)
Net actuarial (gain)/Loss recognised in the year	1.90 (2.50)	2.58 (0.27)	5.53 (0.18)
Expenses recognised in Profit & Loss Account	2.76(*) (3.02)	3.09 (0.68)	7.36(*) (1.32)

(*) Includes ₹0.08 crore (Previous year ₹0.07 crore) and ₹0.11 crore (Previous year ₹0.11 crore) for gratuity and leave respectively allocated to subsidiaries companies.

ii) The amount recognized in the Balance Sheet

(₹ in crore)

	Gratuity	PRMS	Leave
Present value of obligation as at 31.03.2010 (i)	11.18 (7.96)	6.44 (3.66)	12.84 (7.15)
Fair value of plan assets at at 31.3.2010 (ii)	8.42 (4.94)	0.00 (0.00)	0.00 (0.00)
Difference (ii) – (i)	-2.76 (-3.02)	-6.44 (-3.66)	-12.84 (-7.15)
Net Asset/(Liability) recognized in the Balance Sheet	-2.76 (-3.02)	-6.44 (-3.66)	-12.84 (-7.15)

iii) Changes in the Present Value of the defined benefit obligations

(₹ in crore)

	Gratuity	PRMS	Leave
Present value of obligation as at 01.04.2009	7.96 (4.67)	3.66 (3.17)	7.15 (6.47)
Interest Cost	0.59 (0.33)	0.27 (0.22)	0.54 (0.46)
Current Service Cost	0.80 (0.57)	0.24 (0.19)	1.29 (0.68)
Benefits paid	-0.07 (-0.11)	-0.31 (-0.19)	-1.67 (-0.64)
Net actuarial (gain)/loss on obligation	1.90 (2.50)	2.58 (0.27)	5.53 (0.18)
Present value of the defined benefit obligation as at 31.03.2010	11.18 (7.96)	6.44 (3.66)	12.84 (7.15)

iv) Changes in the fair value of plan assets

(₹ in crore)

	Gratuity	PRMS	Leave

Fair value of plan assets as at 01.04.2009	7.96 (4.67)	0.00 (0.00)	0.00 (0.00)
Expected return on plan assets	0.53 (0.38)	0.00 (0.00)	0.00 (0.00)
Contributions by employer	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Benefit paid	-0.07 (-0.11)	0.00 (0.00)	0.00 (0.00)
Acturial gain/(loss)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Fair value of plan assets as at 31.03.2010	8.42 (4.94)	0.00 (0.00)	0.00 (0.00)

v) The effect of one percent increase / decrease in the medical cost of PRMS will impact the liability as under:-

Cost increase by 1% ₹0.09. crore
Cost decrease by 1% ₹0.07 crore

vi) During the year, the Company has provided liability towards contribution to the Gratuity Trust of ₹2.76crores, to PRMS of ₹3.09 crore, to leave ₹7.36 crore and to pension ₹1.78 crores.(Previous year towards contribution to the Gratuity Trust of Rs3.02 crore, to PRMS of Rs0.68 crore, to leave ₹ 1.32 crore and to pension scheme ₹NIL).

E. Other Employee Benefits:-

During the year, provision of ₹0.04 crore (previous Year ₹ 1.88 crore) has been made for Economic Rehabilitation Scheme for Employees and provision of ₹ 0.01 crore has been reversed for Long Service Award for Employees (Previous year ₹ 0.27 crore made) on the basis of actuarial valuation made at the year end by charging/crediting the profit and loss account.

F. Details of the Plan Asset:-

The details of the plan assets at cost as on 31st March are as follows:-

(₹ in crore)

		2010	2009
i)	State Government Securities	1.37	0.88
ii)	Central Government Securities	2.18	1.37
iii)	Corporate Bonds/debentures	4.87	2.69
	Total	8.42	4.94

G. Actuarial assumptions
Principal assumptions used for actuarial valuation are:-

Method Used	Projected Unit Credit Method
Discount Rate	7.50 %
Expected rate of return on assets- Gratuity	6.68 %
Future salary increase	5.00 %

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

26. Details of provision as required in AS-29.

(₹in crore)

Particulars	Financial year 2009-10	Financial Year 2008-09
Post Retirement Medical Scheme		
Opening Balance	3.66	3.17
Addition during the year	3.09	0.68
Amount paid/utilized during the year	0.31	0.19
Closing Balance	6.44	3.66
Gratuity		
Opening Balance	3.02	0.08
Addition during the year	2.76	3.02
Amount paid/utilized during the year	3.02	0.08
Closing Balance	2.76	3.02
Pension*		
Opening Balance	0.00	0.00
Addition during the year	1.78	0.00
Amount paid/utilized during the year	0.00	0.00
Closing Balance	1.78	0.00
Leave Encashment		
Opening Balance	7.15	6.47
Addition during the year	7.36	1.32
Amount paid/utilized during the year	1.67	0.64
Closing Balance	12.84	7.15
Wage Revision		
Opening Balance	21.89	17.12
Addition during the year	1.57	4.77
Amount paid/utilized during the year	17.26	0.00
Closing Balance	6.20	21.89
Economic Rehabilitation Scheme for Employee		
Opening Balance	1.29	3.17
Addition during the year	0.04	-1.86
Amount paid/utilized during the year	0.02	0.02
Closing Balance	1.31	1.29
Bonus/Incentive		
Opening Balance	9.76	6.59
Addition during the year	14.32	9.77
Amount paid/utilized during the year	7.75	6.60

Closing Balance	16.33	9.76
Leave Travel Concession		
Opening Balance	2.34	1.91
Addition during the year	0.15	2.20
Amount paid/utilized during the year	2.49	1.77
Closing Balance	0.00	2.34
Baggage Allowances		
Opening Balance	0.05	0.05
Addition during the year	0.00	0.00
Amount paid/utilized during the year	0.00	0.00
Closing Balance	0.05	0.05
Service Award		
Opening Balance	2.11	1.84
Addition during the year	-0.01	0.27
Amount paid/utilized during the year	0.00	0.00
Closing Balance	2.10	2.11
Income Tax		
Opening Balance	1489.88	1049.40
Addition during the year	800.55	492.02
Amount refunded/adjusted	953.14	(51.54)
Closing Balance	1337.29	1489.88
Fringe Benefit Tax		
Opening Balance	2.90	2.91
Addition during the year	0.00	0.73
Amount adjusted during the year	2.10	(0.74)
Closing Balance	0.80	2.90
Proposed Final Dividend		
Opening Balance	154.95	114.78
Addition during the year	172.17	154.95
Amount paid/utilized during the year	154.95	114.78
Closing Balance	172.17	154.95
Proposed Corporate Dividend Tax		
Opening Balance	26.33	19.51
Addition during the year	29.26	26.33

	Amount paid/utilized during the year	26.33	19.51
	Closing Balance	29.26	26.33

* Pension: In view of the issuance of DPE (Department of Public Enterprise) guidelines for providing superannuation benefits w.e.f. 01.01.07, the Company is in the process of finalizing Pension Scheme for its employee. Pending framing of the scheme, the company has made a provision of ₹1.78 crores for the period from 01.01.2007 to 31.03.2010.

27.	(i) During the year, the Company has sent letters seeking confirmation of balances as on 31-12-2009 to borrower. The balance confirmation is received from all the borrowers confirming 99.99% of the total outstanding balance amount sought for confirmation. Some of the balances of debtors, creditors and loan and advances are subject to confirmation / reconciliation / adjustments, if any. (ii) Some of the designated bank accounts opened for making interest payment to bondholders/ debenture holders have outstanding balance of ₹ 0.61 crore (remaining unpaid for more than 9 months) are subject to reconciliation/ confirmation.
28.	Preliminary Expenses of ₹0.34 crore (previous year ₹0.01 crore) relating to the formation of Subsidiary/Joint Controlled Entity has been charged to Profit and Loss Account.
29.	The pay revision of non executives (including non-unionized supervisors) of the company is due w.e.f. 01.01.2007. Pending implementation of pay revision, a provision of ₹ 1.57 crore (previous year ₹ 4.77 crore both for executives and non- executives) for the year has been made towards wage revision on an estimated basis in line with office memorandum issued by DPE.
30.	The Company and its subsidiary do not have more than one reportable segment in terms of Accounting Standard No. 17 on Segment Reporting.
31.	For certain items, the Company and its subsidiary have followed different accounting policies. However, the impact of the same is not material.
32.	Previous year's figures have been re-grouped / re-arranged, wherever practicable, to make them comparable with the current year. The previous year figures in consolidated financial statements are not inclusive of figures of "Energy Efficiency Services Limited" and Power Equity Capital Advisor (P) Ltd." as being the first year of consolidation of accounts.
33.	The disclosure requirement in respect of subsidiary/Joint Venture Company have been disclosed to the extent available from their audited accounts.
34.	Figures have been rounded off to crore of rupees with two decimals.

Part – C
Financial Year 2008-09

Other Notes on Accounts to Consolidated Financial Statements

1. The Consolidated Financial Statements represent consolidation of accounts of the Company (Power Financial Corporation Limited), its subsidiary company and joint venture entity as detailed below:-

Name of the Subsidiary/Joint Venture Company	Country of Incorporation	Proportion (%) of Shareholdings as on		Status of Accounts & Accounting period
		31.03.2009	31.03.2008	
Subsidiary Company				
PFC Consulting Limited	India	100	--	Audited & 25.03.2008 to 31.03.2009
Joint Venture				
National Power Exchange Limited	India	16.66	--	Audited & 11.12.2008 to 31.03.2009

1.2. The Financial Statements of subsidiaries and fellow subsidiaries (incorporated in India) as mentioned below are not consolidated in terms of paragraph 11 of Accounting Standard-21 which states that a subsidiary should be excluded from consolidation when control is intended to be temporary because the subsidiary is acquired and held exclusively with a view to its subsequent disposal in the near future :-

Name of the Company	Proportion (%) of Shareholding as on	
	31.03.2009	**31.03.2008**
Subsidiary Companies:		
Akaltara Power Limited	100	100
Coastal Karnataka Power Limited	100	100
Coastal Maharashtra Mega Power Limited	100	100
Orissa Integrated Power Limited	100	100
Coastal Tamil Nadu Power Limited	100	100
Jharkhand Integrated Power Limited	100	100
BokaroKodarma Maithon Tr. Co. Limited	100	100
East-North Interconnection Co. Limited	100	100
Sakhigopal Integrated Power Company Limited (Wholly owned subsidiary of PFC Consulting Ltd.)	100	--
Ghogarpalli Integrated Power Company Limited (Wholly owned subsidiary of PFC Consulting Ltd.)	100	--

The above subsidiary companies were incorporated as Special Purpose Vehicle (SPVs) under the mandate from Government of India for development of Ultra Mega Power Projects (UMPPs) and Transmission Projects with the intention to hand over the same to successful bidder on completion of the bidding process.

1.2 The Financial Statement of the Associate Company "Power Equity Capital Advisors(Pvt.) Limited" (PECAP) is not considered for consolidation as the Company was incorporated on 25.03.2008 and decided to close its first Financial Year on 30-05-09. Accordingly, the investment in PECAP is

	recognized at cost and shown under "Investment" in Schedule -6. 1.3 The Company promoted and acquired the shares at face value in the Subsidiary Company. Therefore any goodwill or capital reserve did not arise.
2.	Contingent liabilities: (i) Default Guarantees issued by the Company in foreign currency : (a) EURO 1.066 million equivalents to ₹7.29 crore (previous year EURO 1.421 million equivalent to ₹9.02crore). (b) US$ 21.145 million equivalent to ₹108.79 crore (previous year US$ 24.545 million equivalent to ₹98.45 crore).
	(ii)Default Guarantee issued by the Company in Indian Rupee: ₹400.00 crore, (previous year Rs 400.00 crore). (iii)Bank Guarantee issued by the Company in Indian Rupee: ₹0.04 crore, (previous year Rs 0.04 crore).
	(iv) Outstanding disbursement commitments to the borrowers for Letter of Comforts issued against the loans sanctioned -₹394.88 crore (Previous year ₹ 795.21 crore).
	v (a) The additional demand raised by Income Tax Department of Rs 0.73 crore for Assessment Year 2001-02 &₹44.23 crore for Assessment Year 2006-07 were paid and are being contested. Further, the demand of ₹17.91 crore for Assessment Year 2007-08 has been raised and is also being contested. The management does not consider it necessary to make any provision as the probability of outflow of resources is negligible. (b) For Assessment Year 1997-98 to 1999-2000 ITAT has granted refund of ₹42.12 crore against which the revenue department has filed an appeal before Delhi High Court which is pending.
	(vi) Claim not acknowledged as debts are ₹7.80 crore (previous year ₹7.80 crore).
	vii) Contracts of capital nature remaining to be executed and not provided for ₹ 8.37 crore (Previous year ₹0.17 crore).
3.	(i) The additional demands raised by Income Tax Department (net of relief granted by Appellate Authorities) of ₹0.26 crore for Assessment Year 1996-97, ₹18.77 crore for Assessment Year 2000-01, ₹23.36 crore for Assessment Year 2001-02, ₹24.71 crore for Assessment Year 2002-03, ₹23.07 crore for Assessment Year 2003-04, ₹63.88 crore for Assessment Year 2004-05 and ₹23.64 crore for Assessment Year 2005-06 were paid, provided for and are being contested. (ii) During the year, the Company has created additional special reserve u/s 36(1)(viii) for Assessment Year 2006-07 to Assessment Year 2008-09 out of the profit of the respective year(s), to match the deduction allowable as per order of Assessing Officer for Assessment Year 2006-07 who held that the deduction of special reserve created & maintained u/s 36(1)(viii) should be allowed before deduction of Reserve created for bad & doubtful debts u/s 36(1)(viia)(c). However, the Company has not reduced the Reserve for bad & doubtful debts for these years amounting to ₹61.42 crore pending decision of Appellate Authority.
4.	The Company has been deploying surplus funds in fixed deposits. In one of such investment, the banker has not paid the interest amount of ₹0.44 crore intimating the inadvertent mistake in mentioning the interest rate at the time of investment. The Company has not recognised the disputed amount as income pending settlement of the dispute.
5.	The Govt.of India, Ministry of Power, under section 58(4) of the Madhya Pradesh Reorganization Act, 2000 (MPRA) issued an order No 42/8/2000-R&R dated 12.04.2001 through which assets, transfer rights, liabilities, undertaking etc, of erstwhile Madhya Pradesh Electricity Board(MPEB) were passed on to the successor boards namely MPSEB & CSEB after bifurcation of state of Madhya Pradesh. Subsequently, the GOI, Ministry of Power through the Gazette of India Extraordinary-MoP, New Delhi notification dtd.4.11.2004 had decided to divide the liability and assets of erstwhile MPEB into MPSEB & CSEB in the ratio of fixed assets of 90:10 respectively. Consequent upon this, CSEB has informed that though it has been clearing the dues of the Company based on the acquired liability of erstwhile MPEB at ₹110.64 crore, it has requested the Company to align the dues in line with MoP order to ₹105.23 crore. Nevertheless, the Company

will receive the full amount of principal payment either from CSEB or MPSEB. Further, PFC has taken up the matter with MoP and has requested MoP to review and revise the order on a plea that PFC's loans are project specific and the amount disbursed actually goes into the creation of the assets on such projects are not to be allocated in the manner as suggested by MoP in the new order. The decision of MoP is awaited.

6. A project under the implementation having total outstanding of ₹105.83 crore excluding additional disbursement of ₹192.15 crore under the loan (previous year as on 31.03.2008 ₹94.54 crore excluding additional disbursement of ₹ 91 crore) has been considered as Standard Asset in terms of RBI Circular No. DBS.FID.No.C-11/01.02.00/ 2001-02 dated 1.02.2002 read with D.O. letter DBS.FID No.1285/ 01.02.00/2001-02 dated 14.05.2002 and RBI letter No.DBOD, BP.No.7675/ 21.04.048/ 2008-09 dated 11.11.2008 which clarifies that the date of commencement of commercial operation should be 31.03.2009, as decided at the time of actual financial closure of the project in September 2006. Based upon above clarification read with above referred circulars, the asset is to be treated as standard asset not exceeding 2 years from the date of completion of the project (i.e. 2 years from 31.3.2009). Further, pending clarifications on implementation of the financial restructuring package (FRP) by the lenders, the income is not ascertainable as on 31.3.2009 on the outstanding advance of ₹105.83 crore given prior to 01.11.2005. The interest on this loan is recognized on receipt basis. A remittance of ₹11.40 crore made during the year relating to past dues have been accounted for in the books as income on receipt basis. Further, the interest of ₹19.16 crore (including adjustment of ₹6.74 crore as IDC against disbursement) earned on additional disbursed loan amount of ₹192.15 crore has also been recognized as income on receipt basis.

7. (i)Assets of ₹15.43 crore (Previous year ₹13.96 crore) were classified as Non Performing Assets in terms of prudential norms of the Company. Accordingly, a provision of ₹8.97 crore is held in the accounts (previous year ₹6.80 crore).

(ii)Interest Subsidy under AG&SP (including interest upto 31st March, 2009) amounting to ₹98.90 crore (previous year ₹93.73 crore) which became recoverable in respect of two projects which were not completed till 31.03.2007 as the subsidy was withdrawn by Ministry of Power are yet to be recovered. Out of the interest subsidy of ₹98.90 crore, ₹95.71 crore (previous year ₹ 90.78 crore) is payable to the Ministry of Power and will be paid after its receipt.

8. The Company discontinued interest rate restructuring policy w.e.f. December 2005. However, the loans which were restructured with 3 year reset (after 3 years the loan shall carry original interest rate i.e. the rate before interest restructuring). The borrower was given option to seek further restructuring after 3 years on payment of 50% premium being NPV of difference between Original interest rate and Current interest rate for the entire remaining period of Loan. Accordingly the Company has done interest restructuring amounting to ₹703.35 crore (previous year ₹85.22 crore). An amount of ₹8.95 crore (previous year ₹0.07 crore) has been received and credited to Profit and Loss Account as Interest Restructuring Premium (Refer schedule 10).

9. The Company is not required to create Bond Redemption Reserve in respect of bonds by virtue of the Department of Company Affairs' Circular of 18.04.2002 according to which the financial institutions within the meaning of section 4A of the Companies Act 1956 were not required to create Bond Redemption Reserve in case of privately placed debentures.

The Company is not required to maintain Reserve Fund under Section 45-IC of the Reserve Bank of India Act, 1934 by transferring 20 percent of its net profits, as it is exempted by RBI vide its letter dated 24.01.2000.

10. (a) Expenditure in foreign currency (Actual outgo):

(₹ in crore)

S.No.	Description	Year ended 31.03.2009	Year ended 31.03.2008
i)	a) Interest on loans to foreign institutions	125.80	99.31
	b) Interest on FCNR-B loans to Banks	10.63	6.64
ii)	Financial & Other charges	14.56	21.07
iii)	Traveling Expenses	0.15	0.34
iv)	Training Expenses	0.07	0.01

(b) Earning in foreign currency (Actual Receipt) (₹ in crore)

S. No.	Description	Year ended	Year ended

		31.03.2009	31.03.2008
i)	Interest Received on funds Parked abroad	Nil	1.08

11.1 Related Party Disclosures:

Key Managerial Personnel:

Name of the Key Managerial Personnel
The Company
Dr.V K Garg, Ceased to be CMD on 31.07.2008
Shri Satnam Singh
Shri ShyamWadhera, Director, Ceased to be Director on 31.07.2008
Shri M K Goel
Shri Rajeev Sharma
Subsidiary & Joint Venture
Shri K K Agarwal
Shri R Nagarajan
Shri N D Tyagi

Managerial Remuneration:
(₹ in crore)

	Chairman & Managing Director		Other Directors	
	For the year ended 31.03.2009	For the year ended 31.03.2008	For the year ended 31.03.2009	For the year ended 31.03.2008
Salaries & Allowances	0.33	0.16	0.42	0.47
Contribution to Provident Fund and other Welfare Fund	0.01	0.01	0.02	0.02
Other Perquisites / Payments	0.12	0.06	0.13	0.22
Total	0.46	0.23	0.57	0.71

In addition to the above perquisites, the Chairman & Managing Director and other Directors have been allowed to use staff car including private journey up to a ceiling of 1000 kms per month on payment of ₹780/- per month.

11.2 Investment in Equity Share Capital of Subsidiaries/Associates/Joint Venture Companies including companies promoted as SPVs for Ultra Mega Power Projects are given below:-

	Name of the Companies	**Number of shares subscribed**	**Percentage of ownership**	**Amount (₹ in crore)**
	Subsidiary Company			
1.	PFC Consulting Limited	50000	100%	0.05
	Sub-Total (A)	**50000**		**0.05**
	Subsidiary Companies promoted as SPVs for Ultra Mega Power Projects			
1.	Akaltara Power Ltd	50000	100%	0.05
2.	Bokaro-kodarma Maithon Transmission Co. Limited	50000	100%	0.05
3.	Coastal Karnataka Power Limited	50000	100%	0.05
4.	Coastal Maharashtra Mega Power Limited	50000	100%	0.05
5.	Coastal Tamil Nadu Power Limited	50000	100%	0.05
6.	East-North Interconnection Co. Limited	50000	100%	0.05
7.	Jharkhand Integrated Power Limited.	50000	100%	0.05

8.	Orissa Integrated Power Limited	50000	100%	0.05
9.	SakhiGopal Integrated Power Co. Ltd (Wholly owned Subsidiary of PFC Consulting Limited)	50000	100%	0.05
10.	Ghogarpalli Integrated Power Co. Ltd (Wholly owned Subsidiary of PFC Consulting Limited)	50000	100%	0.05
	Sub-Total (B)	**400000**		**0.50**
	Associate companies and Joint venture			
1.	Power Equity Capital Advisors (Pvt.) Limited	15000	30%	0.02
2.	National Power Exchange Limited	833000	16.66%	0.83
	Sub_Total (C)	**848000**		**0.85**
	TOTAL (A) + (B) +(C)	**1298000**		**1.40**

11.3 The details of amount recoverable (including interest thereon) from the respective SPVs are given below:

(₹ in crore)

Name of the Subsidiary Companies	Amount as on 31.03.2009	Amount as on 31.03.2008
Akaltara Power Limited	1.60	0.29
Bokaro Kodarma Maithon Tr. Co. Ltd.(**)	1.12	0.78
Coastal Karnataka Power Limited	1.46	0.73
Coastal Maharashtra Mega Power Limited	3.41	2.33
Coastal Tamil Nadu Power Ltd.	4.37	0.75
East-North Interconnection Co. Ltd.	2.14	0.96
Jharkhand Integrated Power Ltd	48.60	37.30
Orissa Integrated Power Limited	4.77	2.04
PFC Consulting Limited	0.09	--
SakhiGopal Integrated Power Co.Ltd and Ghogarpalli Integrated Power Co. Ltd (Wholly owned Subsidiaries of PFC Consulting Limited)	0.01	--
Total	67.57	45.18

(**) In respect of Bokaro Kodarma Maithon Tr. Co. Ltd., MoP decided to entrust this project to Power Grid Corporation of India Ltd (PGCIL) instead of PFC and therefore PFC requested MoP to advice PGCIL to reimburse ₹1.12 crore expenses incurred so far to PFC so as to close this project in PFC. The MoP is examining the issue. Since, this has not been settled and more than one year has passed and the subsidiary company is in the process of winding up, the Company has provided for the entire recoverable amount in its books treating the same as "doubtful asset".

11.4 The details of amount payable to SPVs (including interest) in respect of amount contributed by Power Procurers are given below:

(₹ in crore)

Name of the Subsidiary Companies	Amount as on 31.03.2009	Amount as on 31.03.2008
Akaltara Power Limited	30.13	--
CoastalMaharashtra Mega Power Limited	41.40	--
Coastal Tamil Nadu Power Ltd.	41.02	38.14
Jharkhand Integrated Power Ltd.	48.97	44.07
Orissa Integrated Power Limited	45.99	42.72
SakhiGopal Integrated Power Co.Ltd (Wholly owned Subsidiary of PFC Consulting Limited)	4.81	--
Total	**212.32**	**124.93**

11.5 The Company has also made investments in equity (unquoted) of two power exchanges namely "National

	Power Exchange limited" and "Power Exchange India Limited": National Power Exchange Limited (NPEL) PFC, NTPC, NHPC and TCS have promoted jointly 'National Power Exchange Limited'. The National Power Exchange Ltd will carry out the business of providing platform for trading of power through an organized exchange. The Company has since made the investment of ₹0.83 crore upto 31st March 2009. NPEL has not commenced its operation. Power Exchange India Limited (PXI) The PXI has been promoted by NSE and NCDEX with an authorized capital of Rs 25 crore as a nation-wide exchange for trading of electricity. The Company has invested in Power Exchange India Ltd, by subscribing with 7% equity contribution amounting to ₹1.75 crore consists of 17,50,000 equity shares of ₹10 each. The equity shares have been allotted on 08.05.2009 in favour of the Company. The Company is also a Professional Clearing Member (PCM) of Power Exchange to support the activities of Trading Members. PXI has commenced its operations.
11.6	Investment in "Small is Beautiful" Fund: - The Company had outstanding investment Rs 14.47 crore in units of "Small is Beautiful" Fund. Against this , a sum of ₹0.05 crore has been received as dividend during the year. The NAV of the Units of the Fund was ₹9.09 per unit of Rs 10 (face value). The diminution in value of NAV amounting to ₹1.32 crore (Previous year ₹0.26 crore) has been provided for during the year.
11.7	During the year, the Company transferred the fourteen number of uncompleted consultancy assignments to its subsidiary- PFC Consulting Limited. The value of such uncompleted assignments was estimated to ₹13.08 crore (including liability of ₹0.56 crore). However, PFC Consulting Limited has accounted for ₹6.88 crore as advance and balance ₹6.20 crore recognized as its revenue against these uncompleted assignments as per Accounting Policy No.C.2.1.7 which resulted in reduction of consolidated income by ₹6.32 crore.
12.	Interest Differential Fund (IDF) – KFW The agreement between KFW and PFC provides that the IDF belongs to the borrowers solely and will be used to cover the exchange risk variations under this Loan and any excess will be used in accordance with the agreement. The balance in the IDF fund has been kept under separate account head titled as Interest Differential Fund-KFW and shown as a liability. The total fund accumulated as on 31.03.2009 is ₹34.19 crore (previous year ₹ 36.85 crore) after adjusting the translation loss of ₹ 24.12 crore (previous year ₹ 18.24 crore).
13.	During the current year, exchange loss (net) of ₹ 252.53 crore (previous year ₹20.14 crore) on foreign currency assets and liabilities comprising of translation loss of ₹235.66 crore and actual loss of ₹16.87 crore has been charged to P&L account as per Accounting Standard 11. However, cumulative exchange loss (net) on account of translation of foreign currency assets & liabilities as at 31.03.2009 is ₹379.64 crore (previous year ₹143.98 crore).
14.	The company was having outstanding forward foreign exchange contracts and principal only swaps (POS) against the Foreign Currency Loan liabilities as per details given hereunder:- i) Forward contracts to cover exchange rate risk in USD/INR leg. US$ 20 million ii) Forward contracts to cover exchange rate risk in EURO/USD leg. EURO 0.969 million iii) Principal only Swap to cover exchange rate risk in USD/INR leg. US$ 110 million
15.	(a) Assets under finance lease prior to 01.04.2001 The Company has purchased an asset for ₹5.47 crore and leased to MSEB. Out of the above, the payment of ₹0.45 crore (previous year ₹0.45 crore) is still outstanding. The secondary period of lease expired on

31.03.2009. The borrower requested to sell this asset at a nominal value. Pending sale or transfer of asset or extension of lease period, the same has been continued to be shown under leased assets.

(b) Asset under finance lease after 01.04.2001

(i) The Gross investment in the leased assets and the present value of the minimum value receivable at the balance sheet date has been given in the table below with the description as total of future minimum lease payments and present value of the lease payments amounting to ₹266.51 crore and ₹189.08 crore respectively. The reconciliation of these figures has also been indicated under the head "unearned finance charges" with an amount of ₹ 77.43 crore.

The future lease rentals are given below:-
(₹ in crore)

Particulars	As on 31.03.2009	As on 31.03.2008
Total of future minimum lease payments (Gross Investments)	266.51	302.12
Present value of lease payments (*)	189.08	211.67
Unearned finance income	77.43	90.45
Maturity profile of total of future minimum lease payments (Gross Investment)		
Not later than one year	48.04	45.65
Later than one year and not later than 5 years	192.16	182.58
Later than five years	26.31	73.89
Total	**266.51**	**302.12**
Break up of Present Value of Lease Payments		
Not later than one year	25.41	23.61
Later than one year and not later than 5 years	139.53	125.46
Later than five years	24.14	62.60
Total	**189.08**	**211.67**

(*) excluding outstanding dues of ₹2.52 crore which is under reconciliation in respect of one finance lease.

(ii) The Company had sanctioned an amount of ₹88.90 crore in the year 2004 as finance lease for financing Wind Turbine Generator (commissioned on 19.07.2004) which was reduced to ₹88.85 crore in December 2006. The Gross Investment stood at the level of ₹76.75 crore as on 31.3.2009. The lease rent is to be recovered within a period of 15 Years, which comprises of 10 years as a primary period and 5 years as a secondary period.

(iii) The Company had sanctioned an amount of ₹98.44 crore in the year 2004 as finance lease for financing Wind Turbine Generator (commissioned on 18.5.2004). The Gross Investment stood at ₹86.57 crore as on 31.3.2009. The lease rent is to be recovered within a period of 20 years, which, comprises of 10 years as a primary period and maximum of another 10 years as a secondary period.

(iv) The Company had sanctioned an amount of ₹93.51 crore in the year 2004 as finance lease for financing Wind Turbine Generator(commissioned on 09.06.2005). The Gross Investment stood at ₹103.19 crore as on 31.3.2009. The lease rent is to be recovered within a period of 20 years which comprises of 10 years as a primary period and maximum of 9 years and 11 months as a secondary period.

(v) In two lease financing cases, the borrowers have not accepted interest rate on reset and the matter is lying with Borrowers Grievance Redressal Committee of the Company for decision. The disputed income of ₹2.39 crore has not been recognized in Profit & Loss Account.

c) Operating Leases:

The Company's operating leases consists:-

Premises for residential use of employees and offices which are leasing arrangements usually renewable on mutually agreed terms but are not non-cancellable. Employees' remuneration and benefits include ₹1.83 crore (Previous year ₹ 1.80 crore) towards lease payments, net of recoveries, in respect of premises for residential use of employees. Lease payments in respect of premises for employees are shown as Rent for Residential Accommodation of employees in Schedule 14- Personnel & Administrative Expenses. Lease payments in respect of premises for offices are shown as Office Rent in Schedule 14- Personnel & Administrative Expenses.

16. Subsidy under Accelerated Generation & Supply Programme (AG&SP):

The Company is claiming subsidy from Govt. of India at Net Present Value calculated at indicative interest rates in accordance with GOI's letter vide D.O.No.32024/17/97-PFC dated 23.09.1997 and O.M.No.32024/23/2001-PFC dated 07.03.2003 irrespective of the actual repayment schedule, moratorium period and duration of repayment. The amount of interest subsidy received and to be passed on to the borrower is retained as Interest Subsidy Fund Account. The impact of difference between the indicative rate and period considered at the time of claims and at the time of actual disbursement can be ascertained only after the end of the respective schemes. However on the basis of the projections made for each project (based upon the certain assumptions that these will remain same over the projected period of each loan / project), the Company estimated the net excess amount of ₹283.14 crore and ₹44.27 crore as at 31/03/2009 for IX & X plan respectively under AG&SP schemes. This net excess amount is worked out on overall basis & not on individual basis & may vary due to change in assumptions , if any during the projected period such as changes in moratorium period , repayment period , loan restructuring , pre payment , interest rate reset etc. Hence the Company will return the net excess amount, if any at the end of the respective scheme.

The amount of ₹908.94 crore (previous year ₹1066.75 crore) under the head Interest Subsidy Fund represents the amount of subsidy received from Ministry of Power, Govt. of India which is to be passed on to the borrowers against their interest liability arising in future under Accelerated Generation & Supply Programme (AG&SP) which comprises of the following: -

(₹incrore)

Particulars	**As on 31.03.2009**	**As on 31.03.2008**
Opening balance of Interest Subsidy Fund	1066.75	1231.63
Add : - Received during the period	--	15.48
: - Interest credited during the period	98.19	113.05
Less: Interest subsidy passed on to borrowers	231.17	293.41
Refunded to MoP	24.83	--
Closing balance of Interest Subsidy Fund	908.94	1066.75

17. UPSEB & CSEB against whom loans are outstanding were restructured by the respective State Governments and new entities were formed. Consequently, the liabilities stand transferred to new entities. Loan Transfer agreement in respect of erstwhile UPSEB and unbundled entities of the erstwhile CSEB are to be executed. In respect of CSEB, the transfer agreement will be executed after the notification of final order for transfer of Assets and Liabilities by the Government of Chhatisgarh.

18. During the year, under the R-APDRP scheme, the Company has sanctioned loans of ₹1947.70 crore and disbursed ₹325 crore. The Company is entitled to a nodal agency fees at the rate of 1 percent of loans sanctioned and received an adhoc advance of ₹25.00 crore from Government of India under the said scheme. Accordingly, out of the adhoc advance, a nodal agency fee of ₹17.33 crore (exclusive of service tax) has been recognized and a service tax of ₹ 2.66 crore on total adhoc advance of ₹25.00 crore has been deposited in the current year.

19. The net deferred tax liabilities is ₹55.48 crore (previous year ₹1240.25 crore) computed as per Accounting Standard 22 on" Accounting for Taxes on Income".

The break up of deferred tax liabilities is given below: -

(₹ in crore)

Description	As on 31.03.2009	As on 31.03.2008
(a) Deferred Tax Asset (+)		
(i) Exchange Loss	-	38.14
(ii) Provision for expenses not deductible under Income Tax Act	9.30	6.27
(iii) Amortization	0.55	-
(b) Deferred Tax Liabilities (-)		
(i) Lease Equalization	-	-0.07
(ii) Depreciation	-0.26	-0.40
(iii) Lease income on new leases	-65.07	-55.81
(iv) Special Reserve created and maintained u/s 36(1)(viii) of I.T.Act,1961	-	-1228.38
Net Deferred Tax liabilities (-)/Assets (+)	-55.48	-1240.25

20. The Company has started creating deferred tax liability on special reserve created and maintained under Section 36(1) (viii) of Income Act, 1961, as per the opinion of Expert Advisory Committee of ICAI in Financial Year 2004-05. Now, based upon the clarification received from the Accounting Standard Board of Institute of Chartered Accountants of India (ICAI)vide letter dated 02.06.2009 and as explained in Policy No.13.2, the Company has stopped creating DTL on special reserve created and maintained for Financial Year 2008-09. Further, the Company reversed the Deferred Tax Liability (DTL) created in earlier years on special reserve created and maintained under Income Tax act. The reversal of DTL is done by crediting revenue reserve by ₹745.14 crore for Financial Year 1997-98 to Financial Year 2003-04 (as DTL was credited by debiting revenue reserve), crediting Profit and Loss Account by ₹483.24 crores for Financial Year 2004-05 to Financial Year 2007-08 (as DTL was created by debiting Profit and Loss Account for these years) and by debiting DTL by ₹1228.38 crores. It resulted in increase of profit of current year by ₹483.24 crore. The DTL of ₹133.28 crore on the Special Reserve created and maintained under Section 36(1) (viii) of Income Act, 1961 for the current year has also not been created as per paragraph 13.2 of Accounting Policy.

21. In compliance of Accounting Standard – 20 on "Earning Per Share" issued by the Institute of Chartered Accountants of India, the calculation of Earning Per Share (Basic and Diluted) is as under:-

Particulars	Current year 31.03.2009	Previous year 31.03.2008
Net Profit after Tax used as numerator (₹ in crore)	1979.69	1206.76
Weighted average number of equity shares used as denominator (Basic & Diluted)	1147766700	1147766700
Earning per share (Basic & Diluted) (Rupees)	17.25	10.51
Face value per share (Rupees)	10	10

22. The Company has no outstanding liability towards small-scale industrial undertakings

23. The value of lease hold land aggregating to ₹38.33 crore(previous year ₹38.33 crore) comprises of amount of ₹31.83 crore (previous year ₹31.83 crore) paid towards cost of land to Land and Development Office (L&DO), Ministry of Urban Affairs, Govt. of India, stamp duty liability of ₹2.47 crore(previous year ₹2.47 crore) and capitalization of ground rent upto the date of completion of building of ₹4.03 crore (previous year ₹ 4.03 crore). In accordance with Memorandum of Agreement (MOA) executed with L&DO, the lease deed is yet to be signed. Pending execution of perpetual lease deed, (which does not have limited useful life) the value of leasehold land is not amortized and /or no provision for depreciation has been made on the said leasehold land.

24. Liabilities and Assets denominated in foreign currency have been translated at TT selling rate of SBI at year end as given below: -

S. No.	Exchange Rates	31.03.2009	31.03.2008

1	INR/US$	51.45	40.11
2	INR/JPY	0.5265	0.4029
3	INR/EURO	68.43	63.47

25. Disclosures as per Accounting Standard - 15:-

A. Provident Fund

The Company pays fixed contribution to Provident Fund at prescribed rates to a separate trust, which invests the funds in permitted securities. The contribution to the fund for the period is recognized as expense and is charged to the profit and loss account. The obligation of the Company is to make such fixed contribution and to ensure a minimum rate of return to the members as specified by GOI. Any short fall for payment of interest to members as per specified rate of return has to be compensated by the Company. The Company estimates that no liability will take place in this regard in the near future and hence no further provision is considered necessary.

B. Gratuity

The company has a defined gratuity scheme and is managed by a separate trust. The provision for the same has been made on actuarial valuation based upon total number of years of service rendered by the employee subject to a maximum amount of ₹10 lakh.

C. Post Retirement Medical Facility (PRMF)

The Company has Post-Retirement Medical Facility (PRMF), under which retired employee and the dependent family members are provided medical facilities in the empanelled hospitals. They can also avail reimbursement of Out-Patient treatment subject to a ceiling fixed by the Company.

D. Terminal Benefits

Terminal benefits include settlement in home town for employees & dependents.

E. Leave

The Company provides for earned leave benefit and half-pay leave to the employees of the Company which accrue annually at 30 days and 20 days respectively. 75% of the earned leave is en-cashable while in service upto a maximum of 300 days on superannuation/separation. Half-pay leave is en-cashable on superannuation or separation after 10 years of service as per the rules of the Company. The liability for the same is recognized on the basis of actuarial valuation.

The above mentioned schemes (C,D and E) are unfunded and are recognized on the basis of actuarial valuation.

The summarised position of various defined benefits recognized in the profit and loss account, balance sheet are as under {Figures in brackets ( ) represents to previous year}

i)Expenses recognised in Profit and Loss Account (₹in crore)

	Gratuity	**PRMF**	**Leave**
Current Service Cost	0.57 (0.46)	0.19 (0.18)	0.68 (0.73)
Interest cost on benefit obligation	0.33 (0.36)	0.22 (0.23)	0.46 (0.39)
Expected return on plan assets	-0.38	0.00	0.00

	(-0.40)	(0.00)	(0.00)
Net actuarial (gain)/Loss recognised in the year	2.50 (-0.31)	0.27 (0.03)	0.18 (1.13)
Expenses recognised in Profit & Loss Account	3.02(*) (0.11)	0.68 (0.44)	1.32(*) (2.25)

(*) Includes ₹0.07 crore (Previous year ₹0.08 crore) and ₹0.11crore (Previous year ₹0.09 crore) for gratuity and leave respectively allocated to subsidiaries companies.

ii) The amount recognized in the Balance Sheet (₹ in crore)

	Gratuity	**PRMF**	**Leave**
Present value of obligation as at 31.03.2009 (i)	7.96 (4.67)	3.66 (3.17)	7.15 (6.47)
Fair value of plan assets at at 31.3.2009 (ii)	4.94 (4.59)	0.00 (0.00)	0.00 (0.00)
Difference (ii) – (i)	-3.02 (-0.08)	-3.66 (-3.17)	-7.15 (-6.47)
Net Asset/(Liability) recognized in the Balance Sheet	-3.02 (-0.08)	-3.66 (-3.17)	-7.15 (-6.47)

iii) Changes in the Present Value of the defined benefit obligations (₹ in crore)

	Gratuity	**PRMF**	**Leave**
Present value of obligation as at 01.04.2008	4.67 (4.46)	3.17 (2.88)	6.47 (4.88)
Interest Cost	0.33 (0.36)	0.22 (0.23)	0.46 (0.39)
Current Service Cost	0.57 (0.46)	0.19 (0.18)	0.68 (0.73)
Benefits paid	-0.11 (-0.25)	-0.19 (-0.15)	-0.64 (-0.66)
Net actuarial (gain)/loss on obligation	2.50 (-0.36)	0.27 (0.03)	0.18 (1.13)
Present value of the defined benefit obligation as at 31.03.2009	7.96 (4.67)	3.66 (3.17)	7.15 (6.47)

iv) Changes in the fair value of plan assets (₹ in crore)

	Gratuity	**PRMF**	**Leave**
Fair value of plan assets as at 01.04.2008	4.67 (4.46)	0.00 (0.00)	0.00 (0.00)
Expected return on plan assets	0.38 (0.40)	0.00 (0.00)	0.00 (0.00)
Contributions by employer	0.00 (0.01)	0.00 (0.00)	0.00 (0.00)
Benefit paid	-0.11 (-0.23)	0.00 (0.00)	0.00 (0.00)
Acturial gain/(loss)	0.00 (-0.05)	0.00 (0.00)	0.00 (0.00)
Fair value of plan assets as at 31.03.2009	4.94 (4.59)	0.00 (0.00)	0.00 (0.00)

v) The effect of the one percentage in the medical cost of PRMF will impact the liability as under:-

Cost increase by 1% ₹ 0.04 crore
Cost decrease by 1% ₹ 0.04 crore

vi) During the year, the Company has provided liability towards contribution to the Gratuity Trust of ₹3.02 crore, to PRMF of ₹0.68 crore and leave ₹1.32 crore. (previous year towards contribution to the Gratuity Trust of ₹0.11 crore, to PRMF of Rs 0.44 crore and leave ₹ 2.25 crore.).

E. Other Employee Benefits:-

During the year, provision of ₹1.88 crore has been reversed for Economic Rehabilitation Scheme for Employees (previous year, provision of ₹0.13 crore has been made) and provision of ₹ 0.27 crore has been provided for Long Service Award for Employees (Previous year ₹ Nil) on the basis of actuarial valuation made at the year end by charging/crediting the profit and loss account.

F. Details of the Plan Asset:-

The details of the plan assets at cost as on 31st March are as follows:-
(₹ in crore)

		2009	2008
i)	State Government Securities	0.88	0.82
ii)	Central Government Securities	1.37	1.28
iii)	Corporate Bonds/debentures	2.69	2.49
iv)	RBI Special Deposit	--	--
	Total	4.94	4.59

G. Acturial assumptions

Principal assumptions used for actuarial valuation are:-

Method Used	Projected Unit Credit Method
Discount Rate	7.00%
Expected rate of return on assets- Gratuity	8.04%
Future salary increase	4.50%

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

For the purpose of Actuarial valuation, estimated future increase in emoluments (excluding merger of D.A. and adhoc release) due to proposed wage revision w.e.f. 01.01.2007 has not been considered.

26. Details of provision as required in AS-29.
(₹in crore)

Particulars	Financial year 2008-09	Financial Year 2007-08
Post Retirement Medical Scheme		
Opening Balance	3.17	2.88
Addition during the year	0.68	0.44
Amount paid/utilized during the year	0.19	0.15
Closing Balance	3.66	3.17
Gratuity		
Opening Balance	0.08	0.07
Addition during the year	3.02	0.11

Amount paid/utilized during the year	0.08	0.10
Closing Balance	3.02	0.08
Leave Encashment		
Opening Balance	6.47	4.88
Addition during the year	1.32	2.25
Amount paid/utilized during the year	0.64	0.66
Closing Balance	7.15	6.47
Wage Revision		
Opening Balance	17.12	0.00
Addition during the year	4.77	19.60
Amount paid/utilized during the year	0.00	2.48
Closing Balance	21.89	17.12
Economic Rehabilitation Scheme for Employee		
Opening Balance	3.17	3.04
Addition during the year	-1.86	0.15
Amount paid/utilized during the year	0.02	0.02
Closing Balance	1.29	3.17
Bonus/Incentive		
Opening Balance	6.59	6.65
Addition during the year	9.77	6.70
Amount paid/utilized during the year	6.60	6.76
Closing Balance	9.76	6.59
Leave Travel Concession		
Opening Balance	1.91	0.51
Addition during the year	2.20	4.33
Amount paid/utilized during the year	1.77	2.93
Closing Balance	2.34	1.91
Baggage Allowances		
Opening Balance	0.05	0.04
Addition during the year	0.00	0.01
Amount paid/utilized during the year	0.00	0.00
Closing Balance	0.05	0.05
Service Award		
Opening Balance	1.84	1.84
Addition during the year	0.27	0.00
Amount paid/utilized during the year	0.00	0.00
Closing Balance	2.11	1.84
Income Tax		

Opening Balance	1049.40	776.26
Addition during the year	492.02	482.27
Amount refunded/adjusted	(51.54)	(209.13)
Closing Balance	1489.88	1049.40
Fringe Benefit Tax		
Opening Balance	2.91	1.84
Addition during the year	0.73	0.97
Amount adjusted during the year	(0.74)	0.10
Closing Balance	2.90	2.91
Proposed Final Dividend		
Opening Balance	114.78	114.78
Addition during the year	154.95	114.78
Amount paid/utilized during the year	114.78	114.78
Closing Balance	154.95	114.78
Proposed Corporate Dividend Tax		
Opening Balance	19.51	19.51
Addition during the year	26.33	19.51
Amount paid/utilized during the year	19.51	19.51
Closing Balance	26.33	19.51

27. Preliminary Expenses of ₹0.01 crore (previous year ₹nil) relating to the formation of Subsidiary/Joint Controlled Entity has been charged to Profit and Loss Account and ₹0.04 crore (previous year ₹ nil) has been shown under the head "Miscellaneous Expenditure (to the extent not written off/adjusted)".

28. During the year, the Company has sent letters seeking confirmation of balances as on 31.12.2008 to borrowers. However, some of the balances of debtors, creditors and loan and advances are subject to confirmation/reconciliation/adjustments, if any.

29. The pay revision of the employees of the Company is due w.e.f. 01.01.2007. Pending implementation of pay revision, a provision for the year ₹ 4.77 crore (previous year ₹19.60 crore) has been made towards wage revision on an estimated basis in line with notification of Government of India.

30. The Company and its subsidiary do not have more than one reportable segment in terms of Accounting Standard No. 17 on Segment Reporting.

31. For certain items, the Company and its subsidiary have followed different accounting policies. However, the impact of the same is not material.

32. The figures in respect of Subsidiary/Joint Venture Company have been regrouped/rearranged based upon the details obtained from the management of the Subsidiary/Joint Venture Company wherever their audited accounts did not provide the breakup details required for consolidated Financial Statements.

33. The disclosure requirement in respect of subsidiary/Joint Venture Company have been disclosed to the extent available from their audited accounts.

34. Previous year's figures have been re-grouped / re-arranged, wherever practicable, to make them comparable with the current year. The previous year figures in the consolidated financial statements are not inclusive of figures of PFC Consulting Limited and National Power Exchange Limited as being the first year of consolidation of accounts.

35. Figures have been rounded off to crore of rupees with two decimals.

Annexure-XVII

RELATED PARTY TRANSACTIONS (CONSOLIDATED)

As per the Accounting Standard (AS) 18 on Related Party Disclosures, the related parties, nature and volume of transactions carried out with them in (Consolidated ordinary course of business) are as follows:

(₹ in crore)

Name of Party	Relationship	Nature of Transaction	Payments For the Year ended					Net Receivable / (Payable) As at				
			31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09
Satnam Singh	CMD	Managerial Remuneration	0.64	0.57	0.38	0.47	0.30	--	--	--	--	--
V K Garg	CMD	Managerial Remuneration	-	--	--	--	0.16	--	--	--	--	--
Satnam Singh	Director	Managerial Remuneration	--	--	--	0.07	0.11	--	--	--	--	--
V S Sexena	Director	Managerial Remunaration	--	--	--	0.00	0.00	--	--	--	--	--
Shyam Wadhera	Director	Managerial Remunaration	--	--	--	--	0.14	--	--	--	--	--
M K Goel	Director	Managerial Remunaration	0.57	0.55	0.39	0.52	0.23	--	--	--	--	--
Rajiv Sharma	Director	Managerial Remunaration	-	0.40	0.37	0.34	0.01	--	--	--	--	--
R Nagarajan	Director	Managerial Remunaration	0.50	0.42	0.33	0.19	-	--	--	--	--	--
A K Agarwal	Director	Managerial Remuneration	0.26	-	-	-	-	--	--	--	--	--
N D Tyagi	CEO, PFCCL	Managerial Remunaration	0.44	0.39	0.34	0.50	0.08	--	--	--	--	--

Subsidiary of PFCCL	Subsidiary Company		--	--	--	--	--	2.28	0.36	0.00	0.00	0.00
PFC Green Energy Limited	Subsidiary Company		--	--	--	--	--	0.00	0.05	2.25	--	--
PFC Capital Advisory Services Limited	Subsidiary Company							0.00	0.01	0.00	0.00	0.00
Coastal Maharashtra Mega Power Limited	Subsidiary Companies promoted as SPVs for Ultra Mega Power Projects		--	--	--	--	--	(45.97)	(43.67)	(40.77)	(38.68)	(37.99)
Orissa Integrated Power Limited			--	--	--	--	--	27.74	15.72	5.93	(34.38)	(41.22)
Coastal Karnataka Power Limited			--	--	--	--	--	2.80	2.40	2.08	1.83	1.46
Coastal Tamil Nadu Power Limited			--	--	--	--	--	(18.51)	(24.60)	(31.28)	(35.71)	(36.65)
Bokaro-kodarma MAITHON Transmission Co. Limited			--	--	--	--	--	0.00	0.00	0.00	0.00	1.12
Chhattisgarh Surguja Power Limited			--	--	--	--	--	4.33	(0.23)	(5.08)	(8.88)	(28.53)
Sakhigopal Integrated Power Limited			--	--	--	--	--	(17.43)	(18.07)	(17.09)	(4.91)	(4.80)
Ghogarpalli Integrated Power Limited			--	--	--	--	--	(16.38)	(17.01)	(15.99)	0.24	0.01
Tatiya Andhra Mega Power Limited			--	--	--	--	--	(15.18)	(15.31)	(13.86)	0.88	0.00
East-North Interconnection Co. Limited			--	--	--	--	--	0.00	0.00	0.00	0.00	2.14
Jharkhand Integrated Power Limited.			--	--	--	--	--	0.00	0.00	0.00	0.00	(0.37)
Coastal Gujarat Power Limited			--	--	--	--	--	0.00	0.00	0.00	0.00	0.00
Coastal Andhra Power Limited			--	--	--	--	--	0.00	0.00	0.00	0.00	0.00
Sasan Power Limited			--	--	--	--	--	0.00	0.00	0.00	0.00	0.00
Deoghar Mega Power Ltd			--	--	--	--	--	2.43	0.00	0.00	0.00	0.00
Bhopal Dhule Transmission Company Limited and Jabalpur			--	--	--	--	--	0.00	0.00	0.00	(25.90)	0.00

Transmission Company Limited (wholly owned subsidiary of PFC Consulting Ltd)												

Annexure-XVIII

Summary of Consolidated Accounting Ratios

(₹ in crore)

Description	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009
Net Profit after tax	4437.74	3058.85	2647.12	2378.30	1979.69
Weighted average number of shares	1319982855	1295000707	1147766700	1147766700	1147766700
Net Worth	22454.89	19578.55	14255.67	12449.50	10799.36
Average Net Worth	21016.72	16917.11	13352.59	11624.43	9743.76
Accounting Ratios					
Basic & Diluted Earning Per Share	33.62	23.62	23.06	20.72	17.25
Net Assets Value Per Share (Rs.)	170.12	151.19	124.20	108.47	94.09
Return on Average Net Worth(%)	21.12%	18.08%	19.82%	20.46%	20.32%
Long Term Debt / Networth	5.40	4.90	4.91	4.41	4.00

Annexure- XIX

Consolidated Capitalization Statement

(₹ in crore)

Description	Year ended 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2010	As at 31.03.2009
Debts					
Short term debt - Current	8819.77	4071.20	6291.04	2325.12	1400.00
Long term debt - Non current	121150.86	95866.98	69984.03	54913.28	43197.77
Current	9612.08	10187.73	9323.50	9870.01	7562.38
Total Debt	**139582.71**	**110125.91**	**85598.57**	**67108.41**	**52160.15**
Shareholders' Funds					
Share Capital	1319.93	1319.93	1147.77	1147.77	1147.77
Reserves & Surplus	22837.67	19473.02	14093.04	12143.80	10369.78
(-) Revaluation Reserve	0.00	0.00	0.00	0.00	0.00
Net Reserves (Net of Revaluation)	22837.67	19473.02	14093.04	12143.80	10369.78
(-) Reserve for bad and doubtful debts u/s 36(1)(vii a)(c) of IT Act,1961	1409.01	1158.61	984.88	842.07	718.15
(-) Debeture Redemption Reserve	274.85	55.79	0.06	0.00	0.00
(-) CSR and SD Reserve	18.85	0.00	0.00	0.00	0.00
(-) Miscellaneous Expenditure (to the extent not written off)	0.00	0.00	0.20	0.00	0.04
Networth	**22454.89**	**19578.55**	**14255.67**	**12449.50**	**10799.36**
Long Term Debt / Networth	**5.40**	**4.90**	**4.91**	**4.41**	**4.00**

Annexure - XX

Details of Contingent Liabilities (Consolidated) as at					
					(₹ In crore)
Nature of Transaction	**31-Mar-13**	**31-Mar-12**	**31-Mar-11**	**31-Mar-10**	**31-Mar-09**
Guarantees issued in foreign currency	41.34	56.40	67.02	85.23	116.08
Guarantees issued in Indian currency	335.57	371.93	400.00	400.00	400.00
Demand Raised by authorities and disputed	123.89	105.04	14.32	49.98	104.99
Claims not accepted	0.04	0.00	7.80	7.80	7.80
Letter of Comfort	4247.61	5730.38	5,758.02	3,414.21	394.88

Annexure C

ICRA Limited
An Associate of Moody's Investors Service

D/RAT/2013-2014/P3/5

July 15, 2013

Mr. R. Chandrasekharan
General Manager (Financial System)
Power Finance Corporation Limited
Urjanidhi, 1, Barakhamba Lane
New Delhi- 110001

Dear Sir,

Re: ICRA Credit Rating of the Rs. 43,950 crore Long- Term Borrowing Programme of Power Finance Corporation Limited for the Financial Year 2013-14

This is with reference to your request dated July 11, 2013 for re-validating your rating for the Long Term Borrowing Programme of Rs 43,950 crore.

We hereby confirm that the rating of **"[ICRA]AAA" (pronounced ICRA triple A)** assigned to the captioned Long Term Borrowing Programme of Rs. 43,950 crore of your company and last communicated to you vide our letter dated June12, 2013 stands. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

The other terms and conditions for the credit rating of the aforementioned instrument shall remain the same vide our letter Ref No: D/RAT/2013-14/P3/1 dated April 23, 2013.

With kind regards,
For ICRA Limited

Vibha Batra
Senior Vice President

Jaskirat S Chadha
Assistant Vice President

Building No. 8, 2nd Floor
Tower A, DLF Cyber City
Phase II, Gurgaon - 122002

Tel. : + 91 - 124 - 4545300
Fax : + 91 - 124 - 4050424

website : www.icra.in
email : info@icraindia.com

Read Office: 1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi - 110001

I C R A Limited
An Associate of Moody's Investors Service

D/RAT/2013-2014/P3/6

August 13, 2013

Mr. R. Chandrasekharan
General Manager (Financial System)
Power Finance Corporation Limited
Urjanidhi, 1, Barakhamba Lane
New Delhi- 110001

Dear Sir,

Re: ICRA Credit Rating of the Rs. 43,950 crore Long- Term Borrowing Programme of Power Finance Corporation Limited for the Financial Year 2013-14

This is with reference to your request dated August 6, 2013 for re-validating your rating for the Long Term Borrowing Programme of Rs 43,950 crore.

We hereby confirm that the rating of **"[ICRA]AAA" (pronounced ICRA triple A)** assigned to the captioned Long Term Borrowing Programme of Rs. 43,950 crore of your company and last communicated to you vide our letter dated July 15, 2013 stands. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

The other terms and conditions for the credit rating of the aforementioned instrument shall remain the same vide our letter Ref No: D/RAT/2013-14/P3/1 dated April 23, 2013.

With kind regards,
For ICRA Limited

Vivek Mathur
Senior Group Vice President

Jaskirat S Chadha
Assistant Vice President

Building No. 8, 2nd Floor
Tower A, DLF Cyber City
Phase II, Gurgaon - 122002

Tel. : + 91 - 124 - 4545300
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website : www.icra.in
email : info@icraindia.com

ICRA Limited
An Associate of Moody's Investors Service

D/RAT/2013-2014/P3/8

September 16, 2013

Mr. R. Chandrasekharan
General Manager (Financial System)
Power Finance Corporation Limited
Urjanidhi, 1, Barakhamba Lane
New Delhi- 110001

Dear Sir,

Re: ICRA Credit Rating of the Rs. 43,950 crore Long- Term Borrowing Programme of Power Finance Corporation Limited for the Financial Year 2013-14

This is with reference to your request dated September 16, 2013 for re-validating your rating for the Long Term Borrowing Programme of Rs 43,950 crore.

We hereby confirm that the rating of **"[ICRA]AAA" (pronounced ICRA triple A)** assigned to the captioned Long Term Borrowing Programme of Rs. 43,950 crore of your company and last communicated to you vide our letter dated August 13, 2013 stands. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

The other terms and conditions for the credit rating of the aforementioned instrument shall remain the same vide our letter Ref No: D/RAT/2013-14/P3/1 dated April 23, 2013.

With kind regards,
For ICRA Limited

Sabyasachi Majumdar
Senior Vice President

Jaskirat S Chadha
Assistant Vice President

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Power Finance Corporation Limited

ICRA assigns rating of [ICRA]AAAto long term borrowing programme (2013-14)of Power Finance Corporation Limited; assigns rating of [ICRA]A1+ to short term borrowing programme

RATING

Instrument	Amount	Rating Action
Long Term borrowing programme (2013-14)	Rs.43,950 crore*	[ICRA]AAA (assigned)
Short Term borrowing programme (2013-14)	Rs. 5,000 crore*	[ICRA]A1+ (assigned)

**includes an amount of Rs. 5,000 crore which is interchangeable as long term and short term borrowings, subject to total long term borrowings not exceeding Rs. 43,950 crore*

ICRA has assigned the rating [ICRA]AAA (pronounced ICRA triple A) to the Rs. 43,950 crorelong termborrowing programme for 2013-14 of Power Finance Corporation Limited (PFC)†. ICRA has also assigned the rating of [ICRA]A1+ (pronounced ICRA A one plus) to the Rs. 5,000 crore short term borrowing programme of the corporation†. ICRA has a rating of [ICRA]AAA onthe various long-term bond andbank borrowing programmes, an outstanding rating of MAAA (pronounced M triple A) to the fixed deposit programme and a rating of [ICRA]A1+ (pronounced ICRA A one plus) for its commercial paper/short-term debt programmeof the corporation.†

The highest-credit-quality ratings continue to reflect PFC's majority sovereign ownership and its strategically important role in the implementation of various Government of India (GoI) schemes—such as Ultra Mega Power Projects (UMPPs) and R-APDRP—for the development of the country's power sector.Further, PFC, as one of the major power sector financiers, remains strategically important for the Government of India (GoI), given the latter's objective of augmenting power capacities across the country. The ratings continue to draw comfort from PFC's adequate earning profile supported by itsstrong financial flexibility and ability to borrow funds at competitive rates and low credit and intermediation costs.These strengths are partly offset by the corporation's exposure to a single sector, its high concentration of weaker-credit-quality State power utilities and the vulnerability of its exposure to private sector borrowers.PFC exposure to state sector utilities (66% of portfolio in Feb-13) is primarily to generation companies, while its exposure to the more vulnerable distribution entities of states with weaker credit profiles[1] is limited to 6.3% of its total portfolio; and after adjusting for state government guarantees, its direct exposure to these distribution entities would be ~1.4% of total portfolio as on Feb-13. Counter party risks of PFC's state power generating borrowers remains a credit concern given that such state generating entities could find their cash flows impacted by the weak fiscal health of the distribution entities. ICRA however has taken note of the approval of a scheme by GoI in Sep-2012 for financial restructuring of State Distribution Companies (Discoms); the scheme is expected to improve the liquidity profile of power distribution companies in short-term; whether this also leads to a structural improvement in the financial health of state power utilities remains to be seen and is contingent upon the extent to which measures such as timely tariff revision, and timely action from state governments are implemented as per the requirement of scheme. ICRA continues to closely monitor the developments in the power sector, and has also taken note of the Appellate Tribunal of Electricity (APTEL) recommendations on timely tariff finalization by SERCs, the revision/ proposed revision in power sale tariffs by certain states. A timely implementation of the aforesaid recommendations and also speeding up of technical and commercial loss measures by state utilities will thus be critical for maintaining the health of the power sector companies. Similarly, policy level changes to alleviate concerns with respect to fuel linkages for private sector projects, where the share of PFCs exposures has been increasing, will have a critical bearing on its credit profile. As on February 29, 2013PFCs exposure to the private sector i.e. Independent Power Producers (IPP) stood at11% of its total advances, out of which ~33% are restructured / NPA, which could go further in 2013-14;vulnerability of some of these exposures is high on account of fuel availability constraints, environmental & land acquisition issues and disputed/competitive power sale tariffs. Going forward, it would be important for the corporation to maintain a strict control over collections from the IPP segment. As on February 28, 2013PFC had a total advance base of Rs.1,53,516 crore, out of which its exposure to state power utilities accounted for 66% of total advances, followed by central power utilities at 16%, IPPs at 11% and joint sector power utilities at 8%.

†For complete rating scale and definitions, please refer ICRA's website www.icra.in or other ICRA Rating Publications.

1 Tamilnadu, Rajasthan, Uttar Pradesh, Madhya Pradesh, Punjab, Haryana and Bihar

As on December 31, 2012, PFC's gearing was at a moderate 5.4 times, and going forward, its ability to maintain this ratio at a prudent levelgiven the concentrated nature of its exposures would be an important rating consideration. PFC enjoys a comfortable asset-liability matching profile with low cumulative mismatches in the short term. Un-hedged foreign currency borrowings of PFCstood at ~2418% of its net worth as on December 31, 2012, which exposes it to foreign currency variations. While such borrowings have been raised at relatively longer tenures, which would keep potential crystallization of losses low over the short term, going forward ability of the corporation to manage its foreign currency risks would have an important bearing over the stability of its earnings profile.

About the Corporation

PFC was set up in 1986 asspecialised development financial institutionto fund projects in the domestic power sector. GoI hold a 73.72% stake in the corporation as on December 31, 2012.PFC provides loans for a range of power-sector activities,including generation, distribution, transmission, and plant renovation and maintenance. PFC finances State sector entities such as State Electricity Boards and State Generating Companies, as well as IPPs. In addition, the corporation has been appointed the nodal agency to develop 16 UMPPs in the country. As per audited results for the financial year ended March 31, 2012, PFC reported a profit after tax (PAT) of Rs. 3,032 crore on an asset base of Rs. 1,35,575 crore,as against a PATof Rs. 2,620 crore on an asset base of Rs. 1,04,634 crore in the previous financial year. For the nine month period ended December 31, 2012, PFC reported PAT of Rs. 3,125 crore,as against a profit ofRs. 2,213 crore during the corresponding previous. As on December 31, 2012 PFC had a net worth of Rs. 22,914 crore. As on December 31, 2012 PFC had a gross NPA% of 0.92% and a net NPA% of 0.82%

April 2013

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CONFIDENTIAL

Ref. no.: SN/FSR/PFC/2013-14/766

July 11, 2013

Mr. R. Nagarajan
Director - Finance
Power Finance Corporation Limited
Urjanidhi, Barakhamba Lane,
Connaught Place, New Delhi - 110 001
Phone : 011-2345 6000
Fax: 011-2345 6284

Dear Mr. Nagarajan,

Re: CRISIL Rating for the Rs.439.50 billion* Long Term Borrowing Programme of Power Finance Corporation Limited.

All ratings assigned by CRISIL are kept under continuous surveillance and review.

Please refer to our rating letter dated June 10, 2013 Ref. no.: SN/FSR/PFC/2013-14/550

CRISIL has, after due consideration, reaffirmed **"CRISIL AAA/Stable"** (pronounced "CRISIL Triple A with stable outlook") rating for the captioned Debt Programme. Instruments with this rating are considered to have the **highest degree of safety** regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to suspend, withdraw, or revise the rating / outlook assigned to the captioned programme at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL believes may have an impact on the rating.

In the event of your company not making the issue within a period of 180 days from the date of this letter, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL will be necessary.

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Rupali Shanker
Director – Financial Sector Ratings

Subha Sri Narayanan
Manager – Financial Sector Ratings

* Subject to total incremental long term bank borrowing and borrowing under the rated long term bonds programme not exceeding Rs.439.50 Billion during the year 2013-14 (refers to financial year, April 1 to March 31). Additionally, total incremental borrowings (short term and long term) not to exceed Rs 439.50 Billion during the year 2013-14.

A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the Programmer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor.

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CONFIDENTIAL

Ref. no.: SN/FSR/PFC/2013-14/947

August 6, 2013

Mr. R. Nagarajan
Director -Finance
Power Finance Corporation Limited
Urjanidhi, Barakhamba Lane,
Connaught Place, New Delhi - 110 001
Phone : 011-2345 6000
Fax: 011-2345 6284

Dear Mr. Nagarajan,

Re: CRISIL Rating for the Rs.439.50 billion* Long Term Borrowing Programme of Power Finance Corporation Limited.

All ratings assigned by CRISIL are kept under continuous surveillance and review.

Please refer to our rating letter dated July 11, 2013 bearing Ref. no.: SN/FSR/PFC/2013-14/766

CRISIL has, after due consideration, reaffirmed **"CRISIL AAA/Stable"** (pronounced "CRISIL Triple A with stable outlook") rating for the captioned Debt Programme. Instruments with this rating are considered to have the **highest** degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to suspend, withdraw, or revise the rating / outlook assigned to the captioned programme at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL believes may have an impact on the rating.

In the event of your company not making the issue within a period of 180 days from the date of this letter, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL will be necessary.

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Rajat Bahl
Director – Financial Sector Ratings

Subha Sri Narayanan
Manager – Financial Sector Ratings

* Subject to total incremental long term bank borrowing and borrowing under the rated long term bonds programme not exceeding Rs.439.50 Billion during the year 2013-14 (refers to financial year, April 1 to March 31). Additionally, total incremental borrowings (short term and long term) not to exceed Rs.439.50 Billion during the year 2013-14.

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CONFIDENTIAL

Ref. no.: SN/FSR/PFC/2013-14/1072

September 3, 2013

Mr. R. Nagarajan
Director -Finance
Power Finance Corporation Limited
Urjanidhi, Barakhamba Lane,
Connaught Place, New Delhi - 110 001
Phone : 011-2345 6000
Fax: 011-2345 6284

Dear Mr. Nagarajan,

Re: CRISIL Rating for the Rs.439.50 billion* Long Term Borrowing Programme of Power Finance Corporation Limited.

All ratings assigned by CRISIL are kept under continuous surveillance and review.

Please refer to our rating letter dated August 6, 2013 bearing Ref. no.: SN/FSR/PFC/2013-14/947

CRISIL has, after due consideration, reaffirmed **"CRISIL AAA/Stable"** (pronounced "CRISIL Triple A with stable outlook") rating for the captioned Debt Programme. Instruments with this rating are considered to have the **highest** degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to suspend, withdraw, or revise the rating / outlook assigned to the captioned programme at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL believes may have an impact on the rating.

In the event of your company not making the issue within a period of 180 days from the date of this letter, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL will be necessary.

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Rajat Bahl
Director – Financial Sector Ratings

Subha Sri Narayanan
Manager – Financial Sector Ratings

* Subject to total incremental long term bank borrowing and borrowing under the rated long term bonds programme not exceeding Rs.439.50 Billion during the year 2013-14 (refers to financial year, April 1 to March 31). Additionally, total incremental borrowings (short term and long term) not to exceed Rs.439.50 Billion during the year 2013-14.

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Rating Rationale

CRISIL RATINGS

April 16, 2013
Mumbai

Power Finance Corporation Limited

'CRISIL AAA/Stable' assigned to long-term borrowing programme

Total Bank Loan Facilities Rated	**Rs.259.225 Billion**
Long-Term Rating	**CRISIL AAA/Stable (Reaffirmed)**

(Refer to Annexure 1 for details on facilities)

Rs.439.50 Billion Long-Term Borrowing Programme$	**CRISIL AAA/Stable (Assigned)**
Long-Term Borrowing Programme Aggregating Rs.1537 Billion	**CRISIL AAA/Stable (Reaffirmed)**
Bonds Aggregating Rs.495 Billion	**CRISIL AAA/Stable (Reaffirmed)**
Rs.50 Billion Short-Term Borrowing Programme	**CRISIL A1+ (Reaffirmed)**
Rs.50 Billion Short-Term Borrowing Programme^	**CRISIL A1+ (Reaffirmed)**

$ Subject to total incremental long term bank borrowing and borrowing under the rated long term bonds programme not exceeding Rs.439.50 Billion during the year 2013-14 (refers to financial year, April 1 to March 31). Additionally, total incremental borrowings (short term and long term) not to exceed Rs.439.50 Billion during the year 2013-14
^ Short-term borrowing programme for 2010-11

CRISIL has assigned its **'CRISIL AAA/Stable'** rating to Power Finance Corporation's (PFC's) long-term borrowing programme, and has reaffirmed its ratings on the company's other debt programmes and bank facilities, at **'CRISIL AAA/Stable/CRISIL A1+**'

The ratings continue to reflect PFC's strategic importance to the Government of India (GoI) because of the key role that the company plays in financing the Indian power sector, and its majority ownership by GoI. The ratings also factor in PFC's strong market position, comfortable capitalisation, and adequate resource profile. These rating strengths are partially offset by the inherent vulnerability of PFC's asset quality because of the weak financial risk profiles of its primary borrowers (state power utilities [SPUs]), and the sectoral and key account concentration in the company's revenue profile.

PFC plays an important role in the Indian power sector, not only by providing finance but also by implementing GoI's power sector policies. The company is the largest lender to the power sector with a share of around 21 per cent, and plays a key role in channelling finance to SPUs. While banks have been cautious in lending to SPUs in 2012-13, PFC's outstanding loans to SPUs have grown by 27 per cent to Rs.954.3 billion as on December 31, 2012, compared with Rs.749.0 billion as on December 31, 2011. Additionally, PFC is the nodal agency for ultra-mega power projects, the Restructured Accelerated Power Development and Reform Programme, and the Independent Transmission Projects Scheme. GoI continues to be the majority shareholder in PFC; as on December 31, 2012, GoI had a stake of 73.72 per cent in the company. CRISIL believes that GoI's majority ownership of PFC, and the strategic role played by the company, are strong drivers for GoI to provide the necessary support to PFC in the event of distress.

As on December 31, 2012, PFC had a capital adequacy ratio of 18.1 per cent (16.3 per cent as on March 31, 2012) and a large net worth of Rs.213.7 billion (Rs.194.9 billion). The follow-on public offer proceeds of Rs.34.3 billion in early 2011-12 had enhanced PFC's net worth and improved coverage for asset-side risks. The company's capital adequacy ratio has also benefited in the current year from the reduction of risk weights on operational projects. While PFC may need to increase its loan-loss provisions over the medium term, its capitalisation is expected to remain comfortable, underpinned by healthy accretion to reserves as well as its demonstrated ability to raise capital through public isssues. Additionally, PFC has an adequate resource profile, with competitive borrowing costs and a diversified, though wholesale, resource base. GoI has also approved the mobilisation of tax-free bonds for PFC; it plans to raise Rs.50 billion through such issuances in 2012-13.

However, PFC caters only to the power sector, with 64 per cent of its advances to SPUs as on December 31, 2012. The company's top 10 customers accounted for around 50 per cent of its advances as on this date. SPUs have weak inherent asset quality because of their poor financial risk profiles. The aggregate losses (excluding subsidy) of all the SPUs were around Rs.620 billion in 2010-11 and are estimated to have increased further in 2011-12 and 2012-13. PFC is making efforts to de-risk its customer profile by

diversifying its asset portfolio through lending to private power utilities. However, these measures only partially offset the risks, as its sectoral concentration remains and the SPUs' financial risk profiles continue to be weak. Additionally, given the long gestation period of the projects, and heightened uncertainities related to regulatory clearances, fuel linkages, and financial closure, CRISIL believes that PFC will reap the benefits of financing private power sector projects only over the long term.

Outlook: Stable
CRISIL believes that GoI will retain its majority stake in PFC, and that the company will continue to play a critical role in implementing GoI's policies related to financing the Indian power sector, over the medium term. CRISIL also believes that PFC will retain its strong position in the infrastructure-financing segment, while maintaining its healthy capitalisation, over this period. Any reduction in PFC's strategic importance to, and attendant support from, GoI, or significant deterioration in the company's asset quality may result in a revision in the outlook to 'Negative'.

About the Company

PFC was established in 1986 by GoI as an institution dedicated to funding and developing the power sector in India. Until 1996, the company lent exclusively to public sector entities. Since then, it has expanded its customer profile to include private-sector power utilities and projects. PFC aims to promote a balanced and integrated development of the power sector by providing finance to low-cost, efficient, and reliable projects.

As on March 31, 2012, PFC had total advances of Rs.1300.7 billion, mainly long-term loans. For 2011-12, the company reported a total income (net of interest expense) and a profit after tax (PAT) of Rs.45.2 billion and Rs.30.3 billion, respectively, compared with Rs.36.6 billion and Rs.26.2 billion, respectively, for the previous year.

As on December 31, 2012, PFC had total advances of Rs.1483 billion. For the nine months ended December 31, 2012, the company reported a total income (net of interest expense) and a PAT of Rs.45.8 billion and Rs.31.3 billion, respectively, compared with Rs.32.3 billion and Rs.22.1 billion, respectively, for the corresponding period of the previous year.

Annexure 1 - Details of various bank facilities

Current facilities			Previous facilities		
Facility	**Amount (Rs. Million)**	**Rating**	**Facility**	**Amount (Rs. Million)**	**Rating**
Cash Credit	**50000**	**CRISIL AAA/Stable**	**Cash Credit**	**50000**	**CRISIL AAA/Stable**
Long-Term Bank Facility	**209225**	**CRISIL AAA/Stable**	**Long-Term Bank Facility**	**209225**	**CRISIL AAA/Stable**
Total	**259225**	**--**	**Total**	**259225**	**--**

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Note:
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About CRISIL LIMITED
CRISIL is a global analytical company providing ratings, research, and risk and policy advisory services. We are India's leading ratings agency. We are also the foremost provider of high-end research to the world's largest banks and leading corporations.

About CRISIL Ratings
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Last updated: March 7, 2013

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April 16, 2013 *http://www.crisil.com*

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CARE Ratings

CREDIT ANALYSIS & RESEARCH LTD.

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Website : www.careratings.com

Mr. Satnam Singh,
Chairman & MD
Power Finance Corporation Ltd.,
Urjanidhi, 1, Barakhamba Lane, Connaught Place,
N.Delhi-110001

July 12, 2013

Confidential

Dear Sir,

Credit rating for proposed Market borrowing programme aggregating Rs.43,950 crore for FY2014

Please refer to our letter dated May 27, 2013 and your request for revalidation of the rating assigned to the Market Borrowing Programme for FY14 aggregating Rs.43,950 crore of Power Finance Corporation Ltd (PFC).

2. It has been decided to reaffirm the rating of **'CARE AAA' [Triple A]** to the Long-term Borrowing Programme for FY14 of the company, aggregating to Rs. 38,950 crore. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.
3. It has been decided to also reaffirm the rating of **'CARE A1+' [A One Plus]** to the Short-term borrowings aggregating Rs.5,000 crore of PFC for FY14. This rating is applicable to facilities having tenor upto one year. Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.
4. Our rating symbols for various ratings for long-term and short-term instruments and explanatory notes thereon are annexed.
5. Please arrange to get the rating revalidated, in case the proposed issue is not made within **six months** for long-term rating and **two months** for short-term rating from the date of this letter.
6. Please inform us the details of issue [date of issue, name of investor, amount issued, interest rate, date of maturity, etc.] as soon as it has been placed.
7. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.

CARE Ratings

8. CARE reserves the right to suspend / withdraw / revise the rating assigned on the basis of new information or in the event of failure on the part of the company to furnish such information, material and clarifications as may be required by CARE. CARE shall also be entitled to publicize / disseminate such suspension / withdrawal / revision in the assigned rating in any manner considered appropriate by it, without any reference to you.
9. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
10. CARE ratings are not recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you.

Yours faithfully,

Jasmeen Kaur
[Assistant General manager]

Abhijeet Datta
[Analyst]

Encl : As above

Disclaimer

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CARE Ratings

Annexure

A. Rating Symbols and Definitions for Long /Medium Term Debt Instruments –

Symbols	Rating Definition
CARE AAA	Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.
CARE AA	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.
CARE A	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.
CARE BBB	Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk.
CARE BB	Instruments with this rating are considered to have moderate risk of default regarding timely servicing of financial obligations.
CARE B	Instruments with this rating are considered to have high risk of default regarding timely servicing of financial obligations.
CARE C	Instruments with this rating are considered to have very high risk of default regarding timely servicing of financial obligations.
CARE D	Instruments with this rating are in default or are expected to be in default soon.

Modifiers {"+" (plus) / "-"(minus)} can be used with the rating symbols for the categories CARE AA to CARE C. **The modifiers reflect the comparative standing within the category.**

B. Rating Symbols and Definitions for Short Term Debt Instruments

Symbols	Rating Definition
CARE A1	Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.
CARE A2	Instruments with this rating are considered to have strong degree of safety regarding timely payment of financial obligations. Such instruments carry low credit risk.
CARE A3	Instruments with this rating are considered to have moderate degree of safety regarding timely payment of financial obligations. Such instruments carry higher credit risk as compared to instruments rated in the two higher categories.
CARE A4	Instruments with this rating are considered to have minimal degree of safety regarding timely payment of financial obligations. Such instruments carry very high credit risk and are susceptible to default.
CARE D	Instruments with this rating are in default or expected to be in default on maturity.

Modifier {"+" (plus)} can be used with the rating symbols for the categories CARE A1 to CARE A4. **The modifier reflects the comparative standing within the category.**

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Website : www.careratings.com

Mr. Satnam Singh,
Chairman & Managing Director
Power Finance Corporation Ltd.,
Urjanidhi, 1, Barakhamba Lane, Connaught Place,
N.Delhi-110001

Aug 08, 2013

Confidential

Dear Sir,

Credit rating for Market borrowing programme aggregating Rs.43,950 crore for FY2014

Please refer to our letter dated April 16, 2013 and your request for revalidation of the rating assigned to the Market Borrowing Programme for FY14 aggregating Rs.43,950 crore of Power Finance Corporation Ltd (PFC).

2. It has been decided to reaffirm the rating of **'CARE AAA' [Triple A]** to the Long-term Borrowing Programme for FY14 of the company, aggregating to Rs. 38,950 crore. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.
3. It has been decided to also reaffirm the rating of **'CARE A1+' [A One Plus]** to the Short-term borrowings aggregating Rs.5,000 crore of PFC for FY14. This rating is applicable to facilities having tenor upto one year. Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.
4. Our rating symbols for various ratings for long-term and short-term instruments and explanatory notes thereon are annexed.
5. Please arrange to get the rating revalidated, in case the proposed issue is not made within **six months** for long-term rating and **two months** for short-term rating from the date of this letter.
6. Please inform us the details of issue [date of issue, name of investor, amount issued, interest rate, date of maturity, etc.] as soon as it has been placed.
7. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.

CARE Ratings

8. CARE reserves the right to suspend / withdraw / revise the rating assigned on the basis of new information or in the event of failure on the part of the company to furnish such information, material and clarifications as may be required by CARE. CARE shall also be entitled to publicize / disseminate such suspension / withdrawal / revision in the assigned rating in any manner considered appropriate by it, without any reference to you.
9. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
10. CARE ratings are not recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,

Jasmeen Kaur
[Assistant General Manager]

Preeti Agarwal
[Dy. Manager]

Encl : As above

Disclaimer

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CARE Ratings

Annexure

A. Rating Symbols and Definitions for Long /Medium Term Debt Instruments –

Symbols	Rating Definition
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Website : www.careratings.com

Mr. Satnam Singh,
Chairman & MD
Power Finance Corporation Ltd.,
Urjanidhi, 1, Barakhamba Lane, Connaught Place,
N.Delhi-110001

September 04, 2013

Confidential

Dear Sir,

Credit rating for Market borrowing programme aggregating Rs.43,950 crore for FY2014

Please refer to our letter dated April 16, 2013 and your request for revalidation of the rating assigned to the Market Borrowing Programme for FY14 aggregating Rs.43,950 crore of Power Finance Corporation Ltd (PFC).

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Yours faithfully,

Jasmeen Kaur
[Assistant General Manager]

Preeti Agarwal
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CARE Ratings

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CARE Ratings

Rating Rationale

Power Finance Corporation Ltd

Ratings

Facilities	Amount (Rs. crore)	Ratings[1]	Remarks
Unsecured, Redeemable, Non-Convertible, Non-Cumulative Subordinated Tier II bonds (within the overall Market borrowing programme aggregating Rs.43,950 crore for FY2014)	2,500	CARE AAA (Triple A)	Assigned
LT borrowing programme for FY14 (excluding Subordinated Tier II bonds of Rs.2,500 crore)	36,450	CARE AAA (Triple A)	Reaffirmed
ST borrowing programme for FY14	5,000	CARE A1+ (A One Plus)	Reaffirmed
TOTAL	**43,950**		

Rating Rationale

The ratings continue to factor in the majority ownership by Government of India (GoI) and Power Finance Corporation Ltd's (PFC) strategic importance to GoI in the development of the power infrastructure in India. The ratings also draw comfort from PFC's healthy capitalization levels, diversified resource profile, stable profitability, and comfortable asset quality and liquidity position. The rating strengths are partially offset by PFC's high exposure to weak state power utilities and high sectoral as well as borrower concentration risk.

Continued ownership and support by GoI by way of extension of favourable policy regime and comfortable asset quality are the key rating sensitivities.

Background

PFC was set up in year 1986 as a Financial Institution (FI) dedicated to Power Sector financing. The Corporation was notified as a Public Financial Institution in 1990 under Companies Act, 1956. Until 1996, PFC lent exclusively to the public sector entities. Since 1996, it has expanded its customer profile to include private sector power utilities and projects. In the year 2010, RBI had classified the company as 'Infrastructure Finance Company (NBFC-ND-IFC)'.

[1] *Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications*

The product portfolio of PFC includes financial products and services like Project Term Loan, Short-term Loan, Equipment Lease Financing and Consultancy Services etc for various power projects in Generation, Transmission, and Distribution sector. PFC's clients mainly include state power utilities, private power sector utilities (including independent power producers), joint sector power utilities, and power equipment manufacturers.

Furthermore, PFC has been designated as the nodal agency by Ministry of Power (MoP), Government of India (GoI) for development of Ultra Mega Power Projects (UMPPs) and operationalisation of Restructured Accelerated Power Development and Reform Programme (R-APDRP).

Credit Risk Assessment

Government ownership and support and status of nodal agency

GoI is the major shareholder with 73.72% stake in PFC. The Corporation has been enjoying patronage and support from GoI by way of permission to issue tax-free bonds, extending sovereign guarantees to the foreign currency borrowings and providing PFC access to Central Plan Allocation Funds for recovering dues from State Power Utilities (SPU) that have delayed repayments. Besides, PFC is a strategically important entity for the government as it is the nodal agency for various GoI's schemes like UMPP scheme aimed at meeting India's power requirement with each UMPP having a capacity of 4,000 megawatts (MW) or above and R-APDRP scheme aimed at strengthening & up-gradation of Sub Transmission and Distribution network. PFC is also the bid process coordinator for the Independent Transmission Projects (ITP) scheme which is a tariff-based competitive bidding process for the development of transmission systems through private sector participation. PFC receives a fee as well as the reimbursement of expenditure in implementation of the programme. PFC plays a pivotal role in financing power projects of both the state and private sector, thereby being instrumental in strengthening the power infrastructure of the country.

Healthy growth in credit portfolio

The loan portfolio of PFC had registered a growth of 31% in FY12 (refers to the period April 01 to March 31) (increased from Rs.99,570 crore as on March 31, 2011 to Rs.130,072 crore as on March 31, 2012) and 26% in 9MFY13 (refers to the period April 01 to December 31) (increased

from Rs.117,995 crore as on December 31, 2011 to Rs.148,282 crore as on December 31, 2012). PFC's main clients are State Power Utilities, Central Power Sector Utilities and Joint sector power utilities, which accounted for a substantial part (89%) of the credit portfolio as on March 31, 2012; the remaining portfolio represents PFC's exposures to private power sector utilities (independent power producers). Total disbursements had increased from Rs.25,808 crore in FY10 to Rs.41,418 crore in FY12, thereby registering a growth (CAGR) of 24% over two-year period. In 9MFY13, the company had disbursed Rs.31,070 crore which included 78% towards state sector, 14% towards private sector and remaining towards central and joint sector. The total loan portfolio as on December 31, 2012, included 82% in Generation, 7% in Transmission, 4% in Distribution and 7% in others.

In 9MFY13, PFC reported a PAT of Rs.3,126 crore on a total income of Rs.12,602 crore.

Adequate capitalization with healthy Tier I capital

PFC has comfortable capitalization marked by healthy Tier I capital adequacy ratio (CAR) due to large networth base and comfortable internal accruals. As on March 31, 2012, PFC had a Tier I CAR of 15.38% and overall CAR of 16.29% (being classified as a NBFC-SI-ND-IFC, it is required to maintain minimum Tier I of 10% and overall CAR of 15%). During FY12, PFC had raised around Rs.3,400 crore through Follow on Public Offer (FPO). This along with accrual of profits resulted in increase in the networth from Rs.15,265 crore as on March 31, 2011 to Rs.20,795 crore as on March 31, 2012. As on December 31, 2012, Tier I CAR stood at 16.98% and CAR was 18.10%.

Diversified resource profile

PFC has a well-diversified resource profile, since it can mobilize funds at cost-effective rates from various sources such as foreign currency loans, loans from international agencies like KfW, domestic financial institutions, long-term bonds, bank loans, commercial paper, infrastructure bonds and tax-free bonds. The average cost of borrowing in FY12 was 8.5%-9.5%.

The total borrowing as on March 31, 2012 was Rs.110,126 crore, which included Unsecured bonds/debentures (71% of total borrowing as on March 31, 2012), Unsecured loans (rupee term loans and foreign currency loans) (20%), tax-free bonds (5%), short-term line of credit (3.7%) and infrastructure bonds of Rs.362 crore (0.3%). As on December 31, 2012, total borrowing

stood at Rs.124,505 crore (Rs.99,920 crore as on December 31, 2011) of which bonds contributed 77%, term loans: 18% and short-term loans: 5%.

Comfortable profitability

PFC enjoys very comfortable interest spread and net interest margin owing to availability of low-cost funds. The interest spreads are stable in the range of 2.50%-3.15% during FY10-FY12. The spread had marginally declined in FY12 over FY11 as in FY11, the Corporation had raised approximately USD500 million through ECBs resulting in lower overall cost of borrowing. ROTA continues to remain comfortable at 2.52% in FY12 (as compared with 2.79% in FY11).

Comfortable Asset quality, however, high exposure to weak state power utilities and significant customer and sectoral concentration

The asset quality of PFC is comfortable with Gross NPA of 1.04% and Net NPA of 0.93% as on March 31, 2012. The Net NPA/Networth was 5.84% as on March 31, 2012. As on December 31, 2012, the Gross NPA and Net NPA further improved to 0.92% and 0.82%, respectively. During FY12, the NPA ratios had deteriorated over FY11, mainly on account of fresh slippages in three accounts aggregating Rs.1,100 crore. Furthermore, during FY12, the company had restructured five accounts (of which four are standard accounts) aggregating Rs.3,100 crore. During 9MFY13, there had been no fresh slippages resulting in comfortable Gross NPA and Net NPA ratio.

PFC's portfolio mainly includes loans to State power utilities (SPUs) which constituted 63% of the total loan book of Rs.130,072 crore as on March 31, 2012. Exposure to private sector borrowers accounts for 11% of the total portfolio. Since majority of the state power utilities have weak financial profile, it exposes PFC to vulnerability in asset quality. However, the company has been able to maintain good collection efficiency from its state as well as private sector entities (collection efficiency of 98.91% in FY12).

Furthermore, PFC lends exclusively to the power sector, exposing it to the sectoral concentration risk. Additionally, PFC's top 10 borrowers accounted for 52% of the total loans as on March 31, 2012, thereby exposing the company to high customer concentration risk.

Comfortable liquidity profile

The company monitors and manages its asset-liability mismatches and gaps regularly. Asset Liability Management (ALM) position of PFC is comfortable with no negative cumulative mismatches in any of the time brackets. The company mainly raises long-term loans with average maturity of 5-6 years which is in line with the average maturity profile of PFC's assets. Furthermore, the company is availing line of credit of Rs.5,000 crore from various banks to fund any temporary mis-match.

Prospects

PFC has demonstrated sustained business growth in past with comfortable asset quality despite weak financial health of state power utilities. Going forward, continued support of GoI by way of extension of favourable policy regime and the ability of the company to maintain comfortable profitability and asset quality would be crucial.

Financial Performance (Rs. crore)

As on / Year ended March 31	*2010 (12m, A)*	*2011 (12m, A)*	*2012 (12m, A)*
Working Results			
Interest Income	7,852	9,761	12,602
Income from surplus funds	49	93	245
Other Income	176	307	190
Total Income	**8,077**	**10,161**	**13,037**
Operating Expenses	142	293	693
Depreciation	3	5	5
Interest	4,917	6,313	8,230
PBT	**3,011**	**3,544**	**4,104**
PAT	**2,355**	**2,620**	**3,032**
Financial Position			
Tangible Net worth	13,260	15,265	20,795
Total Borrowings	67,109	85,597	110,126
Total Loan Portfolio	79,856	99,570	130,072
Total Assets	83,440	104,634	135,575
Key Ratios (%)			
Solvency			
Overall Gearing (times)	5.06	5.61	5.30

CARE Ratings

As on / Year ended March 31	2010 (12m, A)	2011 (12m, A)	2012 (12m, A)
Capital Adequacy Ratio (CAR) (%)	18.20	15.71	16.29
Tier I CAR (%)	17.04	14.69	15.38
Interest Coverage (times)	1.61	1.56	1.50
Profitability			
Net Interest Margin	3.91	3.67	3.64
Return on Total Assets (ROTA)	3.11	2.79	2.52
Operating expenses to Total Assets	0.36	0.32	0.59
Asset Quality			
Gross NPA Ratio	0.02	0.23	1.04
Net NPA Ratio	0.01	0.20	0.93
Net NPA to Net worth (%)	0.05	1.27	5.84

Note: Ratios have been computed based on average of annual opening and closing balances
NIM has been calculated as net interest income/ average annual total assets

Disclaimer

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CARE Ratings

Press Release

CARE assigns 'CARE AAA'/'CARE A1+' ratings to the Instruments/Facilities of Power Finance Corporation Ltd

Ratings

Facilities	Amount (Rs. crore)	Ratings[2]	Remarks
Unsecured, Redeemable, Non-Convertible, Non-Cumulative Subordinated Tier II bonds (within the overall Market borrowing programme aggregating Rs.43,950 crore for FY2014)	2,500	CARE AAA (Triple A)	Assigned
LT borrowing programme for FY14 (excluding Subordinated Tier II bonds of Rs.2,500 crore)	36,450	CARE AAA (Triple A)	Reaffirmed
ST borrowing programme for FY14	5,000	CARE A1+ (A One Plus)	Reaffirmed
TOTAL	**43,950**		

Rating Rationale

The ratings continue to factor in the majority ownership by Government of India (GoI) and Power Finance Corporation Ltd's (PFC) strategic importance to GoI in the development of the power infrastructure in India. The ratings also draw comfort from PFC's healthy capitalization levels, diversified resource profile, stable profitability, and comfortable asset quality and liquidity position. The rating strengths are partially offset by PFC's high exposure to weak state power utilities and high sectoral as well as borrower concentration risk.

Continued ownership and support by GoI by way of extension of favourable policy regime and comfortable asset quality are the key rating sensitivities.

Background

PFC was set up in the year 1986 as a Financial Institution (FI) dedicated to Power Sector financing. The Corporation was notified as a Public Financial Institution in 1990 under Companies Act, 1956. Until 1996, PFC lent exclusively to the public sector entities. Since 1996, it has expanded its customer profile to include private sector power utilities and projects. In the

[2]*Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications*

year 2010, RBI had classified the company as 'Infrastructure Finance Company (NBFC-ND-IFC)'.

The product portfolio of PFC includes financial products and services like Project Term Loan, Short-term Loan, Equipment Lease Financing and Consultancy Services etc for various power projects in Generation, Transmission, and Distribution sector. PFC's clients mainly include state power utilities, private power sector utilities (including independent power producers), joint sector power utilities, and power equipment manufacturers.

Furthermore, PFC has been designated as the nodal agency by Ministry of Power (MoP), Government of India (GoI) for development of Ultra Mega Power Projects (UMPPs) and operationalisation of Restructured Accelerated Power Development and Reform Programme (R-APDRP).

In FY12 (refers to the period April 01 to March 31), PFC had reported a total income of Rs.13,037 crore and PAT of Rs.3,032 crore on an asset base of Rs.135,575 crore.

In 9MFY13 (refers to the period April 01 to December 31), PFC reported a PAT of Rs.3,126 crore on a total income of Rs.12,602 crore.

Analyst Contact
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CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

Annexure D

Ref. No. NSE/LIST/2013/212995-9 Date : August 12, 2013

The Company Secretary
Power Finance Corporation Limited
Urja Nidhi Building,
1-Barakhamba Lane,
Cannaught Place,
New Delhi - 110 001

Dear Sir/Madam,

Sub : Trade Statistics Report from 01-Apr-2010 to 31-Jul-2013 for the securities issued by Power Finance Corporation Limited.

The details of the securities issued by you and traded on the Wholesale Debt Market segment of the Exchange from 01-Apr-2010 to 31-Jul-2013 are as follows:

IssueDescription	Sec Type	Security	Issue Name	Trade Date	No. of Trades	Traded Volume (Rs. Lakhs)	Max Price (Rs.)	Min Price (Rs.)
PFC 1YINCMT+1.79% 19(S-60-B)	PR	PFC19	+1.79%	20-SEP-2011	1	500	99.5	99.5
PFC MIB +2.15% 2011 (S-XLVI)	PR	PFC11	+2.15%	26-MAY-2010	1	2500	100.5	100.5
PFC MIB +2.15% 2011 (S-XLVI)	PR	PFC11	+2.15%	26-AUG-2010	1	9000	100.15	100.15
POWER FINANCE 9.70% 2021S-74	PT	PFC21	9.70%	23-JUN-2011	2	1000	100.3022	100.3022
POWER FINANCE 9.70% 2021S-74	PT	PFC21	9.70%	06-JUL-2011	1	1000	101.166	101.166
POWER FINANCE 9.70% 2021S-74	PT	PFC21	9.70%	02-NOV-2011	1	2000	99.7244	99.7244
POWER FINANCE 9.70% 2021S-74	PT	PFC21	9.70%	27-DEC-2011	1	500	100.8304	100.8304
POWER FINANCE 8.27% 16S-106-B	PT	PFC16	8.27%	25-JUL-2013	1	1000	95.7046	95.7046
POWER FINANCE 7.20% 2012 (S-56	PT	PFC12	7.20%	26-APR-2010	1	2500	100.5383	100.5383
POWER FINANCE 7.20% 2012 (S-56	PT	PFC12	7.20%	06-JUN-2011	1	2500	97.1823	97.1823
POWER FINANCE 7.20% 2012 (S-56	PT	PFC12	7.20%	28-FEB-2012	1	3000	98.895	98.895
POWER FIN8.95% 2025 (S -64-III	PT	PFC25	8.95%	03-JUN-2010	1	350	101.4326	101.4326

Sub : Trade Statistics Report from 01-Apr-2010 to 31-Jul-2013 for the securities issued by Power Finance Corporation Limited.

IssueDescription	Sec Type	Security	Issue Name	Trade Date	No. of Trades	Traded Volume (Rs. Lakhs)	Max Price (Rs.)	Min Price (Rs.)
POWER FIN8.95% 2020 (S -64-II	PT	PFC20	8.95%	23-APR-2010	2	1000	102.2016	101.2185
POWER FIN8.95% 2020 (S -64-II	PT	PFC20	8.95%	11-NOV-2010	1	500	99.9929	99.9929
POWER FIN8.95% 2015 (S -64-I)	PT	PFC15	8.95%	14-MAY-2010	1	2500	103.2984	103.2984
POWER FIN8.95% 2015 (S -64-I)	PT	PFC15	8.95%	09-AUG-2011	2	1500	98.7047	98.7047
POWER FIN 9.64% 2014 (S-75-A)	PT	PFC14	9.64%	29-AUG-2011	1	4000	100.6216	100.6216
POWER FIN 9.64% 2014 (S-75-A)	PT	PFC14	9.64%	30-AUG-2011	1	4000	100.6366	100.6366
POWER FIN 9.64% 2014 (S-75-A)	PT	PFC14	9.64%	09-SEP-2011	1	2500	100.4804	100.4804
POWER FIN 9.64% 2014 (S-75-A)	PT	PFC14	9.64%	14-NOV-2011	3	10000	99.7459	99.7359
POWER FIN 9.64% 2014 (S-75-A)	PT	PFC14	9.64%	17-NOV-2011	1	1000	99.9013	99.9013
POWER FIN 9.64% 2014 (S-75-A)	PT	PFC14	9.64%	21-NOV-2011	1	500	99.9227	99.9227
POWER FIN 9.64% 2014 (S-75-A)	PT	PFC14	9.64%	01-DEC-2011	3	3000	100.0753	100.075
POWER FIN 9.64% 2014 (S-75-A)	PT	PFC14	9.64%	14-DEC-2011	1	500	100.2903	100.2903
POWER FIN 9.64% 2014 (S-75-A)	PT	PFC14	9.64%	24-FEB-2012	3	4500	100.1746	100.1746
POWER FIN 9.64% 2014 (S-75-A)	PT	PFC14	9.64%	04-MAY-2012	1	500	100.0151	100.0151
POWER FIN 9.64% 2014 (S-75-A)	PT	PFC14	9.64%	16-JUL-2012	1	500	100.4248	100.4248
POWER FIN 9.64% 2014 (S-75-A)	PT	PFC14	9.64%	03-SEP-2012	1	1500	100.548	100.548
POWER FIN 9.64% 2014 (S-75-A)	PT	PFC14	9.64%	12-OCT-2012	1	500	101.2014	101.2014
POWER FIN 9.62% 2016 (S-75-B)	PT	PFC16	9.62%	06-JUL-2011	1	1500	100.2163	100.2163
POWER FIN 9.62% 2016 (S-75-B)	PT	PFC16	9.62%	14-JUL-2011	4	3000	100.8591	100.7436

Sub : Trade Statistics Report from 01-Apr-2010 to 31-Jul-2013 for the securities issued by Power Finance Corporation Limited.

IssueDescription	Sec Type	Security	Issue Name	Trade Date	No. of Trades	Traded Volume (Rs. Lakhs)	Max Price (Rs.)	Min Price (Rs.)
POWER FIN 9.62% 2016 (S-75-B)	PT	PFC16	9.62%	18-OCT-2011	3	5000	99.5066	99.5066
POWER FIN 9.62% 2016 (S-75-B)	PT	PFC16	9.62%	09-DEC-2011	2	1500	100.5918	100.3614
POWER FIN 9.62% 2016 (S-75-B)	PT	PFC16	9.62%	14-MAR-2012	2	1500	100.4275	100.4275
POWER FIN 9.62% 2016 (S-75-B)	PT	PFC16	9.62%	21-JUN-2012	1	500	100.4229	100.4229
POWER FIN 9.62% 2016 (S-75-B)	PT	PFC16	9.62%	04-JUL-2012	1	1000	100.5177	100.5177
POWER FIN 9.62% 2017 (S-87-A)	PT	PFC17	9.62%	10-APR-2012	2	14000	100.2558	100.2068
POWER FIN 9.62% 2017 (S-87-A)	PT	PFC17	9.62%	23-APR-2012	1	2500	100.5562	100.5562
POWER FIN 9.62% 2017 (S-87-A)	PT	PFC17	9.62%	31-MAY-2013	1	14000	100.2961	100.2961
POWER FIN 9.62% 2017 (S-87-A)	PT	PFC17	9.62%	21-JUN-2013	1	5000	100.2239	100.2239
POWER FIN 9.62% 2017 (S-87-A)	PT	PFC17	9.62%	01-JUL-2013	1	5000	100.2889	100.2889
POWER FIN 9.61% 2021 (S-75-C)	PT	PFC21	9.61%	12-JUL-2011	18	14000	101.3155	100.9035
POWER FIN 9.61% 2021 (S-75-C)	PT	PFC21	9.61%	21-JUL-2011	10	6500	101.5382	101.1471
POWER FIN 9.61% 2021 (S-75-C)	PT	PFC21	9.61%	25-JUL-2011	2	1000	101.4108	101.2076
POWER FIN 9.61% 2021 (S-75-C)	PT	PFC21	9.61%	02-AUG-2011	2	1000	100.6607	100.6282
POWER FIN 9.61% 2021 (S-75-C)	PT	PFC21	9.61%	06-SEP-2011	1	500	101.13	101.13
POWER FIN 9.61% 2021 (S-75-C)	PT	PFC21	9.61%	14-SEP-2011	1	500	100.8721	100.8721
POWER FIN 9.61% 2021 (S-75-C)	PT	PFC21	9.61%	21-SEP-2011	2	1000	100.6474	100.6169
POWER FIN 9.61% 2021 (S-75-C)	PT	PFC21	9.61%	13-OCT-2011	1	1000	99.6158	99.6158
POWER FIN 9.61% 2021 (S-75-C)	PT	PFC21	9.61%	28-DEC-2011	4	5000	100.8843	100.8228

Sub : Trade Statistics Report from 01-Apr-2010 to 31-Jul-2013 for the securities issued by Power Finance Corporation Limited.

IssueDescription	Sec Type	Security	Issue Name	Trade Date	No. of Trades	Traded Volume (Rs. Lakhs)	Max Price (Rs.)	Min Price (Rs.)
POWER FIN 9.61% 2021 (S-75-C)	PT	PFC21	9.61%	06-JAN-2012	2	1000	101.5004	101.5004
POWER FIN 9.61% 2021 (S-75-C)	PT	PFC21	9.61%	10-JAN-2012	1	1000	101.8717	101.8717
POWER FIN 9.61% 2021 (S-75-C)	PT	PFC21	9.61%	31-JAN-2012	1	5000	101.6208	101.6208
POWER FIN 9.61% 2021 (S-75-C)	PT	PFC21	9.61%	01-MAR-2012	1	500	101.75	101.75
POWER FIN 9.61% 2021 (S-75-C)	PT	PFC21	9.61%	11-APR-2012	1	1000	100.4551	100.4551
POWER FIN 9.61% 2021 (S-75-C)	PT	PFC21	9.61%	21-NOV-2012	1	500	103.1774	103.1774
POWER FIN 9.52% 2017(S-89-A)	PT	PFC17	9.52%	08-JUN-2012	1	1000	99.906	99.906
POWER FIN 9.52% 2017(S-89-A)	PT	PFC17	9.52%	06-JUL-2012	5	13000	100.0193	99.8845
POWER FIN 9.52% 2017(S-89-A)	PT	PFC17	9.52%	09-JUL-2012	1	2500	100.1702	100.1702
POWER FIN 9.52% 2017(S-89-A)	PT	PFC17	9.52%	17-JUL-2012	4	8000	100.2133	100.1966
POWER FIN 9.52% 2017(S-89-A)	PT	PFC17	9.52%	18-JUL-2012	3	5000	100.2614	100.0601
POWER FIN 9.52% 2017(S-89-A)	PT	PFC17	9.52%	23-AUG-2012	1	5000	100.3972	100.3972
POWER FIN 9.52% 2017(S-89-A)	PT	PFC17	9.52%	31-AUG-2012	1	500	100.3615	100.3615
POWER FIN 9.52% 2017(S-89-A)	PT	PFC17	9.52%	26-SEP-2012	4	8300	100.9469	100.7759
POWER FIN 9.52% 2017(S-89-A)	PT	PFC17	9.52%	05-OCT-2012	2	5000	100.9024	100.9024
POWER FIN 9.52% 2017(S-89-A)	PT	PFC17	9.52%	19-OCT-2012	4	17500	101.1558	101.1261
POWER FIN 9.52% 2017(S-89-A)	PT	PFC17	9.52%	25-OCT-2012	1	4000	101.1202	101.1202
POWER FIN 9.52% 2017(S-89-A)	PT	PFC17	9.52%	06-DEC-2012	1	6000	100.7385	100.7385
POWER FIN 9.52% 2017(S-89-A)	PT	PFC17	9.52%	28-JAN-2013	1	5000	100.8576	100.8576

Sub : Trade Statistics Report from 01-Apr-2010 to 31-Jul-2013 for the securities issued by Power Finance Corporation Limited.

IssueDescription	Sec Type	Security	Issue Name	Trade Date	No. of Trades	Traded Volume (Rs. Lakhs)	Max Price (Rs.)	Min Price (Rs.)
POWER FIN 9.52% 2017(S-89-A)	PT	PFC17	9.52%	13-FEB-2013	1	5000	100.6805	100.6805
POWER FIN 9.52% 2017(S-89-A)	PT	PFC17	9.52%	17-JUN-2013	4	30000	100.7725	100.7725
POWER FIN 9.48% 2022S-88-C	PT	PFC22	9.48%	11-APR-2012	1	460	100.01	100.01
POWER FIN 9.48% 2022S-88-C	PT	PFC22	9.48%	12-APR-2012	1	1000	100.4222	100.4222
POWER FIN 9.46% 2015(S-89-B)	PT	PFC15	9.46%	13-JUN-2012	2	3000	99.9764	99.957
POWER FIN 9.46% 2015(S-89-B)	PT	PFC15	9.46%	01-AUG-2012	1	2500	100.2717	100.2717
POWER FIN 9.46% 2015(S-89-B)	PT	PFC15	9.46%	09-AUG-2012	3	4000	100.544	100.5206
POWER FIN 9.46% 2015(S-89-B)	PT	PFC15	9.46%	14-SEP-2012	1	500	100.8019	100.8019
POWER FIN 9.46% 2015(S-89-B)	PT	PFC15	9.46%	20-NOV-2012	1	1000	101.0205	101.0205
POWER FIN 9.46% 2015(S-89-B)	PT	PFC15	9.46%	07-DEC-2012	4	6500	100.9594	100.9332
POWER FIN 9.46% 2015(S-89-B)	PT	PFC15	9.46%	11-DEC-2012	1	2500	100.8957	100.8957
POWER FIN 9.46% 2015(S-89-B)	PT	PFC15	9.46%	14-JAN-2013	1	2500	101.4184	101.4184
POWER FIN 9.46% 2015(S-89-B)	PT	PFC15	9.46%	08-FEB-2013	1	2500	101.0151	101.0151
POWER FIN 9.46% 2015(S-89-B)	PT	PFC15	9.46%	13-MAR-2013	3	4500	100.8862	100.8673
POWER FIN 9.46% 2015(S-89-B)	PT	PFC15	9.46%	09-MAY-2013	1	1000	102.0849	102.0849
POWER FIN 9.46% 2015(S-89-B)	PT	PFC15	9.46%	15-MAY-2013	3	5500	102.4547	102.4547
POWER FIN 9.46% 2015(S-89-B)	PT	PFC15	9.46%	29-MAY-2013	1	2500	102.1038	102.1038
POWER FIN 9.45% 2026 S-77-B	PT	PFC26	9.45%	27-SEP-2011	1	400	99.5985	99.5985
POWER FIN 9.45% 2026 S-77-B	PT	PFC26	9.45%	28-SEP-2011	1	20	99.75	99.75

Sub : Trade Statistics Report from 01-Apr-2010 to 31-Jul-2013 for the securities issued by Power Finance Corporation Limited.

IssueDescription	Sec Type	Security	Issue Name	Trade Date	No. of Trades	Traded Volume (Rs. Lakhs)	Max Price (Rs.)	Min Price (Rs.)
POWER FIN 9.45% 2026 S-77-B	PT	PFC26	9.45%	02-MAY-2012	1	2500	100.0871	100.0871
POWER FIN 9.44% 2021 (S-78-B)	PT	PFC21	9.44%	15-NOV-2011	1	2500	98.2157	98.2157
POWER FIN 9.44% 2021 (S-78-B)	PT	PFC21	9.44%	16-NOV-2011	1	500	98.2154	98.2154
POWER FIN 9.44% 2021 (S-78-B)	PT	PFC21	9.44%	08-DEC-2011	1	1000	99.6498	99.6498
POWER FIN 9.43% 2013 (S-78-A)	PT	PFC13	9.43%	08-AUG-2012	1	4500	100.1864	100.1864
POWER FIN 9.41% 2016 S-77-A	PT	PFC16	9.41%	07-DEC-2011	1	500	99.9185	99.9185
POWER FIN 9.41% 2016 S-77-A	PT	PFC16	9.41%	22-MAR-2012	1	500	99.133	99.133
POWER FIN 9.41% 2016 S-77-A	PT	PFC16	9.41%	16-JUL-2012	1	2500	100.1293	100.1293
POWER FIN 9.41% 2016 S-77-A	PT	PFC16	9.41%	18-SEP-2012	2	3500	101.182	100.9881
POWER FIN 9.41% 2016 S-77-A	PT	PFC16	9.41%	04-FEB-2013	2	10000	101.8353	101.6127
POWER FIN 9.41% 2016 S-77-A	PT	PFC16	9.41%	03-APR-2013	1	2500	101.6177	101.6177
POWER FIN 9.41% 2016 S-77-A	PT	PFC16	9.41%	29-JUL-2013	1	500	98.9438	98.9438
POWER FIN 9.40% 2017 SR-91-A	PT	PFC17	9.40%	08-FEB-2013	1	500	102.3144	102.3144
POWER FIN 9.33% 17 (S-84)	PT	PFC17	9.33%	27-FEB-2012	1	500	99.9866	99.9866
POWER FIN 9.29% 2022(S-91-C)	PT	PFC22	9.29%	17-SEP-2012	3	6000	101.2572	101.036
POWER FIN 9.27% 2017(S-91-B)	PT	PFC17	9.27%	05-SEP-2012	8	14200	100.1169	100.0411
POWER FIN 9.27% 2017(S-91-B)	PT	PFC17	9.27%	13-SEP-2012	3	3500	100.2641	100.2246
POWER FIN 9.27% 2017(S-91-B)	PT	PFC17	9.27%	17-SEP-2012	7	5500	100.8748	100.8748
POWER FIN 9.27% 2017(S-91-B)	PT	PFC17	9.27%	05-OCT-2012	6	6500	101.3536	101.3107

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IssueDescription	Sec Type	Security	Issue Name	Trade Date	No. of Trades	Traded Volume (Rs. Lakhs)	Max Price (Rs.)	Min Price (Rs.)
POWER FIN 9.27% 2017(S-91-B)	PT	PFC17	9.27%	02-NOV-2012	3	1500	100.8584	100.8173
POWER FIN 9.27% 2017(S-91-B)	PT	PFC17	9.27%	11-JAN-2013	2	2000	101.9769	101.9396
POWER FIN 9.27% 2017(S-91-B)	PT	PFC17	9.27%	13-MAR-2013	1	1500	101.0858	101.0858
POWER FIN 9.27% 2017(S-91-B)	PT	PFC17	9.27%	15-MAY-2013	1	1000	103.9942	103.9942
POWER FIN 9.27% 2017(S-91-B)	PT	PFC17	9.27%	17-JUL-2013	1	1000	98.3832	98.3832
POWER FIN 9.18% 2021 (S-73)	PT	PFC21	9.18%	19-MAY-2011	1	3000	98.0389	98.0389
POWER FIN 9.18% 2021 (S-73)	PT	PFC21	9.18%	17-JAN-2012	2	1000	99.164	99.044
POWER FIN 9.01% 2017(S-92-A)	PT	PFC17	9.01%	08-JAN-2013	2	5500	100.4426	100.4053
POWER FIN 9.01% 2017(S-92-A)	PT	PFC17	9.01%	25-JUN-2013	3	25500	100.1689	100.1689
POWER FIN 9.01% 2017(S-92-A)	PT	PFC17	9.01%	12-JUL-2013	1	10000	100.3019	100.3019
POWER FIN 9.01% 2017(S-92-A)	PT	PFC17	9.01%	26-JUL-2013	1	5000	98.9193	98.9193
POWER FIN 9% 2028 S-101-B	PT	PFC28	9%	21-MAR-2013	1	500	100.6664	100.6664
POWER FIN 9% 2028 S-101-B	PT	PFC28	9%	22-MAR-2013	6	25500	100.4196	100.4196
POWER FIN 9% 2028 S-101-B	PT	PFC28	9%	14-MAY-2013	1	1000	106.6192	106.6192
POWER FIN 8.95% 2018S-101-A	PT	PFC18	8.95%	15-MAR-2013	1	2500	100.2845	100.2845
POWER FIN 8.95% 2018S-101-A	PT	PFC18	8.95%	22-MAR-2013	3	7500	100.0825	100.0825
POWER FIN 8.95% 2018S-101-A	PT	PFC18	8.95%	23-APR-2013	2	2500	101.5229	101.4839
POWER FIN 8.95% 2018S-101-A	PT	PFC18	8.95%	26-APR-2013	2	1000	101.4781	101.4781
POWER FIN 8.95% 2018S-101-A	PT	PFC18	8.95%	08-MAY-2013	2	1000	102.2435	102.2435

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IssueDescription	Sec Type	Security	Issue Name	Trade Date	No. of Trades	Traded Volume (Rs. Lakhs)	Max Price (Rs.)	Min Price (Rs.)
POWER FIN 8.95% 2018S-101-A	PT	PFC18	8.95%	07-JUN-2013	1	2000	102.7717	102.7717
POWER FIN 8.95% 2018S-101-A	PT	PFC18	8.95%	25-JUN-2013	2	1500	101.0248	101.0248
POWER FIN 8.94% 2028 (S-103)	PT	PFC28	8.94%	09-APR-2013	10	9500	100.9096	100.706
POWER FIN 8.94% 2028 (S-103)	PT	PFC28	8.94%	18-APR-2013	8	9000	102.8063	102.1365
POWER FIN 8.94% 2028 (S-103)	PT	PFC28	8.94%	22-APR-2013	3	4500	102.3441	102.1354
POWER FIN 8.94% 2028 (S-103)	PT	PFC28	8.94%	09-MAY-2013	6	13000	104.4452	104.3152
POWER FIN 8.94% 2028 (S-103)	PT	PFC28	8.94%	13-MAY-2013	2	3500	105.0001	105.0001
POWER FIN 8.94% 2028 (S-103)	PT	PFC28	8.94%	12-JUN-2013	1	500	104.7075	104.7075
POWER FIN 8.94% 2028 (S-103)	PT	PFC28	8.94%	29-JUL-2013	1	1000	97.9668	97.9668
POWER FIN 8.91% 17 (S-93-B)	PT	PFC17	8.91%	02-NOV-2012	1	1000	99.6143	99.6143
POWER FIN 8.91% 17 (S-93-B)	PT	PFC17	8.91%	11-JAN-2013	1	1000	100.7025	100.7025
POWER FIN 8.91% 17 (S-93-B)	PT	PFC17	8.91%	27-MAY-2013	3	3000	102.7934	102.6098
POWER FIN 8.90% 28 S-102A-III	PT	PFC28	8.90%	23-APR-2013	1	500	102.0483	102.0483
POWER FIN 8.90% 28 S-102A-III	PT	PFC28	8.90%	17-JUL-2013	1	10000	95.2115	95.2115
POWER FIN 8.85% 14 (S-93-A)	PT	PFC14	8.85%	29-OCT-2012	6	13000	100.1935	100.0633
POWER FIN 8.85% 14 (S-93-A)	PT	PFC14	8.85%	08-NOV-2012	1	10000	99.9935	99.9935
POWER FIN 8.85% 14 (S-93-A)	PT	PFC14	8.85%	21-DEC-2012	1	500	99.8135	99.8135
POWER FIN 8.85% 14 (S-93-A)	PT	PFC14	8.85%	31-DEC-2012	1	500	99.9056	99.9056
POWER FIN 8.85% 14 (S-93-A)	PT	PFC14	8.85%	10-JAN-2013	3	2500	100.0736	100.0112

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IssueDescription	Sec Type	Security	Issue Name	Trade Date	No. of Trades	Traded Volume (Rs. Lakhs)	Max Price (Rs.)	Min Price (Rs.)
POWER FIN 8.85% 14 (S-93-A)	PT	PFC14	8.85%	08-APR-2013	1	1500	100.0991	100.0991
POWER FIN 8.85% 14 (S-93-A)	PT	PFC14	8.85%	12-APR-2013	2	2500	100.138	100.138
POWER FIN 8.85% 14 (S-93-A)	PT	PFC14	8.85%	29-MAY-2013	5	10000	100.5692	100.5555
POWER FIN 8.85% 14 (S-93-A)	PT	PFC14	8.85%	07-JUN-2013	1	1000	100.57	100.57
POWER FIN 8.85% 14 (S-93-A)	PT	PFC14	8.85%	17-JUL-2013	1	2500	98.7474	98.7474
POWER FIN 8.84% 2023 S-100-B	PT	PFC23	8.84%	09-APR-2013	1	500	100.5131	100.5131
POWER FIN 8.84% 2023 S-100-B	PT	PFC23	8.84%	01-JUL-2013	1	2500	101.9391	101.9391
POWER FIN 8.84% 2023 S-100-B	PT	PFC23	8.84%	08-JUL-2013	1	1000	100.3889	100.3889
POWER FIN 8.84% 2023 S-100-B	PT	PFC23	8.84%	17-JUL-2013	1	10000	95.8237	95.8237
POWER FIN 8.82% 20 (S-99-B)	PT	PFC20	8.82%	07-MAY-2013	1	2500	101.7518	101.7518
POWER FIN 8.75% 2018 S-97	PT	PFC18	8.75%	08-FEB-2013	1	10000	99.7972	99.7972
POWER FIN 8.75% 2018 S-97	PT	PFC18	8.75%	01-MAR-2013	1	7000	99.3877	99.3877
POWER FIN 8.75% 2018 S-97	PT	PFC18	8.75%	21-JUN-2013	1	5000	100.2855	100.2855
POWER FIN 8.75% 2018 S-97	PT	PFC18	8.75%	03-JUL-2013	1	2500	100.2773	100.2773
POWER FIN 8.45% 2014 (S-59A)	PT	PFC14A	8.45%	12-JUL-2010	1	500	101.4189	101.4189
POWER FIN 8.45% 2014 (S-58B)	PT	PFC14	8.45%	04-JUL-2011	1	3000	96.9666	96.9666
POWER FIN 8.45% 2014 (S-58B)	PT	PFC14	8.45%	12-SEP-2012	1	1000	98.795	98.795
POWER FIN 8.35% 16 S-104-A	PT	PFC16	8.35%	26-JUL-2013	3	3500	96.6516	96.622
POWER FIN 7.89% 2012 (S-69)	PT	PFC12	7.89%	29-SEP-2010	1	1740	100	100

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IssueDescription	Sec Type	Security	Issue Name	Trade Date	No. of Trades	Traded Volume (Rs. Lakhs)	Max Price (Rs.)	Min Price (Rs.)
POWER FIN 7.89% 2012 (S-69)	PT	PFC12	7.89%	20-DEC-2010	1	2000	98.4516	98.4516
POWER FIN 7.89% 2012 (S-69)	PT	PFC12	7.89%	18-JAN-2011	1	4500	98.0426	98.0426
POWER FIN 7.89% 2012 (S-69)	PT	PFC12	7.89%	01-FEB-2011	1	2000	97.8546	97.8546
POWER FIN 7.89% 2012 (S-69)	PT	PFC12	7.89%	11-APR-2011	1	2500	98.1669	98.1669
POWER FIN 7.89% 2012 (S-69)	PT	PFC12	7.89%	26-MAY-2011	1	3500	97.6021	97.6021
POWER FIN 7.89% 2012 (S-69)	PT	PFC12	7.89%	11-AUG-2011	1	4500	98.3991	98.3991
POWER FIN 7.89% 2012 (S-69)	PT	PFC12	7.89%	13-OCT-2011	1	3000	98.4541	98.4541
POWER FIN 7.89% 2012 (S-69)	PT	PFC12	7.89%	14-AUG-2012	1	5500	99.8731	99.8731
POWER FIN 7.10%2012(S-67)	PT	PFC12	7.10%	26-AUG-2010	1	5000	98.38	98.38
POWER FIN 7.10%2012(S-67)	PT	PFC12	7.10%	31-AUG-2010	2	1000	98.6422	98.6422
POWER FIN 7.10%2012(S-67)	PT	PFC12	7.10%	02-SEP-2010	3	5000	99	98.6982
POWER FIN 7.10%2012(S-67)	PT	PFC12	7.10%	29-SEP-2010	1	2500	98.4066	98.4066
POWER FIN 7.10%2012(S-67)	PT	PFC12	7.10%	25-OCT-2010	1	3500	97.85	97.85
POWER FIN 7.10%2012(S-67)	PT	PFC12	7.10%	23-FEB-2011	1	500	96.9076	96.9076
POWER FIN 7.10%2012(S-67)	PT	PFC12	7.10%	29-APR-2011	1	1000	97.14	97.14
POWER FIN 7.10%2012(S-67)	PT	PFC12	7.10%	03-JUN-2011	3	10000	97.0876	97.0555
POWER FIN 7.10%2012(S-67)	PT	PFC12	7.10%	10-JUN-2011	2	22000	97.2632	97.12
POWER FIN 7.10%2012(S-67)	PT	PFC12	7.10%	07-JUL-2011	1	24500	97.842	97.842
POWER FIN 7.10%2012(S-67)	PT	PFC12	7.10%	02-FEB-2012	1	2500	98.5788	98.5788

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IssueDescription	Sec Type	Security	Issue Name	Trade Date	No. of Trades	Traded Volume (Rs. Lakhs)	Max Price (Rs.)	Min Price (Rs.)
POWER FIN 8.72% 2017 S-98-I	PT	PFC17	8.72%	30-APR-2013	2	2000	100.355	100.355
POW FIN COR 9.70% 2018(S-82-C)	PT	PFC18	9.70%	26-DEC-2011	1	3000	101.2298	101.2298
POW FIN COR 9.70% 2018(S-82-C)	PT	PFC18	9.70%	02-JAN-2012	3	2000	101.2699	101.0212
POW FIN COR 9.70% 2018(S-82-C)	PT	PFC18	9.70%	03-JAN-2012	7	6500	101.618	101.3198
POW FIN COR 9.70% 2018(S-82-C)	PT	PFC18	9.70%	06-JAN-2012	4	3000	101.5651	101.5609
POW FIN COR 9.70% 2018(S-82-C)	PT	PFC18	9.70%	23-JAN-2012	5	4000	101.8643	101.8144
POW FIN COR 9.70% 2018(S-82-C)	PT	PFC18	9.70%	01-MAR-2012	1	1000	101.396	101.396
POW FIN COR 9.70% 2018(S-82-C)	PT	PFC18	9.70%	13-MAR-2012	1	1500	100.2651	100.2651
POW FIN COR 9.70% 2018(S-82-C)	PT	PFC18	9.70%	10-OCT-2012	2	3500	103.4552	103.4552
POW FIN COR 9.70% 2018(S-82-C)	PT	PFC18	9.70%	17-APR-2013	2	1500	104.2189	104.2189
POW FIN COR 9.64% 2016(S-82-B)	PT	PFC16	9.64%	09-JAN-2012	1	1000	101.1136	101.1136
POW FIN COR 9.64% 2016(S-82-B)	PT	PFC16	9.64%	20-JAN-2012	1	1000	101.0952	101.0952
POW FIN COR 9.64% 2016(S-82-B)	PT	PFC16	9.64%	10-APR-2012	3	2500	100.1599	100.1599
POW FIN COR 9.64% 2016(S-82-B)	PT	PFC16	9.64%	17-APR-2012	1	500	100.8151	100.8151
POW FIN COR 9.64% 2016(S-82-B)	PT	PFC16	9.64%	15-JUN-2012	5	5500	100.7087	100.6731
POW FIN COR 9.64% 2016(S-82-B)	PT	PFC16	9.64%	21-SEP-2012	1	5000	101.9698	101.9698
POW FIN COR 9.64% 2016(S-82-B)	PT	PFC16	9.64%	21-JAN-2013	2	4000	102.65	102.65
POW FIN COR 9.64% 2016(S-82-B)	PT	PFC16	9.64%	23-JAN-2013	1	3500	102.645	102.645
POW FIN COR 9.64% 2016(S-82-B)	PT	PFC16	9.64%	05-APR-2013	2	3000	102.6389	102.6389

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IssueDescription	Sec Type	Security	Issue Name	Trade Date	No. of Trades	Traded Volume (Rs. Lakhs)	Max Price (Rs.)	Min Price (Rs.)
POW FIN COR 9.63% 2014(S-82-A)	PT	PFC14	9.63%	06-JAN-2012	1	2500	100.1983	100.1983
POW FIN COR 9.63% 2014(S-82-A)	PT	PFC14	9.63%	24-APR-2012	1	5000	100.2877	100.2877
POW FIN COR 9.63% 2014(S-82-A)	PT	PFC14	9.63%	26-APR-2012	1	500	100.1285	100.1285
POW FIN COR 9.63% 2014(S-82-A)	PT	PFC14	9.63%	26-JUL-2012	1	2500	100.6704	100.6704
POW FIN COR 9.63% 2014(S-82-A)	PT	PFC14	9.63%	21-AUG-2012	1	500	100.65	100.65
POW FIN COR 9.63% 2014(S-82-A)	PT	PFC14	9.63%	12-OCT-2012	1	500	101.4591	101.4591
POW FIN COR 9.63% 2014(S-82-A)	PT	PFC14	9.63%	26-JUL-2013	1	500	98.8804	98.8804
POW FIN 9.55% 2015 (S-83)	PT	PFC15	9.55%	20-JAN-2012	1	300	100	100
POW FIN 9.55% 2015 (S-83)	PT	PFC15	9.55%	30-JAN-2012	7	20500	99.9075	99.9066
POW FIN 9.55% 2015 (S-83)	PT	PFC15	9.55%	28-FEB-2012	1	5000	100.1488	100.1488
POW FIN 9.55% 2015 (S-83)	PT	PFC15	9.55%	13-MAR-2012	2	2500	99.6802	99.6802
POW FIN 9.55% 2015 (S-83)	PT	PFC15	9.55%	02-AUG-2012	1	3000	100.3664	100.3664
POW FIN 9.55% 2015 (S-83)	PT	PFC15	9.55%	25-SEP-2012	1	2500	101.0113	101.0113
POW FIN 9.55% 2015 (S-83)	PT	PFC15	9.55%	02-JAN-2013	1	2500	101.2599	101.2599
POW FIN 9.55% 2015 (S-83)	PT	PFC15	9.55%	16-JAN-2013	1	2500	101.3424	101.3424
POW FIN 9.55% 2015 (S-83)	PT	PFC15	9.55%	15-MAY-2013	1	2500	102.0613	102.0613
POW FIN 9.46% 2026 (S-76-B)	PT	PFC26	9.46%	11-AUG-2011	4	4330	101.0325	100.7343
POW FIN 9.36% 2021 (S-76-A)	PT	PFC21	9.36%	09-AUG-2011	11	9000	100.2532	99.8739
POW FIN 9.36% 2021 (S-76-A)	PT	PFC21	9.36%	14-SEP-2011	2	1000	99.3424	99.3424

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IssueDescription	Sec Type	Security	Issue Name	Trade Date	No. of Trades	Traded Volume (Rs. Lakhs)	Max Price (Rs.)	Min Price (Rs.)
POW FIN 9.36% 2021 (S-76-A)	PT	PFC21	9.36%	23-SEP-2011	2	1000	99.117	99.117
POW FIN 9.36% 2021 (S-76-A)	PT	PFC21	9.36%	14-OCT-2011	3	2000	97.488	97.4873
POW FIN 9.36% 2021 (S-76-A)	PT	PFC21	9.36%	04-NOV-2011	1	1000	97.7255	97.7255
POW FIN 9.36% 2021 (S-76-A)	PT	PFC21	9.36%	11-NOV-2011	1	500	97.1837	97.1837
POW FIN 9.36% 2021 (S-76-A)	PT	PFC21	9.36%	23-DEC-2011	1	1000	99.7926	99.7926
POW FIN 9.36% 2021 (S-76-A)	PT	PFC21	9.36%	07-FEB-2012	3	2000	100.6527	100.6527
POW FIN 9.36% 2021 (S-76-A)	PT	PFC21	9.36%	13-FEB-2012	1	1000	100.529	100.529
POW FIN 9.36% 2021 (S-76-A)	PT	PFC21	9.36%	26-JUL-2012	2	1000	100.5078	100.5078
POW FIN 9.36% 2021 (S-76-A)	PT	PFC21	9.36%	08-OCT-2012	1	2500	102.3355	102.3355
POW FIN 9.36% 2021 (S-76-A)	PT	PFC21	9.36%	31-DEC-2012	1	1000	102.2851	102.2851
POW FIN 9.36% 2021 (S-76-A)	PT	PFC21	9.36%	10-JAN-2013	1	500	103.4102	103.4102
POW FIN 9.36% 2021 (S-76-A)	PT	PFC21	9.36%	06-JUN-2013	1	500	106.3227	106.3227
POW FIN 8.90% 2014 (S-96)	PT	PFC14A	8.90%	24-JAN-2013	1	2500	100.1262	100.1262
POW FIN 8.90% 2014 (S-96)	PT	PFC14A	8.90%	14-MAR-2013	1	1500	100	100
POW FIN 8.90% 2014 (S-96)	PT	PFC14A	8.90%	09-APR-2013	1	1000	100.1444	100.1444
POW FIN 8.90% 2014 (S-96)	PT	PFC14A	8.90%	12-APR-2013	1	1000	100.2461	100.2461
POW FIN 8.90% 2014 (S-96)	PT	PFC14A	8.90%	29-APR-2013	2	2000	100.3813	100.3813
POW FIN 8.90% 2014 (S-96)	PT	PFC14A	8.90%	03-JUN-2013	1	5000	100.7413	100.7413
POW FIN 8.90% 2014 (S-96)	PT	PFC14A	8.90%	04-JUN-2013	3	7000	100.7413	100.7398

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IssueDescription	Sec Type	Security	Issue Name	Trade Date	No. of Trades	Traded Volume (Rs. Lakhs)	Max Price (Rs.)	Min Price (Rs.)
POW FIN 8.70% 2025 (S-65-III)	PT	PFC25	8.70%	19-MAY-2010	2	1000	99.3678	99.3272
POW FIN 8.70% 2025 (S-65-III)	PT	PFC25	8.70%	02-JUL-2010	1	1000	99.4935	99.4935
POW FIN 8.70% 2020 (S-65-II)	PT	PFC20A	8.70%	18-MAY-2010	9	8500	100.6011	99.8184
POW FIN 8.70% 2020 (S-65-II)	PT	PFC20A	8.70%	20-MAY-2010	1	500	100.5673	100.5673
POW FIN 8.70% 2020 (S-65-II)	PT	PFC20A	8.70%	06-JUL-2010	4	4000	99.9725	99.9234
POW FIN 8.70% 2020 (S-65-II)	PT	PFC20A	8.70%	09-JUL-2010	2	1500	99.8736	99.8072
POW FIN 8.70% 2020 (S-65-II)	PT	PFC20A	8.70%	15-JUL-2010	3	3000	99.8368	99.8046
POW FIN 8.70% 2020 (S-65-II)	PT	PFC20A	8.70%	16-SEP-2010	2	1500	99.7114	99.7114
POW FIN 8.70% 2020 (S-65-II)	PT	PFC20A	8.70%	13-DEC-2010	1	500	98.0068	98.0068
POW FIN 8.70% 2020 (S-65-II)	PT	PFC20A	8.70%	24-MAY-2013	1	1000	103.0575	103.0575
POW FIN 8.70% 2020 (S-65-II)	PT	PFC20A	8.70%	28-MAY-2013	1	1000	102.8696	102.8696
POW FIN 8.70% 2015 (S-65-I)	PT	PFC15	8.70%	02-JUN-2010	9	5000	102.17	102.09
POW FIN 8.70% 2015 (S-65-I)	PT	PFC15	8.70%	09-JUN-2010	6	5500	101.9996	101.9978
POW FIN 8.70% 2015 (S-65-I)	PT	PFC15	8.70%	28-JUN-2010	1	1000	101.6914	101.6914
POW FIN 8.70% 2015 (S-65-I)	PT	PFC15	8.70%	02-AUG-2010	2	1000	100.4485	100.4485
POW FIN 8.70% 2015 (S-65-I)	PT	PFC15	8.70%	12-AUG-2010	1	500	100.8023	100.8023
POW FIN 8.70% 2015 (S-65-I)	PT	PFC15	8.70%	27-AUG-2010	1	500	100.4665	100.4665
POW FIN 8.70% 2015 (S-65-I)	PT	PFC15	8.70%	03-SEP-2010	1	1000	100.6144	100.6144
POW FIN 8.70% 2015 (S-65-I)	PT	PFC15	8.70%	29-SEP-2010	2	3000	100.559	100.559

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IssueDescription	Sec Type	Security	Issue Name	Trade Date	No. of Trades	Traded Volume (Rs. Lakhs)	Max Price (Rs.)	Min Price (Rs.)
POW FIN 8.70% 2015 (S-65-I)	PT	PFC15	8.70%	07-FEB-2011	1	2000	97.6662	97.6662
POW FIN 8.70% 2015 (S-65-I)	PT	PFC15	8.70%	07-OCT-2011	2	4500	97.2583	97.2583
POW FIN 8.70% 2015 (S-65-I)	PT	PFC15	8.70%	16-NOV-2011	2	5000	97.4623	97.4623
POW FIN 8.70% 2015 (S-65-I)	PT	PFC15	8.70%	23-FEB-2012	1	1000	97.8459	97.8459
POW FIN 8.70% 2015 (S-65-I)	PT	PFC15	8.70%	24-FEB-2012	1	3700	97.9315	97.9315
POW FIN 8.70% 2015 (S-65-I)	PT	PFC15	8.70%	31-MAY-2012	1	2000	97.6383	97.6383
POW FIN 8.70% 2015 (S-65-I)	PT	PFC15	8.70%	19-OCT-2012	1	1000	99.9329	99.9329
POW FIN 8.70% 2015 (S-65-I)	PT	PFC15	8.70%	25-OCT-2012	3	1500	99.6459	99.6453
POW FIN 8.70% 2015 (S-65-I)	PT	PFC15	8.70%	29-JAN-2013	4	4000	99.8256	99.745
POW FIN 8.70% 2015 (S-65-I)	PT	PFC15	8.70%	08-MAR-2013	1	2500	99.4704	99.4704
POW FIN 8.70% 2015 (S-65-I)	PT	PFC15	8.70%	21-MAR-2013	1	2000	99.6	99.6
PFC 9.80%2012 (S-XXXVIII)	PT	PFC12A	9.80%	22-APR-2010	1	1000	105.3437	105.3437
PFC 9.80%2012 (S-XXXVIII)	PT	PFC12A	9.80%	21-MAR-2011	1	500	100.0364	100.0364
PFC 9.80%2012 (S-XXXVIII)	PT	PFC12A	9.80%	03-FEB-2012	1	500	99.7565	99.7565
PFC 9.80%2012 (S-XXXVIII)	PT	PFC12A	9.80%	07-MAY-2012	1	3500	99.7088	99.7088
PFC 9.80%2012 (S-XXXVIII)	PT	PFC12A	9.80%	08-MAY-2012	1	2500	99.6997	99.6997
PFC 9.80% 2012 (S-XXXIII-A)	PT	PFC12	9.80%	17-FEB-2012	1	1500	99.9143	99.9143
PFC 9.68% 2018 (S-XLVII-C)	PT	PFC18	9.68%	16-DEC-2011	1	500	101.0805	101.0805
PFC 9.61% 2017 (S-90-A)	PT	PFC17A	9.61%	18-JUL-2012	1	1000	100.4525	100.4525

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IssueDescription	Sec Type	Security	Issue Name	Trade Date	No. of Trades	Traded Volume (Rs. Lakhs)	Max Price (Rs.)	Min Price (Rs.)
PFC 9.61% 2017 (S-90-A)	PT	PFC17A	9.61%	09-JAN-2013	2	3500	101.0055	101.0038
PFC 9.61% 2017 (S-90-A)	PT	PFC17A	9.61%	09-MAY-2013	1	2000	101.3971	101.3971
PFC 9.55% 2011 (S-XLVII-A)	PT	PFC11	9.55%	01-SEP-2010	2	10000	101.2968	101.291
PFC 9.55% 2011 (S-XLVII-A)	PT	PFC11	9.55%	15-APR-2011	1	2500	100.1583	100.1583
PFC 9.51% 2015 (S-85-A)	PT	PFC15	9.51%	13-APR-2012	2	1500	100.0849	100.0849
PFC 9.51% 2015 (S-85-A)	PT	PFC15	9.51%	26-DEC-2012	1	1000	100.9663	100.9663
PFC 9.40% 2013 (S-XLIV)	PT	PFC13	9.40%	15-SEP-2011	1	1000	99.8128	99.8128
PFC 9.40% 2013 (S-XLIV)	PT	PFC13	9.40%	15-MAR-2012	1	500	99.0828	99.0828
PFC 9.40% 2013 (S-XLIV)	PT	PFC13	9.40%	06-NOV-2012	1	2500	100.0714	100.0714
PFC 9.40% 2013 (S-XLIV)	PT	PFC13	9.40%	15-NOV-2012	1	3000	100.0042	100.0042
PFC 9.40% 2013 (S-XLIV)	PT	PFC13	9.40%	10-JAN-2013	2	2500	100.0724	99.9972
PFC 9.28% 2017 (S-XL-C)	PT	PFC17	9.28%	03-JAN-2013	1	3000	101.8456	101.8456
PFC 9.22% 2012 (S-XL-B)	PT	PFC12	9.22%	03-AUG-2011	1	1000	99.3974	99.3974
PFC 9.22% 2012 (S-XL-B)	PT	PFC12	9.22%	21-DEC-2011	1	3000	99.7947	99.7947
PFC 9.22% 2012 (S-XL-B)	PT	PFC12	9.22%	28-DEC-2011	2	3000	99.5624	99.5424
PFC 9.05% 2025 (S-71.II)	PT	PFC25	9.05%	11-MAR-2011	1	500	98.9204	98.9204
PFC 8.94% 2013 (S-XLI-B)	PT	PFC13	8.94%	29-JUN-2011	1	500	99.0082	99.0082
PFC 8.90% 2014 (S-54A)	PT	PFC14	8.90%	26-NOV-2012	1	1000	99.9846	99.9846
PFC 8.90% 2014 (S-54A)	PT	PFC14	8.90%	28-MAR-2013	1	500	100.0117	100.0117

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IssueDescription	Sec Type	Security	Issue Name	Trade Date	No. of Trades	Traded Volume (Rs. Lakhs)	Max Price (Rs.)	Min Price (Rs.)
PFC 8.85% 2030 (S-66-C)	PT	PFC30	8.85%	04-JAN-2013	1	3000	100.0118	100.0118
PFC 8.78% 2020 (S-70)	PT	PFC20	8.78%	06-DEC-2010	4	2500	98.7785	98.715
PFC 8.70% 2020 (S-68-B)	PT	PFC20B	8.70%	26-AUG-2010	1	500	99.5637	99.5637
PFC 8.70% 2020 (S-68-B)	PT	PFC20B	8.70%	18-OCT-2010	2	1500	99.5914	99.5277
PFC 8.70% 2010 (S-53)	PT	PFC10	8.70%	18-JUN-2010	2	5000	100.1478	100.1218
PFC 8.60% 2024 (S-57B-III)	PT	PFC24	8.60%	29-MAY-2013	1	500	102.75	102.75
PFC 8.60% 2014 (S-57B-I)	PT	PFC14	8.60%	26-APR-2010	2	1000	101.7695	101.7695
PFC 8.60% 2014 (S-57B-I)	PT	PFC14	8.60%	25-JUN-2010	1	2500	102.4992	102.4992
PFC 8.60% 2014 (S-57B-I)	PT	PFC14	8.60%	23-SEP-2010	1	1000	100.7068	100.7068
PFC 8.60% 2014 (S-57B-I)	PT	PFC14	8.60%	02-DEC-2010	1	900	100.7747	100.7747
PFC 8.60% 2014 (S-57B-I)	PT	PFC14	8.60%	09-MAR-2011	1	1000	97.7462	97.7462
PFC 8.60% 2014 (S-57B-I)	PT	PFC14	8.60%	20-MAR-2012	1	2500	97.9056	97.9056
PFC 8.60% 2014 (S-57B-I)	PT	PFC14	8.60%	12-SEP-2012	1	2500	99.0618	99.0618
PFC 8.55% 2011(S-XXIX - B)	PT	PFC11	8.55%	21-APR-2010	1	500	102.5576	102.5576
PFC 8.55% 2011(S-XXIX - B)	PT	PFC11	8.55%	21-JUN-2010	1	5000	102.0242	102.0242
PFC 8.55% 2011(S-XXIX - B)	PT	PFC11	8.55%	14-MAR-2011	1	2500	99.4969	99.4969
PFC 8.55% 2011(S-XXIX - B)	PT	PFC11	8.55%	14-JUL-2011	1	2500	99.9616	99.9616
PFC 8.55% 2011(S-XXIX - B)	PT	PFC11	8.55%	01-AUG-2011	1	5000	99.9029	99.9029
PFC 8.50% 2014 (S-61-I)	PT	PFC14	8.50%	28-OCT-2010	1	1000	99.7712	99.7712

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IssueDescription	Sec Type	Security	Issue Name	Trade Date	No. of Trades	Traded Volume (Rs. Lakhs)	Max Price (Rs.)	Min Price (Rs.)
PFC 8.49% 2011 (S XXX)	PT	PFC11	8.49%	21-APR-2010	1	500	102.4236	102.4236
PFC 8.49% 2011 (S XXX)	PT	PFC11	8.49%	04-FEB-2011	1	1500	99.0625	99.0625
PFC 7% 2014 (S-XXIB)	PT	PFC14	7%	02-NOV-2010	1	6000	98.692	98.692
PFC 7% 2014 (S-XXIB)	PT	PFC14	7%	28-DEC-2010	1	2000	98.8222	98.8222
PFC 7% 2011 (S-XXII)	PT	PFC11	7%	07-APR-2010	2	5500	100.2656	100.2656
PFC 7% 2011 (S-XXII)	PT	PFC11	7%	18-AUG-2011	1	2000	99.0669	99.0669
PFC 7% 2011 (S-XXII)	PT	PFC11	7%	15-NOV-2011	2	4000	99.7027	99.7027
PFC 9.90% 2017 (S-XXXIV)	PT	PFC17A	9.90%	09-MAY-2013	1	1500	104.7729	104.7729
PFC 11.40% 2013(S--52A)	PT	PFC13	11.40%	17-MAY-2012	1	1500	102.0466	102.0466
PFC 11.25% 2018(S--52C)	PT	PFC18	11.25%	25-JAN-2011	1	500	110.8187	110.8187
PFC 11.25% 2018(S--52C)	PT	PFC18	11.25%	29-AUG-2011	1	1500	109.2806	109.2806
PFC 11.25% 2018(S--52C)	PT	PFC18	11.25%	12-APR-2012	3	3000	107.9709	107.9682
PFC 11.25% 2018(S--52C)	PT	PFC18	11.25%	10-OCT-2012	1	1000	110.5245	110.5245
PFC 11.15% 2011 (S-51A)	PT	PFC11	11.15%	07-SEP-2010	1	10000	103.45	103.45
PFC 11.15% 2011 (S-51A)	PT	PFC11	11.15%	24-SEP-2010	1	2000	103.0233	103.0233
PFC 11.15% 2011 (S-51A)	PT	PFC11	11.15%	22-NOV-2010	1	1000	101.8745	101.8745
PFC 11.15% 2011 (S-51A)	PT	PFC11	11.15%	20-JUN-2011	2	2500	100.3106	100.3106
PFC 11.10% 2013 (S-51B)	PT	PFC13	11.10%	31-DEC-2012	1	1000	101.1948	101.1948
PFC 11% 2018 (S-51C)	PT	PFC18	11%	25-JUL-2013	1	5000	103.5885	103.5885

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IssueDescription	Sec Type	Security	Issue Name	Trade Date	No. of Trades	Traded Volume (Rs. Lakhs)	Max Price (Rs.)	Min Price (Rs.)
PFC 10% 2012 (S-XXXVI-B)	PT	PFC12	10%	20-JUL-2011	1	2500	100.5521	100.5521
PFC 7.95% 2016 (S-XXVI)	PT	PFC16	7.95%	06-FEB-2012	2	5000	95.2921	95.2921
PFC 7.95% 2016 (S-XXVI)	PT	PFC16	7.95%	12-JUL-2012	1	3000	95.4869	95.4869
PFC 7.95% 2016 (S-XXVI)	PT	PFC16	7.95%	17-DEC-2012	1	500	97.2734	97.2734
PFC 7.95% 2016 (S-XXVI)	PT	PFC16	7.95%	03-JAN-2013	1	2500	97.6049	97.6049
PFC 6.90% 2012 (S-55-A)	PT	PFC12	6.90%	20-MAY-2010	3	1500	99.941	99.9052
PFC 6.90% 2012 (S-55-A)	PT	PFC12	6.90%	22-JUN-2010	1	500	99.7877	99.7877
PFC 6.90% 2012 (S-55-A)	PT	PFC12	6.90%	14-JUL-2010	1	15500	99.7829	99.7829
PFC 6.90% 2012 (S-55-A)	PT	PFC12	6.90%	28-JUL-2010	1	500	98.8106	98.8106
PFC 6.90% 2012 (S-55-A)	PT	PFC12	6.90%	27-AUG-2010	1	500	98.5461	98.5461
PFC 6.90% 2012 (S-55-A)	PT	PFC12	6.90%	06-APR-2011	1	6500	97.5596	97.5596
PFC 6.90% 2012 (S-55-A)	PT	PFC12	6.90%	14-JUN-2011	1	500	97.5353	97.5353
PFC 10.75% 2011(S-XLVIII-A)	PT	PFC11	10.75%	14-MAY-2010	1	1000	104.6532	104.6532
PFC 10.75% 2011(S-XLVIII-A)	PT	PFC11	10.75%	30-JUL-2010	1	3500	103.2022	103.2022
PFC 1YINCMT+1.79% 19(S-60-B)	PR	PFC19	+1.79%	21-JUL-2010	1	1000	101	101
POWER FINANCE 9.70% 2021S-74	PT	PFC21	9.70%	02-AUG-2011	2	1500	101.1379	101.1379
POWER FINANCE 7.20% 2012 (S-56	PT	PFC12	7.20%	23-APR-2010	1	2500	100.2392	100.2392
POWER FIN8.95% 2015 (S -64-I)	PT	PFC15	8.95%	20-APR-2010	1	500	102.1107	102.1107
POWER FIN8.95% 2015 (S -64-I)	PT	PFC15	8.95%	06-MAY-2010	2	2500	103.3144	103.3144

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IssueDescription	Sec Type	Security	Issue Name	Trade Date	No. of Trades	Traded Volume (Rs. Lakhs)	Max Price (Rs.)	Min Price (Rs.)
POWER FIN8.95% 2015 (S -64-I)	PT	PFC15	8.95%	13-MAY-2010	1	1500	103.2585	103.2585
POWER FIN8.95% 2015 (S -64-I)	PT	PFC15	8.95%	15-OCT-2010	2	1000	101.3172	101.3172
POWER FIN8.95% 2015 (S -64-I)	PT	PFC15	8.95%	19-NOV-2012	1	500	99.963	99.963
POWER FIN 9.66% 2017S-88-B	PT	PFC17	9.66%	26-SEP-2012	1	1500	101.4768	101.4768
POWER FIN 9.64% 2014 (S-75-A)	PT	PFC14	9.64%	29-SEP-2011	1	500	100.1514	100.1514
POWER FIN 9.64% 2014 (S-75-A)	PT	PFC14	9.64%	24-OCT-2011	1	4000	99.805	99.805
POWER FIN 9.64% 2014 (S-75-A)	PT	PFC14	9.64%	14-DEC-2012	2	1500	100.9737	100.9666
POWER FIN 9.64% 2014 (S-75-A)	PT	PFC14	9.64%	21-MAR-2013	1	500	100.7735	100.7735
POWER FIN 9.62% 2016 (S-75-B)	PT	PFC16	9.62%	23-SEP-2011	1	1000	100.2913	100.2913
POWER FIN 9.62% 2016 (S-75-B)	PT	PFC16	9.62%	11-OCT-2011	2	1000	99.472	99.3264
POWER FIN 9.62% 2016 (S-75-B)	PT	PFC16	9.62%	17-OCT-2011	1	500	99.4707	99.4707
POWER FIN 9.62% 2016 (S-75-B)	PT	PFC16	9.62%	18-NOV-2011	1	1500	99.5739	99.5739
POWER FIN 9.62% 2016 (S-75-B)	PT	PFC16	9.62%	24-MAY-2012	2	1500	100.4639	100.4639
POWER FIN 9.62% 2016 (S-75-B)	PT	PFC16	9.62%	06-MAR-2013	1	500	101.6587	101.6587
POWER FIN 9.62% 2016 (S-75-B)	PT	PFC16	9.62%	04-APR-2013	1	1000	102.2698	102.2698
POWER FIN 9.61% 2021 (S-75-C)	PT	PFC21	9.61%	18-JUL-2011	9	8000	101.5957	101.3093
POWER FIN 9.61% 2021 (S-75-C)	PT	PFC21	9.61%	28-JUL-2011	7	4000	100.6963	100.4775
POWER FIN 9.61% 2021 (S-75-C)	PT	PFC21	9.61%	05-AUG-2011	7	6500	100.9691	100.8117
POWER FIN 9.61% 2021 (S-75-C)	PT	PFC21	9.61%	08-AUG-2011	6	3840	101.285	100.9218

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IssueDescription	Sec Type	Security	Issue Name	Trade Date	No. of Trades	Traded Volume (Rs. Lakhs)	Max Price (Rs.)	Min Price (Rs.)
POWER FIN 9.61% 2021 (S-75-C)	PT	PFC21	9.61%	18-AUG-2011	2	1500	101.144	101.144
POWER FIN 9.61% 2021 (S-75-C)	PT	PFC21	9.61%	23-SEP-2011	4	4500	100.6467	100.6467
POWER FIN 9.61% 2021 (S-75-C)	PT	PFC21	9.61%	20-DEC-2011	1	1000	102.0974	102.0974
POWER FIN 9.61% 2021 (S-75-C)	PT	PFC21	9.61%	02-FEB-2012	3	1500	102.0541	102.0541
POWER FIN 9.61% 2021 (S-75-C)	PT	PFC21	9.61%	27-MAR-2012	1	20	100.96	100.96
POWER FIN 9.61% 2021 (S-75-C)	PT	PFC21	9.61%	10-APR-2012	6	5000	100.3646	100.3041
POWER FIN 9.61% 2021 (S-75-C)	PT	PFC21	9.61%	13-APR-2012	2	5000	101.1495	101.1495
POWER FIN 9.61% 2021 (S-75-C)	PT	PFC21	9.61%	30-APR-2012	4	2620	101.1876	101.0384
POWER FIN 9.61% 2021 (S-75-C)	PT	PFC21	9.61%	09-MAY-2012	1	500	101.5258	101.5258
POWER FIN 9.61% 2021 (S-75-C)	PT	PFC21	9.61%	18-MAY-2012	1	1500	101.3522	101.3522
POWER FIN 9.61% 2021 (S-75-C)	PT	PFC21	9.61%	03-OCT-2012	1	5000	104.1083	104.1083
POWER FIN 9.61% 2017S-88-A	PT	PFC17	9.61%	15-JUN-2012	1	1000	100.0882	100.0882
POWER FIN 9.61% 2017S-88-A	PT	PFC17	9.61%	28-MAR-2013	1	25000	100.4178	100.4178
POWER FIN 9.52% 2017(S-89-A)	PT	PFC17	9.52%	06-AUG-2012	3	10000	100.4373	100.421
POWER FIN 9.52% 2017(S-89-A)	PT	PFC17	9.52%	19-NOV-2012	1	2500	100.7882	100.7882
POWER FIN 9.52% 2017(S-89-A)	PT	PFC17	9.52%	04-FEB-2013	2	7500	100.6148	100.6148
POWER FIN 9.52% 2017(S-89-A)	PT	PFC17	9.52%	22-FEB-2013	1	6500	100.4838	100.4838
POWER FIN 9.52% 2017(S-89-A)	PT	PFC17	9.52%	22-MAY-2013	1	1000	101.1978	101.1978
POWER FIN 9.49% 2016 (S-81)	PT	PFC16	9.49%	22-DEC-2011	1	15000	99.376	99.376

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IssueDescription	Sec Type	Security	Issue Name	Trade Date	No. of Trades	Traded Volume (Rs. Lakhs)	Max Price (Rs.)	Min Price (Rs.)
POWER FIN 9.49% 2016 (S-81)	PT	PFC16	9.49%	30-NOV-2012	1	36300	99.8378	99.8378
POWER FIN 9.49% 2016 (S-81)	PT	PFC16	9.49%	28-DEC-2012	1	1000	99.848	99.848
POWER FIN 9.48% 2022S-88-C	PT	PFC22	9.48%	10-APR-2012	2	2000	100.02	99.9315
POWER FIN 9.46% 2015(S-89-B)	PT	PFC15	9.46%	28-MAY-2012	1	1000	99.6031	99.6031
POWER FIN 9.46% 2015(S-89-B)	PT	PFC15	9.46%	01-JUN-2012	2	2500	99.7209	99.6988
POWER FIN 9.46% 2015(S-89-B)	PT	PFC15	9.46%	05-JUN-2012	4	6500	99.7559	99.7445
POWER FIN 9.46% 2015(S-89-B)	PT	PFC15	9.46%	07-JUN-2012	1	5000	99.864	99.864
POWER FIN 9.46% 2015(S-89-B)	PT	PFC15	9.46%	09-JUL-2012	10	9000	100.0788	100.0779
POWER FIN 9.46% 2015(S-89-B)	PT	PFC15	9.46%	23-JUL-2012	1	2500	100.4091	100.4091
POWER FIN 9.46% 2015(S-89-B)	PT	PFC15	9.46%	04-SEP-2012	1	500	100.4504	100.4504
POWER FIN 9.46% 2015(S-89-B)	PT	PFC15	9.46%	06-DEC-2012	3	5000	100.9839	100.962
POWER FIN 9.46% 2015(S-89-B)	PT	PFC15	9.46%	21-FEB-2013	4	14000	100.816	100.8157
POWER FIN 9.46% 2015(S-89-B)	PT	PFC15	9.46%	14-MAR-2013	2	6000	100.8862	100.836
POWER FIN 9.46% 2015(S-89-B)	PT	PFC15	9.46%	07-MAY-2013	1	1000	101.8239	101.8239
POWER FIN 9.46% 2015(S-89-B)	PT	PFC15	9.46%	08-MAY-2013	1	1000	101.9812	101.9812
POWER FIN 9.46% 2015(S-89-B)	PT	PFC15	9.46%	17-JUL-2013	4	7000	99.3927	99.3927
POWER FIN 9.45% 2026 S-77-B	PT	PFC26	9.45%	17-OCT-2011	2	1000	97.5866	97.5866
POWER FIN 9.45% 2026 S-77-B	PT	PFC26	9.45%	14-FEB-2012	2	1000	101.0131	101.0131
POWER FIN 9.45% 2026 S-77-B	PT	PFC26	9.45%	19-APR-2012	1	1000	101.0158	101.0158

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IssueDescription	Sec Type	Security	Issue Name	Trade Date	No. of Trades	Traded Volume (Rs. Lakhs)	Max Price (Rs.)	Min Price (Rs.)
POWER FIN 9.44% 2021 (S-78-B)	PT	PFC21	9.44%	25-OCT-2011	1	2500	98.9469	98.9469
POWER FIN 9.44% 2021 (S-78-B)	PT	PFC21	9.44%	09-DEC-2011	2	4000	99.7451	99.6598
POWER FIN 9.43% 2013 (S-78-A)	PT	PFC13	9.43%	19-MAR-2012	1	500	99.3105	99.3105
POWER FIN 9.43% 2013 (S-78-A)	PT	PFC13	9.43%	15-OCT-2012	1	4500	100.6792	100.6792
POWER FIN 9.43% 2013 (S-78-A)	PT	PFC13	9.43%	25-JUN-2013	1	2500	100.0787	100.0787
POWER FIN 9.42% 2020 (S-87-D)	PT	PFC20	9.42%	18-APR-2012	1	500	100.4546	100.4546
POWER FIN 9.42% 2020 (S-87-D)	PT	PFC20	9.42%	17-AUG-2012	2	1500	100.4991	100.4991
POWER FIN 9.41% 2016 S-77-A	PT	PFC16	9.41%	13-SEP-2011	2	2500	99.868	99.868
POWER FIN 9.41% 2016 S-77-A	PT	PFC16	9.41%	19-OCT-2011	1	500	98.752	98.752
POWER FIN 9.41% 2016 S-77-A	PT	PFC16	9.41%	23-JUL-2012	3	3000	100.4656	100.3994
POWER FIN 9.41% 2016 S-77-A	PT	PFC16	9.41%	04-APR-2013	1	1000	101.7611	101.7611
POWER FIN 9.41% 2016 S-77-A	PT	PFC16	9.41%	08-MAY-2013	1	5000	102.8347	102.8347
POWER FIN 9.40% 2017 SR-91-A	PT	PFC17	9.40%	24-JAN-2013	1	500	102.2569	102.2569
POWER FIN 9.39% 2022 SR-91-B	PT	PFC22	9.39%	19-JUL-2012	1	500	100.4046	100.4046
POWER FIN 9.39% 2022 SR-91-B	PT	PFC22	9.39%	03-AUG-2012	2	1000	100.3862	100.3862
POWER FIN 9.29% 2022(S-91-C)	PT	PFC22	9.29%	04-SEP-2012	1	1000	100.1708	100.1708
POWER FIN 9.29% 2022(S-91-C)	PT	PFC22	9.29%	07-SEP-2012	2	2000	100.275	100.275
POWER FIN 9.27% 2017(S-91-B)	PT	PFC17	9.27%	04-SEP-2012	3	3500	100.0422	100.024
POWER FIN 9.27% 2017(S-91-B)	PT	PFC17	9.27%	12-OCT-2012	2	1000	101.4163	101.397

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IssueDescription	Sec Type	Security	Issue Name	Trade Date	No. of Trades	Traded Volume (Rs. Lakhs)	Max Price (Rs.)	Min Price (Rs.)
POWER FIN 9.27% 2017(S-91-B)	PT	PFC17	9.27%	30-OCT-2012	1	500	101.0507	101.0507
POWER FIN 9.27% 2017(S-91-B)	PT	PFC17	9.27%	27-NOV-2012	7	30000	100.756	100.756
POWER FIN 9.27% 2017(S-91-B)	PT	PFC17	9.27%	26-DEC-2012	1	500	100.9921	100.9921
POWER FIN 9.27% 2017(S-91-B)	PT	PFC17	9.27%	28-DEC-2012	3	1500	101.0283	100.9887
POWER FIN 9.27% 2017(S-91-B)	PT	PFC17	9.27%	31-DEC-2012	2	1500	101.1731	101.1731
POWER FIN 9.27% 2017(S-91-B)	PT	PFC17	9.27%	07-JAN-2013	1	2000	101.6303	101.6303
POWER FIN 9.27% 2017(S-91-B)	PT	PFC17	9.27%	21-JAN-2013	1	1000	101.8188	101.8188
POWER FIN 9.27% 2017(S-91-B)	PT	PFC17	9.27%	28-FEB-2013	1	1000	101.3813	101.3813
POWER FIN 9.27% 2017(S-91-B)	PT	PFC17	9.27%	12-MAR-2013	1	1000	100.979	100.979
POWER FIN 9.27% 2017(S-91-B)	PT	PFC17	9.27%	02-MAY-2013	4	3500	102.8682	102.8671
POWER FIN 9.27% 2017(S-91-B)	PT	PFC17	9.27%	30-JUL-2013	1	500	98.9526	98.9526
POWER FIN 9.18% 2021 (S-73)	PT	PFC21	9.18%	16-MAY-2011	2	7500	98.04	98.04
POWER FIN 9.18% 2021 (S-73)	PT	PFC21	9.18%	30-JAN-2012	1	2500	98.9959	98.9959
POWER FIN 9.18% 2021 (S-73)	PT	PFC21	9.18%	13-SEP-2012	1	500	99.92	99.92
POWER FIN 9.01% 2017(S-92-A)	PT	PFC17	9.01%	15-OCT-2012	1	500	100.6259	100.6259
POWER FIN 9.01% 2017(S-92-A)	PT	PFC17	9.01%	07-JAN-2013	1	3500	100.438	100.438
POWER FIN 9.01% 2017(S-92-A)	PT	PFC17	9.01%	20-JUN-2013	1	2500	100.445	100.445
POWER FIN 9% 2028 S-101-B	PT	PFC28	9%	15-MAR-2013	7	16000	100.9154	100.9154
POWER FIN 9% 2028 S-101-B	PT	PFC28	9%	16-MAY-2013	2	3500	107.5937	107.5031

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IssueDescription	Sec Type	Security	Issue Name	Trade Date	No. of Trades	Traded Volume (Rs. Lakhs)	Max Price (Rs.)	Min Price (Rs.)
POWER FIN 8.95% 2018S-101-A	PT	PFC18	8.95%	19-MAR-2013	4	4500	100.1654	100.0487
POWER FIN 8.95% 2018S-101-A	PT	PFC18	8.95%	10-JUL-2013	3	1500	100.7124	100.7117
POWER FIN 8.94% 2028 (S-103)	PT	PFC28	8.94%	06-MAY-2013	6	14000	103.2114	103.1269
POWER FIN 8.94% 2028 (S-103)	PT	PFC28	8.94%	23-MAY-2013	1	500	106.2978	106.2978
POWER FIN 8.94% 2028 (S-103)	PT	PFC28	8.94%	25-JUN-2013	5	4500	102.6189	102.2442
POWER FIN 8.94% 2028 (S-103)	PT	PFC28	8.94%	26-JUN-2013	1	500	102.2442	102.2442
POWER FIN 8.94% 2028 (S-103)	PT	PFC28	8.94%	27-JUN-2013	4	6490	101.6638	101.2531
POWER FIN 8.94% 2028 (S-103)	PT	PFC28	8.94%	03-JUL-2013	1	1000	102.4054	102.4054
POWER FIN 8.91% 17 (S-93-B)	PT	PFC17	8.91%	19-DEC-2012	3	2000	99.7743	99.6986
POWER FIN 8.91% 17 (S-93-B)	PT	PFC17	8.91%	31-JAN-2013	1	2500	100.6284	100.6284
POWER FIN 8.91% 17 (S-93-B)	PT	PFC17	8.91%	07-MAY-2013	1	1000	101.7201	101.7201
POWER FIN 8.90% 23 (S-102-A-II	PT	PFC23	8.90%	22-JUL-2013	1	1250	96.1877	96.1877
POWER FIN 8.90% 2015 (S-63-I)	PT	PFC15	8.90%	09-APR-2010	1	1000	101.6037	101.6037
POWER FIN 8.90% 18 (S-102-A-I	PT	PFC18	8.90%	02-APR-2013	1	1000	100.1974	100.1974
POWER FIN 8.90% 18 (S-102-A-I	PT	PFC18	8.90%	10-APR-2013	1	500	100.6155	100.6155
POWER FIN 8.90% 18 (S-102-A-I	PT	PFC18	8.90%	25-JUN-2013	1	1000	100.8446	100.8446
POWER FIN 8.87% 23 (S-102-B	PT	PFC23	8.87%	22-APR-2013	1	500	101.2985	101.2985
POWER FIN 8.85% 14 (S-93-A)	PT	PFC14	8.85%	01-NOV-2012	1	3500	99.9137	99.9137
POWER FIN 8.85% 14 (S-93-A)	PT	PFC14	8.85%	06-NOV-2012	1	500	99.9438	99.9438

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IssueDescription	Sec Type	Security	Issue Name	Trade Date	No. of Trades	Traded Volume (Rs. Lakhs)	Max Price (Rs.)	Min Price (Rs.)
POWER FIN 8.85% 14 (S-93-A)	PT	PFC14	8.85%	07-DEC-2012	2	8500	99.9044	99.8861
POWER FIN 8.85% 14 (S-93-A)	PT	PFC14	8.85%	14-DEC-2012	1	1000	99.8412	99.8412
POWER FIN 8.85% 14 (S-93-A)	PT	PFC14	8.85%	08-FEB-2013	2	2500	99.8428	99.8428
POWER FIN 8.85% 14 (S-93-A)	PT	PFC14	8.85%	05-APR-2013	1	1000	100.0451	100.0451
POWER FIN 8.85% 14 (S-93-A)	PT	PFC14	8.85%	23-MAY-2013	1	2500	100.7157	100.7157
POWER FIN 8.85% 14 (S-93-A)	PT	PFC14	8.85%	05-JUN-2013	2	2500	100.6178	100.6178
POWER FIN 8.85% 14 (S-93-A)	PT	PFC14	8.85%	20-JUN-2013	2	8000	100.4875	100.4017
POWER FIN 8.82% 20 (S-99-B)	PT	PFC20	8.82%	10-APR-2013	2	2500	100.1391	100.1375
POWER FIN 8.82% 20 (S-99-B)	PT	PFC20	8.82%	10-JUL-2013	1	500	100.1615	100.1615
POWER FIN 8.80% 2019 (S-59B)	PT	PFC19	8.80%	23-NOV-2010	1	2500	99.8076	99.8076
POWER FIN 8.45% 2014 (S-58B)	PT	PFC14	8.45%	11-NOV-2011	1	1500	97.4127	97.4127
POWER FIN 8.35% 16 S-104-A	PT	PFC16	8.35%	07-JUN-2013	2	3500	100.5139	100.5139
POWER FIN 8.35% 16 S-104-A	PT	PFC16	8.35%	11-JUN-2013	6	13000	99.9577	99.9577
POWER FIN 8.35% 16 S-104-A	PT	PFC16	8.35%	18-JUN-2013	5	10500	100.2282	100
POWER FIN 8.35% 16 S-104-A	PT	PFC16	8.35%	31-JUL-2013	3	5000	96.0638	95.9501
POWER FIN 7.89% 2012 (S-69)	PT	PFC12	7.89%	08-APR-2011	1	2500	98.07	98.07
POWER FIN 7.89% 2012 (S-69)	PT	PFC12	7.89%	28-APR-2011	1	5000	97.9437	97.9437
POWER FIN 7.89% 2012 (S-69)	PT	PFC12	7.89%	18-JUL-2011	1	3000	98.2051	98.2051
POWER FIN 7.89% 2012 (S-69)	PT	PFC12	7.89%	20-SEP-2011	1	4500	98.6206	98.6206

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POWER FIN 7.10%2012(S-67)	PT	PFC12	7.10%	18-NOV-2010	1	3000	97.8516	97.8516
POWER FIN 7.10%2012(S-67)	PT	PFC12	7.10%	20-DEC-2010	1	1000	97.4695	97.4695
POWER FIN 7.10%2012(S-67)	PT	PFC12	7.10%	07-JAN-2011	1	2500	97.4331	97.4331
POWER FIN 7.10%2012(S-67)	PT	PFC12	7.10%	19-JAN-2011	2	10000	97.1028	97.1028
POWER FIN 7.10%2012(S-67)	PT	PFC12	7.10%	07-JUN-2011	1	3000	97.237	97.237
POWER FIN 7.10%2012(S-67)	PT	PFC12	7.10%	06-JUL-2011	1	2500	97.832	97.832
POWER FIN 7.10%2012(S-67)	PT	PFC12	7.10%	25-OCT-2011	1	14500	98.1675	98.1675
POWER FIN 8.72% 2017 S-98-I	PT	PFC17	8.72%	16-APR-2013	1	2000	99.9278	99.9278
POW FIN COR 9.70% 2018(S-82-C)	PT	PFC18	9.70%	22-DEC-2011	1	500	101.9395	101.9395
POW FIN COR 9.70% 2018(S-82-C)	PT	PFC18	9.70%	05-JAN-2012	3	1050	101.91	101.5651
POW FIN COR 9.70% 2018(S-82-C)	PT	PFC18	9.70%	28-MAR-2012	3	780	101.1755	100.593
POW FIN COR 9.70% 2018(S-82-C)	PT	PFC18	9.70%	24-APR-2012	1	1000	101.4923	101.4923
POW FIN COR 9.70% 2018(S-82-C)	PT	PFC18	9.70%	19-OCT-2012	1	1000	103.5922	103.5922
POW FIN COR 9.70% 2018(S-82-C)	PT	PFC18	9.70%	17-DEC-2012	1	1000	103.1171	103.1171
POW FIN COR 9.64% 2016(S-82-B)	PT	PFC16	9.64%	04-JAN-2012	1	1000	100.6405	100.6405
POW FIN COR 9.64% 2016(S-82-B)	PT	PFC16	9.64%	27-MAR-2012	2	1500	100.2787	100.278
POW FIN COR 9.64% 2016(S-82-B)	PT	PFC16	9.64%	13-APR-2012	3	1500	100.7431	100.7431
POW FIN COR 9.64% 2016(S-82-B)	PT	PFC16	9.64%	08-JUN-2012	1	2000	100.6767	100.6767
POW FIN COR 9.64% 2016(S-82-B)	PT	PFC16	9.64%	22-JUN-2012	1	1000	100.5113	100.5113

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POW FIN COR 9.64% 2016(S-82-B)	PT	PFC16	9.64%	27-SEP-2012	1	2500	102.0714	102.0714
POW FIN COR 9.64% 2016(S-82-B)	PT	PFC16	9.64%	07-DEC-2012	3	7500	102.1653	102.1653
POW FIN COR 9.63% 2014(S-82-A)	PT	PFC14	9.63%	19-JAN-2012	1	1000	100.158	100.158
POW FIN COR 9.63% 2014(S-82-A)	PT	PFC14	9.63%	22-FEB-2012	5	10400	100.1728	100.1728
POW FIN COR 9.63% 2014(S-82-A)	PT	PFC14	9.63%	05-JUN-2012	1	2500	99.9408	99.9408
POW FIN COR 9.63% 2014(S-82-A)	PT	PFC14	9.63%	14-JUN-2012	2	6000	100.3067	100.3064
POW FIN COR 9.63% 2014(S-82-A)	PT	PFC14	9.63%	01-AUG-2012	1	500	100.5647	100.5647
POW FIN COR 9.63% 2014(S-82-A)	PT	PFC14	9.63%	05-OCT-2012	1	10000	101.33	101.33
POW FIN COR 9.63% 2014(S-82-A)	PT	PFC14	9.63%	08-OCT-2012	3	7500	101.3845	101.3272
POW FIN COR 9.63% 2014(S-82-A)	PT	PFC14	9.63%	10-OCT-2012	2	16500	101.4407	101.3248
POW FIN COR 9.63% 2014(S-82-A)	PT	PFC14	9.63%	02-NOV-2012	1	2500	101.232	101.232
POW FIN COR 9.63% 2014(S-82-A)	PT	PFC14	9.63%	07-NOV-2012	2	2500	101.3056	101.3056
POW FIN COR 9.63% 2014(S-82-A)	PT	PFC14	9.63%	27-NOV-2012	2	5000	101.2568	101.2568
POW FIN COR 9.63% 2014(S-82-A)	PT	PFC14	9.63%	11-DEC-2012	1	3500	101.3832	101.3832
POW FIN COR 9.63% 2014(S-82-A)	PT	PFC14	9.63%	18-JAN-2013	1	10000	101.5267	101.5267
POW FIN COR 9.63% 2014(S-82-A)	PT	PFC14	9.63%	06-FEB-2013	2	3500	100.9831	100.9809
POW FIN COR 9.63% 2014(S-82-A)	PT	PFC14	9.63%	07-FEB-2013	1	2500	101.1113	101.1113
POW FIN COR 9.63% 2014(S-82-A)	PT	PFC14	9.63%	08-FEB-2013	2	16000	101.0258	101.0258
POW FIN COR 9.63% 2014(S-82-A)	PT	PFC14	9.63%	11-MAR-2013	2	3000	101.2266	100.9588

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POW FIN COR 9.63% 2014(S-82-A)	PT	PFC14	9.63%	02-MAY-2013	1	1000	101.6747	101.6747
POW FIN COR 9.63% 2014(S-82-A)	PT	PFC14	9.63%	23-MAY-2013	1	1000	101.8573	101.8573
POW FIN 9.55% 2015 (S-83)	PT	PFC15	9.55%	06-FEB-2012	2	1000	100.0241	100.0241
POW FIN 9.55% 2015 (S-83)	PT	PFC15	9.55%	14-JUN-2012	1	800	100.0783	100.0783
POW FIN 9.55% 2015 (S-83)	PT	PFC15	9.55%	25-JUN-2012	1	2500	99.9873	99.9873
POW FIN 9.55% 2015 (S-83)	PT	PFC15	9.55%	23-JUL-2012	1	1000	100.4554	100.4554
POW FIN 9.55% 2015 (S-83)	PT	PFC15	9.55%	16-AUG-2012	1	1000	100.4675	100.4675
POW FIN 9.55% 2015 (S-83)	PT	PFC15	9.55%	14-MAR-2013	1	500	100.9183	100.9183
POW FIN 9.46% 2026 (S-76-B)	PT	PFC26	9.46%	10-AUG-2011	2	1000	100.6363	100.5582
POW FIN 9.46% 2026 (S-76-B)	PT	PFC26	9.46%	25-OCT-2011	1	1000	97.7172	97.7172
POW FIN 9.46% 2026 (S-76-B)	PT	PFC26	9.46%	02-MAY-2012	1	4000	100.1799	100.1799
POW FIN 9.36% 2021 (S-76-A)	PT	PFC21	9.36%	12-AUG-2011	7	8000	99.9349	99.805
POW FIN 9.36% 2021 (S-76-A)	PT	PFC21	9.36%	17-OCT-2011	2	1000	97.5779	97.5369
POW FIN 9.36% 2021 (S-76-A)	PT	PFC21	9.36%	29-DEC-2011	1	1000	99.4234	99.4234
POW FIN 9.36% 2021 (S-76-A)	PT	PFC21	9.36%	04-JAN-2012	1	2500	99.9763	99.9763
POW FIN 9.36% 2021 (S-76-A)	PT	PFC21	9.36%	10-APR-2012	1	20	99.3295	99.3295
POW FIN 9.36% 2021 (S-76-A)	PT	PFC21	9.36%	08-AUG-2012	1	500	100.5517	100.5517
POW FIN 9.36% 2021 (S-76-A)	PT	PFC21	9.36%	19-MAR-2013	2	1000	103.05	102.9792
POW FIN 9.36% 2021 (S-76-A)	PT	PFC21	9.36%	28-MAR-2013	1	500	102.6812	102.6812

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POW FIN 9.36% 2021 (S-76-A)	PT	PFC21	9.36%	12-JUL-2013	1	500	102.9126	102.9126
POW FIN 8.90% 2014 (S-96)	PT	PFC14A	8.90%	02-JAN-2013	6	9500	100.1366	100.015
POW FIN 8.90% 2014 (S-96)	PT	PFC14A	8.90%	14-JAN-2013	1	14000	100.3096	100.3096
POW FIN 8.90% 2014 (S-96)	PT	PFC14A	8.90%	26-FEB-2013	2	3500	99.6514	99.6514
POW FIN 8.90% 2014 (S-96)	PT	PFC14A	8.90%	11-MAR-2013	1	2500	99.8211	99.8211
POW FIN 8.90% 2014 (S-96)	PT	PFC14A	8.90%	12-MAR-2013	1	2000	99.8211	99.8211
POW FIN 8.90% 2014 (S-96)	PT	PFC14A	8.90%	04-APR-2013	1	10000	100.1488	100.1488
POW FIN 8.90% 2014 (S-96)	PT	PFC14A	8.90%	08-APR-2013	1	2500	100.1906	100.1906
POW FIN 8.90% 2014 (S-96)	PT	PFC14A	8.90%	22-JUL-2013	1	500	99.1508	99.1508
POW FIN 8.70% 2025 (S-65-III)	PT	PFC25	8.70%	31-MAY-2010	2	2100	99.5208	99.4385
POW FIN 8.70% 2020 (S-65-II)	PT	PFC20A	8.70%	31-MAY-2010	12	6500	100.3916	100.0994
POW FIN 8.70% 2020 (S-65-II)	PT	PFC20A	8.70%	03-JUN-2010	3	3200	100.2593	100.0633
POW FIN 8.70% 2020 (S-65-II)	PT	PFC20A	8.70%	04-JUN-2010	6	2800	100.158	100.1255
POW FIN 8.70% 2020 (S-65-II)	PT	PFC20A	8.70%	10-JUN-2010	5	4000	100.122	99.9274
POW FIN 8.70% 2020 (S-65-II)	PT	PFC20A	8.70%	22-JUN-2010	1	500	99.9177	99.9177
POW FIN 8.70% 2020 (S-65-II)	PT	PFC20A	8.70%	10-DEC-2010	1	500	98.0674	98.0674
POW FIN 8.70% 2020 (S-65-II)	PT	PFC20A	8.70%	23-NOV-2011	1	4900	93.4366	93.4366
POW FIN 8.70% 2020 (S-65-II)	PT	PFC20A	8.70%	09-DEC-2011	1	100	95.88	95.88
POW FIN 8.70% 2020 (S-65-II)	PT	PFC20A	8.70%	28-MAR-2012	1	80	95.936	95.936

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POW FIN 8.70% 2015 (S-65-I)	PT	PFC15	8.70%	01-JUN-2010	1	500	102.0518	102.0518
POW FIN 8.70% 2015 (S-65-I)	PT	PFC15	8.70%	17-JUN-2010	3	2500	101.786	101.7464
POW FIN 8.70% 2015 (S-65-I)	PT	PFC15	8.70%	25-JUN-2010	3	3000	101.7702	101.7702
POW FIN 8.70% 2015 (S-65-I)	PT	PFC15	8.70%	28-JUL-2010	1	500	101.2595	101.2595
POW FIN 8.70% 2015 (S-65-I)	PT	PFC15	8.70%	23-SEP-2010	2	2500	100.563	100.563
POW FIN 8.70% 2015 (S-65-I)	PT	PFC15	8.70%	22-OCT-2010	1	2500	100.1447	100.1447
POW FIN 8.70% 2015 (S-65-I)	PT	PFC15	8.70%	08-APR-2011	1	4000	98.1785	98.1785
POW FIN 8.70% 2015 (S-65-I)	PT	PFC15	8.70%	23-MAY-2011	1	4000	97.2605	97.2605
POW FIN 8.70% 2015 (S-65-I)	PT	PFC15	8.70%	08-JUL-2011	2	8500	97.357	97.357
POW FIN 8.70% 2015 (S-65-I)	PT	PFC15	8.70%	11-APR-2012	1	4000	97.5254	97.5254
POW FIN 8.70% 2015 (S-65-I)	PT	PFC15	8.70%	16-APR-2012	1	1500	97.9538	97.9538
POW FIN 8.70% 2015 (S-65-I)	PT	PFC15	8.70%	23-APR-2012	1	1000	98.0575	98.0575
POW FIN 8.70% 2015 (S-65-I)	PT	PFC15	8.70%	24-APR-2012	1	1000	98.1082	98.1082
POW FIN 8.70% 2015 (S-65-I)	PT	PFC15	8.70%	30-AUG-2012	1	500	98.7131	98.7131
POW FIN 8.70% 2015 (S-65-I)	PT	PFC15	8.70%	17-DEC-2012	3	3000	99.3901	99.3901
POW FIN 8.70% 2015 (S-65-I)	PT	PFC15	8.70%	20-MAY-2013	6	20000	101.055	101.0193
POW FIN 8.70% 2015 (S-65-I)	PT	PFC15	8.70%	18-JUL-2013	1	2500	98.2306	98.2306
PFC 9.80%2012 (S-XXXVIII)	PT	PFC12A	9.80%	23-JUN-2010	1	2500	105.0198	105.0198
PFC 9.80%2012 (S-XXXVIII)	PT	PFC12A	9.80%	22-DEC-2010	1	1000	101.0582	101.0582

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PFC 9.80%2012 (S-XXXVIII)	PT	PFC12A	9.80%	22-AUG-2011	1	2500	100.4504	100.4504
PFC 9.80% 2012 (S-XXXIII-A)	PT	PFC12	9.80%	15-FEB-2012	1	1500	99.862	99.862
PFC 9.61% 2017 (S-90-A)	PT	PFC17A	9.61%	08-JUN-2012	4	17500	100.0919	99.95
PFC 9.61% 2017 (S-90-A)	PT	PFC17A	9.61%	29-OCT-2012	1	500	101.0461	101.0461
PFC 9.61% 2017 (S-90-A)	PT	PFC17A	9.61%	17-APR-2013	2	2500	101.1542	101.1542
PFC 9.55% 2011 (S-XLVII-A)	PT	PFC11	9.55%	23-JUN-2010	1	2500	102.5906	102.5906
PFC 9.55% 2011 (S-XLVII-A)	PT	PFC11	9.55%	13-APR-2011	1	2500	100.1181	100.1181
PFC 9.55% 2011 (S-XLVII-A)	PT	PFC11	9.55%	09-MAY-2011	1	1000	100.0442	100.0442
PFC 9.51% 2015 (S-85-A)	PT	PFC15	9.51%	11-JUL-2012	1	5000	100.0401	100.0401
PFC 9.51% 2015 (S-85-A)	PT	PFC15	9.51%	03-DEC-2012	1	2500	101.062	101.062
PFC 9.40% 2013 (S-XLIV)	PT	PFC13	9.40%	08-FEB-2011	1	1000	99.7454	99.7454
PFC 9.40% 2013 (S-XLIV)	PT	PFC13	9.40%	09-FEB-2011	1	1000	99.7465	99.7465
PFC 9.40% 2013 (S-XLIV)	PT	PFC13	9.40%	12-SEP-2011	1	2500	99.8324	99.8324
PFC 9.40% 2013 (S-XLIV)	PT	PFC13	9.40%	10-FEB-2012	2	5000	99.7315	99.6964
PFC 9.40% 2013 (S-XLIV)	PT	PFC13	9.40%	14-FEB-2012	1	1500	99.6569	99.6569
PFC 9.40% 2013 (S-XLIV)	PT	PFC13	9.40%	02-MAR-2012	1	3500	99.7847	99.7847
PFC 9.40% 2013 (S-XLIV)	PT	PFC13	9.40%	11-JAN-2013	1	3500	100.1021	100.1021
PFC 9.40% 2013 (S-XLIV)	PT	PFC13	9.40%	24-JAN-2013	1	2000	100.0989	100.0989
PFC 9.22% 2012 (S-XL-B)	PT	PFC12	9.22%	28-FEB-2011	1	500	99.1458	99.1458

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PFC 9.22% 2012 (S-XL-B)	PT	PFC12	9.22%	04-AUG-2011	1	1000	99.4885	99.4885
PFC 9.22% 2012 (S-XL-B)	PT	PFC12	9.22%	18-NOV-2011	1	1000	99.5759	99.5759
PFC 9.22% 2012 (S-XL-B)	PT	PFC12	9.22%	25-NOV-2011	1	3000	99.385	99.385
PFC 9.22% 2012 (S-XL-B)	PT	PFC12	9.22%	31-JAN-2012	1	1000	99.75	99.75
PFC 9.22% 2012 (S-XL-B)	PT	PFC12	9.22%	07-JUN-2012	1	1000	99.3852	99.3852
PFC 9.22% 2012 (S-XL-B)	PT	PFC12	9.22%	11-JUN-2012	1	4500	99.4	99.4
PFC 9.22% 2012 (S-XL-B)	PT	PFC12	9.22%	12-JUN-2012	1	4500	99.4466	99.4466
PFC 9.22% 2012 (S-XL-B)	PT	PFC12	9.22%	04-OCT-2012	1	500	100.009	100.009
PFC 9.05% 2020 (S-71.I)	PT	PFC20	9.05%	20-APR-2011	1	500	98.8654	98.8654
PFC 9.05% 2020 (S-71.I)	PT	PFC20	9.05%	13-JUL-2012	1	100	98.31	98.31
PFC 9.03% 2013 (S-XLII-B)	PT	PFC13	9.03%	16-DEC-2011	1	1800	99.4791	99.4791
PFC 9.03% 2013 (S-XLII-B)	PT	PFC13	9.03%	23-DEC-2011	1	1200	99.1295	99.1295
PFC 9.03% 2013 (S-XLII-B)	PT	PFC13	9.03%	17-FEB-2012	1	3500	99.4882	99.4882
PFC 9.03% 2013 (S-XLII-B)	PT	PFC13	9.03%	02-JAN-2013	1	1000	99.9433	99.9433
PFC 9.01% 2011 (S-XLII-A)	PT	PFC11	9.01%	09-APR-2010	1	500	102.3164	102.3164
PFC 9.01% 2011 (S-XLII-A)	PT	PFC11	9.01%	26-MAY-2010	1	10000	101.9039	101.9039
PFC 9.01% 2011 (S-XLII-A)	PT	PFC11	9.01%	21-SEP-2010	1	500	100.4662	100.4662
PFC 9.01% 2011 (S-XLII-A)	PT	PFC11	9.01%	30-DEC-2010	1	500	99.9465	99.9465
PFC 8.94% 2013 (S-XLI-B)	PT	PFC13	8.94%	13-DEC-2010	1	3500	99.7982	99.7982

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IssueDescription	Sec Type	Security	Issue Name	Trade Date	No. of Trades	Traded Volume (Rs. Lakhs)	Max Price (Rs.)	Min Price (Rs.)
PFC 8.94% 2013 (S-XLI-B)	PT	PFC13	8.94%	26-JUN-2012	1	500	99.411	99.411
PFC 8.90% 2014 (S-54A)	PT	PFC14	8.90%	25-APR-2012	1	1000	99.0572	99.0572
PFC 8.90% 2014 (S-54A)	PT	PFC14	8.90%	25-FEB-2013	2	6500	100.0988	100.0988
PFC 8.90% 2014 (S-54A)	PT	PFC14	8.90%	09-MAY-2013	2	3000	100.346	100.346
PFC 8.90% 2014 (S-54A)	PT	PFC14	8.90%	12-JUL-2013	1	2000	100.2953	100.2953
PFC 8.85% 2030 (S-66-C)	PT	PFC30	8.85%	02-JUL-2010	1	2410	99.8765	99.8765
PFC 8.80% 2025 (S 62-B)	PT	PFC25	8.80%	06-MAY-2013	1	2500	101.541	101.541
PFC 8.78% 2020 (S-70)	PT	PFC20	8.78%	01-MAR-2011	2	1500	97.5568	97.5369
PFC 8.78% 2020 (S-70)	PT	PFC20	8.78%	24-MAY-2011	1	1500	95.4774	95.4774
PFC 8.78% 2020 (S-70)	PT	PFC20	8.78%	30-APR-2013	1	500	100.8486	100.8486
PFC 8.78% 2016 (S-XXXI-A)	PT	PFC16	8.78%	04-OCT-2010	2	1500	100.7932	100.7932
PFC 8.78% 2016 (S-XXXI-A)	PT	PFC16	8.78%	26-APR-2012	1	8000	97.4584	97.4584
PFC 8.75% 2025 (S-66-B)	PT	PFC25	8.75%	22-JUL-2010	2	1000	99.7887	99.7887
PFC 8.75% 2025 (S-66-B)	PT	PFC25	8.75%	18-AUG-2010	1	700	99.2237	99.2237
PFC 8.70% 2020 (S 62-A)	PT	PFC20	8.70%	18-MAY-2010	1	500	100.1435	100.1435
PFC 8.70% 2020 (S 62-A)	PT	PFC20	8.70%	20-MAY-2010	1	500	100.5241	100.5241
PFC 8.70% 2020 (S 62-A)	PT	PFC20	8.70%	02-AUG-2012	2	2000	96.7497	96.7497
PFC 8.70% 2020 (S 62-A)	PT	PFC20	8.70%	27-SEP-2012	1	500	98.3401	98.3401
PFC 8.70% 2010 (S-53)	PT	PFC10	8.70%	02-JUN-2010	2	30500	100.1678	100.1678

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IssueDescription	Sec Type	Security	Issue Name	Trade Date	No. of Trades	Traded Volume (Rs. Lakhs)	Max Price (Rs.)	Min Price (Rs.)
PFC 8.70% 2010 (S-53)	PT	PFC10	8.70%	08-JUN-2010	1	7500	100.1963	100.1963
PFC 8.70% 2010 (S-53)	PT	PFC10	8.70%	21-JUN-2010	1	5000	100.1163	100.1163
PFC 8.70% 2010 (S-53)	PT	PFC10	8.70%	22-JUN-2010	1	5000	100.1206	100.1206
PFC 8.65% 2020 (S-66-A)	PT	PFC20	8.65%	07-JUL-2010	1	2000	99.6728	99.6728
PFC 8.60% 2014 (S-57B-I)	PT	PFC14	8.60%	08-APR-2010	1	500	100.8175	100.8175
PFC 8.60% 2014 (S-57B-I)	PT	PFC14	8.60%	09-APR-2010	2	1000	100.8522	100.8522
PFC 8.60% 2014 (S-57B-I)	PT	PFC14	8.60%	28-APR-2010	1	2500	102.195	102.195
PFC 8.60% 2014 (S-57B-I)	PT	PFC14	8.60%	04-NOV-2010	1	500	100.4276	100.4276
PFC 8.60% 2014 (S-57B-I)	PT	PFC14	8.60%	15-DEC-2010	1	500	98.8749	98.8749
PFC 8.60% 2014 (S-57B-I)	PT	PFC14	8.60%	27-AUG-2012	1	3000	98.8363	98.8363
PFC 8.60% 2014 (S-57B-I)	PT	PFC14	8.60%	27-FEB-2013	1	500	99.3244	99.3244
PFC 8.55% 2011(S-XXIX - B)	PT	PFC11	8.55%	22-SEP-2010	2	2500	100.8505	100.8505
PFC 8.55% 2011(S-XXIX - B)	PT	PFC11	8.55%	28-JAN-2011	1	5000	99.6213	99.6213
PFC 8.55% 2011(S-XXIX - B)	PT	PFC11	8.55%	08-FEB-2011	1	2500	99.5285	99.5285
PFC 8.55% 2011(S-XXIX - B)	PT	PFC11	8.55%	16-MAR-2011	1	5000	99.5321	99.5321
PFC 8.55% 2011(S-XXIX - B)	PT	PFC11	8.55%	05-JUL-2011	1	3000	99.95	99.95
PFC 8.50% 2014 (S-61-I)	PT	PFC14	8.50%	28-APR-2010	5	3500	101.9692	101.5888
PFC 8.50% 2014 (S-61-I)	PT	PFC14	8.50%	03-JUN-2010	1	650	101.3671	101.3671
PFC 8.50% 2014 (S-61-I)	PT	PFC14	8.50%	22-JUN-2010	1	500	101.6108	101.6108

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IssueDescription	Sec Type	Security	Issue Name	Trade Date	No. of Trades	Traded Volume (Rs. Lakhs)	Max Price (Rs.)	Min Price (Rs.)
PFC 8.50% 2014 (S-61-I)	PT	PFC14	8.50%	23-JUN-2010	1	500	101.6108	101.6108
PFC 8.50% 2014 (S-61-I)	PT	PFC14	8.50%	15-MAY-2012	1	1000	97.4736	97.4736
PFC 8.49% 2011 (S XXX)	PT	PFC11	8.49%	22-AUG-2011	1	1000	99.8162	99.8162
PFC 7.60%2015(S-XXV)	PT	PFC15	7.60%	09-OCT-2012	1	60	96.115	96.115
PFC 7% 2014 (S-XXIB)	PT	PFC14	7%	26-MAY-2011	1	1000	98.6684	98.6684
PFC 7% 2011 (S-XXII)	PT	PFC11	7%	20-SEP-2010	1	2500	98.8525	98.8525
PFC 7% 2011 (S-XXII)	PT	PFC11	7%	23-JUN-2011	1	2500	98.6878	98.6878
PFC 7% 2011 (S-XXII)	PT	PFC11	7%	24-JUN-2011	1	2500	98.6987	98.6987
PFC 11.40% 2013(S--52A)	PT	PFC13	11.40%	07-MAR-2011	1	500	104.4008	104.4008
PFC 11.40% 2013(S--52A)	PT	PFC13	11.40%	22-JUN-2012	1	5500	101.9951	101.9951
PFC 11.40% 2013(S--52A)	PT	PFC13	11.40%	02-JUL-2013	1	2500	101.0275	101.0275
PFC 11.25% 2018(S--52C)	PT	PFC18	11.25%	23-AUG-2010	1	500	113.9975	113.9975
PFC 11.25% 2018(S--52C)	PT	PFC18	11.25%	07-OCT-2010	1	1000	114.47	114.47
PFC 11.25% 2018(S--52C)	PT	PFC18	11.25%	15-APR-2011	1	1000	110.8367	110.8367
PFC 11.25% 2018(S--52C)	PT	PFC18	11.25%	11-OCT-2012	1	500	110.4241	110.4241
PFC 11.25% 2018(S--52C)	PT	PFC18	11.25%	21-DEC-2012	1	30	110.3785	110.3785
PFC 11.15% 2011 (S-51A)	PT	PFC11	11.15%	07-APR-2010	1	500	105.9672	105.9672
PFC 11.15% 2011 (S-51A)	PT	PFC11	11.15%	03-JUN-2010	2	4500	105.2614	105.2614
PFC 11.15% 2011 (S-51A)	PT	PFC11	11.15%	13-AUG-2010	2	1000	103.4995	103.4995

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IssueDescription	Sec Type	Security	Issue Name	Trade Date	No. of Trades	Traded Volume (Rs. Lakhs)	Max Price (Rs.)	Min Price (Rs.)
PFC 11.15% 2011 (S-51A)	PT	PFC11	11.15%	26-AUG-2010	1	2500	103.4069	103.4069
PFC 11.15% 2011 (S-51A)	PT	PFC11	11.15%	02-FEB-2011	1	2500	100.8161	100.8161
PFC 11.15% 2011 (S-51A)	PT	PFC11	11.15%	27-APR-2011	1	2500	100.25	100.25
PFC 11.10% 2013 (S-51B)	PT	PFC13	11.10%	08-OCT-2010	1	500	107.1075	107.1075
PFC 11.10% 2013 (S-51B)	PT	PFC13	11.10%	13-OCT-2010	1	500	106.8696	106.8696
PFC 11.10% 2013 (S-51B)	PT	PFC13	11.10%	09-JUN-2011	1	1000	102.4048	102.4048
PFC 11.10% 2013 (S-51B)	PT	PFC13	11.10%	19-SEP-2011	1	500	102.8422	102.8422
PFC 11.10% 2013 (S-51B)	PT	PFC13	11.10%	01-DEC-2011	1	500	102.092	102.092
PFC 11.10% 2013 (S-51B)	PT	PFC13	11.10%	30-MAY-2012	1	1000	101.4197	101.4197
PFC 11.10% 2013 (S-51B)	PT	PFC13	11.10%	10-SEP-2012	2	8500	101.8647	101.8067
PFC 11% 2018 (S-51C)	PT	PFC18	11%	25-JAN-2011	1	500	109.4177	109.4177
PFC 10% 2012 (S-XXXVI-B)	PT	PFC12	10%	22-FEB-2011	1	500	100.2882	100.2882
PFC 10% 2012 (S-XXXVI-B)	PT	PFC12	10%	21-JUN-2011	1	1000	100.3002	100.3002
PFC 6.90% 2012 (S-55-A)	PT	PFC12	6.90%	12-MAY-2010	1	1000	100.0547	100.0547
PFC 6.90% 2012 (S-55-A)	PT	PFC12	6.90%	01-JUN-2010	1	500	99.6533	99.6533
PFC 6.90% 2012 (S-55-A)	PT	PFC12	6.90%	13-DEC-2010	1	700	97.4316	97.4316
PFC 6.90% 2012 (S-55-A)	PT	PFC12	6.90%	04-OCT-2011	1	2500	98.3568	98.3568
PFC 1YINCMT+1.79% 19(S-60-B)	PR	PFC19	+1.79%	24-JUN-2010	1	2000	102.36	102.36
POWER FINANCE 8.27% 16S-106-B	PT	PFC16	8.27%	08-JUL-2013	1	500	98.9862	98.9862

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IssueDescription	Sec Type	Security	Issue Name	Trade Date	No. of Trades	Traded Volume (Rs. Lakhs)	Max Price (Rs.)	Min Price (Rs.)
POWER FINANCE 8.27% 16S-106-B	PT	PFC16	8.27%	09-JUL-2013	1	1500	100	100
POWER FINANCE 7.20% 2012 (S-56	PT	PFC12	7.20%	23-JUN-2010	1	2500	100.176	100.176
POWER FINANCE 7.20% 2012 (S-56	PT	PFC12	7.20%	13-JUL-2010	3	6500	99.8898	99.8898
POWER FIN8.95% 2020 (S -64-II	PT	PFC20	8.95%	02-JAN-2013	1	500	100.1559	100.1559
POWER FIN8.95% 2015 (S -64-I)	PT	PFC15	8.95%	05-MAY-2010	1	2500	103.1187	103.1187
POWER FIN8.95% 2015 (S -64-I)	PT	PFC15	8.95%	03-JUN-2010	1	350	102.8965	102.8965
POWER FIN8.95% 2015 (S -64-I)	PT	PFC15	8.95%	26-JUL-2011	1	500	98.4601	98.4601
POWER FIN8.95% 2015 (S -64-I)	PT	PFC15	8.95%	13-DEC-2012	1	500	99.8805	99.8805
POWER FIN 9.64% 2014 (S-75-A)	PT	PFC14	9.64%	03-OCT-2011	1	7500	100.1507	100.1507
POWER FIN 9.64% 2014 (S-75-A)	PT	PFC14	9.64%	22-NOV-2011	1	500	99.9225	99.9225
POWER FIN 9.64% 2014 (S-75-A)	PT	PFC14	9.64%	13-JUL-2012	2	1000	100.3968	100.3968
POWER FIN 9.62% 2016 (S-75-B)	PT	PFC16	9.62%	12-JUL-2011	5	3000	100.7863	100.7092
POWER FIN 9.62% 2016 (S-75-B)	PT	PFC16	9.62%	20-JUL-2011	1	500	100.8508	100.8508
POWER FIN 9.62% 2016 (S-75-B)	PT	PFC16	9.62%	14-OCT-2011	1	1000	99.4897	99.4897
POWER FIN 9.62% 2016 (S-75-B)	PT	PFC16	9.62%	13-JUL-2012	1	500	100.6618	100.6618
POWER FIN 9.62% 2017 (S-87-A)	PT	PFC17	9.62%	20-APR-2012	2	5000	100.5577	100.4531
POWER FIN 9.62% 2017 (S-87-A)	PT	PFC17	9.62%	24-APR-2012	2	14000	100.4518	100.4518
POWER FIN 9.62% 2017 (S-87-A)	PT	PFC17	9.62%	15-APR-2013	2	3500	100.3779	100.3779
POWER FIN 9.62% 2017 (S-87-A)	PT	PFC17	9.62%	29-MAY-2013	2	65000	100.3302	100.3267

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IssueDescription	Sec Type	Security	Issue Name	Trade Date	No. of Trades	Traded Volume (Rs. Lakhs)	Max Price (Rs.)	Min Price (Rs.)
POWER FIN 9.62% 2017 (S-87-A)	PT	PFC17	9.62%	26-JUN-2013	1	2500	100.1569	100.1569
POWER FIN 9.61% 2021 (S-75-C)	PT	PFC21	9.61%	11-JUL-2011	28	26500	100.9679	100.6219
POWER FIN 9.61% 2021 (S-75-C)	PT	PFC21	9.61%	13-JUL-2011	10	8000	101.2837	100.9339
POWER FIN 9.61% 2021 (S-75-C)	PT	PFC21	9.61%	15-JUL-2011	11	8500	101.6276	101.3766
POWER FIN 9.61% 2021 (S-75-C)	PT	PFC21	9.61%	19-JUL-2011	9	7220	101.6251	101.4976
POWER FIN 9.61% 2021 (S-75-C)	PT	PFC21	9.61%	03-AUG-2011	2	1000	100.7529	100.7529
POWER FIN 9.61% 2021 (S-75-C)	PT	PFC21	9.61%	10-AUG-2011	5	4000	101.5988	101.4718
POWER FIN 9.61% 2021 (S-75-C)	PT	PFC21	9.61%	12-AUG-2011	3	2500	101.2764	101.2132
POWER FIN 9.61% 2021 (S-75-C)	PT	PFC21	9.61%	17-NOV-2011	2	1500	99.1197	99.1197
POWER FIN 9.61% 2021 (S-75-C)	PT	PFC21	9.61%	29-NOV-2011	1	2500	99.3004	99.3004
POWER FIN 9.61% 2021 (S-75-C)	PT	PFC21	9.61%	19-DEC-2011	1	500	102.0661	102.0661
POWER FIN 9.61% 2021 (S-75-C)	PT	PFC21	9.61%	21-DEC-2011	7	7500	101.9402	101.5818
POWER FIN 9.61% 2021 (S-75-C)	PT	PFC21	9.61%	28-MAR-2012	2	250	100.96	100.5369
POWER FIN 9.61% 2021 (S-75-C)	PT	PFC21	9.61%	03-APR-2012	2	1500	100.0007	100.0007
POWER FIN 9.61% 2021 (S-75-C)	PT	PFC21	9.61%	19-APR-2012	2	1900	102.1006	101.7576
POWER FIN 9.61% 2021 (S-75-C)	PT	PFC21	9.61%	20-SEP-2012	2	2000	102.7837	102.7824
POWER FIN 9.61% 2021 (S-75-C)	PT	PFC21	9.61%	24-DEC-2012	1	500	103.385	103.385
POWER FIN 9.61% 2017S-88-A	PT	PFC17	9.61%	26-JUL-2012	1	2500	100.5268	100.5268
POWER FIN 9.52% 2017(S-89-A)	PT	PFC17	9.52%	10-MAY-2012	2	4000	100.02	99.9446

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IssueDescription	Sec Type	Security	Issue Name	Trade Date	No. of Trades	Traded Volume (Rs. Lakhs)	Max Price (Rs.)	Min Price (Rs.)
POWER FIN 9.52% 2017(S-89-A)	PT	PFC17	9.52%	25-JUN-2012	1	2500	99.8433	99.8433
POWER FIN 9.52% 2017(S-89-A)	PT	PFC17	9.52%	13-JUL-2012	1	2500	100.0999	100.0999
POWER FIN 9.52% 2017(S-89-A)	PT	PFC17	9.52%	19-JUL-2012	4	4500	100.2269	100.2269
POWER FIN 9.52% 2017(S-89-A)	PT	PFC17	9.52%	04-OCT-2012	1	2500	100.9024	100.9024
POWER FIN 9.52% 2017(S-89-A)	PT	PFC17	9.52%	28-DEC-2012	1	3000	100.7079	100.7079
POWER FIN 9.52% 2017(S-89-A)	PT	PFC17	9.52%	14-FEB-2013	1	5000	100.7005	100.7005
POWER FIN 9.52% 2017(S-89-A)	PT	PFC17	9.52%	21-FEB-2013	1	36500	100.4853	100.4853
POWER FIN 9.46% 2015(S-89-B)	PT	PFC15	9.46%	07-MAY-2012	2	4000	99.9557	99.9432
POWER FIN 9.46% 2015(S-89-B)	PT	PFC15	9.46%	24-MAY-2012	2	2000	99.6313	99.6313
POWER FIN 9.46% 2015(S-89-B)	PT	PFC15	9.46%	06-JUN-2012	2	3500	99.8413	99.8404
POWER FIN 9.46% 2015(S-89-B)	PT	PFC15	9.46%	11-JUN-2012	1	4000	99.8372	99.8372
POWER FIN 9.46% 2015(S-89-B)	PT	PFC15	9.46%	04-JUL-2012	5	12500	99.8918	99.891
POWER FIN 9.46% 2015(S-89-B)	PT	PFC15	9.46%	20-JUL-2012	3	4500	100.3509	100.3036
POWER FIN 9.46% 2015(S-89-B)	PT	PFC15	9.46%	30-JUL-2012	8	11000	100.3431	100.3196
POWER FIN 9.46% 2015(S-89-B)	PT	PFC15	9.46%	16-AUG-2012	5	10000	100.3973	100.3973
POWER FIN 9.46% 2015(S-89-B)	PT	PFC15	9.46%	22-AUG-2012	4	5000	100.439	100.439
POWER FIN 9.46% 2015(S-89-B)	PT	PFC15	9.46%	04-DEC-2012	2	2000	101.0587	101.028
POWER FIN 9.46% 2015(S-89-B)	PT	PFC15	9.46%	03-APR-2013	1	500	101.1764	101.1764
POWER FIN 9.46% 2015(S-89-B)	PT	PFC15	9.46%	10-APR-2013	1	2500	101.3005	101.3005

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POWER FIN 9.46% 2015(S-89-B)	PT	PFC15	9.46%	18-APR-2013	1	2500	101.5873	101.5873
POWER FIN 9.46% 2015(S-89-B)	PT	PFC15	9.46%	30-APR-2013	2	6500	101.7721	101.7003
POWER FIN 9.46% 2015(S-89-B)	PT	PFC15	9.46%	19-JUN-2013	1	2500	101.8037	101.8037
POWER FIN 9.45% 2026 S-77-B	PT	PFC26	9.45%	23-SEP-2011	1	1000	99.5994	99.5994
POWER FIN 9.45% 2026 S-77-B	PT	PFC26	9.45%	21-OCT-2011	1	1000	97.5463	97.5463
POWER FIN 9.45% 2026 S-77-B	PT	PFC26	9.45%	13-DEC-2011	1	500	100.483	100.483
POWER FIN 9.44% 2021 (S-78-B)	PT	PFC21	9.44%	11-OCT-2011	1	2500	98.1821	98.1821
POWER FIN 9.44% 2021 (S-78-B)	PT	PFC21	9.44%	03-JAN-2012	1	1000	100.1202	100.1202
POWER FIN 9.43% 2013 (S-78-A)	PT	PFC13	9.43%	24-OCT-2011	1	2500	99.6794	99.6794
POWER FIN 9.41% 2016 S-77-A	PT	PFC16	9.41%	12-OCT-2011	3	2000	98.7356	98.7353
POWER FIN 9.41% 2016 S-77-A	PT	PFC16	9.41%	20-SEP-2012	2	2500	100.9511	100.9511
POWER FIN 9.41% 2016 S-77-A	PT	PFC16	9.41%	07-DEC-2012	1	500	101.245	101.245
POWER FIN 9.40% 2017 SR-91-A	PT	PFC17	9.40%	16-JAN-2013	1	500	102.16	102.16
POWER FIN 9.39% 2022 SR-91-B	PT	PFC22	9.39%	05-SEP-2012	1	1000	100.535	100.535
POWER FIN 9.33% 17 (S-84)	PT	PFC17	9.33%	14-MAR-2012	1	4500	99.4374	99.4374
POWER FIN 9.33% 17 (S-84)	PT	PFC17	9.33%	09-AUG-2012	1	1000	100.1156	100.1156
POWER FIN 9.33% 17 (S-84)	PT	PFC17	9.33%	16-AUG-2012	2	3000	100.1858	100.0434
POWER FIN 9.33% 17 (S-84)	PT	PFC17	9.33%	06-SEP-2012	1	1000	100.2737	100.2737
POWER FIN 9.33% 17 (S-84)	PT	PFC17	9.33%	28-SEP-2012	1	2000	101.2427	101.2427

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IssueDescription	Sec Type	Security	Issue Name	Trade Date	No. of Trades	Traded Volume (Rs. Lakhs)	Max Price (Rs.)	Min Price (Rs.)
POWER FIN 9.29% 2022(S-91-C)	PT	PFC22	9.29%	28-AUG-2012	1	3500	100.1248	100.1248
POWER FIN 9.29% 2022(S-91-C)	PT	PFC22	9.29%	06-SEP-2012	4	5000	100.3879	100.2245
POWER FIN 9.29% 2022(S-91-C)	PT	PFC22	9.29%	30-JAN-2013	2	1500	102.6046	102.6046
POWER FIN 9.27% 2017(S-91-B)	PT	PFC17	9.27%	29-AUG-2012	5	7000	99.9919	99.97
POWER FIN 9.27% 2017(S-91-B)	PT	PFC17	9.27%	03-SEP-2012	4	6000	100.024	99.9856
POWER FIN 9.27% 2017(S-91-B)	PT	PFC17	9.27%	24-SEP-2012	2	1500	100.9427	100.9427
POWER FIN 9.27% 2017(S-91-B)	PT	PFC17	9.27%	19-OCT-2012	4	3000	101.4832	101.3722
POWER FIN 9.27% 2017(S-91-B)	PT	PFC17	9.27%	01-NOV-2012	2	3500	100.8216	100.8216
POWER FIN 9.27% 2017(S-91-B)	PT	PFC17	9.27%	06-NOV-2012	2	1000	100.7773	100.7773
POWER FIN 9.27% 2017(S-91-B)	PT	PFC17	9.27%	22-JAN-2013	1	1000	101.7807	101.7807
POWER FIN 9.27% 2017(S-91-B)	PT	PFC17	9.27%	24-MAY-2013	1	1000	103.8324	103.8324
POWER FIN 9.18% 2021 (S-73)	PT	PFC21	9.18%	25-APR-2011	2	5000	100	99.68
POWER FIN 9.18% 2021 (S-73)	PT	PFC21	9.18%	17-AUG-2011	1	2000	98.5038	98.5038
POWER FIN 9.01% 2017(S-92-A)	PT	PFC17	9.01%	16-NOV-2012	1	2500	100.3193	100.3193
POWER FIN 9.01% 2017(S-92-A)	PT	PFC17	9.01%	04-FEB-2013	1	12500	100.1174	100.1174
POWER FIN 9% 2028 S-101-B	PT	PFC28	9%	28-MAR-2013	2	2000	100.7416	100.6602
POWER FIN 9% 2028 S-101-B	PT	PFC28	9%	09-MAY-2013	2	8500	104.84	104.7981
POWER FIN 9% 2028 S-101-B	PT	PFC28	9%	15-MAY-2013	1	2500	107.1486	107.1486
POWER FIN 9% 2028 S-101-B	PT	PFC28	9%	09-JUL-2013	2	2500	101.4775	101.4775

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IssueDescription	Sec Type	Security	Issue Name	Trade Date	No. of Trades	Traded Volume (Rs. Lakhs)	Max Price (Rs.)	Min Price (Rs.)
POWER FIN 8.95% 2018S-101-A	PT	PFC18	8.95%	25-MAR-2013	1	5000	100.0825	100.0825
POWER FIN 8.95% 2018S-101-A	PT	PFC18	8.95%	22-APR-2013	1	5000	101.2932	101.2932
POWER FIN 8.95% 2018S-101-A	PT	PFC18	8.95%	20-JUN-2013	3	3000	101.7902	101.5994
POWER FIN 8.95% 2018S-101-A	PT	PFC18	8.95%	24-JUL-2013	3	9500	96.4825	96.3089
POWER FIN 8.95% 2018S-101-A	PT	PFC18	8.95%	29-JUL-2013	1	500	97.6524	97.6524
POWER FIN 8.94% 2028 (S-103)	PT	PFC28	8.94%	08-APR-2013	9	8500	100.7469	100.4216
POWER FIN 8.94% 2028 (S-103)	PT	PFC28	8.94%	26-APR-2013	4	6000	102.63	102.4631
POWER FIN 8.94% 2028 (S-103)	PT	PFC28	8.94%	20-MAY-2013	3	5000	106.3898	106.3898
POWER FIN 8.94% 2028 (S-103)	PT	PFC28	8.94%	09-JUL-2013	4	2500	101.0825	101.0015
POWER FIN 8.94% 2028 (S-103)	PT	PFC28	8.94%	11-JUL-2013	7	7000	101.8196	101.0819
POWER FIN 8.94% 2028 (S-103)	PT	PFC28	8.94%	17-JUL-2013	4	14000	95.521	95.511
POWER FIN 8.91% 17 (S-93-B)	PT	PFC17	8.91%	09-NOV-2012	4	3700	99.5324	99.5324
POWER FIN 8.91% 17 (S-93-B)	PT	PFC17	8.91%	21-NOV-2012	4	3000	99.5066	99.4875
POWER FIN 8.91% 17 (S-93-B)	PT	PFC17	8.91%	14-DEC-2012	1	2500	99.7382	99.7382
POWER FIN 8.91% 17 (S-93-B)	PT	PFC17	8.91%	17-DEC-2012	1	500	99.814	99.814
POWER FIN 8.91% 17 (S-93-B)	PT	PFC17	8.91%	07-JAN-2013	2	5000	100.4045	100.3856
POWER FIN 8.91% 17 (S-93-B)	PT	PFC17	8.91%	24-JAN-2013	1	5500	100.5777	100.5777
POWER FIN 8.91% 17 (S-93-B)	PT	PFC17	8.91%	29-JAN-2013	1	4500	100.9701	100.9701
POWER FIN 8.91% 17 (S-93-B)	PT	PFC17	8.91%	12-FEB-2013	1	1000	100.2317	100.2317

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IssueDescription	Sec Type	Security	Issue Name	Trade Date	No. of Trades	Traded Volume (Rs. Lakhs)	Max Price (Rs.)	Min Price (Rs.)
POWER FIN 8.90% 28 S-102A-III	PT	PFC28	8.90%	16-APR-2013	4	7000	101.2272	101.1449
POWER FIN 8.90% 28 S-102A-III	PT	PFC28	8.90%	17-APR-2013	1	3000	101.2263	101.2263
POWER FIN 8.90% 28 S-102A-III	PT	PFC28	8.90%	05-JUN-2013	1	1000	105.9375	105.9375
POWER FIN 8.90% 23 (S-102-A-II	PT	PFC23	8.90%	10-APR-2013	2	2000	100.8468	100.8468
POWER FIN 8.90% 2020 (S-63-II)	PT	PFC20	8.90%	13-MAY-2010	1	500	101.1885	101.1885
POWER FIN 8.90% 2015 (S-63-I)	PT	PFC15	8.90%	06-APR-2010	1	340	101.4391	101.4391
POWER FIN 8.90% 18 (S-102-A-I	PT	PFC18	8.90%	06-MAY-2013	2	2000	101.8716	101.8716
POWER FIN 8.90% 18 (S-102-A-I	PT	PFC18	8.90%	11-JUN-2013	1	2500	101.8156	101.8156
POWER FIN 8.85% 14 (S-93-A)	PT	PFC14	8.85%	03-JAN-2013	3	7000	99.9993	99.9516
POWER FIN 8.85% 14 (S-93-A)	PT	PFC14	8.85%	07-JAN-2013	1	2500	100.0132	100.0132
POWER FIN 8.85% 14 (S-93-A)	PT	PFC14	8.85%	22-APR-2013	1	1500	100.1893	100.1893
POWER FIN 8.85% 14 (S-93-A)	PT	PFC14	8.85%	29-APR-2013	1	4500	100.2392	100.2392
POWER FIN 8.85% 14 (S-93-A)	PT	PFC14	8.85%	05-JUL-2013	1	5000	100.2987	100.2987
POWER FIN 8.85% 14 (S-93-A)	PT	PFC14	8.85%	29-JUL-2013	1	5000	98.2436	98.2436
POWER FIN 8.82% 20 (S-99-B)	PT	PFC20	8.82%	28-MAR-2013	2	2500	99.549	99.549
POWER FIN 8.82% 20 (S-99-B)	PT	PFC20	8.82%	24-MAY-2013	1	2500	103.5453	103.5453
POWER FIN 8.82% 20 (S-99-B)	PT	PFC20	8.82%	20-JUN-2013	4	7500	101.4321	101.4321
POWER FIN 8.80% 2019 (S-59B)	PT	PFC19	8.80%	23-AUG-2010	3	2500	99.9183	99.9183
POWER FIN 8.75% 2018 S-97	PT	PFC18	8.75%	04-MAR-2013	1	5000	99.3877	99.3877

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IssueDescription	Sec Type	Security	Issue Name	Trade Date	No. of Trades	Traded Volume (Rs. Lakhs)	Max Price (Rs.)	Min Price (Rs.)
POWER FIN 8.75% 2018 S-97	PT	PFC18	8.75%	02-APR-2013	1	2700	99.9383	99.9383
POWER FIN 8.75% 2018 S-97	PT	PFC18	8.75%	04-JUN-2013	1	5000	100.577	100.577
POWER FIN 8.75% 2018 S-97	PT	PFC18	8.75%	05-JUN-2013	2	22500	100.6068	100.5951
POWER FIN 8.45% 2014 (S-59A)	PT	PFC14A	8.45%	29-APR-2013	1	500	99.7154	99.7154
POWER FIN 8.45% 2014 (S-58B)	PT	PFC14	8.45%	15-OCT-2010	1	3000	99.9289	99.9289
POWER FIN 8.35% 16 S-104-A	PT	PFC16	8.35%	22-MAY-2013	1	20000	100.7166	100.7166
POWER FIN 8.35% 16 S-104-A	PT	PFC16	8.35%	27-MAY-2013	4	9000	100.6453	100.6069
POWER FIN 8.35% 16 S-104-A	PT	PFC16	8.35%	05-JUN-2013	9	15500	100.5188	100.4934
POWER FIN 8.35% 16 S-104-A	PT	PFC16	8.35%	10-JUN-2013	1	2000	100.8276	100.8276
POWER FIN 8.35% 16 S-104-A	PT	PFC16	8.35%	20-JUN-2013	3	9000	100.0888	99.8266
POWER FIN 8.35% 16 S-104-A	PT	PFC16	8.35%	05-JUL-2013	3	22500	99.4256	99.353
POWER FIN 7.89% 2012 (S-69)	PT	PFC12	7.89%	25-JUL-2011	1	7500	98.3423	98.3423
POWER FIN 7.89% 2012 (S-69)	PT	PFC12	7.89%	26-JUL-2011	1	2500	98.3467	98.3467
POWER FIN 7.89% 2012 (S-69)	PT	PFC12	7.89%	10-AUG-2011	2	18740	98.3847	98.2858
POWER FIN 7.89% 2012 (S-69)	PT	PFC12	7.89%	03-JUL-2012	2	1000	99.5828	99.5828
POWER FIN 7.89% 2012 (S-69)	PT	PFC12	7.89%	25-JUL-2012	1	4500	99.7701	99.7701
POWER FIN 7.75% 2012 (S-58A)	PT	PFC12	7.75%	21-JUL-2010	1	5000	100.5228	100.5228
POWER FIN 7.75% 2012 (S-58A)	PT	PFC12	7.75%	26-JUL-2010	1	5000	100.523	100.523
POWER FIN 7.75% 2012 (S-58A)	PT	PFC12	7.75%	07-MAY-2012	1	5000	99.0443	99.0443

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IssueDescription	Sec Type	Security	Issue Name	Trade Date	No. of Trades	Traded Volume (Rs. Lakhs)	Max Price (Rs.)	Min Price (Rs.)
POWER FIN 7.10%2012(S-67)	PT	PFC12	7.10%	21-JUL-2010	1	5000	100	100
POWER FIN 7.10%2012(S-67)	PT	PFC12	7.10%	22-JUL-2010	1	5000	100	100
POWER FIN 7.10%2012(S-67)	PT	PFC12	7.10%	07-SEP-2010	1	1500	98.85	98.85
POWER FIN 7.10%2012(S-67)	PT	PFC12	7.10%	04-OCT-2010	1	2500	98.4947	98.4947
POWER FIN 7.10%2012(S-67)	PT	PFC12	7.10%	02-NOV-2010	1	4500	98.1904	98.1904
POWER FIN 7.10%2012(S-67)	PT	PFC12	7.10%	19-NOV-2010	1	1500	97.8516	97.8516
POWER FIN 7.10%2012(S-67)	PT	PFC12	7.10%	20-JAN-2011	3	15500	97.18	97.1352
POWER FIN 7.10%2012(S-67)	PT	PFC12	7.10%	08-JUN-2011	3	13000	97.1002	97.0732
POWER FIN 7.10%2012(S-67)	PT	PFC12	7.10%	15-JUN-2011	2	9500	97.4646	97.4646
POWER FIN 7.10%2012(S-67)	PT	PFC12	7.10%	11-AUG-2011	2	14000	98.1413	97.9983
POWER FIN 7.10%2012(S-67)	PT	PFC12	7.10%	24-OCT-2011	2	7000	98.1516	98.1516
POWER FIN 7.10%2012(S-67)	PT	PFC12	7.10%	04-NOV-2011	2	21500	98.2964	98.2964
POWER FIN 7.10%2012(S-67)	PT	PFC12	7.10%	29-DEC-2011	1	5000	98.6264	98.6264
POWER FIN 7.10%2012(S-67)	PT	PFC12	7.10%	28-MAR-2012	1	4500	98.6425	98.6425
POWER FIN 7.10%2012(S-67)	PT	PFC12	7.10%	25-MAY-2012	1	2500	99.5516	99.5516
POWER FIN 7.10%2012(S-67)	PT	PFC12	7.10%	04-JUN-2012	2	24000	99.6494	99.6116
POWER FIN 7.10%2012(S-67)	PT	PFC12	7.10%	05-JUN-2012	2	5000	99.6579	99.6579
POW FIN COR 9.70% 2018(S-82-C)	PT	PFC18	9.70%	21-DEC-2011	6	7000	101.9411	101.6878
POW FIN COR 9.70% 2018(S-82-C)	PT	PFC18	9.70%	16-JAN-2012	3	1500	101.6494	101.5497

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IssueDescription	Sec Type	Security	Issue Name	Trade Date	No. of Trades	Traded Volume (Rs. Lakhs)	Max Price (Rs.)	Min Price (Rs.)
POW FIN COR 9.70% 2018(S-82-C)	PT	PFC18	9.70%	19-JAN-2012	3	1500	101.7451	101.6952
POW FIN COR 9.70% 2018(S-82-C)	PT	PFC18	9.70%	07-FEB-2012	4	6000	101.8687	101.8687
POW FIN COR 9.70% 2018(S-82-C)	PT	PFC18	9.70%	11-OCT-2012	6	4250	103.4552	103.4313
POW FIN COR 9.70% 2018(S-82-C)	PT	PFC18	9.70%	21-FEB-2013	1	500	103.6556	103.6556
POW FIN COR 9.64% 2016(S-82-B)	PT	PFC16	9.64%	26-DEC-2011	1	1000	100.6908	100.6908
POW FIN COR 9.64% 2016(S-82-B)	PT	PFC16	9.64%	16-MAR-2012	1	3500	100.5063	100.5063
POW FIN COR 9.64% 2016(S-82-B)	PT	PFC16	9.64%	07-JUN-2012	3	3000	100.6667	100.6413
POW FIN COR 9.64% 2016(S-82-B)	PT	PFC16	9.64%	14-JUN-2012	4	3000	100.8886	100.8528
POW FIN COR 9.64% 2016(S-82-B)	PT	PFC16	9.64%	04-JUL-2012	1	2500	100.5273	100.5273
POW FIN COR 9.64% 2016(S-82-B)	PT	PFC16	9.64%	11-MAR-2013	1	500	102.0632	102.0632
POW FIN COR 9.63% 2014(S-82-A)	PT	PFC14	9.63%	11-JAN-2012	8	31500	100.2171	100.1668
POW FIN COR 9.63% 2014(S-82-A)	PT	PFC14	9.63%	09-FEB-2012	2	1000	100.2572	100.2572
POW FIN COR 9.63% 2014(S-82-A)	PT	PFC14	9.63%	29-MAR-2012	1	6000	99.7487	99.7487
POW FIN COR 9.63% 2014(S-82-A)	PT	PFC14	9.63%	27-JUN-2012	1	1000	100.196	100.196
POW FIN COR 9.63% 2014(S-82-A)	PT	PFC14	9.63%	05-SEP-2012	1	2500	100.7159	100.7159
POW FIN COR 9.63% 2014(S-82-A)	PT	PFC14	9.63%	26-SEP-2012	1	500	101.3365	101.3365
POW FIN COR 9.63% 2014(S-82-A)	PT	PFC14	9.63%	03-JAN-2013	2	1000	101.389	101.389
POW FIN COR 9.63% 2014(S-82-A)	PT	PFC14	9.63%	22-FEB-2013	1	1500	100.8186	100.8186
POW FIN COR 9.63% 2014(S-82-A)	PT	PFC14	9.63%	15-MAY-2013	1	2500	102.0715	102.0715

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IssueDescription	Sec Type	Security	Issue Name	Trade Date	No. of Trades	Traded Volume (Rs. Lakhs)	Max Price (Rs.)	Min Price (Rs.)
POW FIN COR 9.63% 2014(S-82-A)	PT	PFC14	9.63%	21-MAY-2013	1	6000	102.1367	102.1367
POW FIN 9.55% 2015 (S-83)	PT	PFC15	9.55%	08-FEB-2012	4	4500	100.0703	100.0211
POW FIN 9.55% 2015 (S-83)	PT	PFC15	9.55%	22-FEB-2012	1	500	100.0686	100.0686
POW FIN 9.55% 2015 (S-83)	PT	PFC15	9.55%	29-FEB-2012	1	1000	100.0145	100.0145
POW FIN 9.55% 2015 (S-83)	PT	PFC15	9.55%	12-JUN-2012	1	10000	99.8794	99.8794
POW FIN 9.55% 2015 (S-83)	PT	PFC15	9.55%	09-NOV-2012	1	2500	101.1711	101.1711
POW FIN 9.55% 2015 (S-83)	PT	PFC15	9.55%	13-DEC-2012	1	1500	100.9703	100.9703
POW FIN 9.46% 2026 (S-76-B)	PT	PFC26	9.46%	05-AUG-2011	2	1000	100.0086	100.0086
POW FIN 9.46% 2026 (S-76-B)	PT	PFC26	9.46%	12-AUG-2011	1	500	100.3938	100.3938
POW FIN 9.46% 2026 (S-76-B)	PT	PFC26	9.46%	17-OCT-2011	2	950	97.6463	97.6463
POW FIN 9.46% 2026 (S-76-B)	PT	PFC26	9.46%	31-OCT-2011	1	240	98.0186	98.0186
POW FIN 9.46% 2026 (S-76-B)	PT	PFC26	9.46%	13-DEC-2011	2	1500	100.4701	100.3136
POW FIN 9.46% 2026 (S-76-B)	PT	PFC26	9.46%	14-MAR-2012	2	11900	100.2353	100.2353
POW FIN 9.36% 2021 (S-76-A)	PT	PFC21	9.36%	25-AUG-2011	4	4500	99.7957	99.7957
POW FIN 9.36% 2021 (S-76-A)	PT	PFC21	9.36%	29-NOV-2011	1	2500	97.7841	97.7841
POW FIN 9.36% 2021 (S-76-A)	PT	PFC21	9.36%	20-DEC-2011	3	2500	100.5999	100.5379
POW FIN 9.36% 2021 (S-76-A)	PT	PFC21	9.36%	10-JAN-2012	2	500	100.4701	100.4701
POW FIN 9.36% 2021 (S-76-A)	PT	PFC21	9.36%	24-JAN-2012	4	2000	100.8716	100.716
POW FIN 9.36% 2021 (S-76-A)	PT	PFC21	9.36%	30-JAN-2012	1	1000	100.1284	100.1284

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POW FIN 9.36% 2021 (S-76-A)	PT	PFC21	9.36%	10-MAY-2012	1	1000	99.8294	99.8294
POW FIN 9.36% 2021 (S-76-A)	PT	PFC21	9.36%	23-JUL-2012	1	1500	100.3941	100.3941
POW FIN 9.36% 2021 (S-76-A)	PT	PFC21	9.36%	14-SEP-2012	1	2500	101.2216	101.2216
POW FIN 9.36% 2021 (S-76-A)	PT	PFC21	9.36%	24-SEP-2012	1	1000	101.6908	101.6908
POW FIN 9.36% 2021 (S-76-A)	PT	PFC21	9.36%	25-SEP-2012	2	1500	101.8696	101.7808
POW FIN 9.36% 2021 (S-76-A)	PT	PFC21	9.36%	26-SEP-2012	2	2000	101.9285	101.9285
POW FIN 9.36% 2021 (S-76-A)	PT	PFC21	9.36%	09-APR-2013	1	1000	103.0882	103.0882
POW FIN 8.90% 2014 (S-96)	PT	PFC14A	8.90%	04-JAN-2013	1	2500	100.1654	100.1654
POW FIN 8.90% 2014 (S-96)	PT	PFC14A	8.90%	05-APR-2013	2	7500	100.1458	100.1458
POW FIN 8.70% 2025 (S-65-III)	PT	PFC25	8.70%	08-JUN-2010	1	500	99.4725	99.4725
POW FIN 8.70% 2025 (S-65-III)	PT	PFC25	8.70%	08-JUL-2010	1	500	99.4908	99.4908
POW FIN 8.70% 2020 (S-65-II)	PT	PFC20A	8.70%	28-MAY-2010	7	4500	100.3273	99.8722
POW FIN 8.70% 2020 (S-65-II)	PT	PFC20A	8.70%	09-JUN-2010	5	2500	100.2375	100.1878
POW FIN 8.70% 2020 (S-65-II)	PT	PFC20A	8.70%	17-JUN-2010	9	5000	99.954	99.9217
POW FIN 8.70% 2020 (S-65-II)	PT	PFC20A	8.70%	01-JUL-2010	1	500	99.9431	99.9431
POW FIN 8.70% 2020 (S-65-II)	PT	PFC20A	8.70%	07-JUL-2010	2	1500	99.9388	99.9388
POW FIN 8.70% 2020 (S-65-II)	PT	PFC20A	8.70%	21-JUL-2010	4	2500	99.7046	99.6404
POW FIN 8.70% 2020 (S-65-II)	PT	PFC20A	8.70%	06-AUG-2010	1	500	99.2484	99.2484
POW FIN 8.70% 2020 (S-65-II)	PT	PFC20A	8.70%	29-SEP-2010	3	2500	100.185	100.185

Sub : Trade Statistics Report from 01-Apr-2010 to 31-Jul-2013 for the securities issued by Power Finance Corporation Limited.

IssueDescription	Sec Type	Security	Issue Name	Trade Date	No. of Trades	Traded Volume (Rs. Lakhs)	Max Price (Rs.)	Min Price (Rs.)
POW FIN 8.70% 2020 (S-65-II)	PT	PFC20A	8.70%	24-NOV-2011	2	4900	94.2162	94.2019
POW FIN 8.70% 2020 (S-65-II)	PT	PFC20A	8.70%	18-DEC-2012	1	1000	98.4096	98.4096
POW FIN 8.70% 2020 (S-65-II)	PT	PFC20A	8.70%	07-MAY-2013	1	500	101.2571	101.2571
POW FIN 8.70% 2015 (S-65-I)	PT	PFC15	8.70%	20-MAY-2010	4	4000	102.3554	102.2345
POW FIN 8.70% 2015 (S-65-I)	PT	PFC15	8.70%	25-MAY-2010	6	3500	102.3476	102.3054
POW FIN 8.70% 2015 (S-65-I)	PT	PFC15	8.70%	31-MAY-2010	1	4000	102.1336	102.1336
POW FIN 8.70% 2015 (S-65-I)	PT	PFC15	8.70%	11-JUN-2010	3	5000	101.7924	101.7132
POW FIN 8.70% 2015 (S-65-I)	PT	PFC15	8.70%	09-AUG-2010	3	2500	100.7096	100.6714
POW FIN 8.70% 2015 (S-65-I)	PT	PFC15	8.70%	16-AUG-2010	3	2500	100.7606	100.7225
POW FIN 8.70% 2015 (S-65-I)	PT	PFC15	8.70%	21-SEP-2010	1	500	100.5269	100.5269
POW FIN 8.70% 2015 (S-65-I)	PT	PFC15	8.70%	12-SEP-2011	1	2500	97.6007	97.6007
POW FIN 8.70% 2015 (S-65-I)	PT	PFC15	8.70%	23-OCT-2012	2	9000	99.6453	99.6453
POW FIN 8.70% 2015 (S-65-I)	PT	PFC15	8.70%	10-DEC-2012	1	1500	99.3635	99.3635
POW FIN 8.70% 2015 (S-65-I)	PT	PFC15	8.70%	16-JAN-2013	1	1000	99.8191	99.8191
POW FIN 8.70% 2015 (S-65-I)	PT	PFC15	8.70%	23-APR-2013	1	2500	100.2757	100.2757
POW FIN 8.70% 2015 (S-65-I)	PT	PFC15	8.70%	05-JUL-2013	1	3500	100.1191	100.1191
PFC 9.80%2012 (S-XXXVIII)	PT	PFC12A	9.80%	24-AUG-2010	2	3500	103.6076	103.6076
PFC 9.80%2012 (S-XXXVIII)	PT	PFC12A	9.80%	16-SEP-2010	1	9500	103.4813	103.4813
PFC 9.80%2012 (S-XXXVIII)	PT	PFC12A	9.80%	16-DEC-2010	1	2500	101.2432	101.2432

Sub : Trade Statistics Report from 01-Apr-2010 to 31-Jul-2013 for the securities issued by Power Finance Corporation Limited.

IssueDescription	Sec Type	Security	Issue Name	Trade Date	No. of Trades	Traded Volume (Rs. Lakhs)	Max Price (Rs.)	Min Price (Rs.)
PFC 9.80%2012 (S-XXXVIII)	PT	PFC12A	9.80%	21-FEB-2011	2	4500	100.1326	100.1326
PFC 9.80% 2012 (S-XXXIII-A)	PT	PFC12	9.80%	21-APR-2010	1	2500	105.3437	105.3437
PFC 9.61% 2017 (S-90-A)	PT	PFC17A	9.61%	15-JUN-2012	1	1000	100.0882	100.0882
PFC 9.61% 2017 (S-90-A)	PT	PFC17A	9.61%	01-NOV-2012	1	500	100.797	100.797
PFC 9.61% 2017 (S-90-A)	PT	PFC17A	9.61%	26-APR-2013	1	500	101.011	101.011
PFC 9.55% 2011 (S-XLVII-A)	PT	PFC11	9.55%	04-MAY-2010	2	5000	103.5822	103.5822
PFC 9.51% 2015 (S-85-A)	PT	PFC15	9.51%	28-DEC-2012	1	500	101.0048	101.0048
PFC 9.40% 2013 (S-XLIV)	PT	PFC13	9.40%	08-JUL-2010	1	500	104.6702	104.6702
PFC 9.40% 2013 (S-XLIV)	PT	PFC13	9.40%	10-AUG-2010	1	1000	103.0891	103.0891
PFC 9.40% 2013 (S-XLIV)	PT	PFC13	9.40%	30-AUG-2011	1	1500	99.8117	99.8117
PFC 9.40% 2013 (S-XLIV)	PT	PFC13	9.40%	02-JAN-2013	1	1500	99.9901	99.9901
PFC 9.28% 2017 (S-XL-C)	PT	PFC17	9.28%	31-JAN-2013	1	2500	102.1214	102.1214
PFC 9.22% 2012 (S-XL-B)	PT	PFC12	9.22%	28-APR-2011	1	8500	99.5893	99.5893
PFC 9.22% 2012 (S-XL-B)	PT	PFC12	9.22%	04-NOV-2011	1	1000	99.4546	99.4546
PFC 9.22% 2012 (S-XL-B)	PT	PFC12	9.22%	30-NOV-2011	1	6500	99.5887	99.5887
PFC 9.22% 2012 (S-XL-B)	PT	PFC12	9.22%	17-FEB-2012	1	1000	99.7	99.7
PFC 9.22% 2012 (S-XL-B)	PT	PFC12	9.22%	18-MAY-2012	1	3000	99.3318	99.3318
PFC 9.05% 2020 (S-71.I)	PT	PFC20	9.05%	07-APR-2011	1	500	99.3037	99.3037
PFC 9.05% 2020 (S-71.I)	PT	PFC20	9.05%	22-AUG-2012	1	80	98.7855	98.7855

Sub : Trade Statistics Report from 01-Apr-2010 to 31-Jul-2013 for the securities issued by Power Finance Corporation Limited.

IssueDescription	Sec Type	Security	Issue Name	Trade Date	No. of Trades	Traded Volume (Rs. Lakhs)	Max Price (Rs.)	Min Price (Rs.)
PFC 9.03% 2013 (S-XLII-B)	PT	PFC13	9.03%	19-DEC-2011	2	1800	99.6629	99.6629
PFC 9.01% 2011 (S-XLII-A)	PT	PFC11	9.01%	29-JUN-2010	1	9000	101.2617	101.2617
PFC 9.01% 2011 (S-XLII-A)	PT	PFC11	9.01%	17-SEP-2010	2	5500	100.3529	100.3321
PFC 9.01% 2011 (S-XLII-A)	PT	PFC11	9.01%	20-SEP-2010	2	5500	100.3529	100.3292
PFC 9.01% 2011 (S-XLII-A)	PT	PFC11	9.01%	19-NOV-2010	1	21500	100.0678	100.0678
PFC 9.01% 2011 (S-XLII-A)	PT	PFC11	9.01%	30-NOV-2010	1	350	99.9805	99.9805
PFC 8.90% 2014 (S-54A)	PT	PFC14	8.90%	20-DEC-2011	1	1000	98.8927	98.8927
PFC 8.90% 2014 (S-54A)	PT	PFC14	8.90%	19-MAR-2012	1	500	98.6901	98.6901
PFC 8.90% 2014 (S-54A)	PT	PFC14	8.90%	31-DEC-2012	1	2500	100.0057	100.0057
PFC 8.85% 2030 (S-66-C)	PT	PFC30	8.85%	17-JAN-2013	1	1000	100.5621	100.5621
PFC 8.80% 2025 (S 62-B)	PT	PFC25	8.80%	11-MAY-2010	2	880	99.95	99.92
PFC 8.80% 2025 (S 62-B)	PT	PFC25	8.80%	08-JUN-2010	1	1500	100.1014	100.1014
PFC 8.78% 2020 (S-70)	PT	PFC20	8.78%	08-DEC-2010	4	2500	98.7143	98.6501
PFC 8.78% 2016 (S-XXXI-A)	PT	PFC16	8.78%	20-APR-2010	1	500	100.6844	100.6844
PFC 8.60% 2024 (S-57B-III)	PT	PFC24	8.60%	28-MAY-2012	1	500	93.8924	93.8924
PFC 8.60% 2019 (S-57B-II)	PT	PFC19	8.60%	16-MAY-2013	1	2500	102.1502	102.1502
PFC 8.60% 2014 (S-57B-I)	PT	PFC14	8.60%	27-AUG-2010	1	2000	100.5454	100.5454
PFC 8.60% 2014 (S-57B-I)	PT	PFC14	8.60%	07-JUL-2011	2	1500	97.5811	97.5684
PFC 8.60% 2014 (S-57B-I)	PT	PFC14	8.60%	20-JUN-2012	1	1000	98.1969	98.1969

Sub : Trade Statistics Report from 01-Apr-2010 to 31-Jul-2013 for the securities issued by Power Finance Corporation Limited.

IssueDescription	Sec Type	Security	Issue Name	Trade Date	No. of Trades	Traded Volume (Rs. Lakhs)	Max Price (Rs.)	Min Price (Rs.)
PFC 8.55% 2011(S-XXIX - B)	PT	PFC11	8.55%	24-SEP-2010	3	4500	100.8369	100.7962
PFC 8.55% 2011(S-XXIX - B)	PT	PFC11	8.55%	28-APR-2011	1	2500	99.7311	99.7311
PFC 8.55% 2011(S-XXIX - B)	PT	PFC11	8.55%	13-JUL-2011	1	2500	99.9243	99.9243
PFC 8.55% 2011(S-XXIX - B)	PT	PFC11	8.55%	22-JUL-2011	1	2000	99.9519	99.9519
PFC 8.50% 2014 (S-61-I)	PT	PFC14	8.50%	27-APR-2010	2	1050	101.3245	101.2867
PFC 8.50% 2014 (S-61-I)	PT	PFC14	8.50%	18-MAY-2010	1	50	101.5683	101.5683
PFC 8.50% 2014 (S-61-I)	PT	PFC14	8.50%	04-JUN-2010	1	500	101.3671	101.3671
PFC 8.50% 2014 (S-61-I)	PT	PFC14	8.50%	02-NOV-2010	1	1000	99.8012	99.8012
PFC 8.50% 2014 (S-61-I)	PT	PFC14	8.50%	07-FEB-2011	2	1000	97.1904	97.1904
PFC 8.50% 2014 (S-61-I)	PT	PFC14	8.50%	05-JUL-2012	1	500	97.8397	97.8397
PFC 8.50% 2014 (S-61-I)	PT	PFC14	8.50%	06-JUL-2012	1	1000	97.8073	97.8073
PFC 8.50% 2014 (S-61-I)	PT	PFC14	8.50%	30-OCT-2012	2	1000	99.4534	99.4534
PFC 8.49% 2011 (S XXX)	PT	PFC11	8.49%	01-NOV-2010	1	6000	100.0654	100.0654
PFC 8.49% 2011 (S XXX)	PT	PFC11	8.49%	13-JAN-2011	1	1000	99.4404	99.4404
PFC 8.49% 2011 (S XXX)	PT	PFC11	8.49%	07-FEB-2011	1	1500	99.1051	99.1051
PFC 7% 2011 (S-XXII)	PT	PFC11	7%	23-APR-2010	1	2500	100.4842	100.4842
PFC 7% 2011 (S-XXII)	PT	PFC11	7%	22-JUN-2011	1	2500	98.6632	98.6632
PFC 11.40% 2013(S--52A)	PT	PFC13	11.40%	04-JUL-2013	1	2500	101.0425	101.0425
PFC 11.25% 2018(S--52C)	PT	PFC18	11.25%	17-APR-2012	1	30	108.66	108.66

Annexure E

Ref. No.: 1309

August 13, 2013

ITCL

IL&FS Trust Company Limited

Power Finance Corporation Limited (Company)
'Urjanidhi',
1, Barakhamba Lane,
Connaught Place,
New Delhi 110 001

Proposed public issue of tax free, secured, redeemable, non-convertible bonds having benefits under section 10(15)(iv)(h) of the Income Tax Act, 1961, as amended ("Bonds" and such issue, "the Issue") by Company to the extent of Rs. 5000 crores

We, the undersigned, do hereby consent to act as a Debenture Trustee to the Issue and to our name being inserted as the Debenture Trustee to the Issue in the Draft Shelf Prospectus to be filed by the Company with the Securities and Exchange Board of India ("**SEBI**"), the Indian stock exchanges where the Bonds are proposed to be listed (the "**Stock Exchanges**") and the Shelf Prospectus, Tranche Prospectus(es) and any other document intended to be filed with SEBI, Stock Exchanges and the Registrar of Companies, National Capital Territory of Delhi and Haryana ("**RoC**"), in respect of the Issue. The following details with respect to us may be disclosed:

Name: IL&FS Trust Company Limited
Address: The IL&FS Financial Centre, Plot C – 22, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051
Tel: 022 – 2659 3333
Fax: 022 - 26533297
E-mail: subhash.jha@ilfsindia.com
Investor Grievance e-mail: investorgrievancesitcl@ilfsindia.com
Website: www.itclindia.com
Contact Person: Mr. Subhash Jha
SEBI Registration Number: IND000000452

We confirm that we are registered with SEBI and that such registration is valid as on the date of this letter. We enclose a copy of our registration certificate and declaration regarding our registration with SEBI in the required format. We also confirm that we have not been prohibited by SEBI to act as an intermediary in capital market issues. We further confirm that no enquiry/investigation is being conducted by SEBI on us.

We further confirm that we have not received any communication from SEBI prohibiting us from acting as an intermediary.

We confirm that we will immediately inform the Company of any change, additions or deletions in respect of the matters covered in this certificate till the date when the Bonds offered, issued and allotted pursuant to the Issue, are admitted for trading on the Stock Exchanges. In the absence of any such communication from us, the above information should be taken as updated information until the listing and trading of Bonds on the Stock Exchanges.

We hereby authorise you to deliver this letter of consent to the Stock Exchanges, the RoC and any other regulatory or statutory authority as required.

Sincerely,
For IL&FS Trust Company Limited

Authorised Signatory

Encl.: As stated above

डिबेंचर न्यासी

प्रपत्र ख
FORM-B

DEBENTURE TRUSTEE

भारतीय प्रतिभूति और विनिमय बोर्ड
SECURITIES AND EXCHANGE BOARD OF INDIA

(डिबेंचर न्यासी) विनियम, 1993
(DEBENTURE TRUSTEE) REGULATIONS, 1993

000213 (विनियम 8)
(Regulation 8)

रजिस्ट्रीकरण प्रमाणपत्र
CERTIFICATE OF ~~REGISTRATION~~

Regulation 8A

PERMANENT REGISTRATION

1) बोर्ड, भारतीय प्रतिभूति और विनिमय बोर्ड अधिनियम, 1992 के अधीन डिबेंचर न्यासी के लिए बनाए गए नियमों और विनियमों के साथ पठित उस अधिनियम की धारा 12 की उपधारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए,

1) In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the rules and regulations made thereunder for the debenture trustee the Board hereby grants a certificate of registration to

IL & FS TRUST COMPANY LTD.
THE IL & FS FINANCIAL CENTRE
PLOT NO.C22, G-BLOCK
BANDRA KURLA COMPLEX
BANDRA (EAST)
MUMBAI 400 051

को नियमों में, शर्तों के अधीन रहते हुए और विनियमों के अनुसार डिबेंचर न्यासी के रूप में रजिस्ट्रीकरण का प्रमाणपत्र इसके द्वारा प्रदान करता है।
as a debenture trustee subject to the conditions in the rules and in accordance with the regulations.

2) डिबेंचर न्यासी के लिए रजिस्ट्रीकरण कूट है।
2) Registration Code for the debenture trustee is **IND000000452**

3) जब तक नवीकृत न किया जाए, रजिस्ट्रीकरण का प्रमाणपत्र से तक विधिमान्य है।
3) ~~Unless renewed, the certificate of registration is valid from~~ to

3) **This Certificate of Registration shall be valid for permanent unless suspended or cancelled by the Board.**

आदेश से
भारतीय प्रतिभूति और विनिमय बोर्ड
के लिए और उसकी ओर से
By order
For and on behalf of
Securities and Exchange Board of India

स्थान Place : **MUMBAI**

तारीख Date : **OCTOBER 22, 2012**

RUCHA CHOJER