



POWER FINANCE CORPORATION LIMITED
(A Govt. of India Undertaking)

Registered & Corporate Office: UrjaNidhi Building, 1-Barakhamba Lane, Connaught Place – 110001
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Website: www.pfcindia.com
Date of Incorporation: 16th July 1986
CIN: L65910DL1986GOI024862

PRIVATE PLACEMENT OFFER LETTER DATED JULY 04,2014

Issued in conformity with Form PAS-4 prescribed under section 42 and rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 issued vide circular no. LAD-NRO/GN/2012-13/19/5392 dated October 12, 2012, as amended from time to time, Reserve Bank of India circular no. DNBD(PD) CC No. 330 /03.10.001/2012-13 dated June 27, 2013 issued by the “Raising Money through Private Placement by NBFCs-Debentures etc.”, as amended from time to time and letter no. [DNBS.CO.PD.4833/03.10.001/2013-14] dated [April 03,2014] issued by the Reserve Bank of India authorizing PFC to issue unsecured bonds to institutional investors..

ISSUE OF UNSECURED, REDEEMABLE, NON-CONVERTIBLE, TAXABLE BONDS IN THE NATURE OF DEBENTURES OF FACE VALUE OF RS. 10 LACS FOR SERIES 115 FOR CASH AT PAR AGGREGATING TO RS. 500CRORE PLUS GREEN SHOE OPTION ON PRIVATE PLACEMENT BASIS.

REGISTRAR TO THE ISSUE

RCMC SHARE REGISTRY PRIVATE LIMITED
B-106 Sector 2, Noida 201301
Tel: (0120)4015880 Fax (0120)-2444346
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TRUSTEE FOR THE BONDHOLDERS

GDA TRUSTEESHIP LTD.
GDA House, Plot No. 85 Bhusari Colony (Right)
Paud Road Pune- - 411038
Tel: (020)25280081 Fax (020)-25280275

ISSUE SCHEDULE*

Issue Opening Date	07.07.2014
Issue Closing Date	07.07.2014
Pay-in Dates	07.07.2014
Deemed Date of Allotment	07.07.2014

*The Issuer reserves its sole and absolute right to modify (pre-poner/ postpone) the above issue schedule without giving any reasons or prior notice.

LISTING

The bond issue is proposed to be listed on National Stock Exchange of India Ltd (“NSE”) /Bombay Stock Exchange Ltd (“BSE”). The Issuer has obtained the “in-principle” approval from the NSE for listing of the Bonds offered under this Private Placement Offer Letter. NSE shall be designated stock Exchange

TABLE OF CONTENTS

Chapter	Particulars
I	Disclaimer A. DISCLAIMER OF THE ISSUER B. DISCLAIMER OF THE SECURITIES & EXCHANGE BOARD OF INDIA C. DISCLAIMER OF THE STOCK EXCHANGE D. DISCLAIMER OF THE RESERVE BANK OF INDIA
II	BRIEF SUMMARY OF THE BUSINESS/ACTIVITIES OF THE ISSUER AND ITS LINE OF BUSINESS AND SUBSIDIARIES A. OVERVIEW B. OUR MAIN OBJECTS C. OUR PRODUCTS D. PROJECTS WE FUND E. INSTITUTIONAL DEVELOPMENT ROLE AND GOVERNMENT PROGRAMS F. CONSULTANCY SERVICES G. RISK MANAGEMENT H. CHANGES IN REGISTERED OFFICE I. SUBSIDIARIES J. JOINT VENTURES & INVESTMENTS
III	ORGANIZATION STRUCTURE
IV	MANAGEMENT OF THE COMPANY A. OUR MANAGEMENT AND DETAILS OF CURRENT DIRECTORS OF THE COMPANY B. DETAILS OF CHANGE IN DIRECTORS SINCE LAST THREE YEARS
V	DETAILS OF AUDITOR OF THE COMPANY A. AUDITOR OF THE COMPANY B. DETAILS OF CHANGE IN AUDITOR SINCE LAST THREE YEARS
VI	MANAGEMENT'S PERCEPTION OF RISK FACTORS A. RISKS RELATING TO OUR BUSINESS AND INDUSTRY B. RISKS RELATING TO THE INDIAN ECONOMY C. RISKS RELATING TO THE BONDS
VII	ISSUER INFORMATION
VIII	SUMMARY TERM SHEET
IX	PARTICULARS OF THE OFFER
X	DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC A. CONTRIBUTION BEING MADE BY THE PROMOTERS OR DIRECTORS EITHER AS PART OF THE OFFER OR SEPARATELY IN FURTHERANCE OF SUCH OBJECTS B. ANY FINANCIAL OR OTHER MATERIAL INTEREST OF THE DIRECTORS, PROMOTERS OR KEY MANAGERIAL PERSONNEL IN THE OFFER AND THE EFFECT OF SUCH INTEREST IN SO FAR AS IT IS DIFFERENT FROM THE INTERESTS OF OTHER PERSONS C. DETAILS OF ANY LITIGATION OR LEGAL ACTION PENDING OR TAKEN BY ANY MINISTRY OR DEPARTMENT OF THE GOVERNMENT OR A STATUTORY AUTHORITY AGAINST ANY PROMOTER OF THE OFFEREE COMPANY DURING THE LAST THREE YEARS IMMEDIATELY PRECEDING THE YEAR OF THE CIRCULATION OF THE OFFER LETTER AND ANY DIRECTION ISSUED BY SUCH

	<p>MINISTRY OR DEPARTMENT OR STATUTORY AUTHORITY UPON CONCLUSION OF SUCH LITIGATION OR LEGAL ACTION</p> <p>D. ANY MATERIAL EVENT/ DEVELOPMENT OR CHANGE HAVING IMPLICATIONS ON THE FINANCIALS/CREDIT QUALITY (E.G. ANY MATERIAL REGULATORY PROCEEDINGS AGAINST THE ISSUER/PROMOTERS, TAX LITIGATION RESULTING IN MATERIAL LIABILITIES ,CORPORATE RESTRUCTURING, EVENT ETC)AT THE TIME OF ISSUE WHICH MAY AFFECT THE ISSUE OR THE INVESTOR'S DECISION TO INVEST / CONTINUE TO INVEST IN THE DEBT SECURITIES</p> <p>E. REMUNERATION OF DIRECTORS (DURING THE CURRENT YEAR AND LAST THREE FINANCIAL YEARS);</p> <p>F. RELATED PARTY TRANSACTIONS ENTERED DURING THE LAST THREE FINANCIAL YEARS IMMEDIATELY PRECEDING THE YEAR OF CIRCULATION OF OFFER LETTER INCLUDING WITH REGARD TO LOANS MADE OR, GUARANTEES GIVEN OR SECURITIES PROVIDED</p> <p>G. SUMMARY OF RESERVATIONS OR QUALIFICATIONS OR ADVERSE REMARKS OF AUDITORS IN THE LAST FIVE FINANCIAL YEARS IMMEDIATELY PRECEDING THE YEAR OF CIRCULATION OF OFFER LETTER AND OF THEIR IMPACT ON THE FINANCIAL STATEMENTS AND FINANCIAL POSITION OF THE COMPANY AND THE CORRECTIVE STEPS TAKEN AND PROPOSED TO BE TAKEN BY THE COMPANY FOR EACH OF THE SAID RESERVATIONS OR QUALIFICATIONS OR ADVERSE REMARK</p> <p>H. DETAILS OF ANY INQUIRY, INSPECTIONS OR INVESTIGATIONS INITIATED OR CONDUCTED UNDER THE COMPANIES ACT OR ANY PREVIOUS COMPANY LAW IN THE LAST THREE YEARS IMMEDIATELY PRECEDING THE YEAR OF CIRCULATION OF OFFER LETTER IN THE CASE OF COMPANY AND ALL OF ITS SUBSIDIARIES. ALSO IF THERE WERE ANY PROSECUTIONS FILED (WHETHER PENDING OR NOT) FINES IMPOSED, COMPOUNDING OF OFFENCES IN THE LAST THREE YEARS IMMEDIATELY PRECEDING THE YEAR OF THE OFFER LETTER AND IF SO, SECTION-WISE DETAILS THEREOF FOR THE COMPANY AND ALL OF ITS SUBSIDIARIES</p> <p>I. DETAILS OF ACTS OF MATERIAL FRAUDS COMMITTED AGAINST THE COMPANY IN THE LAST THREE YEARS, IF ANY, AND IF SO, THE ACTION TAKEN BY THE COMPANY</p>
XI	<p>FINANCIAL POSITION OF THE COMPANY</p> <p>A. THE CAPITAL STRUCTURE OF THE COMPANY AS ON 31ST MARCH 2014</p> <p>B. SHARE PREMIUM ACCOUNT</p> <p>C. CHANGES IN ITS CAPITAL STRUCTURE AS ON LAST QUARTER END, FOR THE LAST FIVE YEARS AS ON 31ST MARCH 2014</p> <p>D. DETAILS OF EQUITY SHARES ALLOTTED FOR CONSIDERATIONS OTHER THAN CASH</p> <p>E. CHANGES IN AUTHORISED CAPITAL OF THE ISSUER</p> <p>F. DETAILS OF ANY ACQUISITION OR AMALGAMATION IN THE LAST 1 YEAR</p> <p>G. DETAILS OF ANY REORGANIZATION OR RECONSTRUCTION IN THE LAST 1 YEAR</p> <p>H. DETAILS OF SHAREHOLDING OF THE COMPANY AS ON THE LATEST QUARTER END</p> <p>I. PROFITS OF THE COMPANY, BEFORE AND AFTER MAKING PROVISION FOR TAX, FOR THE THREE FINANCIAL YEARS IMMEDIATELY PRECEDING THE DATE OF CIRCULATION OF OFFER LETTER;</p> <p>J. DIVIDENDS DECLARED BY THE COMPANY IN RESPECT OF THE SAID THREE FINANCIAL YEARS; INTEREST COVERAGE RATIO FOR LAST</p>

	<p>THREE YEARS</p> <p>K. A SUMMARY OF THE FINANCIAL POSITION OF THE COMPANY AS IN THE THREE AUDITED BALANCE SHEETS IMMEDIATELY PRECEDING THE DATE OF CIRCULATION OF OFFER LETTER-</p> <p>L. AUDITED CASH FLOW STATEMENT FOR THE THREE YEARS IMMEDIATELY PRECEDING THE DATE OF CIRCULATION OF OFFER LETTER:-</p> <p>M. ANY CHANGE IN ACCOUNTING POLICIES DURING THE LAST THREE YEARS AND THEIR EFFECT ON THE PROFITS AND THE RESERVES OF THE COMPANY</p> <p>N. DETAILS OF BORROWINGS OF THE COMPANY, AS ON THE LATEST QUARTER END</p> <p>O. DETAILS OF DEFAULT, IF ANY, INCLUDING THEREIN THE AMOUNT INVOLVED, DURATION OF DEFAULT AND PRESENT STATUS, IN REPAYMENT OF/ STATUTORY DUES/ DEBENTURES AND INTEREST THEREON/DEPOSITS AND INTEREST THEREON, LOAN FROM ANY BANK OR FINANCIAL INSTITUTION AND INTEREST THEREON AND OTHER FINANCIAL INDEBTEDNESS INCLUDING CORPORATE GUARANTEE ISSUED BY THE COMPANY, IN THE PAST 5 YEARS .</p> <p>P. THE AMOUNT OF CORPORATE GUARANTEE ISSUED BY THE ISSUER ALONG WITH NAME OF THE COUNTERPARTY (LIKE NAME OF THE SUBSIDIARY JV ENTITY, GROUP COMPANY ETC) ON BEHALF OF WHOM IT HAS BEEN ISSUED</p> <p>Q. ANY MATERIAL EVENT/ DEVELOPMENT OR CHANGE HAVING IMPLICATIONS ON THE FINANCIALS/CREDIT QUALITY (E.G. ANY MATERIAL REGULATORY PROCEEDINGS AGAINST THE ISSUER/PROMOTERS, TAX LITIGATION RESULTING IN MATERIAL LIABILITIES ,CORPORATE RESTRUCTURING, EVENT ETC)AT THE TIME OF ISSUE WHICH MAY AFFECT THE ISSUE OR THE INVESTOR'S DECISION TO INVEST / CONTINUE TO INVEST IN THE DEBT SECURITIES.-</p>
	DECLARATION
	ANNEXURE- I – CREDIT RTING RATIONALE

I. DISCLAIMER

A. DISCLAIMER OF THE ISSUER

This Private Placement Offer Letter is neither a Prospectus nor a Statement in Lieu of Prospectus and is prepared in conformity with Form PAS-4 prescribed under section 42 and rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 issued vide circular no. LAD-NRO/GN/2012-13/19/5392 dated October 12, 2012, as amended from time to time, Reserve Bank of India circular no. DNBD(PD) CC No. 330 /03.10.001/2012-13 dated June 27, 2013 issued by the "Raising Money through Private Placement by NBFCs-Debentures etc.", as amended from time to time and letter no. [DNBS.CO.PD.4833/03.10.001/2013-14] dated [April 03, 2014] issued by the Reserve Bank of India on "[Unsecured debentures]". This Private Placement Offer Letter does not constitute an offer to the public generally to subscribe for or otherwise acquire the Bonds to be issued by (the "Issuer"/ the "Power Finance Corporation Limited (PFC)"/ ("the Company"). The document is for the exclusive use of the Institutions to whom it is addressed and it should not be circulated or distributed to third party (ies). The Company certifies that the disclosures made in this Private Placement Offer Letter are generally adequate and are in conformity with the Companies Act 2013 & SEBI Regulations. This requirement is to facilitate investors to take an informed decision for making investment in the proposed issue.

The issuer confirms that the information contained in this Private Placement Offer Letter is true and correct in all material respects and is not misleading in any material respect. All information considered adequate and relevant about the issue and the Company has been made available in this Private Placement Offer Letter for the use and perusal of the potential investors and no selective or additional information would be available for a section of investors in any manner whatsoever. The Company accepts no responsibility for statements made otherwise than in this Private Placement Offer Letter or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at his / her / their own risk.

In pursuance of sub-section (8) of section 42 of The Companies Act, 2013, the Issuer shall not release any public advertisements and shall not utilize any media, marketing or distribution channels or agents to inform the public at large about such an offer, where the term 'public advertisements' shall include notices, brochures, pamphlets, circulars, show cards, catalogues, hoardings, placards, posters, insertions in newspapers, pictures, films, or any other print medium, radio, television programme through any electronic medium, mass communications or e-mails, internet websites including social networking websites, publicity through telephone or mobile etc.

B. DISCLAIMER OF THE SECURITIES & EXCHANGE BOARD OF INDIA

Pursuant to rule 14 (3) of The Companies (Prospectus and Allotment of Securities) Rules, 2014, a copy of this Private Placement Offer Letter shall be filed with the Registrar of Companies, National Capital Territory of Delhi & Haryana along with fee as provided in The Companies (Registration Offices and Fees) Rules, 2014 and since the Company is listed, the same shall also be filed with the Securities and Exchange Board of India ("SEBI") along with fee as provided in Securities and Exchange Board of India (Payment of Fees) (Amendment) Regulations, 2014 dated May 23, 2014, within a period of thirty days of circulation of this Private Placement Offer Letter. The Bonds have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this Private Placement Offer Letter. It is to be distinctly understood

that this Private Placement Offer Letter should not, in any way, be deemed or construed that the same has been cleared or vetted by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the Issue is proposed to be made, or for the correctness of the statements made or opinions expressed in this Private Placement Offer Letter. However SEBI reserves the right to take up at any point of time, with the Issuer, any irregularities or lapses in this Private Placement Offer Letter.

C. DISCLAIMER OF THE STOCK EXCHANGE

As required, a copy of this Document has been submitted to NSE and BSE (hereinafter referred to as "Exchanges") for hosting the same on its website. It is to be distinctly understood that such submission of the document with NSE & BSE or hosting the same on its website should not in any way be deemed or construed that the document has been cleared or approved by NSE / BSE ; or does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this document; nor does it warrant that this Issuer's securities will be listed or continue to be listed on the Exchange; nor does it take responsibility for the financial or other soundness of this issuer, its promoters, its management or any scheme or project of PFC. Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchanges whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription / acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

D. DISCLAIMER OF THE RESERVE BANK OF INDIA

The Bonds have not been recommended or approved by the Reserve Bank of India ("RBI") nor does RBI guarantee the accuracy or adequacy of this Private Placement Offer Letter. It is to be distinctly understood that this Private Placement Offer Letter should not, in any way, be deemed or construed that the Bonds have been recommended for investment by the RBI. RBI does not take any responsibility either for the financial soundness of the Issuer, or the Bonds being issued by the Issuer or for the correctness of the statements made or opinions expressed in this Private Placement Offer Letter. The potential investors may make investment decision in respect of the Bonds offered in terms of this Private Placement Offer Letter solely on the basis of their own analysis and RBI does not accept any responsibility about servicing/repayment of such investment.

ABBREVIATIONS

BSE	Bombay Stock Exchange Limited
CIN	Corporate Identity Number
CARE	Credit Analysis and Research Limited
CRISIL	Credit Rating Information Services of India Limited
CDSL	Central Depository Services (India) Limited
CRAR	Capital Risk Weighted Adequacy Ratio
CMD	Chairman & Managing Director of the Company
DP	Depository Participant
DRR	Debenture Redemption Reserve
FIs	Financial Institutions
FIIs	Foreign Institutional Investors
GOI	Government of India
Issuer/ Company/ PFC/ Corporation	Power Finance Corporation Limited incorporated on 16th July 1986 under The Companies Act, 1956 and having its registered office at UrjaNidhi Building, 1- Barakhamba Lane, Connaught Place, New Delhi – 110001 and bearing CIN: L65910DL1986GOI024862
ICRA	Investment Information and Credit Rating Agency of India Limited
IFC	Infrastructure Finance Company, as defined under RBI guidelines
ITP	Independent Transmission Projects
MOP	Ministry of Power
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited, being the stock exchange on which, the Bonds of the Company are proposed to be listed. NSE shall be the designated stock exchange for the Issue.
NPAs	Non-Performing Assets
NBFC	Non Banking Financial Company, as defined under RBI guidelines
NEFT	National Electronic Fund Transfer
PAN	Permanent Account Number
RBI	Reserve Bank of India
R-APDRP	Restructured Accelerated Power Development and Reforms Program
RTGS	Real Time Gross Settlement
ROC	Registrar of Companies, National Capital Territory of Delhi & Haryana
RTA/R&TA	Registrar & Transfer Agent
SPVs	Special Purpose Vehicle
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act, 1992
TDS	Tax Deducted at Source
UMPPs	Ultra Mega Power Projects
WDM	Wholesale Debt Market

II. BRIEF SUMMARY OF THE BUSINESS/ACTIVITIES OF THE ISSUER AND ITS LINE OF BUSINESS AND SUBSIDIARIES:-

A. OVERVIEW

Leading Financial Institution in power sector

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.

We provide a comprehensive range of financial products and related advisory and other services from project conceptualization to the post-commissioning stage for 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

Commencement

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.

Public Financial Institution

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 1956 (now section 2(72) of Companies Act 2013) on August 31, 1990.

Infrastructure Finance Company

Our Company is registered with RBI as a non-deposit taking systemically important NBFC ("NBFC") and On July 28, 2010, our Company was classified as an Infrastructure Finance Company ("IFC").

Navratna Company

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.

B. OUR MAIN OBJECTS

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

- 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 the 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.

C. 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.

Fund Based

Our fund based financial assistance includes primarily project finance (both Rupee and foreign currency denominated term loans). Our product portfolio also includes equipment lease financing, buyer's line of credit, debt refinancing schemes, short term loans, transitional loans, etc.

Non-Fund Based

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

D. PROJECTS WE FUND: We focus mainly on the following projects viz

1. Thermal generation projects.
2. Hydro generation projects.
3. Renewable energy projects.
4. Renovation, modernization and life-extension scheme..
5. Transmission projects and schemes, including transmission and sub-transmission schemes, power evacuation lines and transmission links.
6. Distribution, capacitor and metering schemes

E. INSTITUTIONAL DEVELOPMENT ROLE AND GOVERNMENT PROGRAMS

The GoI and various State governments have undertaken various programs and initiatives for the reform and restructuring of the power sector in India to ensure adequate supply of electricity at reasonable rates, to encourage private sector participation and to make the Indian power sector self-sustaining and commercially viable. PFCis involved in various GoI programs for the power sector, including acting as a nodal agency for the UMPP and the R-APDRP and as a bid process coordinator for the ITP scheme.

1. Ultra Mega Power Projects (UMPP)

We have been designated to act as a nodal agency by the GoI for the development of UMPPs, each with a minimum capacity of 4,000 MW. These UMPPs involve economies of scale based on large generation capacities based at a single location, utilize super critical technology to reduce emissions, and potentially have lower tariff costs for electricity generated as a result of these factors and a result of the tariff being based on international competitive bidding processes adopted for the selection of developers.

2. Independent Transmission Projects (ITP)

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. We have been nominated as a bid process coordinator by the MoP for the development of certain ITPs.

3. Accelerated Power Development and Reform Programs (APDRP)

APDRP aimed at reforming the power distribution sector by providing investment and incentives to State Electricity Boards and State Power Utilities and distribution companies to strengthen and improve transmission, sub-transmission systems and distribution networks.

In July 2008, APDRP was restructured and the MoP launched the Restructured Accelerated Power Development and Reforms Program ("R-APDRP"), with focus on, amongst others, establishment of base line data, fixation of accountability and reduction of Aggregate Technical & Commercial (AT&C) losses through strengthening and upgrading of transmission, sub transmission and distribution network, and adoption of IT systems.

We were designated to act as the nodal agency to implement APDRP as well as R-APDRP, to provide a single window service under the program, in coordination with the agencies involved, such as the MoP, Steering Committee, Central Electricity Authority, National Thermal Power Corporation, Power Grid Corporation of India Limited, other statutory bodies (if required) and various consultants to achieve the speedy and timely completion of projects, and thereby assist the utilities in achieving loss reduction targets. We are paid by GOI nodal agency fee for the services rendered in implementing the R-APDRP.

F. CONSULTANCY SERVICES

In addition to our lending activities, we provide various technical consultancy and advisory services for power sector 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.

G. RISK MANAGEMENT

We have in place board approved Currency Risk Management Policy and Integrated Enterprise-Wide Risk Management Policy.

We have set up a Risk Management Committee of Senior Officers to monitor currency risk and recommend hedging through derivatives .We have set up Risk Management Compliance Committee to identify monitor , measure and mitigate various other relating to our operations.

We have also set up an Asset Liability Management Committee to monitor liquidity risk and interest rate risks and recommend measures to mitigate them.

H. CHANGES IN REGISTERED OFFICE

The registered office is currently situated at “Urjanidhi”, 1Barakhamba Lane, Connaught Place, New Delhi – 110 001

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. On March 25, 1988, the registered office of our Company was shifted to Chandralok, 36, Janpath, New Delhi 110 001, India. Subsequently, on September 23, 2006, the registered office of our Company was shifted to current address for ensuring administrative and operational efficiency.

I. OUR SUBSIDIARIES

To focus on additional business in the areas of consultancy, renewable energy, consortium lending, equity financing, etc. following wholly owned subsidiaries have been incorporated by your Company, as on date:

1. PFC Consulting Limited (PFCCL)

PFCCL is a wholly owned subsidiary of our Company, incorporated on March 25, 2008 under the Companies Act. The authorized and paid up share capital of the Company as on 31st March 2014 is Rs. 0.05 crore, divided into 50,000 equity shares of Rs. 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.

2. PFC Green Energy Limited (PFCGEL)

PFCGEL is a wholly owned subsidiary of our Company. Initially named Power Finance Corporation Green Energy Limited 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. The registered office of PFCGEL is located at "Urjanidhi", 1, Barakhamba Lane, Connaught Place, New Delhi 110 001, India. As on 31st March 2014, the authorized share capital of the Company is Rs. 1200 crores , divided into 100 crores equity shares of Rs.10 each and 20 crores preference shares of Rs. 10 each and , the subscribed capital of the Company is Rs. 300 crores, divided into 10 crores equity shares of Rs.10 each and 20 crores preference shares of Rs. 10 each . PFCGEL has registered itself as a Non-Banking Financial Company (NBFC) with the Reserve Bank of India and dedicated for renewable energy projects such as wind, solar, bio mass, hydro etc.

3. PFC Capital Advisory Services Limited (PFCCASL)

PFC Capital Advisory Services Limited (PFCCAS) was incorporated as a wholly owned subsidiary of Power Finance Corporation Limited (PFC) on July 18, 2011 to focus on sectoral requirements for financial advisory services, including syndication services. The Company is also involved with the activities related to Power Lenders' Club, an exclusive set of Banks & FIs financing power projects under a consortium arrangement under the aegis of PFC. The authorised capital of the Company is Rs. 1 crore and the paid up share capital of the Company is Rs. 0.10 crore.

4. Power Equity Capital Advisors Private Limited (PECAP)

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 Rs. 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 70% stake in PECAP on October 11, 2011 in addition to the 30% stake in PECAP already held by our Company and now PECAP has become wholly owned subsidiary of our Company. As on 31st March 2014, our Company has subscribed to Rs. 0.05 crores

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.

5. Subsidiaries incorporated under the programmes of Government of India

Our Company is designated by Ministry of Power, Government of India as the nodal agency for facilitating development of UMPPs and its wholly owned subsidiary i.e. PFC Consulting Limited is the 'Bid Process Coordinator' for Independent transmission projects. As on date, the following Special Purpose Vehicles (SPVs) have been incorporated as subsidiaries/ deemed subsidiary of the Company:

1. Chhattisgarh Surguja Power Limited (Previously known as Akaltara Power Ltd.)
2. Coastal Karnataka Power Limited
3. Coastal Maharashtra Mega Power Limited
4. Coastal Tamil Nadu Power Limited
5. Orissa Integrated Power Limited
6. Sakhigopal Integrated Power Company Limited
7. Ghogarpalli Integrated Power Company Limited
8. Tatiya Andhra Mega Power Limited
9. Deoghar Mega Power Limited
10. Odisha Infra Power Limited
11. Cheyyur Infra Limited

Subsidiaries of PFCL

1. DGEN Transmission Company Limited
2. Ballabgarh-GN Transmission Company Limited
3. Tanda Transmission Company Limited

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

J. JOINT VENTURES AND INVESTMENTS

As on date, the following are the details of our joint ventures and investments:

1. 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(NPEL)

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. The registered office of NPEL is located at Scope Complex, 7, Institutional Area, Lodhi Road, New Delhi – 110 003, India. As of March 31, 2014 our Company has subscribed to Rs. 2.19 crore and holds 16.66% of the paid up share capital of NPEL.

b. Energy Efficiency Services Limited

We have entered into a joint venture agreement with National Thermal Power Corporation, 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, SewaBhawan, 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. As on March 31, 2014, our company has subscribed to Rs. 22.50 crore and holds 25% of the total issued and paid up share capital of the EESL.

2. INVESTMENTS

(1) 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 has subscribed to Rs. 12 Crores and holds 4.05% of the total issued and paid up capital of PTC.

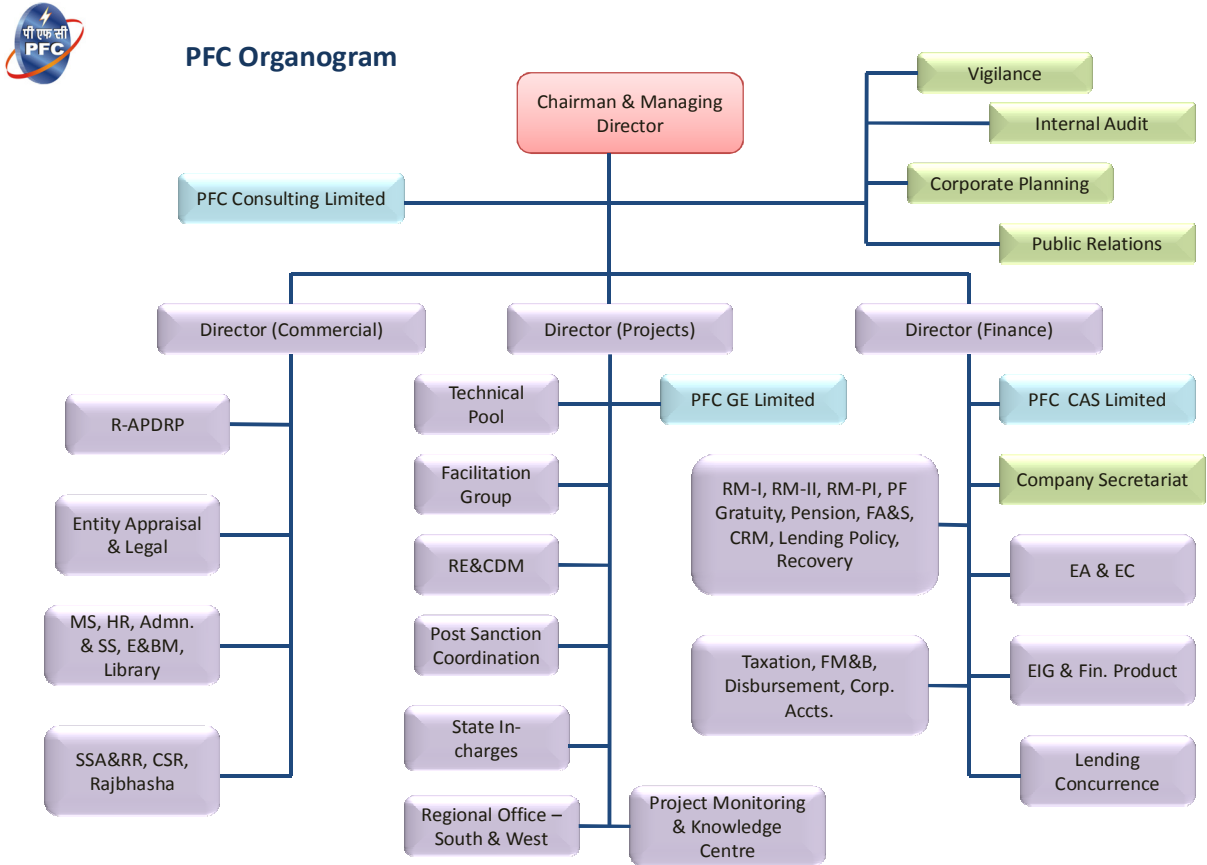
(2) *Power Exchange India Limited (PXIL)*

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, 2014, our Company has subscribed to Rs. 3.22 Crores and holds 6.93% of the total issued and paid up share capital of the PXIL.

(3) *Small is Beautiful Fund(SIB)*

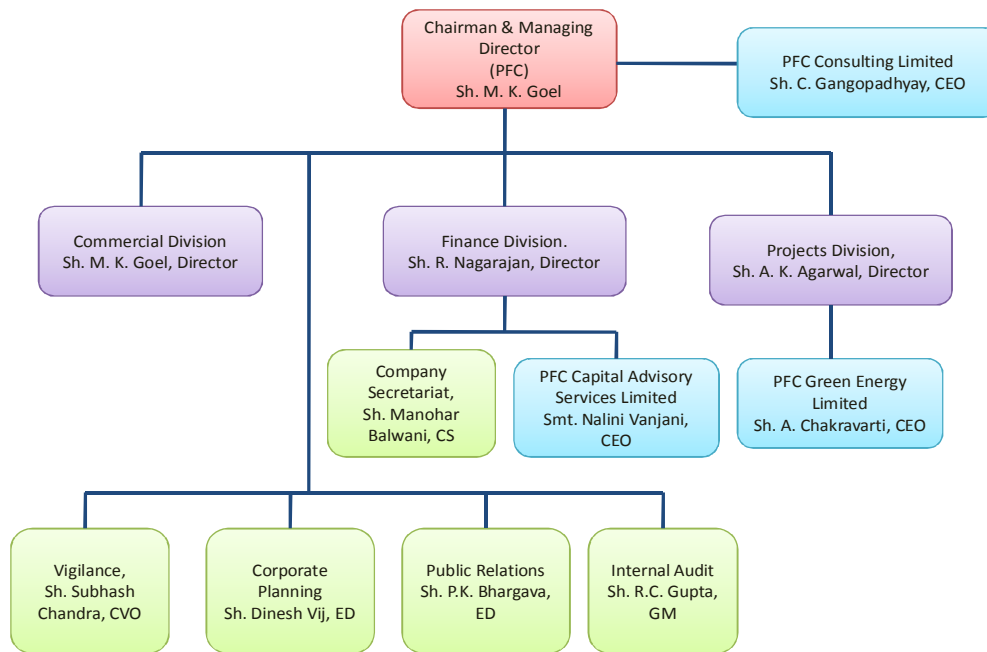
Our Company invested in SIB Fund pursuant to a contribution agreement dated March 24, 2004 (“Contribution Agreement”) entered between KSK Trust Private Limited, KSK Energy Ventures Limited and our Company. As of March 31,2014 the net outstanding contribution of our Company is Rs. 7.68 crores aggregating to 9.74 % stake in SIB Fund of our Company. The net asset value per unit of SIB Fund as of March ,31,2014 is Rs. 9.70. 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.

III. ORGANIZATION/CORPORATE STRUCTURE

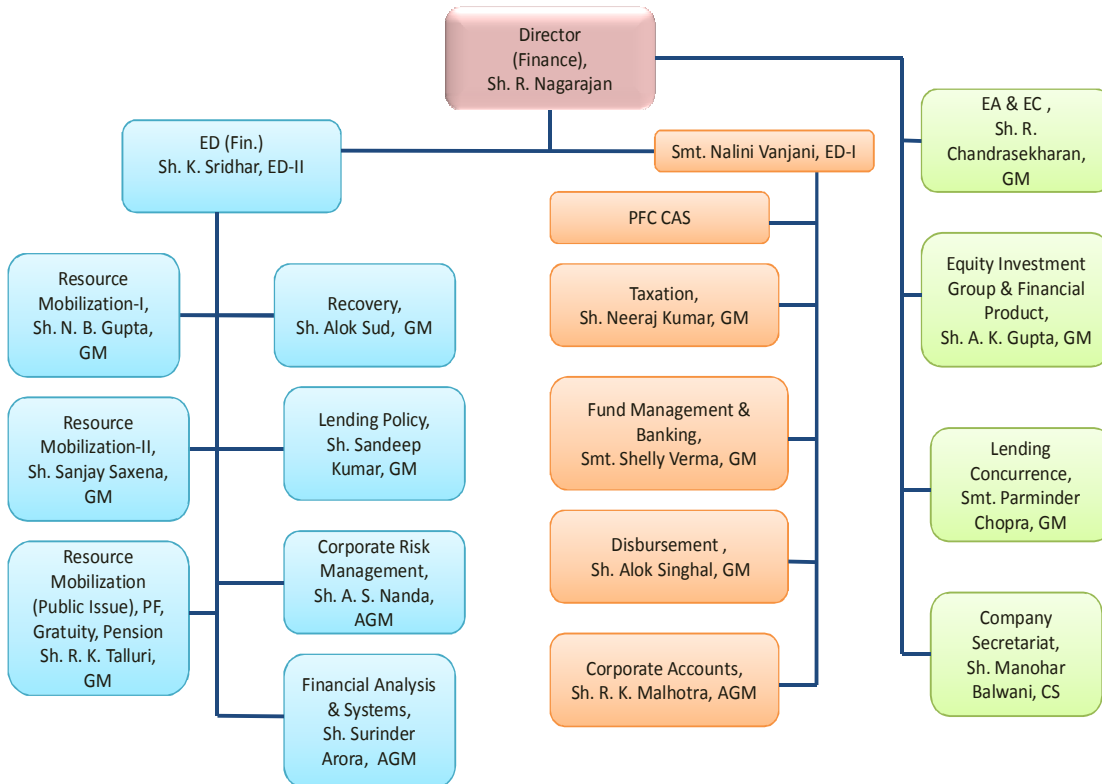




PFC Organogram



Organogram - Finance Division



IV. MANAGEMENT OF THE COMPANY:-

A. DETAILS OF CURRENT DIRECTORS OF THE COMPANY

S. No.	Name, Designation and DIN	Age (years)	Address	Director of the Company since	Other directorships
1.	Mr.Mukesh Kumar Goel Designation: Chairman and Managing Director & Director (Commercial) DIN: 00239813 Nationality: Indian Age: 57 years	57	278D, Pocket-2, MayurVihar Phase 1, New Delhi - 110091, India.	27/07/2007	<ul style="list-style-type: none"> • PTC India Limited; • PFC Consulting Limited; • PTC India Financial Services Limited. • PFC Green Energy Limited • PFC Capital Advisory Services Limited
2.	Mr.RadhakrishnanNagarajan Designation: Director (Finance) DIN: 00701892 Nationality: Indian Age: 56 years	56	Flat No. 3C, Pocket A - 10, Kohinoor Apartments, Kalkaji Extension, New Delhi - 110019, India.	31/07/2009	<ul style="list-style-type: none"> • Coastal Tamil Nadu Power Limited; • Coastal Maharashtra Mega Power Limited; • PFC Consulting Limited; • PFC Green Energy Limited • PFC Capital Advisory Services Limited • Deoghar Mega Power Ltd. • Cheyyur Infra Limited
3.	Mr. A. K. Agarwal Designation: Director (Projects) DIN: 01987101 Nationality: Indian Age: 57 years	57	550 Pocket - C, SFS Flats, Sheikh Sarai Phase – I, New Delhi – 110017, India.	13/07/2012	<ul style="list-style-type: none"> • Coastal Karnataka Power Limited • ChattisgarhSurguja Power Limited • PFC Consulting Limited • PFC Green Energy Limited • Orissa Integrated Power Limited • Sakhigopal Integrated Power Company Limited • Ghogarpalli Integrated Power Company Limited • Tatiya Andhra Mega Power Limited • OdishaInfrapower Limited • PFC Capital Advisory Services Limited
4.	Mr. B. N. Sharma Designation: Government nominee Director DIN: 01221452 Nationality: Indian Age: 54 years	54	A-6, Tower No. 4, New MotiBagh, New Delhi, India.	28/08/2012	<ul style="list-style-type: none"> • Rural Electrification Corporation Limited
5.	J.N.Prasanna Kumar Designation: Independent	64	No. 209, HMT Layout, 6th D Main, R.T. Nagar,	22/12/2012	<ul style="list-style-type: none"> • Catalyst Profin Consultant Private Limited

	Director DIN: 00200233 Nationality: Indian Age: 64 years		Bangalore-560032		
6.	Vijay Mohan Kaul Designation: Independent Director DIN: 00015245 Nationality: Indian Age: 62 years	62	485, Mandakini enclave, New Delhi- 110019	24/06/2013	<ul style="list-style-type: none"> • Uttar Haryana BijliVitrان Nigam Limited • Jyoti Structures Limited
7.	Yogesh Chand Garg Designation: Independent Director DIN: 01768635 Nationality: Indian Age: 50 years	50	R-12/34, Raj Nagar, Ghaziabad, Uttar Pradesh	22/08/2013	<ul style="list-style-type: none"> • Jeenesh Consultants Pvt. Ltd. • MetatechInfotechPvt. Ltd. • Welcome InfratechPvt.Ltd. • ShouryaInfraconPvt. Ltd. • Laxmi Narayan Promoters (P) Ltd. • AdilacHealthtechPvt. Ltd.

The information (other directorships) provided on the basis of MBP-1 submitted by the Directors.

B. DETAILS OF CHANGE IN DIRECTORS SINCE LAST THREE YEARS

(Including the directors ceased to be on the Board during last three years)

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	Gol 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	January6, 2011	June 25, 2009	Withdrawal of nomination by the Gol
Mr. Krishna Mohan Sahni Designation: Independent Director	December 30,2013	December 31,2010	Completion of

DIN: 02103128			tenure
Mr.Ajit Prasad Designation: Independent Director DIN:03302219	October 7, 2013	October 08,2010	Completion of tenure
Mr. Suresh Chand Gupta Designation: Independent Director DIN: 00541198	February 24, 2013	February25,2010	Completion of Tenure
Mr.R.Nagarajan Designation: Director (Finance) DIN: 00701892	July 31,2009	-	Appointment
Mr. P. MuraliMohanaRao Designation: Independent Director DIN: 01909611	December 21, 2012	December 22,2009	Completion of Tenure
Mr.RavindraHarshadraiDholakia 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. 04/08/2012-PFC dated September 13, 2013.	August 01, 2008	Completion of Tenure
Mr.Yogesh Chand Garg Designation : Independent Director DIN: 01768635	August 22, 2013	-	Appointment

V. DETAILS OF AUDITOR OF THE COMPANY:-

A. AUDITOR OF THE COMPANY

Year	Name	Address	Auditor Since
2013-14	M/s N. K. Bhargava& Co. Chartered Accountants Firm Registration No. : 000429N	C-31, 1 st floor , AcharyaNiketan, Phase – I, MayurVihar, Delhi -110091. Tel No.: (011) 2279 3650, 2275 2376 E-mail: nkbhargavacompany@yahoo.co.in	August 17, 2011
	M/s K.B. Chandna& Co. Chartered AccountantsFirm Registration No.:000862N	Chartered Accountants, E-27, South Extension – II, New Delhi -110049 Tel No.: (011) 26252762 E-mail: kbc.chandna@gmail.com	August 2, 2013

Being a Government Company, the statutory auditors are appointed by the Comptroller and Auditor General of India ("CAG"). The appointment of the Statutory Auditors for the FY 2014-15 by CAG is still awaited.

B. DETAILS OF CHANGE IN AUDITOR SINCE LAST THREE YEARS:-

Name	Financial Year	Date of Appointment	Remarks
M/s MehraGoel and Co. M/s Raj HarGopal& Co.	2010-11	July 12,2010 July 12,2010	K.K.Soni and Co. was replaced with Mehra Goel and Co., who was jointly appointed with Raj Har Gopal& Co. by office of the CAG through its letter dated July 12,2010.
M/s Raj HarGopal& Co. M/s N. K. Bhargava& Co. Chartered Accountants	2011-12	September 08,2011 September 08,2011	Mehra Goel and Co., was replaced with M/s. N. K. Bhargava & Co., Chartered Accountants ,who was jointly appointed with M/s. Raj HarGopal& Co., Chartered Accountants by office of the CAG through its letter dated September 08,2011.
M/s N. K. Bhargava& Co. Chartered Accountants M/s K.B. Chandna& Co. Chartered Accountants Firm	2013-14	July 29,2013 July 29,2013	Raj HarGopal& Co. was replaced with M/s K.B. Chandna& Co.Chartered Accountants Firm, who was jointly appointed with M/s. N. K. Bhargava & Co., Chartered Accountants by office of the CAG through its letter dated July 29,2013.

VI. MANAGEMENT'S PERCEPTION OF RISK FACTORS:-

Prospective investors should carefully consider all the information in this Private Placement Offer Letter, including the risks and uncertainties described below, 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.

A. RISKS RELATING TO OUR BUSINESS AND INDUSTRY

1. 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.
2. 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
3. As an NBFC and an IFC, we are required to adhere to certain individual and borrower group exposure limits and prudential norms as approved by our Board and the Ministry of Power. Any change in the regulatory regime viz CRAR, Net owned funds , provisioning norms, prudential norms on asset classification ,income recognition, provisioning etc. may adversely affect our business, financial condition and results of operations.
4. 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.
5. 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.
6. Power projects carry certain risks, which to the extent they materialize could adversely affect our business and financial performance
7. Negative trends in the Indian power sector or the Indian economy could adversely affect our business and financial performance.

8. We may make equity investments in power sector in the future and such investments may erode/ depreciate.
9. As the Company adopts IT, the risk exists for the possibilities of IT frauds.

B. RISKS RELATING TO THE INDIAN ECONOMY

10. A slowdown in economic growth in India could adversely impact our business.
11. 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.
12. 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.
13. Our ability to raise foreign currency borrowings may be constrained by Indian law.
14. Any downgrading of India's sovereign rating by a credit rating agency could have a negative impact on our business

C. RISKS RELATING TO THE BONDS

15. There is no guarantee that the Bonds issued pursuant to this Issue will be listed on NSE / BSE in a timely manner, or at all
16. No debenture redemption reserve will be created for the Bonds issued under this issue since as per Companies Act 2013 (Share Capital & Debentures) Rules For NBFCs registered with the RBI under Section 45-IA of the RBI (Amendment) Act, 1997, no DRR is required in the case of privately placed debenture.
17. Any downgrading in credit rating of our Bonds may affect the trading price of our Bonds and our ability to raise funds.
18. Payments made on the Bonds will be subordinated to certain tax and other liabilities preferred by law i.e. secured debt.

VII. ISSUER INFORMATION

Name of the Issuer	Power Finance Corporation Limited	
Registered & Corporate Office	UrjaNidhi Building, 1-Barakhamba Lane, Connaught Place – 110001 Tel:011-23456000, Fax:011-23456285 Website: www.pfcindia.com , E-mail: pfc.bonds@pfcindia.com	
CFO/Director (Finance) Of The Company	Sh.RadhakrishnanNagarajan Director Finance UrjaNidhi Building 1-Barakhamba Lane, Connaught Place, New Delhi – 110001 Tel:011-23456000, Fax: 011-23412545	
Compliance Officer	Sh.Milind M. Dafade Dy. General Manger(Finance) UrjaNidhi Building 1-Barakhamba Lane, Connaught Place – 110001 Tel: (011) 23456258 Fax: (011) 23456285 e-mail: mm_dafade@pfcindia.com	
Registrar to the Issue	RCMC Share Registry Pvt Ltd. B-106, Sector-2, NOIDA-201301 Tel: 0120-4105887 Fax:0120-2444346 E-mail: alok.sharma@rcmcdelhi.com	
Trustee to the Issue	GDA TRUSTEESHIP LTD. GDA House, Plot No. 85 Bhusari Colony (Right), Paud Road Pune- - 411038 Tel: (020)25280081 Fax (020)-25280275	
Auditors of the Company (for FY 2013-14)	M/s N.K. Bhargava& Co. Chartered Accountants C-31, AcharyaNikaten, 1st Floor Opposite Pocket One, MayurVihar 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

Credit Rating Agencies

Credit Rating Information Services of India Limited (CRISIL)

Regd. Office: CRISIL House,
Central Avenue, Hiranandani
Business Park,
Powai, Mumbai-400075
Tel:022-33423000
Fax:022-33423050

Investment Information and Credit Rating Agency of India Limited (ICRA)

Regd. Office: 1105, Kailash Building,
11th Floor, 26, K.G. Marg,
New Delhi-110001
Tel: (011) 23357940-50
Fax: +91-11-23357014

Credit Analysis & Research Ltd. (CARE)

13th Floor, E-1 Block, Videocon Tower,
Jhandewalan Extension
New Delhi-110055
Tel:-011-45333200, 23716199
Fax:011-45333238

Arrangers to the issue

AK Capital	HSBC Bank	Real Growth
Axis Bank	IDFC	SBI CAPS
Barclays Bank	I-SEC PD	SPA Capital Advisors Limited
Deutsche Bank	ICICI bank	Tips Sons
Darashaw	Kotak Mahindra Bank	Trust Inv.
EDELWEISS	LKP Securities	Yes Bank

VIII. SUMMARY TERM SHEET

Security Name	PFC - Bond Series 115
Issuer	Power Finance Corporation Limited
Type of Instrument	PFC Unsecured, Redeemable, Non-Convertible, Taxable Bonds in the nature of Debentures Series 115
Nature of Instrument	Unsecured
Seniority	Senior
Mode of Issue	Private placement basis
Eligible investors	<p>Institutional Investors i.e.</p> <ol style="list-style-type: none"> 1. Mutual Funds, 2. Public Financial Institutions specified in Section 2(72) of the Companies Act 2013; 3. Scheduled Commercial Banks; 4. State Industrial Development Corporations; 5. Insurance Companies registered with the Insurance Regulatory and Development Authority; 6. Provident Funds, Pension Funds, Gratuity Funds and Superannuation Funds; 7. National Investment Funds 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; 8. Insurance funds set up and managed by army, navy or air force of the Union of India 9. Foreign Institutional Investors and sub-accounts registered/unregistered with SEBI or Foreign Portfolio Investors; 10. Companies and Bodies Corporate authorized to invest in bonds/debentures; 11. Co-operative Banks and Regional Rural Banks authorized to invest in bonds/ debentures; 12. Societies and Trusts; 13. Statutory Corporations/ Undertakings established by Central/ State legislature authorized to invest in bonds/ debentures.
Non Eligible Investors	<ol style="list-style-type: none"> 1. Individuals 2. Hindu Undivided Family (HUF) 3. Non-residents Individuals, 4. Charitable Institutions Registered under section 25 of the Indian Companies Act , 5. Universities incorporated by Central ,State or provincial Act or declared to be a university under section 3 of the University Grants Commission Act, 1956 (3 of 1956) 6. Partnership firms formed under applicable laws in India in the name of the partners;
Listing (including name of stock exchange where it will be listed & timeline for listing)	<p>On the wholesale Debt Market segment of NSE and / or BSE</p> <p>The timeline for submitting application for listing is NSE /BSE is 15 days from date of allotment of debt securities</p>
Rating	'AAA/Stable' by CRISIL, 'AAA' by ICRA, & 'AAA' by CARE

Issue size	Rs. 500crores with right to retain over subscription-Green Shoe Option.		
Option to retain oversubscription	The amount of oversubscription to be retained will be decided by the Company		
Object of the Issue	To augment long-term resources of PFC for carrying out its regular business activities, enhancing long-term resource base, general corporate purposes including discharging existing debt obligations.		
Details of utilization of the proceeds	The funds raised through private placement are not meant for any specific project as such and therefore the proceeds of this issue after meeting all expenses of the Issue shall be used for meeting objects of the Issue.		
Tenor	3 years	5 years	7 years
Coupon Rate	9.11% p.a.	9.15% p.a.	9.20% p.a.
Step up/step down coupon rate	NA		
Coupon Payment frequency	Annually		
Coupon payment dates:-First interest date Subsequent int. payment date	First interest payment on 07.07.2015 Thereafter annually on 07th July every year till maturity		
Coupon type	Fixed		
Coupon Reset process (including rates, spread, effective date, interest rate cap & floor etc)	N/A		
Day count basis	Actual/Actual Interest shall be computed on an "actual/actual basis". Where the interest period (start date to end date) includes February 29, interest shall be computed on 366 days-a-year basis		
Interest on Application money	9.11% p.a.	9.15% p.a.	9.20% p.a.
	The interest on application money shall be paid at the coupon rate applicable for bond series (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) from the date of receipt of application money in PFC's account till one day prior to the date of allotment on the aggregate face value amount of Bonds.		
Interest on Refunded Money against which Allotment is not made	No interest on Application Money will be paid in respect of applications which are invalid and / or rejected by PFC due to any reason.		
Date of Redemption	07.07.2017	07.07.2019*	07.07.2021
	*(In accordance & in compliance with SEBI circular dated 29.10.13, the date of maturity would be on 06.07.19) 07.07.19 being Sunday, holiday under negotiable instrument act.		
Redemption amount	At par		
Redemption Premium/Discount	NA		

Issue Price	At par
Discount at which security is issued & the effective yield as a result of such discount	NA
Put Option Date	NA
Put Option Price	NA
Call Option Date	NA
Call Option Price	NA
Put Notification Time	NA
Call Notification Time	NA
Face Value	Rs. 10,00,000 (Rupees Ten lacs only) per bond
Minimum application size	110 bonds and then in multiple of 10 bond
Issue Opening date& closing date	07.07.2014 (This offer shall remain valid till issue closing date)
Pay-in-date	07.07.2014
Deemed Date of allotment	07.07.2014 (The credit of debt securities into the demat a/c within 2 working days of allotment)
Issuance & trading mode of instrument	In demat Only
Settlement mode of the instrument	By way of RTGS/ Fund Transfer or any otherelectronic mode offered by the Banks
Depository	National Securities Depository Limited (“NSDL”) and Central Depository Services (India) Limited (“CDSL”)
Business Days/Working Days	“Business Days”/ “Working Days” shall be all days on which commercial banks are open for business in the city of New Delhi

Effect of holidays	<p>If any Coupon Payment Date falls on a day that is not a Business Day, the payment shall be made by the Issuer on the immediately succeeding Business Day along with interest for such additional period. Further, interest for such additional period so paid, shall be deducted out of the interest payable on the next Coupon Payment Date.</p> <p>If the Redemption Date (also being the last Coupon Payment Date) of the Bonds falls on a day that is not a Business Day, the redemption proceeds shall be paid by the Issuer on the immediately preceding Business Day along with interest accrued on the Bonds until but excluding the date of such payment.</p> <p>In the event the Record Date falls on a day which is not a Business Day, the immediately succeeding Business Day will be considered as the Record Date.</p>
Record Date	15 calendar days prior to each coupon payment date
Security	The bonds issued are unsecured in nature.
Transaction Documents	<p>The Issuer has executed/ shall execute the documents including but not limited to the following in connection with the Issue:</p> <ol style="list-style-type: none"> 1. Letter appointing Trustees to the Bondholders; 2. Debenture Trusteeship Agreement; 3. Tripartite Agreement between the Issuer; Registrar and NSDL for issue of Bonds in dematerialized form; 4. Tripartite Agreement between the Issuer, Registrar and CDSL for issue of Bonds in dematerialized form; 5. Letter appointing Registrar and MoU entered into between the Issuer and the Registrar; 6. Application made to NSE for seeking its in-principle approval for listing of Bonds; 7. Listing Agreement with NSE and /or BSE; 8. Letters appointing Arrangers to the Issue.
Conditions precedent to subscription of Bonds	<p>The subscription from investors shall be accepted for allocation and allotment by the Issuer subject to the following:</p> <ol style="list-style-type: none"> 1. Rating letters from CRISIL, ICRA and CARE not being more than one month old from the issue opening date; 2. Seek a written consent letter from the Trustees conveying their consent to act as Trustees for the Bondholders; <p>Making an application to NSE for seeking its in-principle approval for listing of Bonds.</p>
Conditions subsequent to subscription of Bonds	<p>The Issuer shall ensure that the following documents are executed/ activities are completed as per time frame mentioned elsewhere in this Private Placement Offer Letter:-</p> <ol style="list-style-type: none"> 1. Maintaining a complete record of private placement offers in Form PAS-5 and filing such record along with Private Placement Offer Letter in Form PAS-4 with the Registrar of Companies and with Securities and Exchange Board of India (“SEBI”) within a period of thirty days of circulation of the Private Placement Offer Letter; 2. Filing a return of allotment of Bonds with complete list of all Bondholders in Form PAS-3 under section 42 of the Companies Act, 2013, with the Registrar of Companies, within thirty days of the Deemed Date of Allotment; 3. Credit of demat account(s) of the allottee(s) by number of Bonds allotted within two working days from the Deemed Date of Allotment; 4. Making listing application to NSE/ BSE within 15 days from the

	<p>Deemed Date of Allotment of Bonds and seeking listing permission within 20 days from the Deemed Date of Allotment of Bonds.</p> <p>Besides, the Issuer shall perform all activities, whether mandatory or otherwise, as mentioned elsewhere in this Private Placement Offer Letter.</p>														
Events of Default	<p>Default in payment of interest / principal redemption / delay in listing / delay in execution of trust deed or as may be detailed in respective trust deed / trustee agreement,</p> <p>In case of event of default , penal interest will be paid in accordance with provisions of SEBI (Issue & Listing of Debt Securities) (Amendment) Regulations, 2012.</p>														
Provisions related to cross default clause	N/A (not applicable)														
Registrar & Transfer Agent	RCMC Share Registry Pvt Ltd. B-106, Sector-2, NOIDA-201301														
Mode of Subscription	<p>Applicants may make remittance of application money through electronic mode only:</p> <table border="1"> <tr> <td colspan="2">Electronic transfer of funds through RTGS/ Funds Transfer mechanism for credit of account as per details given hereunder:</td> </tr> <tr> <td>Name of the Banker</td> <td>HDFC Bank</td> </tr> <tr> <td>Account Name</td> <td>PFC Bond Collection Account</td> </tr> <tr> <td>Credit into Current A/c No.</td> <td>00030350003676</td> </tr> <tr> <td>IFSC Code</td> <td>HDFC0000060</td> </tr> <tr> <td>Address of the Branch</td> <td>Address: Fort Mumbai Branch</td> </tr> <tr> <td>Narration</td> <td>Subscription for PFC Bond Series 115</td> </tr> </table>	Electronic transfer of funds through RTGS/ Funds Transfer mechanism for credit of account as per details given hereunder:		Name of the Banker	HDFC Bank	Account Name	PFC Bond Collection Account	Credit into Current A/c No.	00030350003676	IFSC Code	HDFC0000060	Address of the Branch	Address: Fort Mumbai Branch	Narration	Subscription for PFC Bond Series 115
Electronic transfer of funds through RTGS/ Funds Transfer mechanism for credit of account as per details given hereunder:															
Name of the Banker	HDFC Bank														
Account Name	PFC Bond Collection Account														
Credit into Current A/c No.	00030350003676														
IFSC Code	HDFC0000060														
Address of the Branch	Address: Fort Mumbai Branch														
Narration	Subscription for PFC Bond Series 115														
Trustees	GDA Trusteeship Limited GDA House, Plot No. 85 Bhusari Colony (Right), Paud Road Pune- - 411038														
Role and Responsibilities of Debenture Trustees	<p>The trustees will be responsible for all action as per SEBI regulation and Companies Act 2013.</p> <p>The Trustees shall carry out its duties and perform its functions as required to discharge its obligations under the terms of the Companies Act, 2013, SEBI Debt Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, Debenture Trusteeship Agreement, Private Placement Offer Letter and all other related transaction documents, with due care, diligence and loyalty.</p>														
Governing Law and Jurisdiction	The Bonds shall be construed to be governed in accordance with Indian Law. The competent Courts in New Delhi alone shall have jurisdiction in connection with any matter arising out of or under these precincts.														

Note:- 1.Payment of interest on application money & interest will be subject to deduction of tax at source as applicable.

2.Company reserves its sole & absolute right to modify (pre-pone/post pone) the issue opening/closing/pay-in-date(s) without giving any reasons or prior notice. In such case, Investors/Arrangers shall be intimated about the revised time schedule by Company.Company also reserves the right to keep multiple deemed date of allotment at its sole & absolute discretion without any notice.Consequent to change in Deemed Date of Allotment, the Coupon Payment Dates and/or Redemption Date may also be changed at the sole and absolute discretion of the Company.

IX. PARTICULARS OF THE OFFER

1. OFFERING DETAILS

Issue of Unsecured, Redeemable, Non-Convertible, and Taxable Bonds in the nature of Debentures of face value of Rs. 10 Lacs for Series 115 for cash at par aggregating to Rs. 500 crore plus green shoe option on private placement basis.

2. PRINCIPAL TERMS AND CONDITIONS OF THE ISSUE

The bond will be subject to the terms of the Private Placement of the Bonds as stated in the offer document and Application forms, the relevant statutory guidelines and regulations for allotment and listing of securities issued from time to time by the Govt. of India (GOI), Reserve Bank of India (RBI), SEBI and the Stock Exchanges concerned.

3. NATURE OF BONDS

The Bonds are Unsecured, Redeemable, Non-Convertible, Taxable Bonds in the nature of Debentures. The Bonds shall rank paripassu inter se and, subject to any obligations preferred by mandatory provisions of the law prevailing from time to time, shall also as regards repayment of principal and payment of interest, rank paripassu with all other existing unsecured borrowings (except subordinated debt) of the Corporation.

4. AUTHORITY FOR THE ISSUE AND DATE OF PASSING RESOLUTION

The bonds proposed to be issued is subject to the provisions of the Companies Act, 2013, to the extent notified by the Ministry of Corporate Affairs, Government of India, The Companies Act, 1956, as amended and in force and the Memorandum and Articles of Association of the Company.

Further, the issue of bonds is being made pursuant to:

- (a) special resolution passed by the shareholders of the Company under section 42 of The Companies Act, 2013 and sub-rule 2 of rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 on June 20, 2014 and delegation provided there under;
- (b) Special resolution passed by the shareholders of the Company under clause c of sub-section 1 of section 180 of The Companies Act, 2013 on June 20, 2014 and delegation provided there under;
- (c) The resolution passed by Board of Directors of the Company at their meeting held on February 26, 2014, at New Delhi and
- (d) The resolution passed by Board of Directors of the Company at their meeting held on July 01, 2014, at New Delhi and delegation provided there under.

The Company can issue the NCDs in pursuance of the above approvals and no further approval from any Government Authority is required for the present Issue.

5. ELIGIBILITY OF PFC TO COME OUT WITH THE ISSUE

PFC, its Directors and authorized officers have not been prohibited from accessing the debt market under any order or directions passed by SEBI, RBI any other Govt. Authority.

6. MINIMUM SUBSCRIPTION

In terms of the SEBI Debt Regulations, the Issuer may decide the amount of minimum subscription which it seeks to raise by issue of Bonds and disclose the same in the offer document. The Issuer has decided not to stipulate any minimum subscription for the present Issue and therefore the Issuer shall not be liable to refund the issue subscription(s)/ proceed(s) in the event of the total issue collection falling short of issue size or certain percentage of issue size.

7. UNDERWRITING

The present Issue of Bonds is not underwritten.

8. FORCE MAJEURE

PFC reserves the right to withdraw the Issue prior to the closing date in the event of any unforeseen development adversely affecting the economic and regulatory environment. In such an event, the issuer will refund the application money, if any, along with interest payable on such application money, if any.

9. DEEMED DATE OF ALLOTMENT

Deemed date of allotment will be as per the terms of the bond issue of each series. All the benefits under the bonds will accrue to the investor from the deemed date of allotment. The actual allotment of Bonds may take place on a date other than the Deemed Date of Allotment. The Issuer reserves the right to keep multiple allotment date(s)/ deemed date(s) of allotment at its sole and absolute discretion without any notice. In case if the issue closing date/ pay in dates is/are changed (pre-poned/ postponed), the Deemed Date of Allotment may also be changed (pre-poned/ postponed) by the Issuer at its sole and absolute discretion.

No fresh offer or invitation of bonds shall be made by the Company unless the allotment with respect to the present Issue has been made or the present Issue has been withdrawn or abandoned by the Company.

10. ALLOTMENT IN CASE OF OVER-SUBSCRIPTION

In case of over-subscription, allotment will be made on such basis as decided by PFC. The decision of PFC in this regard will be final and binding on all the applicants and shall not be called into question, whatsoever.

11. LETTERS OF ALLOTMENT/ BOND CERTIFICATES/ REFUND ORDERS/ ISSUE OF LETTERS OF ALLOTMENT

The beneficiary / demat account of the investors with National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL)/ Depository Participant will be given credit within two working days from the Deemed Date of Allotment. The credit in the account will be akin to the Bond Certificate. However, in case , if all formalities are not completed the same will akin to letter of allotment , which on completion of the all statutory formalities, such credit will be akin to a Bond Certificate.

12. ISSUE OF BOND CERTIFICATES

The credit akin to a Bond Certificate in the Beneficiary Account of the investor. However, in case, if all formalities are not completed the same will be akin to letter of allotment, which on completion of all statutory formalities, such credit will be akin to a Bond Certificate. The Bonds since issued in electronic (dematerialized) form, will be governed as per the provisions of The Depository Act, 1996, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, rules notified by NSDL/ CDSL/ Depository Participant from time to time and other applicable laws and rules notified in respect thereof. The Bonds shall be allotted in dematerialized form only.

13. INTEREST IN CASE OF DELAY ON ALLOTMENT/DESPATCH

PFC agrees that allotment of securities to the investors shall be made within 60 days from the date of receipt of application money.

If the company is not able to allot the securities within that period, it shall repay the application money to the subscribers within fifteen days from the date of completion of sixty days and if the company fails to repay the application money within the aforesaid period, it shall be liable to repay that money with interest in accordance with provisions of Companies Act from the expiry of the sixtieth day.

14. BONDS IN DEMATERIALIZED FORM/ PROCEDURE FOR APPLYING FOR DEMAT FACILITY

Applicant(s) should have/ open a Beneficiary Account /Demat Account with any Depository Participant of NSDL or CDSL.

- a. The applicant(s) must specify their beneficiary account number and depository participants ID in the relevant columns of the Application Form.
- b. If incomplete/incorrect beneficiary account details are given in the Application Form which does not match with the details in the depository system, the allotment of Bonds shall be held in abeyance till such time satisfactory demat account details are provided by the applicant.
- c. The Bonds shall be directly credited to the Beneficiary Account as given in the Application Form and after due verification, allotment advice/refund order, if any, would be sent directly to the applicant by the Registrars to the Issue.
- d. Applicants may please note that the Bonds shall be allotted and traded on the Stock Exchange only in dematerialized form.

15. WHO CAN APPLY

The following categories are eligible to apply for this private placement of Bonds:-

1. Mutual Funds;
2. Public Financial Institutions specified in Section 2(72) of the Companies Act 2013;
3. Scheduled Commercial Banks;
4. State Industrial Development Corporations;
5. Insurance Companies registered with the Insurance Regulatory and Development Authority;
6. Provident Funds, Pension Funds, Gratuity Funds and Superannuation Funds;
7. National Investment Funds 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;

8. Insurance funds set up and managed by army, navy or air force of the Union of India;
9. Foreign Institutional Investors and sub-accounts registered/unregistered with SEBI or Foreign Portfolio Investors;
10. Companies and Bodies Corporate authorized to invest in bonds/debentures;
11. Co-operative Banks and Regional Rural Banks authorized to invest in bonds/ debentures;
12. Societies and Trusts; and
13. Statutory Corporations/ Undertakings established by Central/ State legislature authorized to invest in bonds/ debentures.

However, out of the aforesaid class of investors eligible to invest, this Private Placement Offer Letter is intended solely for the use of the person to whom it has been sent by the Company for the purpose of evaluating a possible investment opportunity by the recipient(s) in respect of the securities offered herein, and it is not to be reproduced or distributed to any other persons (other than professional advisors of the prospective investor receiving this Private Placement Offer Letter from the Company).

The applications must be accompanied by certified true copies of (1) Memorandum and Articles of Association/ Constitution/ Bye-laws (2) Resolution authorising investment and containing operating instructions (3) Specimen signatures of authorised signatories and (4) Necessary forms for claiming exemption from deduction of tax at source on the interest income/ interest on application money, wherever applicable.

16. WHO ARE NOT ELIGIBLE TO APPLY FOR BONDS

This Issue is not being offered to the following categories of investors and any application from such investors will be deemed an invalid application and rejected:

- Individuals,
- Hindu Undivided Family (HUF) ,
- Non-residents Individuals,
- Charitable Institutions Registered under section 25 of the Indian Companies Act ,
- Universities incorporated by Central ,State or provincial Act or declared to be a university under section 3 of the University Grants Commission Act, 1956 (3 of 1956)
- Partnership firms formed under applicable laws in India in the name of the partners;

17. PAN NUMBER

Every applicant should mention his Permanent Account Number (PAN) allotted under Income Tax Act, 1961 and copy of the same may be submitted along with application.

18. DOCUMENTS TO BE PROVIDED BY INVESTORS

Investors need to submit the certified true copies of the following documents, along-with the Application Form, as applicable:

- Memorandum and Articles of Association/ Constitution/ Bye-laws/ Trust Deed;
- Board Resolution authorizing the investment and containing operating instructions;
- Power of Attorney/ relevant resolution/ authority to make application;
- Specimen signatures of the authorized signatories (ink signed), duly certified by an appropriate authority;
- Government Notification (in case of Primary Co-operative Bank and RRBs);
- Copy of Permanent Account Number Card (“PAN Card”) issued by the Income Tax Department;

- Necessary forms for claiming exemption from deduction of tax at source on interest on application money, wherever applicable.
- In case of remittance of application money through electronic mode/ bank transfer, the applicants are required to submit a self- attested copy of their bank account statement reflecting debit for the application money. The bank statement must contain name of applicant, account number, name and branch of the bank.

19. TERMS OF PAYMENT

The full amount of issue price of the bonds applied for is payable as application money. As per Companies Act, 2013 it is mandatory that, subscriber shall ensure subscription to bond is made from the bank account of the subscriber subscribing to the bond issue. The detail of the bank account should be clearly mentioned in the application form.

20. HOW TO APPLY

This being a private placement offer, only the investors who have been addressed through this Private Placement Offer Letter are eligible to apply.

Applications for the Bonds must be in the prescribed form (enclosed) and completed in BLOCK LETTERS in English and as per the instructions contained therein. Applications not completed in the prescribed manner are liable to be rejected. The name of the applicant's bank, type of account and account number, total amount & face value of Bonds applied for must be filled in the Application Form. This is required for the applicant's own safety and these details will be printed on the refund orders and interest/ redemption warrants.

Applications along with details of payment of requisite amount and other necessary documents may be submitted to PFC head office on or before the closure of the issue or to the Arrangers to the Issue. The payment shall be deposited directly with specified Collecting Bank for crediting the amount to 'Power Finance Corporation Bond Collection Account' through electronic mode only. Please note that remittance of application monies by way of cash, cheques, money orders, postal orders and stockinvest shall not be accepted.

Applications should be for a minimum of 110 Bonds and in multiples of 10 Bond thereafter.

Applicants may make remittance of application money through electronic mode only:		
1.	Electronic transfer of funds through RTGS mechanism for credit as per details given hereunder:	
	Name of the Banker	HDFC Bank
	Account Name	PFC Bond Collection Account
	Credit into Current A/c No.	00030350003676
	IFSC Code	HDFC0000060
	Address	Fort Mumbai, Branch
	Narration	Subscription for PFC Bond Series 115

For further instructions about how to make an application for applying for the Bonds and procedure for remittance of application money, please refer to the Summary Term Sheet and the Application Form.

21. APPLICATIONS UNDER POWER OF ATTORNEY

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorized signatories and the tax exemption certificate/ document, if any, must be lodged along-with the submission of the completed Application Form. Further modifications/ additions in the power of attorney or authority should be notified to the Issuer or to the Registrars or to such other person(s) at such other address(es) as may be specified by the Issuer from time to time through a suitable communication.

22. APPLICATION BY MUTUAL FUNDS

In case of applications by Mutual Funds, a separate application must be made in respect of each scheme of an Indian Mutual Fund registered with SEBI and such applications will not be treated as multiple applications, provided that the application made by the Asset Management Company/ Trustees/ Custodian clearly indicate their intention as to the scheme for which the application has been made.

23. RIGHT TO ACCEPT OR REJECT APPLICATIONS

The Issuer reserves its full, unqualified and absolute right to accept or reject any application, in part or in full, without assigning any reason thereof. The application forms that are not complete in all respects are liable to be rejected and would not be paid any interest on the application money. Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

- a. Number of Bonds applied for is less than the minimum application size;
- b. Application money received not being from the bank account of the person/ entity subscribing to the Bonds or from the bank account of the person/ entity whose name appears first in the Application Form, in case of joint holders;
- c. Bank account details of the Applicants not given;
- d. Details for issue of Bonds in dematerialized form not given;
- e. PAN number not given;
- f. In case of applications under Power of Attorney by limited companies, corporate bodies, trusts, etc. relevant documents not submitted;

In the event, if any Bonds applied for is/ are not allotted in full, the excess application monies of such Bonds will be refunded, as may be permitted.

24. FICTITIOUS APPLICATIONS

In terms of the Section 38 of the Companies Act, 2013 any person who – makes, in a fictitious name, an application to a body corporate for acquiring, or subscribing to, the bonds, or otherwise induced a body corporate to allot, or register any transfer of, bonds therein to them, or any other person in a fictitious name, shall be liable for action under section 447.

25. INTEREST ON APPLICATION MONEY

- a. In case of change in deemed date of allotment and in respect of investors who get allotment in the bond issue, interest on application money shall be paid at the coupon rate applicable for bond series (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) from the date of receipt of application money in PFC's account till one day prior to the date of allotment on the aggregate face value amount of Bonds. The interest on Application Money shall be computed as per "Actual/Actual" day count convention. The payment shall be made only through electronic mode.

However, in case of rejection of electronic mode, due to incomplete / incorrect detail provided by applicant payment may be made through cheque / demand draft. The cheque / demand draft for interest on application money shall be dispatched by the Issuer within 15 days from the Deemed Date of Allotment by registered post to the sole / first applicant, at the sole risk of the applicant.

- b. No interest on Application Money will be paid in respect of applications which are rejected due to any reason.

26. INTEREST PAYMENT

The face value of the Bonds outstanding shall carry interest at the coupon rate from deemed date of allotment and the coupon rate & frequency of payment (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) are mentioned at summary term sheet.

The interest payment shall be made through electronic mode to the bondholders whose names appear on the list of beneficial owners given by the depository participant to R&TAAs on the record date / book closure date fixed by PFC in the bank account which is linked to the demat of the bondholder. However, in absence of complete bank details i.e. correct/updated bank account number, IFSC/RTGS code /NEFT code etc, issuer shall be required to make payment through cheques / DDs on the due date at the sole risk of the bondholders.

If any Coupon Payment Date falls on a day that is not a Business Day, the payment shall be made by the Issuer on the immediately succeeding Business Day along with interest for such additional period. Further, interest for such additional period so paid, shall be deducted out of the interest payable on the next Coupon Payment Date.

Interest or other benefits with respect to the Bonds would be paid to those Bondholders whose names appear on the list of beneficial owners given by the depository participant to R&TA as on the Record Date. In case the beneficial owner is not identified by the depository on the Record Date due to any reason whatsoever, PFC shall keep in abeyance the payment of interest or other benefits, till such time the beneficial owner is identified by the depository and intimated to PFC. PFC shall pay the interest or other benefits to the beneficiaries identified, within a period of 15 days from the date of receiving such intimation. PFC will not pay interest or any amount in whatever name for the intervening period from Record Date to the actual date of payment of interest, in such cases where the Depository does not identify the beneficial owner on the Record Date.

27. DEDUCTION OF TAX AT SOURCE

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source out of interest payable on Bonds.

Interest payable subsequent to the Deemed Date of Allotment of Bonds will be treated as "Interest on Securities" as per Income Tax Rules. Bondholders desirous of claiming exemption from deduction of income tax at source on the interest payable on Bonds should submit tax exemption certificate/ document, under Income Tax Act, 1961, if any, at least 15 days before the payment of interest becoming due with the Registrars, [RCMC Share Registry Pvt. Ltd.] (Address: [B-106 Sector 2, Noida 201301], Tel No. [(0120)4015880], Fax No. [(0120)-2444346], E-mail: [alok.sharma@rcmcdelhi.com]), or to such other person(s) at such other address(es) as the Company may specify from time to time through suitable communication. Regarding deduction of tax at source and the requisite declaration forms to be submitted, prospective investors are advised to consult their own tax consultant(s).

28. PAYMENT ON REDEMPTION

The Bond will be redeemed at the Registered Office of PFC on the expiry of the number of years/months as specified in the terms of the bond issue for each series from the Deemed date of Allotment or on such earlier date on exercise of put / call option, if applicable.

The redemption proceeds shall be made through electronic mode to the bondholders whose names appear on the list of beneficial owners given by the depository participant to R&TA as on the record date / book closure date fixed by PFC in the bank account which is linked to the demat of the bondholder. However, in absence of complete bank details i.e. correct/updated bank account number, IFSC/RTGS code /NEFT code etc, issuer shall be required to make payment through cheques / DDs on the due date at the sole risk of the bondholders.

The redemption proceeds shall be paid to those Bondholders whose names appear on the list of beneficial owners given by the Depository Participant to R&TA as on the record date / book closure date fixed by PFC for the purpose of redemption. In case the beneficial owner is not identified by the depository on the record date / book closure date due to any reason whatsoever, PFC shall keep in abeyance the payment of redemption proceeds, till such time the beneficial owner is identified by the depository and intimated to R&TA. PFC shall pay the redemption proceeds to the beneficiaries identified within 15 days of receiving such intimation. PFC will not be liable to pay any interest, income or compensation of any kind in whatever name for the intervening period from record date / book closure date to the actual date of payment of redemption proceeds, in such cases where the depository participant does not identify the beneficial owner on the record date / book closure date.

If the Redemption Date (also being the last Coupon Payment Date) of the Bonds falls on a day that is not a Business Day, the redemption proceeds shall be paid by the Issuer on the immediately preceding Business Day along with interest accrued on the Bonds until but excluding the date of such payment.

29. EFFECT OF HOLIDAY

If any Coupon Payment Date falls on a day that is not a Business Day, the payment shall be made by the Issuer on the immediately succeeding Business Day along with interest for such additional period. Further, interest for such additional period so paid, shall be deducted out of the interest payable on the next Coupon Payment Date.

If the Redemption Date (also being the last Coupon Payment Date) of the Bonds falls on a day that is not a Business Day, the redemption proceeds shall be paid by the Issuer on the immediately preceding Business Day along with interest accrued on the Bonds until but excluding the date of such payment.

In the event the Record Date falls on a day which is not a Business Day, the immediately succeeding Business Day will be considered as the Record Date.

Set forth below is an illustration for guidance in respect of the day count convention and effect of holidays on payments. **Investors should note that this example is solely for illustrative purposes.**

Cash Flows	Date	Day	No. of days in Coupon Period	Amount (in Rupees) Series 115-I	Amount (in Rupees) Series 115-II	Amount (in Rupees) Series 115-III
1st Coupon	07.07.15	Tuesday	365	91,100.00	91,500.00	92,000.00
2nd Coupon	07.07.16	Thursday	366	91,100.00	91,500.00	92,000.00
3rd Coupon	07.07.17	Friday	365	91,100.00	91,500.00	92,000.00
Principal Redemption of series 115-I	07.07.17	Friday		1,000,000.00		
4th Coupon	07.07.18	Saturday	365	-	91,500.00	92,000.00
5th Coupon	06.07.19	Saturday	364	-	91,249.32	
Principal Redemption of series 115-II	06.07.19	Saturday		-	1,000,000.00	
5th Coupon for series 115-III	08.07.19	Monday	366	-	-	92,252.05
6th Coupon	07.07.20	Tuesday	365	-		91,748.63
7th Coupon	07.07.21	Wednesday	365	-		92,000.0
Principal Redemption of series 115-III	07.07.21	Wednesday		-		1,000,000.00

Assumptions and Notes:

1. *For the purposes of the above illustration, only such dates that fall on Sundays, have been considered as non-Business Days;*
2. *Since the last Coupon Payment Date for series 115-II is falling on a non-Business Day, last coupon payment together with principal amount shall be made on the immediately preceding Business Day. The interest in such case, is the interest accrued on the Bonds until but excluding the date of such payment.*
3. *Since the [5]th Coupon Payment Date for series 115-III is falling on a non-Business Day, 05th coupon payment shall be made on the immediately succeeding Business Day alongwith interest for one additional day. Accordingly interest for one day shall be deducted from the coupon payable on the [6]th Coupon Payment Date.*
4. *The aggregate coupon payable to each Bondholder shall be rounded off to the nearest rupee as per the Fixed Income Money Market and Derivatives Association handbook on market practices.*

5. *The actual dates and maturity amount will be in accordance to and in compliance with the provisions of SEBI circular CIR/IMD/DF/18/2013 dated October 29, 2013 giving effect to actual holidays and dates of maturity which qualifies the SEBI requirement.*

30. RECORD DATE / BOOK CLOSURE DATE FALLING ON SUNDAY/HOLIDAY

The 'Record Date' for the Bonds shall be 15 days prior to each Coupon Payment Date and Redemption Date. In case of redemption of Bonds, the trading in the Bonds shall remain suspended between the Record Date and the Redemption Date. Interest payment and principal repayment shall be made to the person whose name appears as beneficiary with the Depositories as on Record Date. In the event of the Issuer not receiving any notice of transfer at least 15 days before the Coupon Payment Date, the transferees for the Bonds shall not have any claim against the Issuer in respect of interest so paid to the registered Bondholders.

In the event record date / book closure date falls on Sunday/ Holiday, the day succeeding to the said Sunday / holiday shall be the record date / book closure date.

31. DEPOSITORY ARRANGEMENT

PFC has entered into depository arrangements with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). The securities shall be issued in dematerialized form as per the provisions of Depositories Act, 1996 (as amended from time to time).

PFC has signed two tripartite agreements in this connection viz.

Tripartite Agreement dated 25.07.2001 between PFC, National Securities Depository Limited (NSDL) and R&TA i.e. M/s RCMC Share Registry (Pvt.) Ltd.

Tripartite Agreement dated 04.07.2014 between PFC, Central Depository Services Limited (CDSL) and R&TA i.e. M/s RCMC Share Registry (Pvt.) Ltd.

32. RIGHT TO REPURCHASE, RE-ISSUE AND CANCELLATION

PFC shall have the right to purchase the Bonds at any time during the tenor of the bonds. PFC may at its discretion, re-issue or cancel the repurchased bonds in accordance with the relevant provisions of law.

33. RIGHT OF BONDHOLDER(S)

Bondholder is not a shareholder. The Bondholders will not be entitled to any other rights and privileges of shareholders other than those available to them under statutory requirements. The Bond(s) shall not confer upon the holders the right to receive notice, or to attend and vote at the General Meeting of the Company. The principal amount and interest on the Bonds will be paid to the registered Bondholders only, and in case of joint holders, to the one whose name stands first.

Besides the above, the Bonds shall be subject to the provisions of the Companies Act, 2013, the Articles of Association of PFC, the terms of this bond issue and the other terms and conditions as may be incorporated in the Trust deed and other documents that may be executed in respect of these Bonds.

34. AMENDMENT OF THE TERMS OF THE BONDS

The rights, privileges, terms and conditions attached to the Bonds may be varied, modified or abrogated with the consent, in writing, of those holders of the Bonds who hold at least three fourth of the outstanding amount of the Bonds or with the sanction accorded pursuant to a resolution passed at a meeting of the Bondholders, provided that nothing in such consent or resolution shall be operative against the Issuer where such consent or resolution modifies or varies the terms and conditions of the Bonds, if the same are not acceptable to the Issuer.

35. BUY-BACK OF BONDS

Unless stated otherwise, the Company may if authorised by its Memorandum and Articles of Association, buy-back the Bonds subject to the terms and conditions prescribed under rule 17 of the Companies (Share Capital and Debentures) Rules, 2014.

36. DEBENTURE REDEMPTION RESERVE (“DRR”)

In pursuance of clause (7) of section 18 of the Companies Act, 2013, the Company being a public financial institution within the meaning of sub-section (72) of section 2 of the Companies Act, 2013, creation of Debenture Redemption Reserve is not required since the Bonds are being placed through private placement route.

37. NOTICES

The notices to the Bondholder(s) required to be given by PFC or by Registrar shall be deemed to have been given if sent by courier / ordinary post to the original sole / first holder of the Bonds or if an advertisement is given in a leading newspaper.

All notices to be given by the Bondholder(s) shall be sent by registered post or by hand delivery to Registrar or to such persons at such address as may be notified by PFC in offer document

38. MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTIONS

Copies of the contracts and documents, referred to below, may be inspected at the Head Office of PFC between 10.00 a.m. and 12.00 noon on any working day (Monday to Friday) until the date of closing of the issue.

Material Contracts and Documents

1. Memorandum and Articles of Association of PFC.
2. Special Resolution passed by the shareholders of the Company at Meeting held on June 20, 2014 authorising Issue of bonds during FY 2014-15;
3. Special Resolution passed by the shareholders of the Company at Meeting held on June 20, 2014 under section 180 (1) (C) for borrowing power of the Company;
4. Resolution of the Board of Directors of PFC passed at 317th Meeting held on 26th February 2014 approving the borrowing programme of Rs. 44,000 crore for the year 2014-15 .
5. Resolution of the Board of Directors of PFC passed at 321st Meeting held on 01st July 2014 authorizing the Chairman & Managing Director and Director (Fin) and / or Director (Projects) jointly

to invite or make offer to subscribe to private placement of bonds & its various terms and conditions.

6. Letter dated April 03,2014 issued by the Reserve Bank of India authorizing PFC to issue unsecured bonds on private placement to institutional investors.
7. ICRA has assigned a rating of 'AAA' (pronounced ICRA "triple A) to the long term borrowing programme & "A1+" (pronounced ICRA A one plus) to the short term borrowing programme of the financial year 2014-15 aggregating to Rs 44,000.00 crore indicating the highest degree of safety with regard to payment of interest and principal vide their letter nos. D/RAT/2014-15/P3/01 dated April 25, 2014. A copy of revalidation letter no. D/RAT/2014-15/P3/04 dated June 23, 2014 from ICRA is enclosed elsewhere in this Private Placement Offer Letter.
8. CRISIL has assigned a rating of 'AAA/Stable' (pronounced CRISIL "triple A with stable outlook") to the long term borrowing programme & "A1+" (pronounced CRISIL A one plus) rating to the short term borrowing programme of the financial year 2014-15 aggregating to Rs 44,000.00 crore , indicating the highest degree of safety with regard to payment of interest and principal vide their letter nos. SN/FSR/PFC/2014-15/484 dated 06.06.2014 & SN/FSR/PFC/2014-15/485 dated 06.06.2014. A copy of revalidation letter no. SN/FSR/PFC/2014-15/583 dated June 23, 2014 from CRISIL is enclosed elsewhere in this Private Placement Offer Letter.
9. CARE has assigned a rating of 'AAA' (pronounced CARE "triple A") to the long term borrowing programme & "A1+" (pronounced CARE A one plus) rating to the short term borrowing programme for the financial year 2014-15 aggregating to Rs 44,000.00 crore indicating the highest degree of safety with regard to payment of interest and principal vide their letter dated June 06,2014. A copy of revalidation letter dated June 23, 2014 from CARE is enclosed elsewhere in this Private Placement Offer Letter.
10. Copies of the audited Balance Sheets and Profit & Loss Accounts for five years ended March 31 2009, 2010, 2011 ,2012 & 2013.
11. Copy of Tripartite Agreement dt.25.09.2001 between PFC, NSDL &RCMC Pvt. Ltd.
12. Copy of Tripartite Agreement dt. 04.07.2014 between PFC, CDSL &RCMCPvt. Ltd.

39. FUTURE BORROWINGS

PFC will be entitled to borrow / raise loans or avail financial assistance in whatever form (both in rupees and in foreign currency) as also issue debentures / Bonds / other securities (secured and unsecured) in any manner having such ranking in priority / pari-passu or otherwise and change the capital structure including the issue of shares of any class on such terms and conditions as PFC may think appropriate without the consent of or intimation to the Bondholders or the trustees.

40. CONSENTS

Currently PFC has appointed GDA Trusteeship Ltd., to act as debenture trustee for its Bonds. PFC holds consent from GDA Trusteeship Ltd., to act as trustees and the consent has not been withdrawn.

Currently PFC has appointed RCMC Share Registry Private Limited as Registrar & Transfer Agent (R&TA) for our Bonds. PFC holds consent from RCMC Share Registry Private Limited to act as R&TA and the consent has not been withdrawn. In case there is any change in R&TA, PFC will appoint a

new R&TA and obtain and hold their consent to act as R&TA before the launch of the bond issue of a particular series and disclose the facts in the terms of the Bond issue of a particular series.

41. UNDERTAKINGS FROM THE ISSUER:

PFC hereby undertakes that

- ❖ The complaints in respect of the issue would be attended to expeditiously and satisfactorily.
- ❖ PFC would take necessary steps for completion of the necessary formalities for listing & commencement of trading at stock exchange.
- ❖ PFC shall co-operate with the rating agencies in providing true and adequate information.
- ❖ The funds to be raised through the private placement are to augment long-term resources of PFC and not for a specific project. Hence, no monitoring agency is required to be appointed.
- ❖ Since it is a private placement of bonds and PFC is a public financial institution under Section 4A of the Companies Act, 1956, all monies received out of issue of bonds shall be utilized for the purpose as a stated in this offer letter. However, PFC undertakes to refund the application money in case the allotment is not done within 60 days and / or the application for permission to deal in bonds is not granted by NSE. (Please refer to sub-title 'Listing' and 'Interest in case of delay on allotment/dispatch' of this offer letter).
- ❖ PFC shall disclose the complete name and address of the debenture trustee in the Annual Report.
- ❖ PFC shall provide a compliance certificate to the debenture trustee in r/o compliance with the terms and conditions of issue of bonds as contained in this offer document.

42. INVESTOR RELATIONS AND GRIEVANCE REDRESSAL:

Arrangements have been made to redress investor grievances expeditiously, PFC endeavour to resolve the investors' grievances within 30 days of its receipt. All grievances related to the issue quoting the Application Number (including prefix), number of bonds applied for, amount paid on application, may be addressed to the RTA. All investors are hereby informed that the company has appointed a RTA / Compliance Officer who may be contacted in case of any problem related to this issue.

43. DEBT EQUITY RATIO

Debt: Equity Ratio of the Company (based upon audited Financial Statements of 31st March 2014):-

Before the issue of debt securities	6.42 times
After the issue of debt securities	6.44 times

Servicing Behaviour: The payment of interest & repayment of principal is being done in a timely manner on the respective due dates.

The bonds proposed to be issued are unsecured.

44. TRUSTEES TO THE BONDHOLDERS

Currently PFC has appointed GDA Trusteeship Limited to act as debenture trustee for its Bonds. PFC holds consent from GDA Trusteeship Limited to act as trustees and the consent has not been withdrawn. GDA Trusteeship Limited is a SEBI registered Debenture Trustee has been appointed currently to act as the Trustee for the holders of Bonds. All remedies to the Bondholder(s) for the amounts due on the Bonds will be vested with the Trustees on behalf of the Bondholder(s). If there is a change of Trustees to the Bond Holders the same would be specified in the terms of the bond issue for each series to be uploaded in NSE website.

The holders of the Bonds shall without any further act or deed be deemed to have irrevocably given their consent and authorized the Trustees to do, inter-alia, acts and deeds and things necessary to safeguard the interests of Bondholder(s) in terms of this offer document.

45. CREDIT RATING FOR THE BONDS

ICRA has assigned a rating of 'AAA' (pronounced ICRA "triple A) to the long term borrowing programme & "A1+" (pronounced ICRA A one plus) to the short term borrowing programme of the financial year 2014-15 aggregating to Rs 44,000.00 crore indicating the highest degree of safety with regard to payment of interest and principal vide their letter nos. D/RAT/2014-15/P3/01 dated April 25, 2014. A copy of revalidation letter no. D/RAT/2014-15/P3/04 dated June 23, 2014 from ICRA is enclosed elsewhere in this Private Placement Offer Letter.

CRISIL has assigned a rating of 'AAA/Stable' (pronounced CRISIL "triple A with stable outlook") to the long term borrowing programme & "A1+" (pronounced CRISIL A one plus) rating to the short term borrowing programme of the financial year 2014-15 aggregating to Rs44,000.00 crore, indicating the highest degree of safety with regard to payment of interest and principal vide their letter nos. SN/FSR/PFC/2014-15/484 dated 06.06.2014 & SN/FSR/PFC/2014-15/485 dated 06.06.2014. A copy of revalidation letter no. SN/FSR/PFC/2014-15/583 dated June 23, 2014 from CRISIL is enclosed elsewhere in this Private Placement Offer Letter.

CARE has assigned a rating of 'AAA' (pronounced CARE "triple A") to the long term borrowing programme & "A1+" (pronounced CARE A one plus) rating to the short term borrowing programme for the financial year 2014-15 aggregating to Rs 44,000.00 crore, indicating the highest degree of safety with regard to payment of interest and principal vide their letter dated June 06, 2014. A copy of revalidation letter dated June 23, 2014 from CARE is enclosed elsewhere in this Private Placement Offer Letter.

Other than the credit ratings mentioned herein above, the Issuer has not sought any other credit rating from any other credit rating agency(ies) for the Bonds offered for subscription under the terms of this Private Placement Offer Letter.

The above ratings are not a recommendation to buy, sell or hold securities and investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the assigning rating agencies and each rating should be evaluated independently of any other rating. The ratings obtained are subject to revision at any point of time in the future. The rating agencies have the right to suspend, withdraw the rating at any time on the basis of new information etc.

46. RECOGNISED STOCK EXCHANGE:-

The bond issue is proposed to be listed on the WDM segment of the National Stock Exchange and / or Bombay Stock Exchange.

X. DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC.

A. CONTRIBUTION BEING MADE BY THE PROMOTERS OR DIRECTORS EITHER AS PART OF THE OFFER OR SEPARATELY IN FURTHERANCE OF SUCH OBJECTS

The Promoter or the Directors of the Company have not made any contribution and shall not be subscribing to the present Issue of Bonds

B. ANY FINANCIAL OR OTHER MATERIAL INTEREST OF THE DIRECTORS, PROMOTERS OR KEY MANAGERIAL PERSONNEL IN THE OFFER AND THE EFFECT OF SUCH INTEREST IN SO FAR AS IT IS DIFFERENT FROM THE INTERESTS OF OTHER PERSONS.

The Promoter, Directors or key managerial personnel of the Company do not have any financial or other material interest in the Issue of Bonds and thus there shall be no effect which is different from the interests of other persons

C. DETAILS OF ANY LITIGATION OR LEGAL ACTION PENDING OR TAKEN BY ANY MINISTRY OR DEPARTMENT OF THE GOVERNMENT OR A STATUTORY AUTHORITY AGAINST ANY PROMOTER OF THE OFFEREE COMPANY DURING THE LAST THREE YEARS IMMEDIATELY PRECEDING THE YEAR OF THE CIRCULATION OF THE OFFER LETTER AND ANY DIRECTION ISSUED BY SUCH MINISTRY OR DEPARTMENT OR STATUTORY AUTHORITY UPON CONCLUSION OF SUCH LITIGATION OR LEGAL ACTION.

The Promoter of the Company is President Of India hence, it is not possible to give details of litigations, legal actions or directions pending or taken by any Ministry or Department of the Government or a statutory authority against the Promoter of the Company during the last three years.

D. ANY MATERIAL EVENT/ DEVELOPMENT OR CHANGE HAVING IMPLICATIONS ON THE FINANCIALS/CREDIT QUALITY (E.G. ANY MATERIAL REGULATORY PROCEEDINGS AGAINST THE ISSUER/PROMOTERS, TAX LITIGATION RESULTING IN MATERIAL LIABILITIES ,CORPORATE RESTRUCTURING, EVENT ETC)AT THE TIME OF ISSUE WHICH MAY AFFECT THE ISSUE OR THE INVESTOR'S DECISION TO INVEST / CONTINUE TO INVEST IN THE DEBT SECURITIES

NIL

E. REMUNERATION OF DIRECTORS (DURING THE CURRENT YEAR AND LAST THREE FINANCIAL YEARS); -

1. WHOLE-TIME DIRECTORS

The remuneration paid to the Whole-time Directors comprises of - remuneration, benefits, allowances and performance linked incentives etc. -

Financial Year	(Amount Rs. in crores)
2014-15 (Provisional)	1.49
2013-14	2.10
2012-13	1.97
2011-12	1.94

2. NON-EXECUTIVE DIRECTORS

The Non-Executive/ Non Whole-time Directors of the Company are entitled to sitting fees at a rate fixed by the Board within the limits as prescribed under the Companies Act, 1956 for attending the meetings of the Board and Committees of Directors. Presently, sitting fee of Rs. 20,000 for attending each meeting of the Board and Committees of Directors is being paid to each Independent Director. The following table provides the details of remuneration paid by the Company to the Non-Executive Directors:

Financial Year	(Amount Rs. in crores)
2014-15 (Provisional)	0.204
2013-14	0.204
2012-13	0.220
2011-12	0.262

Government nominees were not entitled to any remuneration or sitting fee from the Company.

F. RELATED PARTY TRANSACTIONS

Details of related parties of the Company and transactions entered by the Company with the related parties during the last three financial years immediately preceding the year of circulation of the Private Placement Offer Letter including with regard to loans advanced, guarantees given or securities provided, are furnished as under:

1. PROMOTER/ HOLDING COMPANIES

The Company is promoted by the President of India, acting through the Ministry of Power, Government of India. The Company has not entered into any transaction of material nature with its promoters, the directors or the management, their relatives or its subsidiaries, that may have any potential conflict with the interest of the Company.

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 during the last three financial year are given below:-

Sr. no.	Name of the Companies	Date of investment	No. of Shares Subscribed	% of ownership	Amount Rs. in crore
A.	Subsidiary Company				
1.	PFC Consulting Limited	09.04.2008	50,000	100%	0.05
2.-a	PFC Green Energy Limited(Equity Shares) (ii)	29.07.2011	50,000	100%	100.00
		08.12.2011	44,50,000		
		29.03.2012	4,90,000		
		21.03.2013	2,10,00,000		
		18.06.2013	1,36,00,000		
		07.10.2013	6,04,10,000		
2- b	PFC Green Energy Limited (Preference Shares) (ii)	21.03.2013	8,40,00,000	100%	200.00
		18.06.2013	5,44,00,000		
		07.10.2013	6,16,00,000		
3.	PFC Capital Advisory Services	01.09.2011	1,00,000	100%	0.10

	Limited(iii)								
4.	POWER Equity Capital Advisors (private) Limited (iv)	15.04.2008 11.10.2011	15,000 35,000	100%	0.05				
	Sub-Total (A)		30,02,00,000		300.20				
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 Company Limited	27.01.2010	50,000	100%	0.05				
7.	Ghogarpalli Integrated Power Company 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				
10.	Cheyur Infra Limited.	24.03.2014	50,000	100%	0.05				
11.	OdishaInfrapower Limited	27.03.2014	50,000	100%	0.05				
	Sub-Total (B)		5,50,000		0.55				
C.	Joint Venture Companies								
1.	National Power Exchange Limited	18.12.2008 03.09.2010	8,33,000 13,54,015	16.66%	2.19				
2.	Energy Efficiency Services Limited	21.01.2010 26.03.2013	6,25,000 2,18,75,000	25%	22.50				
	Sub-Total (C)		2,46,87,015		24.69				
	TOTAL (A+B+C)		32,54,37,015		325.44				

Note:-Figures for FY 2012-13 & 2011-12 is taken from balance sheet of respective years & hence have not been regrouped according to FY 2013-14

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:-

Sl no.	Particulars	As at 31.03.2014			As at 31.03.2013			As at 31.03.2012		
		NPEL	EESL	TOTAL	NPEL	EESL	TOTAL	NPEL	EESL	TOTAL
	Ownership (%)	16.66	25		16.66	25.00		16.66	25	
A	Assets									
	-Non-Current Assets	0.03	1.99	2.02	0.00	0.25	0.25	0.01	0.09	0.10
	-Current Assets	1.13	29.61	30.74	1.35	29.12	30.47	1.45	31.08	32.53
	TOTAL	1.16	31.60	32.76	1.35	29.37	30.72	1.46	31.17	32.63
B.	Liabilities									
	-Non Current Liabilities	-	0.08	0.08	-	0.02	0.02	-	0.00	0.00
	-Current Liabilities	0.03	4.80	4.83	0.23	3.47	3.70	0.04	4.37	4.41
	TOTAL	0.03	4.88	4.91	0.23	3.49	3.72	0.04	4.37	4.41
C.	Contingent Liabilities	-	-	-	-	-	-	0.01	0.00	0.01
D.	Capital Commitments	-	5.52	5.52	-	-	-	-	-	-

		For the period								
E	Total Income	0.11	8.39	8.50	0.12	3.63	3.75	0.12	3.17	3.29
F	Total Expenses	0.12	7.13	7.25	0.41	1.28	1.69	0.34	1.17	1.51

Note:-Figures for FY 2012-13 & 2011-12 is taken from balance sheet of respective years & hence have not been regrouped according to FY 2013-14

4. The details of amount recoverable (including interest thereon) from the respective subsidiaries are given below:

Name of the subsidiary	Amount as on 31.03.14	Amount as on 31.03.13	Amount as on 31.03.12
Coastal Maharashtra Mega Power Limited	7.88	7.00	5.72
Orissa Integrated Power Limited	92.97	90.31	73.21
Coastal Karnataka Power Limited	3.32	2.80	2.40
Coastal Tamil Nadu Power Limited	57.00	40.41	29.75
Chhattisgarh Surguja Power Limited	68.37	60.50	50.85
Sakhigopal Integrated Power Company Limited	4.50	3.26	1.16
Ghogarpalli Integrated Power Company Limited	3.89	2.89	0.90
Tatiya Andhra Mega Power Limited	11.28	9.84	7.71
Deoghar Mega Power Limited	5.00	2.43	0.00
PFC Green Energy Limited	0.40	0.00	0.05
PFC Capital Advisory Services Limited	0.36	0.10	0.01
Cheyur Infra Limited	0.01	-	-
Odisha Infra Power Limited	0.01	-	-
TOTAL	254.99	219.54	171.76

Note:-Figures for FY 2012-13 & 2011-12 is taken from balance sheet of respective years & hence have not been regrouped according to FY 2013-14

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:-

Name of the subsidiary	Amount as on 31.03.14	Amount as on 31.03.13	Amount as on 31.03.12
PFC Consulting Limited	5.39	3.54	3.09
PFC Green Energy Limited	0.00	0.03	0.00
Coastal Maharashtra Mega Power Limited	56.47	52.97	49.39
Orissa Integrated Power Limited	67.57	62.57	57.49
Coastal Tamil Nadu Power Limited	63.72	58.92	54.35
Chhattisgarh Surguja Power Limited	61.16	56.17	51.08
Sakhigopal Integrated Power Company Limited	22.24	20.69	19.23
Ghogarpalli Integrated Power Company Limited	21.08	19.27	17.91
Tatiya Andhra Mega Power Limited	27.02	25.02	23.02
TOTAL	324.65	299.18	275.56

Note:-Figures for FY 2012-13 & 2011-12 is taken from balance sheet of respective years & hence have not been regrouped according to FY 2013-14

6. (i) Investment in "Small is Beautiful" Fund: -

The Company has outstanding investment of Rs. 7.68 crore (as on 31.03.2013 Rs. 7.68 crore & as on 31.03.2012 Rs. 7.83 crore) in units of Small is Beautiful Fund. The face value of the Fund is Rs.10 per unit. The NAV as on 31.03.2014 is Rs. 9.70 per unit (as on 31.03.2013 was Rs. 9.77 per unit and as on 31.03.2012 was Rs. 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.

(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 Rs. 100 crore consisting of 8crore equity shares of Rs. 10/- each and 2 crore preference shares of Rs. 10/- each as on 31.03.2014. The paid up equity share capital of PXIL is Rs. 46.47crore, as on 31.03.2014 (as on 31.03.2013 was Rs. 46.05 crore). The Company has subscribed Rs. 3.22 crore (Rs 2.80 crores as on 31.03.2013) of the paid up capital of PXIL.

G. SUMMARY OF RESERVATIONS OR QUALIFICATIONS OR ADVERSE REMARKS OF AUDITORS IN THE LAST FIVE FINANCIAL YEARS IMMEDIATELY PRECEDING THE YEAR OF CIRCULATION OF OFFER LETTER AND OF THEIR IMPACT ON THE FINANCIAL STATEMENTS AND FINANCIAL POSITION OF THE COMPANY AND THE CORRECTIVE STEPS TAKEN AND PROPOSED TO BE TAKEN BY THE COMPANY FOR EACH OF THE SAID RESERVATIONS OR QUALIFICATIONS OR ADVERSE REMARK-

There has been no qualification, reservation or adverse remark of the auditor of the Company in the last five financial years immediately preceding the year of circulation of Private Placement Offer Letter except in the financial year 2009-10. The auditors observation on 2009-10 accounts & management replies thereon are as under :-

Auditors Observations	Management Replies
<p>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 section36(1) (viii) of the Income Tax Act, 1961 in the year 2004-05, by charging Profit & Loss Account with Rs.142.87crores 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 up to 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.</p> <p>In view of the facts and circumstances placed beforeus, 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). (Refer Note No. 19 of Schedule 18).</p>	<p>On a representation made by the Company (after receipt of Opinions of the EAC of ICAI) regarding the creation of DTL on Special Reserve created and maintained under section 36(1) (viii) of the Income Tax Act, 1961, the Company received a clarification from Accounting Standard Board of Institute of Chartered Accountants of India vide letter dtd. 02.06.2009. In accordance to the above, from the financial year 2008-09, the Company stopped creating DTL on special Reserve created and also reserved the DTL on special Reserve created in earlier years. This has also been suitably explained in the Accounting policy No. 13.2 of Accounting policy (Schedule-17) and Note No.19 of Notes to Accounts (Schedule-18) which are self explanatory.</p> <p>Now, the Comptroller and Auditor General of India vide letter No. CA-IV/80/2010 dated 09.08.2010 has stated the following:</p> <p>"In order to ensure consistency in the accounting treatment of provision of DTL on special reserve created u/s 36(1) (viii) of the Income Tax Act, 1961, this department is of the view that non provision of DTL on special reserve is acceptable in case the company demonstrate their intension of not withdrawal of the reserve by passing a resolution that it has no intention to withdraw this special reserve. In other cases where no such resolution is passed by the management, the provision of DTL on special reserve should be made in the annual accounts."</p> <p>As discussed in the Accounting policy No. 13.2 of</p>

<p>Further, the amount of capital considered in the Calculation of Capital Risk Adjusted Ratio (CRAR) is overstated to the above extent. (Refer Note No. 27 of Schedule 18)</p>	<p>Accounting policies supra, the Company has passed a Board resolution that it has no intension to make withdrawal from the Special Reserve created and maintained under section 36(1)(viii) of the Income Tax act, 1961.</p> <p>Hence, there is no violation of Accounting Standard 22 or overstatement of Profits and Free Reserves and understatement of Deferred Tax Liability</p>
<p>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 (Note No.15 of Schedule 18).</p>	<p>Note No. 15 of Schedule No. 18 of Notes on Accounts is self explanatory and explains the method of claiming Interest Subsidy Fund, utilization, and excess worked out on overall basis based on projections made for loans sanctioned during IX & X plans, etc. The actual/exact excess due to difference between the indicative rate, period and assumptions considered at the time of drawl and at the time of actual disbursement can be ascertained only after the end of the respective schemes. The Company will however return the net excess amount to Ministry of Power, if any, at the end of the respective schemes.</p>
<p>The management is carrying out the physical verification of fixed assets at the year end in a phased manner, except certain EDP equipments and Furniture & Fixtures for which no physical verification was conducted. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed by the management on such physical verification</p> <p>In our opinion and according to the information and explanations given to us, the Company has an internal audit system, which is commensurate with the size and nature of business of the Company. However, the IT Audit needs to be further streamlined and strengthened.</p>	<p>Certain EDP equipment and Furniture & Fixtures are provided to the officers for official use which are normally returned to the company or otherwise written off upon expiry of useful life of the assets. Hence, physical verification of such items has not been considered necessary. Further, amount involved in the said items is also not material.</p> <p>The information system audit is being conducted periodically and also the Company is implementing the oracle, ERP financial.</p>

H. DETAILS OF ANY INQUIRY, INSPECTIONS OR INVESTIGATIONS INITIATED OR CONDUCTED UNDER THE COMPANIES ACT OR ANY PREVIOUS COMPANY LAW IN THE LAST THREE YEARS IMMEDIATELY PRECEDING THE YEAR OF CIRCULATION OF OFFER LETTER IN THE CASE OF COMPANY AND ALL OF ITS SUBSIDIARIES. ALSO IF THERE WERE ANY PROSECUTIONS FILED (WHETHER PENDING OR NOT) FINES IMPOSED, COMPOUNDING OF OFFENCES IN THE LAST THREE YEARS IMMEDIATELY PRECEDING THE YEAR OF THE OFFER LETTER AND IF SO, SECTION-WISE DETAILS THEREOF FOR THE COMPANY AND ALL OF ITS SUBSIDIARIES

There was no inspection / investigation initiated or conducted under the Companies Act in the last three years. However, in exercise of its powers conferred under Section 234 (1) of the Companies Act, 1956, the Registrar of Companies National Capital Territory of Delhi and Haryana (RoC), vide its letter no. ROC/TS/PFC/234(1)/4092 dtd. 24.07.2013, issued order seeking reply/ show cause on certain issues. In compliance vide our letter dated 30th August, 2013, a detailed reply has been furnished to the RoC. No further query/ communication in the matter have been received from the office of RoC.

I. DETAILS OF ACTS OF MATERIAL FRAUDS COMMITTED AGAINST THE COMPANY IN THE LAST THREE YEARS, IF ANY, AND IF SO, THE ACTION TAKEN BY THE COMPANY-

Nil

J.

XI. FINANCIAL POSITION OF THE COMPANY

A. THE CAPITAL STRUCTURE OF THE COMPANY AS ON 31ST MARCH 2014 IS PROVIDED BELOW-

Particulars	Rs. in Crore
SHARE CAPITAL	
(a) Authorized Share Capital	
200,00,00,000 Equity Shares of Rs. 10/- each	2000.00
(b) Issued, Subscribed and Paid-up	
132,00,40,704 Equity Shares of Rs. 10/- each	1320.04

B. SHARE PREMIUM ACCOUNT-

Particulars	Rs. in Crore
Share premium account before the issue (as on 31st Mar 14)	4096.37
Share premium account after the issue*	4096.37

**Since the present offer comprises of issue of non-convertible debt securities, it shall not affect the paid-up equity share capital or share premium account of the Company after the offer.*

C. CHANGES IN ITS CAPITAL STRUCTURE AS ON LAST QUARTER END, FOR THE LAST FIVE YEARS AS ON 31ST MARCH 2014:-

DATE OF ALLOTMENT	Increase in share capital (Rs)	Rs	Particulars
19.02.2007	1173167000	11477667000	Cumulative share capital after IPO allotment
24.05.2011	1721650050	13199317050	Cumulative share capital after FPO ALLOTMENT
08.08.2012	751780	13200068830	Cumulative share capital after ESOP ALLOTMENT
09.11.2012	56310	13200125140	Cumulative share capital after ESOP ALLOTMENT
11.02.2013	24970	13200150110	Cumulative share capital after ESOP ALLOTMENT
15.07.2013	218200	13200368310	Cumulative share capital after ESOP ALLOTMENT
08.11.2013	31410	13200399720	Cumulative share capital after ESOP ALLOTMENT
27.03.2014	7320	13200407040	Cumulative share capital after ESOP ALLOTMENT

Date of Allotment	No. of Equity Shares	Face Value (Rs)	Issue Price (RS)	Consideration (Cash, other than cash, etc.)	Nature of Allotment	Cumulative		
						No. of equity shares	Equity Share Capital (Rs)	Equity Security Premium (In Rs)
Information prior to last 5 years from last quarter ended					PROMOTER (Gol)	1030450000	10304500000	

19.02.2007	117316700	10	85	CASH	IPO ALLOTMENT	1147766700	11477667000	
24.05.2011	172165005	10	203	CASH	FPO ALLOTMENT	1319931705	13199317050	40926714456
08.08.2012	75178	10	186.05	CASH	ESOP ALLOTMENT	1320006883	13200068830	40939949543
09.11.2012	5631	10	186.05	CASH	ESOP ALLOTMENT	1320012514	13200125140	40940940881
11.02.2013	2497	10	186.05	CASH	ESOP ALLOTMENT	1320015011	13200150110	40941380478
15.07.2013	4255	10	186.05	CASH	ESOP ALLOTMENT	1320019266	13200192660	40942129571
15.07.2013	17565	10	170.75	CASH	ESOP ALLOTMENT	1320036831	13200368310	40944953145
08.11.2013	3141	10	170.75	CASH	ESOP ALLOTMENT	1320039972	13200399720	4094545806 1
27.03.2014	732	10	170.75	CASH	ESOP ALLOTMENT	1320040704	13200407040	4094557573 0

D. DETAILS OF EQUITY SHARES ALLOTTED FOR CONSIDERATIONS OTHER THAN CASH

Sl. No.	Date of Allotment	No. of Equity Shares allotted	Face Value of Equity Shares (inRs.)	Issue Price of Equity Shares (inRs.)	Consideration	Aggregate Paid-up value and share premium (Rs.in crore)
The Company has not made any allotment of equity shares for consideration other than cash in the last one year preceding the date of this Private Placement Offer Letter.						

E. CHANGES IN AUTHORISED CAPITAL OF THE ISSUER

Sl. No.	Date of change (AGM/EGM)	Particulars of change
There has been no change in the authorized capital of the Company as on date of this Private Placement Offer Letter, and during the last five years.		

F. DETAILS OF ANY ACQUISITION OR AMALGAMATION IN THE LAST 1 YEAR- Nil

G. DETAILS OF ANY REORGANIZATION OR RECONSTRUCTION IN THE LAST 1 YEAR:-

Type of Event	Date of Announcement	Date of Completion	Details
-----NIL-----			

H. DETAILS OF SHAREHOLDING OF THE COMPANY AS ON THE LATEST QUARTER END:-

1. Shareholding pattern of the company as on last quarter end as on 31st March 2014:-

Sr. no.	Particulars	TOTAL NUMBER OF SHARES	NO OF SHARES HELD IN DEMATERIALIZED FORM	TOTAL SHAREHOLDING AS A % OF TOTAL NO OF SHARES
(A)	PROMOTER AND PROMOTER GROUP			
(1)	INDIAN			
(a)	Individual /HUF			
(b)	Central Government/State Government(s)	960955589	960955589	72.80
(c)	Bodies Corporate			
(d)	Financial Institutions / Banks			
(e)	Others			
	Sub-Total A(1) :	960955589	960955589	72.80
(2)	FOREIGN			
(a)	Individuals (NRIs/Foreign Individuals)			
(b)	Bodies Corporate			
(c)	Institutions			
(d)	Qualified Foreign Investor			
(e)	Others			
	Sub-Total A(2) :			
	Total A=A(1)+A(2)	960955589	960955589	72.80

(B)	PUBLIC SHAREHOLDING			
(1)	INSTITUTIONS			
(a)	Mutual Funds /UTI	81631651	81631651	6.18
(b)	Financial Institutions /Banks	1044999	1044999	0.08
(c)	Central Government / State Government(s)			
(d)	Venture Capital Funds			
(e)	Insurance Companies	62675200	62675200	4.75
(f)	Foreign Institutional Investors	147507931	147507931	11.17
(g)	Foreign Venture Capital Investors			
(h)	Qualified Foreign Investor			
(i)	Others			

	Sub-Total B(1) :	292859781	292859781	22.19
(2)	NON-INSTITUTIONS			
(a)	Bodies Corporate	25128275	25128275	1.90
(b)	Individuals			
	(i) Individuals holding nominal share capital upto Rs.1 lakh	31127995	31113922	2.36
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	5724627	5724627	0.43
(c)	Qualified Foreign Investor			
(d)	Others			
	NON RESIDENT INDIANS	849264	849264	0.06
	TRUSTS	119665	119665	0.01
	CLEARING MEMBERS	3274768	3274768	0.25
	FOREIGN NATIONALS	740	740	0.00
	Sub-Total B(2) :	66225334	66211261	5.02
	Total B=B(1)+B(2) :	359085115	359071042	27.20
	Total (A+B) :	1320040704	1320026631	100.00
(C)	Shares held by custodians, against which Depository Receipts have been issued			
(1)	Promoter and Promoter Group			
(2)	Public			
	GRAND TOTAL (A+B+C) :	1320040704	1320026631	100.00

Note- The same information provided under clause 35 of listing agreement

2. Details of promoters of the company on the latest quarter end:-

Sr. no.	Name of Shareholders	Total no. of equity shares	No. of shares in demat form	Total shareholding as % of total no. of equity shares	No. of shares pledged	% of shares Pledged with respect to shares owned
1.	President of India Through MoP , Gol	960955589	960955589	72.80	NIL	N.A

3. List of top 10 holders of equity shares of the company as on the latest quarter end:-

S.No	Name of the Share holder	Total share holding	
		Total No.of Equity Shares	as % of Total No.of Equity Shares
1	PRESIDENT OF INDIA	960955589	72.80
2	LIFE INSURANCE CORPORATION OF INDIA	102899599	7.80
3	HDFC STANDARD LIFE INSURANCE COMPANY LIMITED	13334940	1.01
4	CPSE ETF	12106076	0.92
5	GOVERNMENT PENSION FUND GLOBAL	8795700	0.67
6	VANGUARD EMERGING MARKETS STOCK INDEX FUND, ASERIES OF VANGUARD INTERNATIONAL EQUITY INDE X FUND	5789904	0.44
7	ROBECO CAPITAL GROWTH FUNDS	5327252	0.40
8	MORGAN STANLEY ASIA (SINGAPORE) PTE.	5171302	0.39
9	CREDIT SUISSE (SINGAPORE) LIMITED	4826752	0.37
10	SANLAM UNIVERSAL FUNDS PLC	4105750	0.31
TOTAL:		1123312864	85.10

I. PROFITS OF THE COMPANY, BEFORE AND AFTER MAKING PROVISION FOR TAX, FOR THE THREE FINANCIAL YEARS IMMEDIATELY PRECEDING THE DATE OF CIRCULATION OF OFFER LETTER (ON CONSOLIDATED BASIS);

Rs. in crores

	Description	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012
I.	Profit Before Tax (VII-VIII)	7624.42	5993.52	4145.85
II.	Tax Expenses			
	(1) Current Tax			
	for current year	2098.03	1551.98	1085.96
	for earlier years	10.18	(128.08)	(2.77)
		2108.21	1423.90	1083.19
	(2) Deferred Tax liability(+) / Asset(-)	54.37	131.88	3.81
	Less(-)/Add(+): Provision for fringe benefit tax	0.00	0.00	0.00
III.	Profit (Loss) for the period from continuing operations (IX-X)	5461.84	4437.74	3058.85

J. DIVIDENDS DECLARED BY THE COMPANY IN RESPECT OF THE SAID THREE FINANCIAL YEARS; INTEREST COVERAGE RATIO FOR LAST THREE YEARS (ON CONSOLIDATED BASIS)

Particulars	FY 2013-14 Audited	FY 2012-13 Audited	FY 2011-12 Audited
Dividend declared on equity shares (%age)	90%*	70%	60%
Interest coverage ratio* *	1.58	1.55	1.49

*subject to approval by shareholders.

** (Earnings before;- depreciation, interest &tax / interest)

K. FINANCIAL RATIOS

Particulars	FY 2013-14	FY 2012-13	FY 2011-12
Current Ratio	1.08	1.12	1.25
Gross NPA (%)*	0.65%	0.71%	1.04%
Net NPA (%)	0.52%	0.63%	0.93%
Tier I Capital Adequacy Ratio (%)	16.42%	16.83%	15.38%
Tier II Capital Adequacy ratio (%)	3.68%	1.15%	0.91%

*on long term loans only.

L. A SUMMARY OF THE FINANCIAL POSITION OF THE COMPANY AS IN THE THREE AUDITED BALANCE SHEETS IMMEDIATELY PRECEDING THE DATE OF CIRCULATION OF OFFER LETTER (ON CONSOLIDATED BASIS)-

		Description	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012
I.	A	EQUITY & LIABILITIES			
		(1) Share Holders' Funds			
		(i) Share Capital	1320.04	1320.02	1319.93
		(ii) Reserves & Surplus	26202.23	22837.67	19473.02
			27522.27	24157.69	20792.95
		(2) Non-Current Liabilities			
		(i) Long Term Borrowing			
		Secured	22776.66	6636.67	5361.55
		Un-secured	119714.91	114514.19	90505.43
			142491.57	121150.86	95866.98
		(ii) Deferred Tax Liabilities (Net)	273.00	218.63	86.75
		(iii) Other Long Term Liabilities	347.62	539.81	550.64
		(iv) Long Term Provisions	473.19	162.35	41.98
		(3) Current Liabilities			
		(i) Current Maturity of Long term Borrowing (Unsecured)	15409.00	9612.08	10187.73
		(ii) Short -Term Borrowing			
		Secured	0.24	860.55	294.47
		Un-secured	1314.49	7959.22	3776.73
		(iii) Trade Payables	2.54	1.15	1.22
		(iv) Other Current Liabilities	6266.05	5067.76	3805.24
		(v) Short Term Provisions	219.74	195.50	276.98
			23212.60	23696.26	18342.37
		Total	194319.71	169925.60	135681.67
II	B	ASSETS			
		(1) Non-current Assets			
		(i) Fixed Assets			
		Tangible Assets	104.00	102.40	99.63
		Less: Accumulated Depreciation	34.85	31.24	27.29
			69.15	71.16	72.34
		Intangible Assets	7.80	7.89	6.88
		Less: Accumulated Amortization	5.35	4.10	2.61
			2.45	3.79	4.27
		Capital Works in Progress	0.66	0.00	0.45
		Non-Current Investments			
		(ii) Trade	12.00	12.00	12.00
		Others	11.60	40.55	11.00
		(iii) Long Term Loans			
		Secured	133839.83	107157.80	73480.17

Description				As at 31.03.2014	As at 31.03.2013	As at 31.03.2012
			Un-Secured	34976.36	35336.84	38536.75
		(iv)	Other Non Current Assets	168816.19	142494.64	112016.92
		(v)	Foreign Currency Monetary Item Translation Difference A/c	237.98	399.45	147.04
		(2)	Current Assets			
		(i)	Current Investments	3.83	3.83	3.83
		(ii)	Trade Receivables	7.04	6.37	4.05
		(iii)	Cash and Bank Balances	459.44	4957.47	2087.71
			Current Maturity of Long Term Loans			
		(iv)	Secured	15114.80	12318.01	9411.32
			Un-Secured	2928.95	3137.84	2465.71
			Short Term Loans			
		(v)	Secured	912.98	1,000.00	2,267.02
			Un-Secured	1483.20	1,416.11	3,910.85
			Other Assets	4259.44	3586.41	2751.75
				25169.68	26,426.04	22,902.24
			Total	194319.71	169925.60	135681.67

Note:-Figures for FY 2012-13 & 2011-12 is taken from balance sheet of respective years & hence have not been regrouped according to FY 2013-14

M. AUDITED CASH FLOW STATEMENT FOR THE THREE YEARS IMMEDIATELY PRECEDING THE DATE OF CIRCULATION OF OFFER LETTER (ON CONSOLIDATED BASIS):-

PARTICULARS		Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012
I.	Cash Flow from Operating Activities :-			
	Net Profit before Tax and Extraordinary items	7624.42	5993.52	4145.85
	ADD: Adjustments for			
	Loss on Sale of Assets (net)	0.08	0.03	0.02
	Depreciation / Amortisation	5.23	5.96	5.54
	Amortisation of Zero Coupon Bonds	102.74	26.18	24.48
	Foreign Exchange Loss/Gain	414.06	163.76	147.83
	Diminution in value of investments	(0.15)	(0.00)	(0.02)
	Provision for Contingencies	469.95	80.85	142.79
	Dividend / Interest and profit on sale of investment	(2.14)	(11.67)	(12.33)
	Provision for CSR Expenditure & Sustainable Expenditure	63.23	16.30	0.00
	Provision for interest under IT Act	5.22	4.07	4.90
	Provision for Retirement Benefits/Other Welfare Expenses/Wage revision	9.80	11.65	3.10
	Interest Received	(13.21)	(9.33)	(0.00)
	Interest Paid	0.01	0.02	0.01
	Operating profit before working Capital Changes:	8679.24	6281.34	4462.17
	Increase/Decrease :			
	Loans Disbursed (Net)	(28959.96)	(30256.10)	(30587.60)
	Other Current Assets	(966.67)	(1070.37)	(743.52)
	Foreign Currency Monetary Item Translation Difference A/c	(231.24)	37.44	(515.41)
	Liabilities and provisions	986.23	1437.64	970.89
	Cash flow before extraordinary items	(20492.40)	(23570.05)	(26413.47)
	Extraordinary items	0.00	0.00	0.00
	Cash Inflow/Outflow from operations before Tax	(20492.40)	(23570.05)	(26413.47)
	Income Tax paid	(2038.83)	(1564.97)	(1005.54)
	Income Tax Refund	57.97	5.56	388.21
	Net Cash flow from Operating Activities	(22473.26)	(25129.46)	(27030.80)
II.	Cash Flow From Investing Activities :			
	Sale / decrease of Fixed Assets	0.17	0.05	0.12
	Purchase of Fixed Assets	(2.81)	(4.38)	(7.71)
	Plant & Machinery (Lease Equalisation)	0.00	0.00	0.00
	Increase/decrease in Capital Works in Progress	0.00	0.45	1.83

PARTICULARS	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012
Investments in Subsidiaries	0.00	(0.25)	(0.08)
Interest Received	13.21	12.42	0.00
Dividend / Interest and profit on sale of investment	2.14	8.29	6.79
Other Investments	(3.51)	5.85	(36.49)
Net Cash Used in Investing Activities	(9.20)	(22.42)	(35.54)
III. Cash Flow From Financial Activities :			
Issue of Equity Shares	0.44	1.60	3413.73
Issue of Bonds	28575.45	31142.02	33165.07
Commercial paper (Net)	(3650.00)	5000.00	(4050.00)
Repayment of Loan Against Fixed Deposits (Net) - Including WCL	(3819.77)	(251.43)	1830.16
Raising of Long Term Loans	14464.00	1700.00	2200.00
Repayment of Long Term Loans	(8999.00)	(1239.50)	(3863.50)
Redemption of Bonds	(7431.91)	(9753.90)	(5406.66)
Raising of Foreign Currency Loans (Net)	67.27	2653.46	461.46
Interest Paid	0.00	0.00	(0.01)
Interest Subsidy Fund	(21.91)	(230.43)	(75.66)
Unclaimed Bonds (Net)	(0.17)	(0.56)	(1.25)
Payment of Final Dividend (including Corporate Dividend Tax) of Previous year	(154.43)	(153.41)	(230.11)
Payment of Interim Dividend (including Corporate Dividend Tax) of Current year	(1359.05)	(920.49)	(767.03)
Net Cash in-flow from Financing Activities	17670.92	27947.36	26676.20
Net Increase/Decrease in Cash & Cash Equivalents	(4793.14)	2840.32	(390.14)
Add : Cash & Cash Equivalents at beginning of the period	4855.97	2016.89	2379.04
Cash & Cash Equivalents at the end of the period	62.83	4857.21	1988.90
Details of Cash & Cash Equivalents at the end of the period:			
Cheques in hand, Imprest with Postal authority & Balances with Banks	61.58	170.57	23.58
Fixed Deposits with Scheduled Banks	1.25	4686.64	1965.32
	62.83	4857.21	1988.90

Note:-Figures for FY 2012-13 & 2011-12 is taken from balance sheet of respective years & hence have not been regrouped according to FY 2013-14

N. ANY CHANGE IN ACCOUNTING POLICIES DURING THE LAST THREE YEARS AND THEIR EFFECT ON THE PROFITS AND THE RESERVES OF THE COMPANY:-

There has been no major change in the accounting policies of the Issuer affecting its profits and the reserves during last three financial years except the following:-

Financial Year	Existing Policies	Revised Policies	Financial Impact
2013-14	6.6 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. Provision shall however be made @ 0.25% for all new standard assets created after 31.03.2013. This provision shall not be netted off from gross loan assets, but shall be shown separately in the balance sheet.	Standard assets (including for Hire Purchase & Lease assets):- as per RBI directions 2007 & subsequent amendments issued from time to time. Provision for standard assets* at 0.25% of o/s shall be made which shall not be reckoned for arriving at net NPAs. The provision towards std assets need not be netted from gross advances but shall be shown separately as 'contingent provision against std. assets' in the balance sheet.	An additional provision of Rs. 156.47 crore has been created in line with the revised prudential norms.
2011-12	Income under the head carbon credit, upfront fees, lead managers, 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.	Income under the head carbon credit is accounted for in the year in which it is received by the Company	Fee income for FY 2011-12 would have been lower by Rs. 0.23 crore ,as it pertains to FY 2010-11.
2011-12	Effect of changes in Foreign Exchange rate	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 AS-11 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 Rs. 515.41 crore 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 Rs. 352.53 crore (net of taxes).

O. DETAILS OF BORROWINGS OF THE COMPANY, AS ON THE LATEST QUARTER END

1. Details of Unsecured Loan Facilities Outstanding as on 31.03.2014

Lender's Name	Type of Facility	Amount Sanctioned	Principal Amount Outstanding	Repayment Date/ Schedule	Fixed /Floating
Allahabad Bank I	Rupee Term Loan	500	500	30-Mar-18	Base Rate
Andhra Bank	Rupee Term Loan	500	30	15-Dec-17	Base Rate
	Rupee Term Loan	1000	500	28-Apr-15	Base Rate
	Rupee Term Loan		310	1-May-15	Base Rate
Bank of Baroda	Rupee Term Loan	1000	250	29-Mar-18	Base Rate
	Rupee Term Loan		490	31-Mar-18	Base Rate
	Rupee Term Loan	1000	770	29-Mar-16	Base Rate
	Rupee Term Loan		230	30-Mar-16	Base Rate
	Rupee Term Loan	1000	65	30-Mar-17	Base Rate
	Rupee Term Loan		350	19-Mar-18	Base Rate
	Rupee Term Loan		300	20-Mar-18	Base Rate
	Rupee Term Loan		285	28-Mar-18	Base Rate
Bank of India	Rupee Term Loan	500	30	30-Mar-18	Base Rate
	Rupee Term Loan		470	20-Sep-18	Base Rate
	Rupee Term Loan	500	500	April 15,2015	Base Rate
	Rupee Term Loan	500	500	20-Sep-18	Base Rate
	Rupee Term Loan	1000	1000	14-Mar-18	Base Rate
	Rupee Term Loan	500	300	27-Mar-21	Base Rate
	Rupee Term Loan		200	28-Mar-21	Base Rate
Canara Bank	Rupee Term Loan	1650	105	30-Mar-20	Base Rate
	Rupee Term Loan	500	500	29-Mar-21	Base Rate+0.04%
	Rupee Term Loan	1000	453.38	28-Mar-19	Base Rate
	Rupee Term Loan		546.62	28-Mar-19	Base Rate
	Rupee Term Loan	500	500	16-Apr-15	Base Rate
	Rupee Term Loan	500	75	31-Aug-15	Base Rate
	Rupee Term Loan		425	31-Aug-15	Base Rate
	Rupee Term Loan	500	280	28-Mar-18	Base Rate
	Rupee Term Loan		220	29-Mar-18	Base Rate
Central Bank of India	Rupee Term Loan	500	30	15-Oct-15	Base Rate
Corporation Bank	Rupee Term Loan	1000	250	28-Jun-15	Base Rate
	Rupee Term Loan		750	29-Jun-15	Base Rate
Credit Suisse AG	Rupee Term Loan	150	150	14-May-14	Base Rate+0.45%

Dena Bank	Rupee Term Loan	500	275	21-Mar-18	Base Rate
	Rupee Term Loan		225	21-Mar-18	Base Rate
Federal Bank	Rupee Term Loan	300	300	2-Jul-14	Base Rate
HDFC Bank	Rupee Term Loan	500	250	September 24,2014	Base Rate+0.50%
	Rupee Term Loan	500	500	Repayment of Rs. 150 crore each at end of 3rd year & 4th year respectively and Rs. 200 crore at end of 5th year	Base Rate+0.23%
Indian Bank III	Rupee Term Loan	180	180	Repayment of Rs.60 crore each on 27/03/2015, 27/03/2016 & 27/03/2017	Base Rate
	Rupee Term Loan	500	500	12-Jul-15	Base Rate
	Rupee Term Loan	300	300	Repayment of Rs.100 crore each on 18/03/2020, 18/03/2021 & 18/03/2022	Base Rate
Jammu and Kashmir Bank	Rupee Term Loan	600	40	15-Oct-15	Base Rate
	Rupee Term Loan		560	15-Oct-15	Base Rate
Oriental Bank of Commerce	Rupee Term Loan	500	92	21-Mar-19	Base Rate
	Rupee Term Loan		92	21-Mar-20	Base Rate
	Rupee Term Loan		91	21-Mar-21	Base Rate
	Rupee Term Loan		225	Repayment of Rs.75 crore each on 29/03/2019, 29/03/2020 & 29/03/2021	Base Rate
Punjab National Bank	Rupee Term Loan	500	500	15-Apr-15	Base Rate
SIDBI	Rupee Term Loan	500	500	30-Apr-14	FIXED
State Bank of Bikaner And Jaipur	Rupee Term Loan	350	350	19-May-14	Base Rate
	Rupee Term Loan	400	400	29-Jun-15	Base Rate
State Bank of India	Rupee Term Loan	1000	500	Repayment of Rs.71.50 crore each every quarter for 6 quarters beginning from 25/09/2015 & Rs.71 crore on 25/03/2017	Base Rate+0.15%
	Rupee Term Loan		500	Repayment of Rs.71.50 crore each every quarter for 6 quarters beginning from	Base Rate+0.15%

				25/09/2015 & Rs.71 crore on 25/03/2017	
State Bank of Mysore	Rupee Term Loan	400	250	21-Mar-18	Base Rate
	Rupee Term Loan		150	28-Mar-18	Base Rate
Sumitomo Mitsui Banking Corporation	Rupee Term Loan	100	100	28-May-15	Base Rate+2.15%
Syndicate Bank	Rupee Term Loan	500	175	19-Mar-21	Base Rate
	Rupee Term Loan		150	20-Mar-20	Base Rate
	Rupee Term Loan		140	28-Mar-20	Base Rate
	Rupee Term Loan		35	30-Mar-19	Base Rate
	Rupee Term Loan	500	150	20-Mar-21	Base Rate
	Rupee Term Loan		140	28-Mar-21	Base Rate
	Rupee Term Loan		175	19-Mar-20	Base Rate
	Rupee Term Loan		35	30-Mar-20	Base Rate
UCO Bank	Rupee Term Loan	500	500	14-Mar-19	Base Rate
	Rupee Term Loan	500	500	18-Mar-19	Base Rate
Union Bank of India	Rupee Term Loan	175	15	30-Mar-18	Base Rate
	Rupee Term Loan		160	30-Sep-18	Base Rate
	Rupee Term Loan	900	180	20-Apr-16	Base Rate
	Rupee Term Loan		230	21-Apr-16	Base Rate
	Rupee Term Loan		110	24-Apr-16	Base Rate
	Rupee Term Loan		320	27-Apr-16	Base Rate
	Rupee Term Loan		60	28-Apr-16	Base Rate
Vijaya Bank	Rupee Term Loan	200	200	1-Oct-15	Base Rate
	Rupee Term Loan	700	700	31-Jul-17	Base Rate
	Rupee Term Loan	250	250	15-Dec-17	Base Rate
TOTAL			22470		

International Loans				
Kreditanstalt Fur Wiederaufbau (KFW- I & II)	Foreign Currency Loan	Deutsche Mark 4.65 crores*, divided into two equal sub-limits, namely, Portion I and Portion II.	For Portion I: Euro 8.06 million; For Portion II: Euro 0.88 million.	Portion I: payable in 60 instalments payable semi-annually from December 30, 2005. Portion II: repayable in eleven equal semi-annual installments commencing from December 30, 2010.
Asian Development Bank	Foreign Currency Loan	USD 150.00 million	USD 19.13 million	Each disbursement of this facility will be repaid in semi-annual installments payable on April 15 and October 15 of each year, the first installment payable on the eleventh interest payment date with respect to such disbursement.
Credit National) (on behalf of the Government of the Republic of France)	Foreign Currency Loan	FRF 17.28 crores**	Euro 11.92 million.	Each portion of this facility is repayable in 46 equal and successive half-yearly installments, 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	Foreign Currency Loan	USD 300.00 million	USD 300.00 million	Repayable in full, after 60 months from weighted average utilization date.
The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Corporate Bank Ltd. and Sumitomo Mitsui Banking Corporation.	Foreign Currency Loan	JPY equivalent of USD 240.00 million.	JPY 20,323.00 million.	Repayable in three equal installments, the first installment due on the date four years from the first utilization date.
	Foreign Currency Loan	JPY equivalent of USD 260.00 million.	JPY 21,320.00 million.	Repayable in two equal installments, the first installment due on the date four years from the first utilization date.
The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Mizuho Corporate Bank Ltd.	Foreign Currency Loan	USD 250.00 million	USD 250.00 million	Repayable in full, after three years from the utilization date.
Australian and New Zealand Banking Group Ltd., Bank of America N. A.	Foreign Currency Loan	USD 250.00 million	USD 250.00 million	Repayable in two equal installments, the first installment due on the date two years from the utilization date and the second such payment to be made on the Final Maturity date
US Private Placement (USPP)	Foreign Currency Loan	USD 180.00 million	USD 180.00 million	Maturity date - September 5, 2017

2. Unsecured taxable bonds issued by our Company:

(In `Crore)

Details of bonds	Amount Raised	Deemed date of allotment	Coupon rate and maturity and redemption	Amount outstanding (as of March 31,2014)
Bonds (2017) Series XIII	190.00	May 16, 2002 and May 24, 2002	<i>Coupon Rate:</i> 9.60% per annum <i>Maturity and Redemption:</i> At par at the end of 15 years from the deemed dates of allotment	190.00
Debenture (2017) Series XVII	250.00	October 3, 2002	<i>Coupon Rate:</i> 8.21% per annum <i>Maturity and Redemption:</i> Redeemable in 10 equal annual installments beginning from the date next to the expiry of the 6 th year after an initial moratorium period of 5 years from the date of allotment	50.00
Debenture (2017) Series XVIII	250.00	November 13, 2002	<i>Coupon Rate:</i> 7.87% per annum <i>Maturity and Redemption:</i> Redeemable in 10 equal annual installments beginning from the date next to the expiry of the sixth year after an initial moratorium period of 5 years from the date of allotment	75.00
Zero Coupon Bond (2022) Series XIX	157.96	December 30, 2002	<i>Coupon Rate:</i> Zero coupon bonds having face value of ` 0.10 million each, aggregating to ` 7500 million, allotted at a discounted aggregate amount of ` 1,579.58 million <i>Maturity and Redemption:</i> At par at the end of 20 years from the deemed date of allotment	318.54
Debenture (2014) Series XXIB	168.80	November 2, 2004	<i>Coupon Rate:</i> 7.00% per annum <i>Maturity and Redemption:</i> At par at the end of 10 years from the deemed date of allotment	51.90
Debenture Series XXV	1734.70	December 30, 2005	<i>Coupon Rate:</i> 7.60% per annum <i>Maturity and Redemption:</i> At par at the end of 10 years from the deemed date of allotment	1734.70
Debenture Series XXVI	1261.80	February 24, 2006	<i>Coupon Rate:</i> 7.95% per annum <i>Maturity and Redemption:</i> At par at the end of 10 years from the deemed date of allotment	1261.80
Debenture Series XXVII-A	1000.00	March 17, 2006	<i>Coupon Rate:</i> 8.20% per annum <i>Maturity and Redemption:</i> At par at the end of 10 years from the deemed date of allotment	1000.00
Debenture Series XXVIII	600.00	May 31, 2006	<i>Coupon Rate:</i> 8.85% per annum <i>Maturity and Redemption:</i> At	600.00

Details of bonds	Amount Raised	Deemed date of allotment	Coupon rate and maturity and redemption	Amount outstanding (as of March 31,2014)
			par at the end of 15 years from the deemed date of allotment	
Debenture Series XXIX - A	250.00	September 7, 2006	<i>Coupon Rate:</i> 8.80% per annum <i>Maturity and Redemption:</i> At par at the end of 10 years from the deemed date of allotment	250.00
Debenture Series XXXI-A	1451.20	December 15, 2006	<i>Coupon Rate:</i> 8.78% per annum <i>Maturity and Redemption:</i> At par at the end of 10 years from the deemed date of allotment	1451.20
Debenture Series XXXIII-B	561.50	March 22, 2007	<i>Coupon Rate:</i> 9.90% per annum <i>Maturity and Redemption:</i> At par at the end of 10 years from the deemed date of allotment	561.50
Debenture Series XXXIV	500.50	March 30, 2007	<i>Coupon Rate:</i> 9.90% per annum <i>Maturity and Redemption:</i> At par at the end of 10 years from the deemed date of allotment	500.50
Debenture Series XXXV	530.00	May 18, 2007	<i>Coupon Rate:</i> 9.96% per annum <i>Maturity and Redemption:</i> At par at the end of 10 years from the deemed date of allotment	530.00
Debenture Series XL-C	650.00	December 28, 2007	<i>Coupon Rate:</i> 9.28% per annum <i>Maturity and Redemption:</i> At par at the end of 10 years from the deemed date of allotment	650.00
Debentures Series XLVII-C	780.70	June 9, 2008	<i>Coupon Rate:</i> 9.68% per annum <i>Maturity and Redemption:</i> At par at the end of 10 years from the deemed date of allotment	780.70
Debenture Series XLVIII-C	259.70	July 15, 2008	<i>Coupon Rate:</i> 10.55% per annum <i>Maturity and Redemption:</i> At par at the end of 10 years from the deemed date of allotment	259.70
Debenture Series XLIX-B	428.60	August 11, 2008	<i>Coupon Rate:</i> 10.85% per annum <i>Maturity and Redemption:</i> At par at the end of 10 years from the deemed date of allotment	428.60
Debenture Series L-C	80.80	August 25, 2008	<i>Coupon Rate:</i> 10.70% per annum <i>Maturity and Redemption:</i> At par at the end of 7 years from the deemed date of allotment	80.80
Debenture Series LI-C	3024.40	September 15, 2008	<i>Coupon Rate:</i> 11.00% per annum <i>Maturity and Redemption:</i> At par at the end of 10 years from	3024.40

Details of bonds	Amount Raised	Deemed date of allotment	Coupon rate and maturity and redemption	Amount outstanding (as of March 31,2014)
			the deemed date of allotment	
Debenture Series LII-B	5.80	November 28, 2008	<i>Coupon Rate:</i> 11.30% per annum <i>Maturity and Redemption:</i> At par at the end of 7 years from the deemed date of allotment	5.80
Debenture Series LII-C	1950.60	November 28, 2008	<i>Coupon Rate:</i> 11.25% per annum <i>Maturity and Redemption:</i> At par at the end of 10 years from the deemed date of allotment	1950.60
Debenture Series LV-B	146.90	May 11, 2009	<i>Coupon Rate:</i> 7.50% per annum <i>Maturity and Redemption:</i> At par at the end of 5 years from the deemed date of allotment	146.90
Debenture Series LVI	525.00	July 9, 2009	<i>Coupon Rate:</i> 7.20% per annum <i>Maturity and Redemption:</i> At par at the end of 3 years from the deemed date of allotment	525.00
Debenture Series LVII-B	2599.50	August 7, 2009	<i>Coupon Rate:</i> 8.60% per annum <i>Maturity and Redemption:</i> At par in 3 equal annual installments. Each bond will comprise 3 detachable, separately transferable redeemable principal parts redeemable at par at the end of the 5th, 10th, 15 th year respectively from the deemed date of allotment	2599.50
Debenture Series LVIII-B	331.10	September 17, 2009	<i>Coupon Rate:</i> 8.45% per annum <i>Maturity and Redemption:</i> At par at the end of 5 years from the deemed date of allotment	331.10
Debenture Series LIX-A	288.20	October 15, 2009	<i>Coupon Rate:</i> 8.45% per annum <i>Maturity and Redemption:</i> At par at the end of 5 years from the deemed date of allotment	288.20
Debenture Series LIX-B	1216.60	October 15, 2009	<i>Coupon Rate:</i> 8.80% per annum <i>Maturity and Redemption:</i> At par at the end of 10 years from the deemed date of allotment	1216.60
Debenture Series LX-B	925.00	November 20, 2009	<i>Coupon Rate:</i> 1 year Indian Constant Maturity Treasury Benchmark Rate plus 179 basis points <i>Maturity and Redemption:</i> At par at the end of 10 years from the deemed date of allotment	925.00
Debenture Series LXI	1053.00	December 15, 2009	<i>Coupon Rate:</i> 8.50% per annum	1053.00

Details of bonds	Amount Raised	Deemed date of allotment	Coupon rate and maturity and redemption	Amount outstanding (as of March 31,2014)
			<i>Maturity and Redemption:</i> At par in 3 equal annual installments. Each bond will comprise 3 detachable, separately transferable redeemable principal parts redeemable at par at the end of the 5 th , 10 th , 15 th year respectively from the deemed date of allotment	
Debenture Series LXII A	845.40	January 15, 2010	<i>Coupon Rate:</i> 8.70% per annum <i>Maturity and Redemption:</i> At par at the end of 10 years from the deemed date of allotment	845.40
Debenture Series LXII B	1172.60	January 15, 2010	<i>Coupon Rate:</i> 8.80% per annum <i>Maturity and Redemption:</i> At par at the end of 15 years from the deemed date of allotment	1172.60
Debenture Series LXIII	552.00	March 15, 2010	<i>Coupon Rate:</i> 8.90% per annum <i>Maturity and Redemption:</i> At par in 3 equal annual installments. Each bond will comprise 3 detachable, separately transferable redeemable principal parts redeemable at par at the end of the 5 th , 10 th , 15 th year respectively from the deemed date of allotment	552.00
Debenture Series LXIV	1477.00	March 30, 2010	<i>Coupon Rate:</i> 8.95% per annum <i>Maturity and Redemption:</i> At par in 3 equal annual installments. Each bond will comprise 3 detachable, separately transferable redeemable principal parts redeemable at par at the end of the 5 th , 10 th , 15 th year respectively from the deemed date of allotment	1476.00
Debenture Series LXV	4012.50	May 14, 2010	<i>Coupon Rate:</i> 8.70% per annum <i>Maturity and Redemption:</i> At par in 3 equal annual installments. Each bond will comprise 3 detachable, separately transferable redeemable principal parts redeemable at par at the end of the 5 th , 10 th , 15 th year respectively from the deemed date of allotment	4012.50
Debenture Series LXVI-A	500.00	June 15, 2010	<i>Coupon Rate:</i> 8.65% per annum <i>Maturity and Redemption:</i> At par at the end of 10 years from	500.00

Details of bonds	Amount Raised	Deemed date of allotment	Coupon rate and maturity and redemption	Amount outstanding (as of March 31,2014)
			the deemed date of allotment	
Debenture Series LXXVI -B	1532.00	June 15, 2010	<i>Coupon Rate:</i> 8.75% per annum <i>Maturity and Redemption:</i> At par at the end of 15 years from the deemed date of allotment	1532.00
Debenture Series LXXVI -C	633.00	June 15, 2010	<i>Coupon Rate:</i> 8.85% per annum <i>Maturity and Redemption:</i> At par at the end of 20 years from the deemed date of allotment	633.00
Debenture Series LXXVII	1100.00	July 15, 2010	<i>Coupon Rate:</i> 7.10% per annum <i>Maturity and Redemption:</i> At par at the end of 2 years from the deemed date of allotment	1100.00
Debenture Series LXXVIII-A	147.00	August 4, 2010	<i>Coupon Rate:</i> 8.25% per annum <i>Maturity and Redemption:</i> At par on July 15, 2015	147.00
Debenture Series LXXVIII –B	1424.00	August 4, 2010	<i>Coupon Rate:</i> 8.70% per annum <i>Maturity and Redemption:</i> At par on July 15, 2020	1424.00
Debenture Series LXX	1549.00	November 15, 2010	<i>Coupon Rate:</i> 8.78% per annum <i>Maturity and Redemption:</i> At par at the end of 10 years from the deemed date of allotment	1549.00
Debenture Series LXXI	578.10	December 15, 2010	<i>Coupon Rate:</i> 9.05% per annum <i>Maturity and Redemption:</i> At par in 3 equal annual installments. Each bond will comprise 3 detachable, separately transferable redeemable principal parts redeemable at par at the end of 10 th , 15 th and 20 th year respectively from the deemed date of allotment	578.10
Debenture Series LXXII-A	144.00	January 14, 2011	<i>Coupon Rate:</i> 8.97% per annum <i>Maturity and Redemption:</i> At par at the end of 07 years from the deemed date of allotment	144.00
Debenture Series LXXII-B	1219.00	January 14, 2011	<i>Coupon Rate:</i> 8.99% per annum <i>Maturity and Redemption:</i> At par at the end of 10 years from the deemed date of allotment	1219.00
Debenture Series LXXIII	1000.00	April 15, 2011	<i>Coupon Rate:</i> 9.18% per annum <i>Maturity and Redemption:</i> At par at the end of 10 years from the deemed date of allotment	1000.00
Debenture Series LXXIV	1693.20	June 09 2011	<i>Coupon Rate:</i> 9.70% per annum <i>Maturity and Redemption:</i> At the end of 10 years from the	1693.20

Details of bonds	Amount Raised	Deemed date of allotment	Coupon rate and maturity and redemption	Amount outstanding (as of March 31,2014)
			<i>date of allotment.</i>	
Debenture Series LXXV-A	555.00	June 29 2011	<i>Coupon Rate: 9.64% per annum Maturity and Redemption: At the end of 3 years from the date of allotment</i>	555.00
Debenture Series LXXV-B	360.00	June 29 2011	<i>Coupon Rate: 9.62% per annum Maturity and Redemption: At the end of 5 years from the date of allotment</i>	360.00
Debenture Series LXXV-C	2084.70	June 29 2011	<i>Coupon Rate: 9.62% per annum Maturity and Redemption: At the end of 10 years from the date of allotment</i>	2084.70
Debenture Series LXXVI-A	2598.40	August 1 2011	<i>Coupon Rate: 9.36% per annum Maturity and Redemption: At the end of 10 years from the date of allotment</i>	2589.40
Debenture Series LXXVI-B	1105.00	August 1 2011	<i>Coupon Rate: 9.46% per annum Maturity and Redemption: At the end of 15 years from the date of allotment</i>	1105.00
Debenture Series 77-A	108.36	September 1,2011	<i>Coupon Rate: 9.41% per annum Maturity and Redemption: At the end of 5 years from the date of allotment</i>	108.36
Debenture Series 77-B	256.80	September 1,2011	<i>Coupon Rate: 9.45% per annum Maturity and Redemption: At the end of 15 years from the date of allotment</i>	256.80
Debenture Series 78-B	118.00	September 23,2011	<i>Coupon Rate: 9.44% per annum Maturity and Redemption: At the end of 10 years from the date of allotment with put and call option after end of 7th year</i>	118.00
Debenture Series 82-A	210.00	December 15,2011	<i>Coupon Rate: 9.63% per annum Maturity and Redemption: At the end of 3 years from the date of allotment</i>	210.00
Debenture Series 82-B	82.50	December 15,2011	<i>Coupon Rate: 9.64% per annum Maturity and Redemption: At the end of 5 years from the date of allotment</i>	82.50
Debenture Series 82-C	206.00	December 15,2011	<i>Coupon Rate: 9.70% per annum Maturity and Redemption: At the end of 7 years from the date of allotment</i>	206.00
Debenture Series 83	129.23	January 13,2012	<i>Coupon Rate: 9.55% per annum</i>	129.23

Details of bonds	Amount Raised	Deemed date of allotment	Coupon rate and maturity and redemption	Amount outstanding (as of March 31,2014)
			<i>Maturity and Redemption: At the end of 3 years from the date of allotment</i>	
Debenture Series 84	1521.20	February 17,2012	<i>Coupon Rate: 9.33% per annum Maturity and Redemption: At the end of 5 years from the date of allotment</i>	1521.20
Debenture Series 85-A	661.30	March 06 ,2012	<i>Coupon Rate: 9.51% per annum Maturity and Redemption: At the end of 3 years 40 days from the date of allotment</i>	661.30
Debenture Series 85-C	79.50	March 06 ,2012	<i>Coupon Rate: 9.30% per annum Maturity and Redemption: At the end of 8 years 40 days from the date of allotment</i>	79.50
Debenture Series 85-D	736.00	March 06 ,2012	<i>Coupon Rate: 9.26% per annum Maturity and Redemption: At the end of 11 years 40 days from the date of allotment</i>	736.00
Debenture Series 87-B	23.00	March 20 ,2012	<i>Coupon Rate: 9.72% per annum Maturity and Redemption At the end of 5 years with put & call option on completion of 2 years from the deemed date of allotment</i>	23.00
Debenture Series 87-C	217.00	March 20 ,2012	<i>Coupon Rate: 9.59% per annum Maturity and Redemption At the end of 5 years with put & call option on completion of 3 years from the deemed date of allotment</i>	217.00
Debenture Series 87-D	650.80	March 20 ,2012	<i>Coupon Rate: 9.42% per annum Maturity and Redemption At the end of 8 years from the deemed date of allotment</i>	650.80
Debenture Series 88-B	100.20	March 28,2012	<i>Coupon Rate: 9.66% per annum Maturity and Redemption At the end of 5 years & 18 days with put & call option on completion of 3 years & 18 days from the deemed date of allotment</i>	100.20
Debenture Series 88-C	184.70	March 28,2012	<i>Coupon Rate: 9.48% per annum Maturity and Redemption At the end of 10 years & 18 days from the deemed date of allotment</i>	184.70
Debenture Series 89-A	2595.00	May 02,2012	<i>Coupon Rate: 9.52% per annum Maturity and Redemption At the end of 5 years with put & call option on completion of 2 years from the deemed date of</i>	2595.00

Details of bonds	Amount Raised	Deemed date of allotment	Coupon rate and maturity and redemption	Amount outstanding (as of March 31,2014)
			<i>allotment</i>	
Debenture Series 89-B	2056.00	May 02,2012	<i>Coupon Rate: 9.46% per annum Maturity and Redemption At the end of 3 years from the deemed date of allotment</i>	2056.00
Debenture Series 90-A	552.90	June 01,2012	<i>Coupon Rate: 9.61% per annum Maturity and Redemption At the end of 5 years with put & call option on completion of 2 years from the deemed date of allotment</i>	552.90
Debenture Series 90-B	391.00	June 01,2012	<i>Coupon Rate: 9.41% per annum Maturity and Redemption At the end of 7 years with put & call option on completion of 5 years from the deemed date of allotment</i>	391.00
Debenture Series 91-A	107.50	June 29,2012	<i>Coupon Rate: 9.40% per annum Maturity and Redemption At the end of 5 years from the deemed date of allotment</i>	107.50
Debenture Series 91-B	2695.20	June 29,2012	<i>Coupon Rate: 9.39% per annum Maturity and Redemption At the end of 10 years with put & call option on completion of 7 years from the deemed date of allotment</i>	2695.20
Debenture Series 92-A	1530.00	August 21,2012	<i>Coupon Rate: 9.01% per annum Maturity and Redemption At the end of 5 years with put & call option on completion of 18 month from the deemed date of allotment</i>	50.00
Debenture Series 92-B	1930.00	August 21, 2012	<i>Coupon Rate: 9.27% per annum Maturity and Redemption At the end of 5 years from the deemed date of allotment</i>	1930.00
Debenture Series 92-C	640.00	August 21,2012	<i>Coupon Rate: 9.29% per annum Maturity and Redemption At the end of 10 years with put & call option on completion of 8 years from the deemed date of allotment</i>	640.00
Debenture Series 93-A	1788.00	October 15,2012	<i>Coupon Rate: 8.85% per annum Maturity and Redemption At the end of 2 years from the deemed date of allotment</i>	1788.00
Debenture Series 93-B	950.00	October 15,2012	<i>Coupon Rate: 8.91% per annum Maturity and Redemption At the end of 5 years from the deemed</i>	950.00

Details of bonds	Amount Raised	Deemed date of allotment	Coupon rate and maturity and redemption	Amount outstanding (as of March 31,2014)
			<i>date of allotment</i>	
Debenture Series 96	1903.00	December 14,2012	<i>Coupon Rate: 8.90% per annum Maturity and Redemption At the end of 2 years from the deemed date of allotment</i>	1903.00
Debenture Series 97	1000.00	January 15,2013	<i>Coupon Rate: 8.75% per annum Maturity and Redemption At the end of 5 years with put & call option on completion of 2 years from the deemed date of allotment</i>	1000.00
Debenture Series 98-A	324.00	February 08,2013	<i>Coupon Rate: 8.72% per annum Maturity and Redemption At the end of 4 years from the deemed date of allotment</i>	324.00
Debenture Series 98-B	324.00	February 08,2013	<i>Coupon Rate: 8.72% per annum Maturity and Redemption At the end of 5 years from the deemed date of allotment</i>	324.00
Debenture Series 98-C	324.00	February 08,2013	<i>Coupon Rate: 8.72% per annum Maturity and Redemption At the end of 6 years from the deemed date of allotment</i>	324.00
Debenture Series 99-A	2.00	February 20,2013	<i>Coupon Rate: 8.77% per annum Maturity and Redemption At the end of 5 years from the deemed date of allotment</i>	2.00
Debenture Series 99-B	733.00	February 20,2013	<i>Coupon Rate: 8.82% per annum Maturity and Redemption At the end of 7 years from the deemed date of allotment</i>	733.00
Debenture Series 100-A	54.30	March 04,2013	<i>Coupon Rate: 8.86% per annum Maturity and Redemption At the end of 7 years from the deemed date of allotment</i>	54.30
Debenture Series 100-B	1310.00	March 04,2013	<i>Coupon Rate: 8.84% per annum Maturity and Redemption At the end of 10 years from the deemed date of allotment</i>	1310.00
Debenture Series 101-A	3201.00	March 11,2013	<i>Coupon Rate: 8.95% per annum Maturity and Redemption At the end of 5 years from the deemed date of allotment</i>	3201.00
Debenture Series 101-B	1370.00	March 11,2013	<i>Coupon Rate: 9.00% per annum Maturity and Redemption At the end of 15 years from the deemed date of allotment</i>	1370.00
Debenture Series 102-A(I)	403.00	March 18,2013	<i>Coupon Rate: 8.90% per annum</i>	403.00

Details of bonds	Amount Raised	Deemed date of allotment	Coupon rate and maturity and redemption	Amount outstanding (as of March 31,2014)
			<i>Maturity and Redemption At the end of 5 years from the deemed date of allotment</i>	
Debenture Series 102-A(II)	403.00	March 18,2013	<i>Coupon Rate: 8.90% per annum Maturity and Redemption At the end of 10 years from the deemed date of allotment</i>	403.00
Debenture Series 102-A(III)	403.00	March 18,2013	<i>Coupon Rate: 8.90% per annum Maturity and Redemption At the end of 15 years from the deemed date of allotment</i>	403.00
Debenture Series 102-B	70.00	March 18,2013	<i>Coupon Rate: 8.87% per annum Maturity and Redemption At the end of 10 years with put & call option after 7 years from the deemed date of allotment</i>	70.00
Debenture Series 103	2807.00	March 25,2013	<i>Coupon Rate: 8.94% per annum Maturity and Redemption At the end of 15 years from the deemed date of allotment</i>	2807.00
Debenture Series 104-A	4000.00	May 15,2013	<i>Coupon Rate: 8.35% per annum Maturity and Redemption At the end of 3 years from the deemed date of allotment</i>	4000.00
Debenture Series 104-B	351.00	March 25,2013	<i>Coupon Rate: 8.30% per annum Maturity and Redemption At the end of 5 years with put & call option after 2 years from the deemed date of allotment</i>	351.00
Debenture Series 105 (subordinated Tier II bonds)	800.00	June 14,2013	<i>Coupon Rate: 8.19% per annum Maturity and Redemption At the end of 10 years from the deemed date of allotment</i>	800.00
Debenture Series 106-A	1250.00	June 25,2013	<i>Coupon Rate: 8.94% per annum Maturity and Redemption At the end of 2 years from the deemed date of allotment</i>	1250.00
Debenture Series 106-B	3033.00	June 25,2013	<i>Coupon Rate: 8.94% per annum Maturity and Redemption At the end of 3 years from the deemed date of allotment</i>	3033.00
Debenture Series 111 (subordinated Tier II bonds)	1000.00	January 13,2014	<i>Coupon Rate: 9.65% per annum Maturity and Redemption At the end of 10 years from the deemed date of allotment</i>	1000.00
Debenture Series 114 (subordinated Tier II bonds)	2000.00	June 14,2013	<i>Coupon Rate: 9.70% per annum Maturity and Redemption At the end of 10 years from the deemed date of allotment</i>	2000.00

3.Secured taxable bonds issued by our Company:- (In `Crore)

Details of bonds	Amount Raised	Deemed date of allotment	Coupon rate and maturity and redemption	Amount outstanding (as of March 31 ,2014)
Debenture Series 108	1600.00	September 27,2013	<i>Coupon Rate: 9.80% per annum Maturity and Redemption At the end of 3 years from the deemed date of allotment</i>	1600.00
Debenture Series 109	4500.00	October 07,2013	<i>Coupon Rate: 9.81% per annum Maturity and Redemption At the end of 5 years from the deemed date of allotment</i>	4500.00
Debenture Series 110	1990.00	December 05,2013	<i>Coupon Rate: 9.58% per annum Maturity and Redemption At the end of 2 years from the deemed date of allotment</i>	1990.00
Debenture Series 112-A	270.00	January 31,2014	<i>Coupon Rate: 9.70% per annum Maturity and Redemption At the end of 5 years from the deemed date of allotment</i>	270.00
Debenture Series 112-B	270.00	January 31,2014	<i>Coupon Rate: 9.70% per annum Maturity and Redemption At the end of 6 years from the deemed date of allotment</i>	270.00
Debenture Series 112-C	270.00	January 31,2014	<i>Coupon Rate: 9.70% per annum Maturity and Redemption At the end of 7 years from the deemed date of allotment</i>	270.00
Debenture Series 113	2240.00	March 03,2014	<i>Coupon Rate: 9.69% per annum Maturity and Redemption At the end of 5 years from the deemed date of allotment</i>	2240.00

4.Secured taxable Infrastructure bonds :-

(In `Crore)

Details of bonds	Amount Raised	Deemed date of allotment	Coupon rate and maturity and redemption	Amount outstanding (as of March 31 ,2014)
8.30% Long Term Infrastructure Bonds Series-I	66.836	31.03.2011	<i>Coupon Rate: 8.30% per annum Maturity and Redemption: On date, being the date falling ten years from the deemed date of allotment</i>	66.836
8.30% Long Term Infrastructure Bonds Series-II	139.667	31.03.2011	<i>Coupon Rate: 8.30% per annum Maturity and Redemption: On date, being the date falling ten years from the deemed date of allotment</i>	139.667

Details of bonds	Amount Raised	Deemed date of allotment	Coupon rate and maturity and redemption	Amount outstanding (as of March 31 ,2014)
8.50% Long Term Infrastructure Bonds Series-III	6.135	31.03.2011	<i>Coupon Rate: 8.50% per annum Maturity and Redemption: On date, being the date falling fifteen years from the deemed date of allotment</i>	6.135
8.50% Long Term Infrastructure Bonds Series-IV	22.722	31.03.2011	<i>Coupon Rate: 8.50% per annum Maturity and Redemption: On date, being the date falling fifteen years from the deemed date of allotment</i>	22.722
8.50% Long Term Infrastructure Bonds Series-I	32.4375	21.11.2011	<i>Coupon Rate: 8.50% per annum Maturity and Redemption: On date, being the date falling ten years from the deemed date of allotment</i>	32.4375
8.30% Long Term Infrastructure Bonds Series-II	51.151	21.11.2011	<i>Coupon Rate: 8.50% per annum Maturity and Redemption: On date, being the date falling ten years from the deemed date of allotment</i>	51.151
8.50% Long Term Infrastructure Bonds Series-III	3.2275	21.11.2011	<i>Coupon Rate: 8.75% per annum Maturity and Redemption: On date, being the date falling fifteen years from the deemed date of allotment</i>	3.2275
8.50% Long Term Infrastructure Bonds Series-IV	8.826	21.11.2011	<i>Coupon Rate: 8.75% per annum Maturity and Redemption: On date, being the date falling fifteen years from the deemed date of allotment</i>	8.826
8.43% Long Term Infrastructure Bonds Series-86-A	9.0435	30.03.2012	<i>Coupon Rate: 8.43% per annum(c.a.) Maturity and Redemption: On date, being the date falling ten years from the deemed date of allotment</i>	9.0435
8.43% Long Term Infrastructure Bonds Series-86-B	17.8105	30.03.2012	<i>Coupon Rate: 8.43% per annum Maturity and Redemption: On date, being the date falling ten years from the deemed date of allotment</i>	17.8105

Details of bonds	Amount Raised	Deemed date of allotment	Coupon rate and maturity and redemption	Amount outstanding (as of March 31 ,2014)
8.72% Long Term Infrastructure Bonds Series-86-C	0.9450	30.03.2012	<i>Coupon Rate: 8.72% per annum(c.a.) Maturity and Redemption: On date, being the date falling fifteen years from the deemed date of allotment</i>	0.9450
8.72% Long Term Infrastructure Bonds Series-86-D	2.7515	30.03.2012	<i>Coupon Rate: 8.72% per annum Maturity and Redemption: On date, being the date falling fifteen years from the deemed date of allotment</i>	2.7515

5. Secured tax free bonds :-

(In `Crore)

Details of bonds	Amount Raised	Deemed date of allotment	Coupon rate and maturity and redemption	Amount outstanding (as of March 31, 2014)
Debenture Series 79-A	205.53	October 15,2011	Secured Tax Free Bonds <i>Coupon Rate: 7.51% per annum Maturity and Redemption: At the end of 10 years from the date of allotment</i>	205.53
Debenture Series 79-B	217.69	October 15,2011	Secured Tax Free Bonds <i>Coupon Rate: 7.75% per annum Maturity and Redemption: At the end of 15 years from the date of allotment</i>	217.69
Debenture Series 80-A	334.31	November 25,2011	Secured Tax Free Bonds <i>Coupon Rate: 8.09% per annum Maturity and Redemption: At the end of 10 years from the date of allotment</i>	334.31
Debenture Series 80-B	209.34	November 25,2011	Secured Tax Free Bonds <i>Coupon Rate: 8.16% per annum Maturity and Redemption: At the end of 15 years from the date of allotment</i>	209.34
Public Issue of Tax Free Bonds Series –I	2802.01	February 01,2012	Secured Tax Free Bonds <i>Coupon Rate: 8.20% per annum Maturity and Redemption: At the end of 10 years from the date of allotment</i>	2802.01

Details of bonds	Amount Raised	Deemed date of allotment	Coupon rate and maturity and redemption	Amount outstanding (as of March 31, 2014)
Public Issue of Tax Free Bonds Series –II	1231.12	February 01,2012	Secured Tax Free Bonds Coupon Rate: 8.30% per annum Maturity and Redemption: At the end of 15 years from the date of allotment	1231.12
Debenture Series 94-A	255.00	November 22,2012	Secured Tax Free Bonds Coupon Rate: 7.21% per annum Maturity and Redemption: At the end of 10 years from the date of allotment	255.00
Debenture Series 94-B	25.00	November 22,2012	Secured Tax Free Bonds Coupon Rate: 7.38% per annum Maturity and Redemption: At the end of 15 years from the date of allotment	25.00
Debenture Series 95-A	30.00	November 22,2012	Secured Tax Free Bonds Coupon Rate: 7.22% per annum Maturity and Redemption: At the end of 10 years from the date of allotment	30.00
Debenture Series 95-B	100.00	November 22,2012	Secured Tax Free Bonds Coupon Rate: 7.38% per annum Maturity and Redemption: At the end of 15 years from the date of allotment	100.00
Public Issue of tax free bond FY 2012-13 Tranche-I Series I	342.7490	January 04,2013	Secured Tax Free Bonds Coupon Rate: 7.19% per annum for non-retail investors 7.69% for retail investors Maturity and Redemption: At the end of 10 years from the date of allotment	342.7490
Public Issue of tax free bond FY 2012-13 Tranche-I Series II	356.9978	January 04,2013	Secured Tax Free Bonds Coupon Rate: 7.36% per annum for non-retail investors 7.86% for retail investors Maturity and Redemption: At the end of 15 years from the date of allotment	356.9978
Public Issue of tax free bond FY 2012-13 Tranche-II Series I	96.1594	March 28,2013	Secured Tax Free Bonds Coupon Rate: 6.88% per annum for non-retail investors 7.38% for retail investors Maturity and Redemption: At the end of 10 years from the date of allotment	96.1594

Details of bonds	Amount Raised	Deemed date of allotment	Coupon rate and maturity and redemption	Amount outstanding (as of March 31, 2014)
Public Issue of tax free bond FY 2012-13 Tranche-II Series II	69.2086	March 28,2013	Secured Tax Free Bonds Coupon Rate: 7.04% per annum for non-retail investors 7.54% for retail investors Maturity and Redemption: At the end of 15 years from the date of allotment	69.2086
Debenture Series 107-A	113.00	August 30,2013	Secured Tax Free Bonds Coupon Rate: 8.01% per annum Maturity and Redemption: At the end of 10 years from the date of allotment	113.00
Debenture Series 107-B	1011.10	August 30,2013	Secured Tax Free Bonds Coupon Rate: 8.46% per annum Maturity and Redemption: At the end of 15 years from the date of allotment	1011.10
8.18% Secured Tax Free Redeemable Non-Convertible Bonds. Series 1a	325.0762	November 16,2013	Secured Tax Free Bonds Coupon rate : 8.18% per annum Maturity and Redemption: 10 years from Deemed Date of Allotment	325.0762
8.54% Secured Tax Free Redeemable Non-Convertible Bonds. Series 2a	932.6984	November 16,2013	Secured Tax Free Bonds Coupon rate : 8.54% per annum Maturity and Redemption: 15 years from Deemed Date of Allotment	932.6984
8.67% Secured Tax Free Redeemable Non-Convertible Bonds. Series 3a	1,067.3804	November 16,2013	Secured Tax Free Bonds Coupon rate : 8.67% per annum Maturity and Redemption: 20 years from Deemed Date of Allotment	1,067.3804
8.43% Secured Tax Free Redeemable Non-Convertible Bonds. Series 1b	335.4678	November 16,2013	Secured Tax Free Bonds Coupon rate : 8.43% per annum Maturity and Redemption: 10 years from Deemed Date of Allotment	335.4678

6. DETAILS OF COMMERCIAL PAPER:- The total Face value of commercial paper outstanding as on last quarter end and its breakup:-(In `Crore)

Maturity Date	Amount outstanding (as of March 31, 2014)
15-July-2014	1250.00
15-April-2014	100.00

7. Details of any outstanding borrowings taken/ debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option.-*Nil*

8. Highest Ten Holders of each class or kind of securities (As on 31.03.2014)

S.No	Name of the Bank/FI	Term Loans (Rs. In Crore)
1	CANARA BANK-MUMBAI	3105.00
2	BANK OF INDIA	3000.00
3	BANK OF BARODA	2740.00
3	VIJAYA BANK	1150.00
4	UNION BANK OF INDIA	1075.00
6	STATE BANK OF INDIA	1000.00
7	CORPORATION BANK	1000.00
8	UCO BANK	1000.00
9	SYNDICATE BANK	1000.00
10	INDIAN BANK	980.00

S No.	Name of the Bank/FI	Debentures (in RsCrore)
1	LIFE INSURANCE CORPORATION OF INDIA	10968.30
2	LIFE INSURANCE CORPORATION OF INDIA P & GS FUND	8304.80
3	STATE BANK OF INDIA	3180.20
4	PUNJAB NATIONAL BANK	2357.80
5	UNION BANK OF INDIA	720.00
6	THE HONGKONG AND SHANGHAI BANKING CORP.LTD.	610.00
7	THE NEW INDIA ASSURANCE COMPANY LIMITED	609.00
8	BANK OF INDIA	590.00
9	ALLAHABAD BANK	510.84
10	GENERAL INSURANCE CORPORATION OF INDIA	438.00

P. DETAILS OF DEFAULT, IF ANY, INCLUDING THEREIN THE AMOUNT INVOLVED, DURATION OF DEFAULT AND PRESENT STATUS, IN REPAYMENT OF/ STATUTORY DUES/ DEBENTURES AND INTEREST THEREON/DEPOSITS AND INTEREST THEREON, LOAN FROM ANY BANK OR FINANCIAL INSTITUTION AND INTEREST

THEREON AND OTHER FINANCIAL INDEBTEDNESS INCLUDING CORPORATE GUARANTEE ISSUED BY THE COMPANY, IN THE PAST 5 YEARS .

The Issuer has not defaulted on payment of any kind of dues as stated above.

Q. THE AMOUNT OF CORPORATE GUARANTEE ISSUED BY THE ISSUER ALONG WITH NAME OF THE COUNTERPARTY (LIKE NAME OF THE SUBSIDIARY JV ENTITY, GROUP COMPANY ETC) ON BEHALF OF WHOM IT HAS BEEN ISSUED IS AS FOLLOWS (AS ON 31.03.2014):-

the company has not issued any corporate guarantee no behalf of any subsidiaries / JVs . However, the following guarantees have been issued as a part of business operation:-

Entity Name	Amount of Guarantee issued by PFC
Jai Prakash Hydro Power Ltd	US \$ 4.14 million
Shree Maheshwar Hydro Power Corp. Ltd.	Rs. 299.20 crores

R. ANY MATERIAL EVENT/ DEVELOPMENT OR CHANGE HAVING IMPLICATIONS ON THE FINANCIALS/CREDIT QUALITY (E.G. ANY MATERIAL REGULATORY PROCEEDINGS AGAINST THE ISSUER/PROMOTERS, TAX LITIGATION RESULTING IN MATERIAL LIABILITIES ,CORPORATE RESTRUCTURING, EVENT ETCS)AT THE TIME OF ISSUE WHICH MAY AFFECT THE ISSUE OR THE INVESTOR'S DECISION TO INVEST / CONTINUE TO INVEST IN THE DEBT SECURITIES.

RBI exempted PFC from application of RBI's Prudential Norms. PFC has, however, framed its own prudential norms approved by its Board of Directors and the administrative ministry – Ministry of Power, Government of India. In July 2013, RBI has stated that PFC may take steps to comply with RBI Prudential Norms by 31.03.2016. However, for Restructuring / Reschedulement / Renegotiation (R/R/R of loans) and Credit Concentration Norms (for Government owned entities), RBI has stated that it would revert later. In April 2014, RBI has granted exemption to PFC in respect of exposure to Government owned entities till 31.03.2016 and directed PFC to follow the RBI norms for Restructuring of loans issued by them on 23.01.2013 for NBFCs.

Keeping in view the issues involved, PFC proposed to RBI an implementation strategy for applying RBI restructuring norms. RBI vide its letter dated 11.06.2014, has exempted PFC from application of its restructuring norms for Transmission & Distribution, Renovation & Modernization and Life Extension projects and also the hydro projects in Himalayan region or affected by natural disasters for a period of 3 years i.e. till 31.03.2017.

Further, for new project loans to generating companies and restructured w.e.f. 01.04.2015, and for stock of outstanding loans as on 31.03.2015 to all generating companies, the provisioning requirement shall be as per RBI restructuring norms.

DECLARATION

The Company undertakes that this Private Placement Offer Letter contains full disclosures in accordance with Form PAS-4 prescribed under Section 42 and Rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014 and other provisions of the Companies Act, 2013, Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide circular no. LAD-NRO/GN/2008/13/127878 dated June 06, 2008, as amended, Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 issued vide circular no. LAD-NRO/GN/2012-13/19/5392 dated October 12, 2012, as amended and Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2014 issued vide circular no. LAD-NRO/GN/2013-14/43/207 dated January 31, 2014, as amended.

The Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder. It is to be distinctly understood that compliance with the Companies Act, 2013 and the rules does not imply that payment of dividend or repayment of redemption amount, is guaranteed by the Government of India.

The Company undertakes that the monies received under the Issue shall be utilized only for the purposes and 'Objects of the Issue' indicated in the Private Placement Offer letter. The Issuer accepts no responsibility for the statements made otherwise than in the Private Placement Offer Letter or in any other material issued by or at the instance of the Issuer and that any one relying on such information from any other source would be doing so at his own risk.

The undersigned has been authorized by the Board of Directors of the Company vide resolution dated May27, 2014 to sign this Private Placement Offer Letter and declare that all the requirements of the Companies Act, 2013, Securities and Exchange Board Of India (Issue And Listing Of Debt Securities), Regulation ,2012 rules, regulations, guidelines and circulars issued there under in respect of the subject matter of this form and matters incidental thereto have been complied with.

Whatever is stated in this Private Placement Offer Letter and in the attachments thereto is true correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the Promoter subscribing to the Memorandum of Association and Articles of Association of the Company.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this Private Placement Offer Letter.

For and on behalf of the Board of Directors of
Power Finance Corporation Limited,


N.B. Gupta
General Manager (Finance)

Place: New Delhi

Date: July 04, 2014





Special Resolution(s) passed by shareholders on 20th June, 2014 through postal ballot

RAISING OF RESOURCES THROUGH PRIVATE PLACEMENT.

"RESOLVED THAT pursuant to the provisions of section 42 of The Companies Act, 2013 read with rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and any other applicable provisions of The Companies Act, 2013, the Board of Directors of the Company be and are hereby authorized to make offer(s) or invitation(s) to subscribe to the secured/unsecured, redeemable, non-convertible, taxable/tax-free, senior/subordinated bonds/debentures/debt securities ("Bonds") to the extent of Rs. 44,000 Crore in one or more tranches during the current Financial year ending on 31st March, 2015, through private placement in conformity with rules, regulations and enactments as applicable from time to time subject to the total borrowings of the company not exceeding the borrowing powers approved by the shareholders under Section 180(1) (c) of Companies Act 2013 and to do, from time to time, all such acts, deeds and things as may be deemed necessary in respect of issue of Bonds including but not limited to the face value, issue price, issue size, timing, amount, security, coupon/interest rate(s), yield, listing, allotment and other terms and conditions of issue Bonds as they may, in their absolute discretion, deem necessary."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to sub-delegate all or any of the above authorizations in favour of a Committee of its members subject to such conditions as they may deem fit."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do or cause to be done all such acts, deeds and other things as may be required or considered necessary or incidental thereto for giving effect to this resolution."

वृत्ते पावर फाइनेंस कॉर्पोरेशन लि.
For Power Finance Corporation Ltd.


(मनोहर बलवानी)
(MANOHAR BALWANI)
कंपनी सचिव / Company Secretary



पावर फाइनेंस कॉर्पोरेशन लिमिटेड POWER FINANCE CORPORATION LTD.

(भारत सरकार का उपक्रम)

(A Govt. of India Undertaking)

(आई.एस.ओ. 9001:2008 प्रमाणित)

(ISO 9001:2008 Certified)

Minutes of the Item number 321.5.8 of 321st Meeting of the Board of Directors of Power Finance Corporation Ltd. held on 1st July, 2014.

Item No.321.5.8

**Raising of Resources through Private Placement of bonds/ debentures
during FY 2014-15 – Delegation of Power.**

The proposal sought approval for authorization in favour of Chairman & Managing Director jointly with Director (Finance) and/ or Director (Projects) "(the committee)" to make an offer (s) or invitation (s) to subscribe to private placement of various securities and other incidental matters. It was noted that the Board of Directors in its 317th meeting held on 26.02.2014 had approved the total borrowing plan of Rs. 44,000 Crore through issue of Bonds/ ECB/ Short, medium, term loans/ CP during 2014-15. It was also noted that the Board of Directors in its 319th meeting held on 02.05.2014 accorded approval for seeking shareholders consent, pursuant to Section 42 of Companies Act, 2013, for raising resources to the extent of Rs. 44000 Crore through private placement of debt securities which has since been granted by the shareholders vide Special Resolution passed on 20.06.2014 through postal ballot.

Thereafter the proposal was unanimously approved by the Board by passing following resolution:-

“RESOLVED THAT the Chairman & Managing Director jointly with Director (Finance) and/ or Director (Project) "(the committee)" be and are hereby authorized to make an offer (s) or invitation (s) to subscribe to private placement of secured/ unsecured, redeemable, non-convertible, taxable/ tax free, senior/ subordinated bonds/ debentures/ debt securities ("Bonds") in India and/ or outside India to the extent of Rs. 44,000 crore in one or more tranches during the current Financial year ending on 31st March 2015 and to do all such acts, deeds and things as may be deemed necessary in this regard including but not limited to the face value, issue price, issue size, timing, amount, security, coupon/ interest rate, yield, listing, allotment and other terms and conditions as they may, in their absolute discretion deem necessary."

Thereafter, pursuant to Rule 3 (11) (a) of Companies (Meetings of Board and its Powers) Rules, 2014, CMD announced the summary of the above decision.

मनोहर बलवानी / MANOHAR BALWANI
कंपनी सचिव / Company Secretary (A 1117)
पावर फाइनेंस कॉर्पोरेशन लि. / P.F.C. Ltd.
"ऊर्जा निधि" 1, बाराखंबा लेन, कनॉट प्लेस,
"URJANIDHI" 1, Barakhamba Lane, Connaught Place,
नई दिल्ली-110001 / New Delhi- 110001
Email : mb@pfcindia.com

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

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

वेबसाइट / Website : www.pfcindia.com

CIN: L65910DL1986GOI024862