

NOTICE

Notice is hereby given that the Twenty Eighth Annual General Meeting of the members of Power Finance Corporation Ltd. will be held on Friday, the September 26, 2014 at 10:00 AM at Manekshaw Centre, Parade Road, Delhi Cantt., New Delhi-110010 to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2014, the Reports of the Board of Directors and Auditors thereon.
2. To confirm interim dividend and declare final dividend for the year 2013-14.
3. To appoint a Director in place of Shri A. K. Agarwal (DIN:01987101), who retires by rotation and being eligible, offers himself for re-appointment.
4. To fix the remuneration of the Statutory Auditors.

SPECIAL BUSINESS

5. To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolutions as Special Resolutions:

RESOLVED THAT pursuant to provisions of Section 14 and all other applicable provisions of Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

6. To raise funds upto ₹55,000 crore through issue of Bonds/Debentures/notes/debt securities on Private Placement basis and in this regard to consider and if thought fit, to pass, with or without modification(s), following resolutions as Special Resolutions:

RESOLVED THAT in modification of resolution passed through postal ballot on June 20, 2014 for raising of resources through Private Placement of Bonds / Debentures / notes / debt securities etc., the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committee of its members) be and is hereby authorized, pursuant to the provisions of Section 42 and other applicable provisions of the Companies Act, 2013 read with Rule 14 (2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and any other applicable statutory provisions (including any statutory modification or re-enactments thereof) to make offer(s) or invitation(s) to subscribe to the secured/ unsecured, redeemable, non-

convertible, taxable/tax-free, senior/subordinated bonds/debentures/notes/debt securities to the extent of ₹55,000 crore in one or more tranches / series through private placement, in India and/or outside India, during the period commencing from the date of passing of Special Resolution till completion of one year thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things as may be deemed necessary to give effect to private placement of such bonds/debentures/notes/debt securities including but not limited to determining the face value, issue price, issue size, tenor, timing, amount, security, coupon/interest rate, yield, listing, allotment and other terms and conditions of issue of Bonds as they may, in their absolute discretion, deem necessary.

By order of the Board of Directors



Manohar Balwani
Company Secretary

Registered office:

Urjanidhi, 1, Barakhamba Lane,
Connaught Place,
New Delhi- 110001
CIN: L65910DL1986GOI024882
Date : 25.08.2014

NOTES:-

1. A Member entitled to attend and vote at the Annual General Meeting ('Meeting') is entitled to appoint a proxy to attend and vote on a poll instead of himself and such proxy need not be a Member of the Company. The instrument appointing a proxy should, however, be deposited at the registered office of the Company, not less than forty-eight hours before the commencement of the Meeting. Blank proxy form is enclosed. Proxy so appointed shall not have any right to speak at the meeting.
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. Corporate Members are requested to send a duly certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote on their behalf at the Meeting.
4. Every member entitled to vote at a meeting of the company or on any resolution to be moved there at, shall be entitled during the period beginning twenty four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the



company, provided not less than three days' notice in writing of the intention to inspect is given to the company.

5. In compliance with provisions of Clause 35B of the Listing Agreement as well as Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company is offering E-voting facility to all the Shareholders of the Company in respect of items to be transacted at this Meeting. The user-id & password is mentioned at the bottom of the Attendance Slip/ email forwarded through the electronic notice. Instructions for e-voting are given hereunder. All members are requested to read those instructions carefully before casting their e-vote. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote electronically shall not be allowed to vote again at the Meeting. Members who have not voted electronically can cast their vote at the venue.

PROCEDURE AND INSTRUCTIONS FOR E-VOTING

A. In case of member receives an email from Karvy [applicable to members whose email IDs are registered with the Company / Depository Participant(s)]

- a. The said email contains your user ID and Password / PIN for e-voting. Please note that the password is an initial password mentioned in the Attendance Slip/ via email forwarded through the electronic notice
- b. Members of the Company holding shares either in physical form or in dematerialized form, as on cutoff date i.e. August 22, 2014 may cast their vote electronically.
- c. To use the following URL for e-voting: <https://evoting.karvy.com>

User – ID	For Members holding shares in Demat Form:- For NSDL :- 8 Character DP ID followed by 8 Digits Client ID For CDSL :- 16 digits beneficiary ID For Members holding shares in Physical Form:- Event no. followed by Folio Number registered with the Company
Password	Your Unique password is printed on the Attendance Slip/ via email forwarded through the electronic notice
Captcha	Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

- d. After entering these details appropriately, click on "LOGIN".
- e. Members holding shares in Demat/Physical form will now reach password change /Forgot Password menu wherein you are required to mandatorily change your login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower

case (a-z), one numeric value (0-9) and a special character (like *, #, @ etc) Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through Karvy Computershare Private Limited e-voting platform. System will prompt you to change your password and update any contact details like mobile #, email ID etc. on 1st login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- f. You need to login again with the new credentials.
- g. On successful login, system will prompt to select the 'Event'. (E-voting Event Number) Power Finance Corporation Limited (the number is provided in the Attendance Slip/via e-mail forwarded through the electronic notice). However, if you are already registered with Karvy for e-voting, you can use your existing User ID and Password for casting your vote.
- h. If you are holding shares in Demat form and had logged on to "https://evoting.karvy.com" and casted your vote earlier for any company, then your existing login id and password are to be used. On the voting page, you will see Resolution Description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If the shareholder do not wants to cast, select 'ABSTAIN'. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- i. Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each folios/demat accounts.
- j. Voting has to be done for each item of the Notice separately.
- k. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- l. Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- m. Institutional Shareholders (i.e., other than individuals, HUF, NRI etc.) are required to send the scanned copy (PDF format) of the relevant Board Resolution / Authority letter etc., together with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through email to s.pfcltd@gmail.com with copy to evoting@karvy.com.



- n. Please contact toll free No. 1-800-34-54-001 for any further clarifications.
- B. In case a member receives physical copy of the notice of AGM (applicable to members whose email IDs are not registered with the Company / Depository Participant(s) or are requesting physical copy)**
- Enter the login credential (please refer to the user id and initial password mentioned in the attendance slip of the AGM).
 - Please follow all steps from Sl.No (a) to (n) above, to cast vote.
 - The e-voting facility will be available during the following voting period:
- C. The e-voting period commences on September 20, 2014 at 10.00 am and will end at 6.00 pm on September 22, 2014. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of August 22, 2014, may cast their vote electronically. The e-voting module will be disabled on September 22, 2014 after 6.00 pm.**
- D. Other Instructions:**
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the downloads section of <https://evoting.karvy.com>.
 - If you are already registered with Karvy Computershare Pvt. Ltd. for e-voting then you can use your existing user ID and password/PIN for casting your vote.
 - You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communications.
 - Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote electronically shall not be allowed to vote again at the Meeting.
 - The voting rights of the Members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the cut-off date being August 22, 2014.
 - Ms. Archana Bansal, Practising Company Secretary has been appointed as a Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and will make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the meeting.
 - The Results on resolutions shall be declared at or after the Annual General Meeting of the Company and the resolutions will be deemed to be passed on the Annual General Meeting date subject to receipt of the requisite number of votes in favour of the Resolutions.
- ix. The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company (www.pfcindia.com) and on Karvy's website (<https://evoting.karvy.com>) within two (2) days of passing of the resolutions and shall also be communicated to BSE Limited and National Stock Exchange of India Limited.
- A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
 - As required by clause 49 of Listing Agreement, a brief profile of Shri A. K. Agarwal, Director retiring by rotation and seeking re-appointment under item no. 3 of the notice in accordance with applicable provisions of the Companies Act, 2013 is forming part of the notice.
 - Members are requested to:-
 - note that copies of Annual Report will not be distributed at the Annual General Meeting.
 - deliver duly completed and signed Attendance Slip at the entrance of the meeting venue as entry to the Auditorium will be strictly on the basis of the Entry Slip available at the counters at the venue to be exchanged with the Attendance Slip.
 - quote their Folio / Client ID & DP ID Nos. in all correspondence.
 - note that due to strict security reasons brief cases, eatables and other belongings are not allowed inside the auditorium.
 - note that no gifts/coupons will be distributed at the Annual General Meeting.
 - note that in case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
 - The Board of Directors in its meeting held on February 4, 2014 had declared an interim dividend @ 88% (₹8.80 per share) on the paid-up equity share capital of the company, which was paid on February 17, 2014. Members who have not received or not encashed their dividend warrants may approach Karvy Computershare Private Limited, Registrar & Share Transfer Agent of the Company, for revalidating the warrants or for obtaining duplicate warrants.
 - The Register of Members and Share Transfer Books of the Company will remain closed from September 12, 2014 to September 26, 2014 (both days inclusive). The final dividend on equity shares as recommended by the Board of Directors, subject to the provisions of the Companies Act, if approved by the members at the Annual General Meeting, will be paid on or after October 9, 2014 to the Members or their mandates whose names appear on the Company's Register of Members on September 26, 2014 in respect of physical shares. In respect of dematerialized shares, the dividend will be payable to the "beneficial owners" of the shares whose names appear in the Statement of Beneficial



Ownership furnished by National Securities Depository Limited and Central Depository Services (India) Limited at the close of business hours on September 11, 2014.

11. Pursuant to Section 205A read with Section 205C of the Companies Act, 1956, the dividend amounts which remain unpaid/unclaimed for a period of seven years, are required to be transferred to the Investors Education & Protection Fund of the Central Government. Therefore, Members are advised to encash their Dividend warrants immediately on receipt. The details of investors' (whose payment is due) are available on MCA website (Form 5 INV) as well as company's website so as to enable the investors to claim the same.
12. The Ministry of Corporate Affairs (MCA) has taken a "Green initiative in Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/documents including annual report can be sent by e-mail to the members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their email id, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold the shares in physical form are requested to get their e-mail id registered with Karvy Computershare Private Limited, Registrar & Share Transfer Agent (RTA) of the Company.
13. Members are advised to submit their Electronic Clearing System (ECS) mandates, to enable the Company to make remittance by means of ECS. Those holding shares in physical form may obtain and send the ECS Mandate Form to Karvy Computershare Private Limited, Registrar & Share Transfer Agent (RTA) of the Company. Those holding shares in Electronic Form may obtain and send the ECS Mandate Form directly to their Depository Participant (DP). Those who have already furnished the ECS Mandate Form to the Company/ RTA/DP with complete details need not send it again.
14. The shareholders holding shares in physical form and do not wish to opt for ECS facility may please mail their bankers' name, branch address and account number to Karvy Computershare Private Limited, Registrar & Share Transfer Agent of the Company to enable them to print these details on the dividend warrants.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/Karvy.
16. Members holding shares in multiple folios in physical mode are requested to apply for consolidation to the Company or our Registrar & Share Transfer Agent alongwith relevant Share Certificates.
17. Members are requested to send all correspondence concerning registration of transfers, transmissions, subdivision, consolidation of shares or any other shares related matter and/or change in address and bank account, to Company's Registrar & Share Transfer Agent.
18. The Members of the Company in the 27th Annual General Meeting held on September 26, 2013 authorized the Board of Directors to fix the remuneration of Statutory Auditors for the FY 2013-14. Accordingly, the Board of Directors fixed audit fee of ₹20,00,000/- for the Statutory Auditors for the FY 2013-14 in addition to applicable service tax and reimbursement of actual traveling and out-of-pocket expenses. Further, the Statutory Auditors of the Company for the FY 2014-15 have been appointed by C&AG of India, the members may authorize the Board of Directors to fix an appropriate remuneration of Auditors for the FY 2014-15 as may be deemed fit by the Board.
19. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to write to Karvy Computershare Private Limited, Registrar & Share Transfer Agent of the Company in the prescribed form. In case of shares held in dematerialized form, the nomination has to be lodged with the respective Depository Participant.
20. Member who hold shares in physical form are requested to notify immediately any change in their addresses to the Registrar and Share Transfer Agent of the Company and to their respective depository participants, in case shares are held in electronic mode.
21. Pursuant to the requirement under SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, the Board of Directors shall place before the shareholders, a certificate from the auditors of the company that the Employee Stock Option Scheme of the Company i.e. "PFC ESOP-2010" scheme has been implemented in accordance with these guidelines and in accordance with the resolution passed in the annual general meeting held on September 21, 2010.
22. Members desirous of getting any information on financial statements and any other business of this Meeting are requested to address their queries to Company Secretary of the Company at the registered office of the Company at least fifteen days prior to the date of the meeting, so that the information required can be made readily available at the meeting.
23. All relevant documents referred to in the accompanying notice and Statutory Registers are open for inspection at the registered office of the Company on all working days (barring Saturday and Sunday) between 11.00 a.m. to 1.00 p.m. prior to the Annual General Meeting.
24. The entire Annual Report is also available on the Company's website www.pfcindia.com.



STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 IN RESPECT OF SPECIAL BUSINESS SET OUT IN THE NOTICE.

The following statement sets out the material facts relating to the special business mentioned in Item No.5 and 6 of the accompanying Notice:

Item No. 5

The Companies Act, 2013 passed by the Parliament had received the assent of the President of India on August 29, 2013. The Companies Act, 2013 was notified in the Official Gazette on August 30, 2013.

The Act is now largely in force. On September 12, 2013, the Ministry of Corporate Affairs ("MCA") had notified 98 Sections for implementation. Subsequently, on March 26, 2014, MCA notified most of the remaining Sections (barring those provisions which require sanction / confirmation of the National Company Law Tribunal ("Tribunal") such as variation of rights of holders of different classes of shares (Section 48), reduction of share capital (Section 66), compromises, arrangements and amalgamations (Chapter XV), prevention of oppression and mismanagement (Chapter XVI), revival and rehabilitation of sick companies (Chapter XIX), winding up (Chapter XX) and certain other provisions including, inter alia, relating to Investor Education and Protection Fund (Section 125) and valuation by registered valuers (Section 247). However, substantive sections of the Companies Act, 2013 which deal with the general working of companies stand notified.

The extant Articles of Association (AoA) of the Company were last amended on February 3, 2006. The existing AoA are based on the Companies Act, 1956.

With the coming into force of the New Act several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

In terms of Section 14 of the Companies Act, 2013 the Company may by special resolution, alter its Articles. The new AoA to be substituted in place of the existing AoA are broadly based on Table 'F' of the Act which sets out the model articles of association for a Company limited by shares.

The proposed new draft AoA is being uploaded on the Company's website for perusal by the shareholders.

The Board recommends the Resolution for your approval as Special Resolution.

The Directors or Key Managerial Personnel or their relatives do not have any concern or interest, financial or otherwise, in passing of the said Special Resolution, except to the extent of their shareholding in the Company.

This resolution does not relate to or affects any other company.

Item No. 6

The Company is a notified public financial institution under Section 2(72) of the Companies Act, 2013 and a systemically important non-deposit taking Non Banking Financial Company classified as an Infrastructure Finance Company by the Reserve Bank of India. The Company is engaged in providing financial assistance to Power Utilities for meeting financing and development requirements of the power sector. To meet its fund requirement, PFC has been raising the funds by way of issuance of bonds, term loans from Banks/FIs and ECBs etc.

The main constituents of the Company's borrowings are generally in the form of Public / Private Placement of Long / Short Term Taxable bond / Tax free bond / Infrastructure Bonds / Zero Coupon Bonds/ Subordinated bond / other bonds, ECB by way of Syndicated Loan / Line of Credit, Long-term, Medium term and Short term loans (including commercial paper).

The provisions of section 42 of The Companies Act, 2013 read with rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 mandate the Company to seek approval of shareholders by means of a Special Resolution for raising funds through private placement of non-convertible debentures.

For FY 2014-15, the shareholders of the company have already granted approval, through postal ballot on June 20, 2014, to raise funds through private placement of non convertible debentures to the extent of ₹44,000 crore. However, for obtaining approval of shareholders to raise funds through private placement of non-convertible debentures beyond March, 2015, the company would have to either call an extraordinary general meeting or go for postal ballot. Thus, for operational convenience it is proposed to take an enabling approval of shareholders for raising funds through private placement of non-convertible debentures to the extent of ₹55,000 crore during the period of one year from the date of current AGM.

The Board recommends the Resolution for your approval as Special Resolution.

The Directors or Key Managerial Personnel or their relatives do not have any concern or interest, financial or otherwise, in passing of the said Special Resolution, except to the extent of their shareholding in the Company.

This resolution does not relate to or affects any other company.

All relevant documents referred to in the accompanying notice and Statutory Registers are open for inspection at the registered office of the Company on all working days (barring Saturday and Sunday) between 11.00 a.m. to 1.00 p.m. prior to the Annual General Meeting.

**BRIEF RESUME OF THE DIRECTOR SEEKING RE-APPOINTMENT AT 28th AGM**

Name	Shri A.K. Agarwal
Date of Birth and Age	08.12.1956/57years
Date of Appointment	13.07.2012
Qualification	BE(Elect) with Hons.
Expertise In Functional Areas	As Director (Projects), he is responsible for appraisal, sanction and disbursement of financing proposals in the state and private sectors, which include generation, transmission, distribution and renewable energy projects of the utilities and increasing focus on consortium lending & expanding PFC's business through funding of backward & forward linkages i.e. coal gas, oil & equipment manufacturing.
Directorship in other companies	<ul style="list-style-type: none">• PFC Consulting Limited• Coastal Karnataka Power Ltd.• Chattisgarh Surguja Power Ltd.• Orissa Intergrated Power Ltd.• Sakhigopal Intergrated Power Ltd.• Ghogarpali Intergrated Power Ltd.• Tatiya Andhra Mega Power Ltd.• PFC Green Energy Limited• PFC Capital Advisory Services Ltd.• Odisha Infra Power Ltd.
Chairman/Membership of committees* across all public companies	Power Finance Corporation Ltd. Member, Audit Committee Member, Stakeholders Relationship and Shareholders' / Investors' Grievance Committee of Directors
Number of shares held in the company	25859

* Does not include Chairmanship/Membership in Board Committees other than Audit Committee and Shareholders' Grievance Committee