



## POWER FINANCE CORPORATION LIMITED

(A Government of India undertaking)

Our Company was incorporated as Power Finance Corporation Limited, on July 16, 1986 as a public limited company under the erstwhile Companies Act, 1956 and was granted a certificate of incorporation by the Registrar of Companies, Delhi and Haryana and was granted a certificate of commencement of business dated December 31, 1987, with CIN L65910DL1986GOI024862. Our Company is a systemically important non-deposit taking non-banking financial company ("NBFC") registered with the Reserve Bank of India ("RBI") under section 45 IA of the RBI Act, 1934 bearing registration number 14.00004 dated February 10, 1998. On July 28, 2010, our Company was classified as an Infrastructure Finance Company ("IFC") vide registration certificate number B-14.00004. Our Company was also conferred with the 'Mini Ratna' (Category - I) status on September 15, 1998 and on June 22, 2007, our Company was notified as a Navratna company by the Government of India. Further, on October 12, 2021, our Company was conferred with Maharatna status by the GoI. For more information about our Company, please see "General Information" and "History and Main Objects" on pages 53 and 153, respectively.

**Registered Office and Corporate Office:** "Urjanidhi", 1, Barakhamba Lane, Connaught Place, New Delhi – 110 001

**Tel:** +91 11 2345 6000; **CIN:** L65910DL1986GOI024862; **PAN:** AAACP1570H; **Website:** www.pfcindia.com; **Email:** publicissu2324@pfcindia.com

**Company Secretary and Compliance Officer:** Mr. Manish Kumar Agarwal, Company Secretary; **Telephone:** +91 11 2345 6787; **Email:** mk\_agrawal@pfcindia.com

**Chief Financial Officer:** Ms. Parminder Chopra, Director Finance; **Tel:** +91 11 2345 6912; **Email:** directorfinance@pfcindia.com

**PUBLIC ISSUE BY POWER FINANCE CORPORATION LIMITED ("COMPANY" OR "ISSUER") OF UPTO 10,00,00,000 SECURED, RATED, LISTED, REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹ 1,000 EACH, ("NCDs"), AGGREGATING UPTO ₹ 10,000 CRORE ("SHELF LIMIT") ("ISSUE"). THE NCDs WILL BE ISSUED IN ONE OR MORE TRANCHE (EACH BEING A "TRANCHE ISSUE") UP TO THE SHELF LIMIT, ON TERMS AND CONDITIONS INCLUDING TRANCHE ISSUE SIZE AS SET OUT IN THE RELEVANT TRANCHE PROSPECTUS FOR ANY TRANCHE ISSUE (EACH "TRANCHE ISSUE") WHICH SHOULD BE READ TOGETHER WITH THIS DRAFT SHELF PROSPECTUS AND THE SHELF PROSPECTUS (COLLECTIVELY, THE "PROSPECTUS"). THE ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON - CONVERTIBLE SECURITIES) REGULATIONS, 2021, AS AMENDED (THE "SEBI NCS REGULATIONS"), THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER AS AMENDED (THE "COMPANIES ACT, 2013") TO THE EXTENT NOTIFIED AND THE SEBI OPERATIONAL CIRCULAR. THE ISSUE IS NOT UNDERWRITTEN.**

### OUR PROMOTER

The President of India, acting through and represented by Ministry of Power, Government of India. For further details of our Promoter please see "Our Promoter" on page 176.

### GENERAL RISKS

Investment in debt securities involves a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue, including the risks involved in it. Specific attention of the Investors is invited to the chapters "Risk Factors" and "Material Developments" on pages 19 and 466, respectively, before making an investment in such Issue. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the debt securities or investor's decision to purchase such securities. This Draft Shelf Prospectus has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India ("RBI"), any registrar of companies or any stock exchange in India nor do they guarantee the accuracy or adequacy of this document.

### COUPON RATE, COUPON PAYMENT FREQUENCY, REDEMPTION DATE, REDEMPTION AMOUNT AND ELIGIBLE INVESTORS

For details relating to Coupon Rate, Coupon Payment Frequency, Redemption Date, Redemption Amount and Eligible Investors of the NCDs, see "Issue Related Information" on page 543.

### CREDIT RATING

The NCDs proposed to be issued under the Issue have been rated 'CARE AAA; Stable' (Triple A; Outlook: Stable) by CARE Ratings Limited ("CARE") to the long term borrowing programme of our Company, for an amount up to ₹ 60,000 crore for Fiscal 2024, by its letter dated March 31, 2023 revaluated as on June 21, 2023; 'CRISIL AAA/Stable' by CRISIL Limited ("CRISIL") to the long term borrowing programme of our Company for an amount up to ₹ 60,000 crore for Fiscal 2024 vide its letter dated March 30, 2023, revaluated as on June 8, 2023; and '[ICRA AAA] (Stable) (pronounced ICRA triple A: Stable)' by ICRA Limited ("ICRA") to the long term borrowing programme of our Company (including bonds and long term bank borrowing) for an amount up to ₹ 60,000 crore for Fiscal 2024, by its letter dated March 28, 2023, revaluated as on June 22, 2023. Rating given by CARE, CRISIL and ICRA are valid as on the date of this Draft Shelf Prospectus. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. These ratings are subjected to a periodic review during which they may be raised, affirmed, lowered, withdrawn, or placed on Rating Watch at any time on the basis of factors such as new information. Each rating should be evaluated independently of any other rating. The Credit Rating Agencies' website will have the latest information on all its outstanding ratings. In case of any change in credit ratings till the listing of NCDs, our Company will inform the investors through public notices/ advertisements in all those newspapers in which pre issue advertisement has been given. For the rating letters (including revaluation letters), rationale and press release for these ratings, see "Annexure A" of this Draft Shelf Prospectus.

### LISTING

The NCDs offered through this Draft Shelf Prospectus and the relevant Tranche Prospectus(es) are proposed to be listed on BSE Limited ("BSE") ("Stock Exchange"). Our Company has received an 'in-principle' approval from BSE vide their letter no. [ ] dated [ ], 2023. BSE shall be the Designated Stock Exchange for the Issue.

### PUBLIC COMMENTS

This Draft Shelf Prospectus dated July 6, 2023 has been filed with BSE, pursuant to the provisions of the SEBI NCS Regulations and will be open for public comments for a period of seven Working Days from the date of filing of this Draft Shelf Prospectus with the Stock Exchange. All comments on this Draft Shelf Prospectus are to be forwarded to the attention of the Company Secretary and Compliance Officer of our Company. All comments must be received by our Company within seven Working Days of hosting this Draft Shelf Prospectus on the website of the Designated Stock Exchange. Comments by post, fax and e-mail shall be accepted, however please note that all comments by post must be received by our Company by 5:00 p.m. on the seventh Working Day from the date on which this Draft Shelf Prospectus is hosted on the website of the Designated Stock Exchange. All comments received on this Draft Shelf Prospectus will be suitably addressed prior to filing of the Shelf Prospectus with the RoC.

### LEAD MANAGERS TO THE ISSUE

### REGISTRAR TO THE ISSUE

|   |  |   |  |  |   |
|---|--|---|--|--|---|
| <p><b>JM Financial Limited</b><br/>7<sup>th</sup> Floor, Energy Appasaheb Marathe Marg Prabhadevi, Mumbai – 400 025 Maharashtra, India<br/><b>Tel:</b> +91 22 6630 3030<br/><b>Fax:</b> +91 22 6630 3330<br/><b>E-mail:</b> Pfc.bondissue2023@jmf.com<br/><b>Investor Grievance Email:</b> grievance.ibd@jmf.com<br/><b>Website:</b> www.jmf.com<br/><b>Contact Person:</b> Prachee Dhuri</p> | <p><b>A.K. Capital Services Limited</b><br/>603, 6<sup>th</sup> Floor, Windsor Off CST Road, Kalina Santacruz (East), Mumbai – 400 098 Maharashtra, India<br/><b>Tel:</b> +91 22 6754 6500<br/><b>Fax:</b> +91 22 6610 0594<br/><b>Email:</b> pfc.ncd2023@akgroup.co.in<br/><b>Investor Grievance Email:</b> investor.grievance@akgroup.co.in<br/><b>Website:</b> www.akgroup.co.in<br/><b>Contact person:</b> Saswat Mohanty / Chaitali Chopdekar</p> | <p><b>Nuvama Wealth Management Limited</b><br/>(formerly known as Edelweiss Securities Limited)<br/>8<sup>th</sup> Floor, Wing A, Building No 3 Inspire BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400 051<br/><b>Tel:</b> +91 22 4009 4400<br/><b>Fax:</b> NA<br/><b>Email:</b> Pfc.ncd@nuvama.com<br/><b>Investor Grievance Email:</b> Customerservice.mb@nuvama.com<br/><b>Website:</b> www.nuvama.com<br/><b>Contact Person:</b> Lokesh Singhi/ Saiil Dave</p> | <p><b>SMC Capitals Limited</b><br/>A 401/402, Lotus Corporate Park Jai Coach Junction Off Western Express Highway Goregaon (East), Mumbai – 400 063 Maharashtra, India<br/><b>Tel:</b> +91 22 66481818<br/><b>Fax:</b> +91 22 67341697<br/><b>Email:</b> pfcncd2023@smccapitals.com<br/><b>Investor Grievance Email:</b> investor.grievance@smccapitals.com<br/><b>Website:</b> www.smccapitals.com<br/><b>Contact person:</b> Aastha Khanna / Bhavin Shah</p> | <p><b>Trust Investment Advisors Private Limited</b><br/>109/110, Balarama, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 Maharashtra, India<br/><b>Tel:</b> +91 22 4084 5000<br/><b>Fax:</b> +91 22 4084 5066<br/><b>Email:</b> Projectsamridhi.Trust@trustgroup.in<br/><b>Investor Grievance Email:</b> customercare@trustgroup.in<br/><b>Website:</b> www.trustgroup.in<br/><b>Contact Person:</b> Sumit Singh</p> | <p><b>KFIN Technologies Limited</b><br/>Selenium Tower B Plot 31-32, Gachibowli Financial District Nanakramguda Serilingampally, Hyderabad Rangareddi – 500 032 Telangana, India<br/><b>Tel:</b> +91 40 6716 2222<br/><b>Fax:</b> +91 40 6716 1563<br/><b>Email:</b> pfc1.ncdipo@kfintech.com<br/><b>Website:</b> www.kfintech.com<br/><b>Contact Person:</b> M. Murali Krishna</p> |
|---|--|---|--|--|---|

### DEBENTURE TRUSTEE

### CREDIT RATING AGENCIES

### STATUTORY AUDITORS

|  |   |  |   |  |  |
|--|---|--|---|--|--|
| <p><b>Beacon Trusteeship Limited*</b><br/>4 C&amp;D, Siddhivinayak Chambers Gandhi Nagar, Opp. MIG Cricket Club Bandra (East), Mumbai – 400 051 Maharashtra, India<br/><b>Tel:</b> +91 22 26558759<br/><b>Email:</b> contract@beacontrustee.co.in<br/><b>Website:</b> www.beacontrustee.co.in<br/><b>Contact Person:</b> Kaustubh Kulkarni</p> | <p><b>CRISIL Ratings Limited</b><br/>CRISIL House, Central Avenue Hiranandani Business Park Powai, Mumbai – 400 076 Maharashtra, India<br/><b>Tel:</b> +91 22 3342 3000 (B)<br/><b>Email:</b> crisilratingdesk@crisil.com<br/><b>Website:</b> www.crisilratings.com<br/><b>Contact Person:</b> Ajit Velonic</p> | <p><b>CARE Ratings Limited</b><br/>4<sup>th</sup> Floor, Godrej Coliseum Somaia Hospital Road Off Eastern Express Highway, Sion (East), Mumbai – 400 022 Maharashtra, India<br/><b>Tel:</b> +91 22 67543456<br/><b>Email:</b> Neha.kadiyan@careedge.in<br/><b>Website:</b> www.careratings.com<br/><b>Contact Person:</b> Neha Kadiyan</p> | <p><b>ICRA Limited</b><br/>Electric Mansion, 3<sup>rd</sup> Floor Appasaheb Marathe Marg Prabhadevi, Mumbai – 400 025 Maharashtra, India<br/><b>Tel:</b> +91 22 6114 3406<br/><b>Email:</b> shivakumar@icraindia.com<br/><b>Website:</b> www.icra.in<br/><b>Contact Person:</b> L. Shivakumar</p> | <p><b>Dass Gupta &amp; Associates Chartered Accountants</b><br/>NDG Center, B-4 Gulmohar Park New Delhi – 110 049, India<br/><b>Tel:</b> +91 11 4611 1000<br/><b>Email:</b> admin@dassgupta.com<br/><b>Contact Person:</b> CA Naresh Kumar</p> | <p><b>Prem Gupta &amp; Company Chartered Accountants</b><br/>2342, Faiz Road Karol Bagh New Delhi – 110 005, India<br/><b>Tel:</b> +91 11 4507 0187<br/><b>Email:</b> office@pguptaco.com<br/><b>Contact Person:</b> CA Shakun Gupta</p> |
|--|---|--|---|--|--|

### ISSUE PROGRAMME\*\*

Issue opens on: As specified in the relevant Tranche Prospectus

Issue Closes on: As specified in the relevant Tranche Prospectus

\* Beacon Trusteeship Limited under regulation 8 of SEBI NCS Regulations has by its letter dated June 21, 2023 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in this Draft Shelf Prospectus, Shelf Prospectus, and relevant Tranche Prospectus and in all the subsequent periodical communications to be sent to the holders of the NCDs issued pursuant to the Issue.

\*\* The Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the period as indicated in the relevant Tranche Prospectus. Our Company may, in consultation with the Lead Managers, consider closing the relevant Tranche Issue on such earlier date or extended date (subject to a minimum period of three working days and a maximum period of 10 working days from the date of opening of the relevant tranche issue and subject to not exceeding thirty days from filing tranche prospectus with ROC including any extensions), as may be decided by the Board of Directors of our Company or Chairman and Managing Director on recommendation of Director (Finance), subject to relevant approvals, in accordance with Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in all the newspapers in which pre-issue advertisement for opening of this Issue has been given on or before such earlier or initial date of Issue closure. On the Issue Closing Date, the Application Forms will be accepted only between 10:00 a.m. and 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 p.m. (Indian Standard Time), on one Working Day post the Issue Closing Date. For further details please refer to the section titled "General Information" on page 53.

A copy of the Shelf Prospectus and relevant Tranche Prospectus shall be filed with the Registrar of Companies, Delhi and Haryana in terms of Section 26 and Section 31 of Companies Act, 2013, along with the endorsed/certified copies of all requisite documents. For further details, please see "Material Contracts and Documents for Inspection" on page 612.

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Draft Shelf Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning ascribed to such definitions and abbreviations set forth herein. References to any legislation, act, regulation, rules, guidelines, clarifications or policies shall be to such legislation, act, regulation, rules, guidelines, clarifications or policies as amended, supplemented or re-enacted from time to time until the date of this Draft Shelf Prospectus, and any reference to a statutory provision shall include any subordinate legislation notified from time to time pursuant to such provision.*

*The words and expressions used in this Draft Shelf Prospectus but not defined herein shall have, to the extent applicable, the same meaning ascribed to such words and expressions under the SEBI NCS Regulations, the Companies Act, 2013, the SCRA, the Depositories Act and the rules and regulations notified thereunder.*

#### General Terms

| Term  | Description   |
|---|---|
| “Issuer” or “PFC” or “our Company” or “the Company” | Power Finance Corporation Limited, a public limited company incorporated under the erstwhile Companies Act, 1956, having its CIN L65910DL1986GOI024862 and having its registered office and corporate office situated at “Urjanidhi”, 1, Barakhamba Lane, Connaught Place, New Delhi 110 001. |
| We/ us / our  | Unless the context otherwise indicates or implies, refers to our Company.   |
| “Promoter”  | The President of India acting through the Ministry of Power, Government of India  |

#### Company Related Terms

| Term   | Description   |
|--|---|
| “Articles” or “Articles of Association” or “AOA”                           | Articles of Association of our Company  |
| Audit Committee  | Audit committee of the Board of Directors of our Company, constituted in accordance with applicable laws and as reconstituted by board resolution dated July 18, 2022 by Board of Directors of the Company. |
| “Auditors” or “Statutory Auditors” or “Joint Statutory Auditors”           | The current joint statutory auditors of our Company, namely, M/s Prem Gupta & Company, Chartered Accountants and M/s Dass Gupta & Associates, Chartered Accountants.  |
| “Board” or “Board of Directors” or “our Board” or “our Board of Directors” | Board of Directors of our Company and includes any duly constituted committee thereof   |
| Corporate Social Responsibility Committee                                  | Corporate Social Responsibility committee constituted by our Board of Directors and re-constituted by our Board of Directors by board resolution dated July 18, 2022, in accordance with applicable laws.   |
| Committee  | A committee constituted by the Board, and as reconstituted from time to time.   |
| Committee of ED  | Committee of executive directors and head of units of related units headed by Director (Finance).   |
| Compliance Officer of the Company  | Mr. Manish Kumar Agarwal, Company Secretary   |
| Corporate Office   | “Urjanidhi”, 1, Barakhamba Lane, Connaught Place, New Delhi 110 001   |
| Directors  | Directors of our Company  |
| Equity Shares  | Equity shares of the Company of face value of ₹ 10 each   |
| ESOP(s)  | Employee stock options  |
| Gross Stage 3 book   | Also referred to as Gross NPA (post FLDG recovery)  |
| Gross Stage 3 (%)  | Also referred to as Gross NPAs (post FLDG recovery) to Gross Advances %   |
| Group Company(ies)   | Companies identified as group companies for the purpose of this Issue and as listed in the section “Our Group Companies” on page 177.   |
| Independent Director(s)  | The independent director(s) on our Board, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations                                   |
| IPDS   | Integrated Power Development Scheme.  |
| KMP / Key Managerial   | Key managerial personnel of our Company as disclosed in this Draft Shelf Prospectus   |

| <b>Term</b>  | <b>Description</b>   |
|--|--|
| Personnel  | and appointed in accordance with Section 203, as defined under Section 2(51) of the Companies Act, 2013  |
| “MoA” or “Memorandum” or “Memorandum of Association” | Memorandum of Association of our Company   |
| Net Stage 3 (%)                                      | Referred to as Net NPAs to Net Advances %  |
| Net Stage 3  | Referred to as Net NPA   |
| Nomination and Remuneration Committee                | Nomination and remuneration committee constituted by the Board of Directors and reconstituted by our Board of Directors by board resolution dated July 18, 2022, in accordance with applicable laws.   |
| Networth   | As defined in Section 2(57) of the Companies Act, 2013, as follows:<br><br><i>“Networth means the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet but does not include reserves created out of revaluation of assets, write back of depreciation and amalgamation.”</i>   |
| PFCCL  | PFC Consulting Limited   |
| PFCGEL   | PFC Green Energy Limited   |
| PPL  | PFC Project Limited  |
| PTC  | PTC India Limited  |
| R-APDRP  | Accelerated Power Development and Reforms Program  |
| Reformatted Financial Information                    | Reformatted Standalone Financial Information and Reformatted Consolidated Financial Information  |
| Reformatted Standalone Financial Information         | The reformatted standalone balance sheet of our Company as at March 31, 2023, March 31, 2022 and March 31, 2021 and the reformatted standalone statement of profit and loss for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 and the reformatted standalone statement of changes in equity for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 and the reformatted standalone statement of cash flows for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 and the related summary statement of significant accounting policies, as examined by our Statutory Auditors.<br><br>Our audited standalone financial statements as at and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 prepared as per IND-AS, form the basis for such reformatted Standalone Financial Information.             |
| Reformatted Consolidated Financial Information       | The reformatted consolidated balance sheet of our Company as at March 31, 2023, March 31, 2022 and March 31, 2021 and the reformatted consolidated statement of profit and loss for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 and the reformatted consolidated statement of changes in equity for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 and the reformatted consolidated statement of cash flows for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 and the related summary statement of significant accounting policies, as examined by our Statutory Auditors.<br><br>Our audited consolidated financial statements as at and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 prepared as per IND-AS, form the basis for such reformatted consolidated Financial Information. |
| Registered Office                                    | The registered office situated at “Urjanidhi”, 1, Barakhamba Lane, Connaught Place, New Delhi 110 001.   |
| Risk Management Committee                            | Risk Management Committee constituted by the Board of Directors and reconstituted by Board of Directors vide board resolution dated December 17, 2022, in accordance with applicable laws.   |
| RoC/ Registrar of Companies                          | Registrar of Companies, Delhi and Haryana.   |
| RTA Master Circular                                  | Securities and Exchange Board of India Master Circular for Registrars to an Issue and Share Transfer Agents’ dated May 17, 2023, bearing reference number SEBI/HO/MIRSD/POD-1/P/CIR/2023/70.   |
| SEBI Delisting Regulations                           | Securities and Exchange Board of India (Delisting of Equity Shares) Regulations,   |



| <b>Term</b>                          | <b>Description</b>   |
|--------------------------------------|--|
|                                      | 2021, as amended from time to time.  |
| Shareholders                         | The holders of the Equity Shares of the Company from time to time  |
| Stakeholders' Relationship Committee | Stakeholders' Relationship Committee as constituted by the Board of Directors by board resolution dated July 18, 2022, in accordance with applicable laws. |
| Subsidiaries                         | The subsidiaries of our Company namely, PFC Consulting Limited, REC Limited, REC Power Development & Consultancy Limited and PFC Projects Limited          |
| Total Borrowing(s)/ Total Debt       | Debt securities plus borrowings (other than debt securities)   |

### Issue Related Terms

| <b>Term</b>  | <b>Description</b>   |
|--|--|
| Abridged Prospectus                                      | A memorandum accompanying the application form for a public issue containing such salient features of the Shelf Prospectus and relevant Tranche Prospectus as specified by SEBI  |
| Acknowledgement Slip/ Transaction Registration Slip/ TRS | The slip or document issued by any of the Members of the Consortium, the SCSBs, or the Trading Members as the case may be, to an Applicant upon demand as proof of registration of his application for the NCDs.   |
| A.K. Capital   | A.K. Capital Services Limited.   |
| Allotment Advice   | The communication sent to the Allottees conveying the details of NCDs allotted to the Allottees in accordance with the Basis of Allotment  |
| "Allotment", "Allot" or Allotted                         | Unless the context otherwise requires, the issue and allotment of NCDs to the successful Applicants pursuant to the Issue  |
| Allottee(s)  | The successful Applicant to whom the NCDs are Allotted either in full or part, pursuant to the Issue   |
| "Applicant" or "Investor"                                | Any person who applies for issuance and Allotment of NCDs through ASBA process or through UPI Mechanism pursuant to the terms of this Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus, the Abridged Prospectus, and the Application Form for any Tranche Issue.  |
| "Application" or "ASBA Application"                      | An application (whether physical or electronic) to subscribe to the NCDs offered pursuant to the Issue by submission of a valid Application Form and authorising an SCSB to block the Application Amount in the ASBA Account or to block the Application Amount using the UPI Mechanism, where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by retail investors for an Application Amount of upto UPI Application Limit which will be considered as the application for Allotment in terms of the Shelf Prospectus and the relevant Tranche Prospectus. |
| Application Amount                                       | The aggregate value of the NCDs applied for, as indicated in the Application Form for the respective Tranche Issue   |
| Application Form / ASBA Form                             | Form in terms of which an Applicant shall make an offer to subscribe to NCDs through the ASBA process or through the UPI Mechanism and which will be considered as the Application for Allotment of NCDs in terms of Shelf Prospectus and the relevant Tranche Prospectus.   |
| ASBA Account   | An account maintained with a SCSB and specified in the Application Form which will be blocked by such SCSB to the extent of the Application Amount mentioned in the Application Form by an Applicant and will include a bank account of a retail individual investor linked with UPI, for retail individual investors submitting application value upto UPI Application Limit  |
| ASBA Applicant   | Any Applicant who applies for NCDs through the ASBA process  |
| Banker(s) to the Issue                                   | Collectively, Public Issue Account Bank, Refund Bank and Sponsor Bank as specified in the relevant tranche prospectus for each Tranche Issue   |
| Base Issue Size  | As specified in the relevant Tranche Prospectus for each Tranche Issue.  |
| Basis of Allotment                                       | The basis on which NCDs will be allotted to applicants, as specified in the relevant Tranche Prospectus for each Tranche Issue.  |
| Bidding Centres  | Centres at which the Designated Intermediaries shall accept the Application Forms, i.e., Designated Branches of SCSB, Specified Locations for Members of the Consortium, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs, and Designated CDP Locations for CDPs   |
| Broker Centres   | Broker centres notified by the Stock Exchange where Applicants can submit the  |

| Term   | Description   |
|--|---|
|  | ASBA Forms (including ASBA Forms under UPI in case of UPI Investors) to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Trading Members are available on the website of the Stock Exchange at <a href="http://www.bseindia.com">www.bseindia.com</a> .   |
| BSE  | BSE Limited.  |
| CARE   | CARE Ratings Limited (formerly known as Credit Analysis and Research Limited).  |
| Category I<br>(Institutional Investors)            | <ul style="list-style-type: none"> <li>• Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs;</li> <li>• Provident funds and pension funds each with a minimum corpus of ₹ 25 crores superannuation funds and gratuity funds, which are authorised to invest in the NCDs;</li> <li>• Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;</li> <li>• Resident Venture Capital Funds registered with SEBI;</li> <li>• Insurance companies registered with the IRDAI;</li> <li>• State industrial development corporations;</li> <li>• Insurance funds set up and managed by the army, navy, or air force of the Union of India;</li> <li>• Insurance funds set up and managed by the Department of Posts, the Union of India;</li> <li>• Systemically Important Non-Banking Financial Company registered with the RBI and having a net-worth of more than ₹ 500 crore as per the last audited financial statements;</li> <li>• National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and</li> <li>• Mutual funds registered with SEBI.</li> </ul> |
| Category II<br>(Non-Institutional Investors)       | <ul style="list-style-type: none"> <li>• Companies within the meaning of Section 2(20) of the Companies Act, 2013;</li> <li>• Statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs;</li> <li>• Co-operative banks and regional rural banks;</li> <li>• Trusts including public/private charitable/religious trusts which are authorised to invest in the NCDs;</li> <li>• Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;</li> <li>• Partnership firms in the name of the partners;</li> <li>• Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009);</li> <li>• Association of Persons; and</li> <li>• Any other incorporated and/ or unincorporated body of persons</li> </ul>   |
| Category III (High Net Worth Individual Investors) | Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10,00,000 across all options of NCDs in the Issue   |
| Category IV<br>(Retail Individual Investors)       | Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 10,00,000 across all options of NCDs in the Issue and shall include Retail Individual Investors, who have submitted bid for an amount not more than UPI Application Limit in any of the bidding options in the Issue (including HUFs applying through their Karta and does not include NRIs) though UPI Mechanism.   |
| CIBIL  | TransUnion CIBIL Limited  |
| Client ID  | Client identification number maintained with one of the Depositories in relation to the demat account   |
| “Collecting Depository Participant” or “CDP”       | A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications in the Issue, at the Designated CDP Locations in terms of the SEBI Operational Circular  |

| <b>Term</b>   | <b>Description</b>   |
|---|--|
| Collecting Registrar and Share Transfer Agents or CRTAs   | Registrar and share transfer agents registered with SEBI and eligible to procure Applications, at the Designated RTA Locations   |
| Consortium Agreement  | Consortium Agreement to be entered into amongst the Company, Lead Managers and Consortium Member as specified in the relevant Tranche Prospectus for each Tranche Issue.   |
| Consortium Members  | As specified in the relevant Tranche Prospectus for each Tranche Issue.  |
| Consortium / Members of the Consortium / Members of Syndicate (each individually, Member of the Consortium) | The Lead Managers and the Consortium Members.  |
| Coupon/ Interest Rate   | As specified in the relevant Tranche Prospectus for each Tranche Issue.  |
| Credit Rating Agencies  | CARE, ICRA and CRISIL.   |
| “CRISIL”/ “CRISIL Ratings”  | CRISIL Ratings Limited   |
| Debenture Holder(s) /NCD Holder(s)  | The holders of the NCDs whose name appears in the database of the relevant Depository and/or the register of NCD Holders (if any) maintained by our Company if required under applicable law.  |
| Debenture Trust Deed  | The trust deed to be entered between the Debenture Trustee and our Company which shall be executed in relation to the NCDs within the time limit prescribed by applicable statutory and/or regulatory requirements in favour of the Debenture Trustee for the NCD Holders, terms of which will inter alia govern the powers, authorities and obligations of the Debenture Trustee.   |
| Debenture Trustee/ Trustee  | Trustees for the NCD holders in this case being Beacon Trusteeship Limited   |
| Debenture Trustee Agreement   | Agreement dated June 30, 2023 entered into between the Debenture Trustee and the Company wherein the appointment of the Debenture Trustee to the Issue, is agreed between our Company and the Debenture Trustee  |
| Deemed Date of Allotment  | The date on which the Board of Directors or any committee authorised by the Board approves the Allotment of the NCDs for the Issue or such date as may be determined by the Board of Directors/ or any committee authorised by the Board thereof and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Debenture Holders from the Deemed Date of Allotment. |
| Demographic Details   | The demographic details of the Applicants such as their respective addresses, email, UPI ID, PAN, investor status, MICR Code and bank account detail.  |
| Designated Branches   | Such branches of the SCSBs which shall collect the Application Forms, a list of which is available on the website of the SEBI at <a href="http://www.sebi.gov.in/sebi_data/attachdocs/1365051213899.html">http://www.sebi.gov.in/sebi_data/attachdocs/1365051213899.html</a> or <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> or at such other weblink as may be prescribed by SEBI from time to time  |
| Designated CDP Locations  | Such locations of the CDPs where Applicants can submit the ASBA Forms, a list of which, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the website of the Stock Exchange at <a href="http://www.bseindia.com">www.bseindia.com</a>  |
| Designated Date   | The date on which the Registrar to the Issue issues instructions for the transfer of funds blocked by the SCSBs from the ASBA Accounts to the Public Issue Account and/or the Refund Account, as appropriate, after finalisation of the Basis of Allotment, in terms of the Shelf Prospectus and relevant Tranche Prospectus following which the NCDs will be Allotted in the Issue  |
| Designated Intermediaries   | Collectively, members of the Consortium, Sub-Consortium/agents, Trading Members, SCSBs, Registered Brokers, CDPs and RTAs, who are authorised to collect Application Forms from the Applicants in the Issue.<br><br>In relation to ASBA applicants authorising an SCSB to block the amount in the ASBA Account, Designated Intermediaries shall mean SCSBs.  |

| <b>Term</b>                                 | <b>Description</b>  |
|---|---|
|   | In relation to ASBA applicants submitted by Retail Individual Investors where the amount will be blocked upon acceptance of UPI Mandate Request using the UPI Mechanism, Designated Intermediaries shall mean the CDPs, RTAs, Lead Managers, Members of the Consortium, Trading Members and Stock Exchange where applications have been submitted through the app/web interface as provided in the UPI Mechanism Circular.  |
| Designated RTA Locations                    | Such locations of the CRTAs where Applicants can submit the ASBA Forms to CRTAs, a list of which, along with names and contact details of the CRTAs eligible to accept ASBA Forms available on the websites of the respective Stock Exchange at www.bseindia.com and updated from time to time.   |
| Designated Stock Exchange                   | The designated stock exchange for the Issue, being the BSE Limited  |
| Direct Online Application                   | An online interface enabling direct applications through UPI by an app based/web interface of Stock Exchange, by Applicants to the Issue with an online payment facility  |
| Draft Shelf Prospectus                      | This Draft Shelf Prospectus dated July 6, 2023 filed by our Company with the Stock Exchange for receiving public comments and with, SEBI for record purposes in accordance with the provisions of the Companies Act, 2013 and the SEBI NCS Regulations  |
| EESL  | Energy Efficiency Services Limited  |
| ICRA  | ICRA Limited.   |
| Interest Payment Date / Coupon Payment Date | As specified in the relevant Tranche Prospectus for each Tranche Issue.   |
| Issue                                       | Public Issue by the Company of up to 10,00,00,000 secured, rated, listed, redeemable, non-convertible debentures of face value ₹ 1,000 each, for an amount aggregating up to ₹ 10,000 crores pursuant to this Draft Shelf Prospectus, the Shelf Prospectus and the relevant Tranche Prospectus. The NCDs will be issued in one or more tranches up to the Shelf Limit, on terms and conditions including Tranche issue size as set out in the relevant Tranche Prospectus for any tranche issue which should be read together with this Draft Shelf Prospectus and Shelf Prospectus. The Issue is being made pursuant to the provisions of SEBI NCS Regulations, the Companies Act, 2013 and rules made thereunder as amended to the extent notified and the SEBI Operational Circular. |
| Issue Agreement                             | The Issue Agreement dated July 6, 2023 entered between the Company and JM Financial, A.K. Capital, Nuvama, SMC Capitals and Trust Investment Advisors; the Lead Managers to the Issue.  |
| Issue Closing Date                          | As specified in the relevant Tranche Prospectus for each Tranche Issue.   |
| “Issue Documents” or “Offer Documents”      | This Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus, the Abridged Prospectus, the Application Form, and supplemental information, if any, read with any notices, corrigenda and addenda thereto.   |
| Issue Opening Date                          | As specified in the relevant Tranche Prospectus for each Tranche Issue.   |
| Issue Period                                | The period between the Issue Opening Date and the Issue Closing Date inclusive of both days, during which prospective Applicants can submit their Application Forms as provided in the respective Tranche Prospectus  |
| JM Financial                                | JM Financial Limited  |
| “Lead Managers” or “LMs”                    | JM Financial, A.K. Capital, Nuvama, SMC Capitals and Trust Investment Advisors  |
| Limited Liability Partnerships              | Limited liability partnerships registered under the Limited Liability Partnership Act, 2008, as amended.  |
| Listing Agreement                           | The uniform listing agreement entered into between our Company and the Designated Stock Exchange in connection with the listing of debt securities of our Company   |
| Market Lot                                  | 1 (One) NCD   |
| Mobile App(s)                               | The mobile applications listed on the website of Stock Exchange as may be updated from time to time, which may be used by RIBs to submit Bids using the UPI Mechanism   |
| “Maturity Date” or “Redemption Date”        | As specified in the relevant Tranche Prospectus for each Tranche Issue.   |
| NCDs / Debentures                           | Secured, rated, listed, redeemable, non-convertible debentures of face value of ₹ 1,000 each, aggregating up to ₹ 10,000 crores offered through this Draft Shelf Prospectus,  |

| <b>Term</b>  | <b>Description</b>   |
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|  | the Shelf Prospectus and the relevant Tranche Prospectus   |
| Nuvama   | Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)  |
| OCB or Overseas Corporate Body                                     | A company, partnership, society, or other corporate body owned directly or indirectly to the extent of at least 60% (sixty percent) by NRIs including overseas trusts, in which not less than 60% (sixty percent) of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not permitted to invest in the Issue   |
| Public Issue Account   | Account(s) to be opened with the Banker(s) to the Issue to receive monies from the ASBA Accounts maintained with the SCSBs (including under the UPI mechanism) on the Designated Date.   |
| Public Issue Account, Refund Account and Sponsor Account Agreement | Agreement to be entered into amongst our Company, the Registrar to the Issue, the Public Issue Account Bank, the Refund Bank and the Sponsor Bank and the Lead Managers for the appointment of the Sponsor Bank in accordance with the UPI Mechanism Circular and for collection of the Application Amounts from ASBA Accounts under the UPI mechanism from the Applicants on the terms and conditions thereof and where applicable, refund of the amounts collected from the applicants, as specified for relevant Tranche Prospectus for each Tranche Issue. |
| Public Issue Account Bank  | Banks which are clearing members and registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, with whom the Public Issue Account will be opened and as specified in the relevant Tranche Prospectus for each Tranche Issue   |
| Record Date  | 15 (fifteen) Days prior to the interest payment date, and/or Redemption Date for NCDs issued under the relevant Tranche Prospectus(es). In case of redemption of NCDs, the trading in the NCDs shall remain suspended between the Record Date and the date of redemption. In case the Record Date falls on a day when the Stock Exchange are having a trading holiday, the immediately preceding trading day or a date notified by our Company to the Stock Exchange, will be deemed as the Record Date.   |
| Recovery Expense Fund  | A fund created by our Company with the Designated Stock Exchange in the manner as specified by SEBI in SEBI Debenture Trustee Operational Circular as amended from time to time  |
| Refund Account   | Account to be opened with the Refund Bank from which refunds, if any, of the whole or any part of the Application Amount shall be made   |
| Redemption Amount  | As specified in relevant Tranche Prospectus  |
| Redemption Date  | The date on which our Company is liable to redeem the NCDs as specified in the relevant Tranche Prospectus   |
| Refund Bank  | The Banker(s) to the Issue with whom the Refund Account will be opened and as specified in the relevant Tranche Prospectus.  |
| Register of NCD holders  | The register of NCD holders/Debenture Holders maintained by the Issuer/RTA in accordance with the provisions of the Companies Act, 2013  |
| Registrar Agreement  | Agreement dated June 29, 2023 entered into between the Issuer and the Registrar under the terms of which the Registrar has agreed to act as the Registrar to the Issue   |
| Registered Brokers   | Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers) Regulation, 1992 and the stock exchange having nationwide terminals, other than the Members of the Consortium and eligible to procure Applications from Applicants   |
| Registrar to the Issue or Registrar                                | KFin Technologies Limited (formerly known as KFin Technologies Private Limited)  |
| Resident Individual  | An individual who is a person resident in India as defined in the FEMA   |
| Registrar and Share Transfer Agents or RTAs                        | Registrar and share transfer agents registered with SEBI and eligible to procure Application in the Issue at the Designated RTA Locations.   |
| SEBI Debenture Trustee Operational Circular                        | SEBI circular with reference number SEBI/HO/DDHS/P/CIR/2023/50 dated 31 March 2023 as may be amended from time to time.  |
| Security   | The principal amount of the NCDs to be issued in terms of this Draft Shelf Prospectus together with all interest due and payable on the NCDs, thereof shall be secured by way of first pari-passu charge through hypothecation of the book debts/receivables (excluding the receivables on which a specific charge has already been created by the   |

| <b>Term</b>  | <b>Description</b>   |
|--|--|
|  | Company), as specifically set out in and fully described in the debenture trust deed in favour of the debenture trustee to the Proposed Issue, such that a security cover of at least 100% of the outstanding principal amounts of the NCDs and interest thereon is maintained at all times until the Maturity Date.   |
| Self-Certified Syndicate Banks or SCSBs  | The banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> for ASBA and <a href="https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> for UPI, updated from time to time and at such other websites as may be prescribed by SEBI from time to time.                 |
| Series/Option  | As specified in the relevant Tranche Prospectus for each Tranche Issue   |
| Shelf Limit  | The aggregate limit of the Issue, being ₹ 10,000 crores to be issued pursuant to this Draft Shelf Prospectus, Shelf Prospectus through one or more Tranche Issues.   |
| Shelf Prospectus   | The Shelf Prospectus that shall be filed by our Company with the SEBI, Stock Exchange, and the RoC in accordance with the provisions of the Companies Act, 2013 and the SEBI NCS Regulations.<br>Shelf Prospectus shall be valid for a period as prescribed under Section 31 of the Companies Act, 2013.   |
| SMC Capitals   | SMC Capitals Limited   |
| Specified Cities or Specified Locations or Syndicate ASBA Application Locations or Syndicate Bidding Centres | Bidding centres where the Members of the Consortium shall accept Application Forms from Applicants, a list of which is available on the website of the SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.  |
| Sponsor Bank   | A Banker to the Issue, registered with SEBI, which is appointed by the Issuer to act as a conduit between the Designated Stock Exchange and NPCI in order to push the mandate collect requests and / or payment instructions of the retail individual investors into the UPI for retail individual investors applying through the app/web interface of the Stock Exchange with a facility to block funds through UPI Mechanism for application value upto UPI Application Limit and carry out any other responsibilities in terms of the UPI Mechanism Circular and as specified in the relevant Tranche Prospectus. |
| Stock Exchange or Exchange   | BSE  |
| Syndicate ASBA   | Applications through the Syndicate or the Designated Intermediaries or the Lead Managers, Consortium Members or the Trading Members of the Stock Exchange  |
| Syndicate SCSB Branches  | In relation to ASBA Applications submitted to a Member of the Syndicate, such branches of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the Members of the Consortium, and a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> or at such other website as may be prescribed by SEBI from time to time.   |
| Tenor  | Tenor shall mean the tenor of the NCDs as specified in relevant Tranche Prospectus for each Option/Series under Tranche Issue.   |
| Trading Members  | Intermediaries registered with a lead broker or a sub-broker under the SEBI (Stock Brokers) Regulations, 1992 and/or with the Stock Exchange under the applicable byelaws, rules, regulations, guidelines, circulars issued by Stock Exchange from time to time and duly registered with the Stock Exchange for collection and electronic upload of Application Forms on the electronic application platform provided by Stock Exchange.   |
| Tranche Issue  | Issue of the NCDs pursuant to the respective Tranche Prospectus.   |
| Tranche Prospectus(es)   | The Tranche Prospectus(es) containing the details of NCDs including interest, other terms and conditions, recent developments, general information, objects, procedure for application, statement of possible tax benefits, regulatory and statutory disclosures and material contracts and documents for inspection, in respect of the relevant Tranche Issue.  |
| Transaction Documents  | Transaction documents shall mean this Draft Shelf Prospectus, the Shelf Prospectus/ relevant Tranche Prospectus(es) read with any notices, corrigenda, addenda thereto,  |

| Term                                 | Description  |
|--------------------------------------|--|
|                                      | Abridged Prospectus, Application Form, Issue Agreement, Registrar Agreement, Debenture Trustee Agreement, Debenture Trust Deed, Tripartite Agreements, Consortium Agreement, Public Issue Account and Sponsor Bank Agreement, executed or to be executed by our Company, as the case may be. For further details please see the section titled, “ <i>Material Contracts and Documents for Inspection</i> ” on page 612.  |
| Trust Investment Advisors            | Trust Investment Advisors Private Limited  |
| Tripartite Agreements                | Tripartite Agreement dated May 16, 2006 entered into between our Company, the Registrar to the Issue and NSDL and Tripartite Agreement dated April 25, 2006 entered into between our Company, the Registrar to the Issue and CDSL for offering dematerialised option to the NCD Holders under the terms of which the Depositories agree to act as depositories for the securities issued by the Issuer.  |
| “UPI” or “UPI Mechanism”             | Unified Payments Interface mechanism in accordance with SEBI Operational Circular to block funds for application value up to ₹ 5,00,000 submitted through intermediaries, namely the Registered Stock brokers, Consortium Members, Registrar and Transfer Agent and Depository Participants.   |
| UPI ID                               | Identification created on the UPI for single-window mobile payment system developed by the National Payments Corporation of India.   |
| UPI Application Limit                | Maximum limit to utilize the UPI mechanism to block the funds for application value up to ₹ 5,00,000 for issues of debt securities pursuant to SEBI circular SEBI/HO/DDHS/P/CIR/2022/0028 dated March 8, 2022 or any other investment limit, as applicable and prescribed by SEBI from time to time  |
| UPI Mandate Request/ Mandate Request | A request initiated by the Sponsor Bank on the Retail Individual Investor to authorize blocking of funds in the relevant ASBA Account through the UPI mobile app/web interface (using UPI Mechanism) equivalent to the bid amount and subsequent debit of funds in case of allotment.  |
| Wilful Defaulter(s)                  | Includes wilful defaulters as defined under Regulation 2(1)(III) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 which includes a person or a company who or which is categorized as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes a company whose director or promoter is categorized as a wilful defaulter. |
| Working Day                          | Working day means all days on which commercial banks in Mumbai, are open for business. In respect of announcement of bid/issue period, working day shall mean all days, excluding Saturdays, Sundays, and public holidays, on which commercial banks in Mumbai are open for business. Further, in respect of the time period between the bid/ Issue Closing Date and the listing of the NCDs on the Stock Exchange, working day shall mean all trading days of the Stock Exchange for NCD, excluding Saturdays, Sundays and bank holidays, as specified by SEBI. |

#### Conventional and General Terms or Abbreviations

| Term/ Abbreviation                      | Description/Full Form  |
|---|--|
| “₹”, “Rupees”, “INR” or “Indian Rupees” | The lawful currency of the Republic of India   |
| “US\$”, “USD”, and “U.S. Dollars”       | The lawful currency of the United States of America  |
| “JPY”                                   | The lawful currency of Japan   |
| “EUR”                                   | The lawful currency of Europe  |
| ACH                                     | Automated Clearing House   |
| AGM                                     | Annual General Meeting   |
| ALM                                     | Asset Liability Management   |
| ALM Guidelines                          | Guidelines for ALM system in relation to NBFCs   |
| AMC                                     | Asset Management Company   |
| AS or Accounting Standards              | Accounting standards as prescribed by Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended from time to time |
| AIF                                     | An alternative investment fund as defined in and registered with SEBI under the  |



| <b>Term/ Abbreviation</b>                      | <b>Description/Full Form</b>   |
|--|--|
|  | Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 as amended from time to time                               |
| ASBA   | Application Supported by Blocked Amounts   |
| AUM  | Assets Under Management  |
| Bankruptcy Code                                | The Insolvency and Bankruptcy Code, 2016, as amended from time to time   |
| BPS  | Basis points.  |
| BSE  | BSE Limited  |
| CAG  | Comptroller and Auditor General of India.  |
| CAGR   | Compounded annual growth rate over a specified period of time of a given value (the year-over-year growth rate)                                    |
| CDSL   | Central Depository Services (India) Limited  |
| CESTAT   | Customs Excise and Service Tax Appellate Tribunal  |
| CIC  | Core Investment Company.   |
| CIT(Appels)                                    | Commissioner of Income Tax (Appeals)   |
| CMD  | Chairman and Managing Director.  |
| CIN  | Corporate Identification Number  |
| Companies Act, 1956                            | Companies Act, 1956, to the extent still in force  |
| Companies Act/ Companies Act, 2013             | Companies Act, 2013 and the rules made thereunder  |
| CPC  | Code of Civil Procedure, 1908  |
| CPSE   | Central Public Sector Enterprises  |
| CRAR   | Capital to risk-weighted assets ratio means (Tier I Capital + Tier II Capital)/ Total Risk Weighted Assets *100                                    |
| crore  | 1,00,00,000.   |
| CrPC   | Code of Criminal Procedure, 1973   |
| CSR  | Corporate Social Responsibility  |
| CWIP   | Capital work in progress   |
| CY   | Calendar Year  |
| Depositories Act                               | Depositories Act, 1996, as amended.  |
| Depository(ies)                                | NSDL and /or CDSL  |
| DIN  | Director Identification Number   |
| DP/ Depository Participant                     | Depository Participant as defined under the Depositories Act, 1996   |
| DRR  | Debenture Redemption Reserve   |
| DRT  | Debt Recovery Tribunal.  |
| EGM  | Extraordinary General Meeting  |
| EOW  | Economic Offences Wing   |
| FDI  | Foreign Direct Investment  |
| FEMA   | Foreign Exchange Management Act, 1999, as amended from time to time  |
| FII  | Foreign Institutional Investor(s)  |
| FPI  | Foreign Portfolio Investor as defined and registered under the SEBI (Foreign Portfolio Investors) Regulations, 2019, as amended from time to time. |
| FIMMDA   | Fixed Income Money Market and Derivatives Association of India.  |
| Financial Year/ Fiscal/ FY/ for the year ended | Period of 12 months ended March 31 of that particular year   |
| GDP  | Gross Domestic Product   |
| Government/ GOI                                | Government of India  |
| GST  | Goods and Services Tax   |
| HNI  | High Net worth Individual  |
| HFC  | Housing Finance Company  |
| HUF  | Hindu Undivided Family   |
| IAS  | Indian Administrative Service  |
| IBC  | Insolvency and Bankruptcy Code, 2016   |
| ICAI   | Institute of Chartered Accountants of India  |
| IEPF   | Investor Education and Protection Fund   |
| IFRS   | International Financial Reporting Standards  |
| ITAT   | Income Tax Appellate Tribunal  |
| Income Tax Act/ IT Act                         | Income Tax Act, 1961   |

| <b>Term/ Abbreviation</b> | <b>Description/Full Form</b>  |
|---------------------------|---|
| Ind AS                    | Indian Accounting Standards as prescribed by Section 133 of the Companies Act, 2013 and rules framed thereunder                       |
| Ind AS Rules              | The Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time   |
| India                     | Republic of India   |
| IPC                       | Indian Penal Code, 1860   |
| ISIN                      | International Securities Identification Number.   |
| IT                        | Information Technology  |
| ITR                       | Income Tax Returns  |
| KYC                       | Know Your Customer  |
| LEI                       | Legal Entity Identifier   |
| LLP                       | Limited Liability Partnership   |
| LLP Act                   | Limited Liability Partnership Act, 2008   |
| JV                        | Joint venture.  |
| lakh                      | 1,00,000.   |
| LIBOR                     | London Inter-Bank Offer Rate.   |
| MCA                       | Ministry of Corporate Affairs, Government of India  |
| Million                   | 1,000,000.  |
| MLD                       | Market Linked Debentures  |
| MoF                       | Ministry of Finance, GoI.   |
| Mutual Funds              | A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996  |
| NACH                      | National Automated Clearing House   |
| NAV                       | Net Asset Value   |
| NBFC                      | Non-Banking Financial Company, as defined under Section 45-IA of the RBI Act  |
| NCLT                      | National Company Law Tribunal   |
| NCLAT                     | National Company Law Appellate Tribunal   |
| NEFT                      | National Electronic Fund Transfer   |
| NRI                       | Non-resident Indian   |
| NSE                       | National Stock Exchange of India Limited  |
| NSDL                      | National Securities Depository Limited  |
| p.a.                      | Per Annum   |
| PAN                       | Permanent Account Number  |
| PAT                       | Profit After Tax  |
| PMLA                      | Prevention of Money Laundering Act, 2002  |
| PFC                       | Power Finance Corporation Limited   |
| PFI                       | Public Financial Institution, as defined under Section 2 (72) of the Companies Act, 2013.   |
| PP MLD                    | Principal Protected Market Linked Debentures  |
| RBI                       | Reserve Bank of India   |
| RBI Act                   | Reserve Bank of India Act, 1934   |
| REC                       | REC Limited.  |
| RERA                      | Real Estate Regulatory Authority  |
| RERAD Act                 | Real Estate Regulation and Development Act, 2016  |
| RTGS                      | Real Time Gross Settlement  |
| SARFAESI Act              | Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002                                |
| SBR Framework             | Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs issued by RBI dated October 22, 2021.                          |
| SCRA                      | Securities Contracts Regulation Act, 1956, as amended   |
| SCRR                      | Securities Contracts (Regulation) Rules, 1957, as amended   |
| SEBI                      | Securities and Exchange Board of India  |
| SEBI Act                  | Securities and Exchange Board of India Act, 1992, as amended  |
| SEBI AIF Regulations      | Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended                                   |
| SEBI ICDR Regulations     | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time |

| <b>Term/ Abbreviation</b>        | <b>Description/Full Form</b>   |
|----------------------------------|--|
| SEBI Listing Regulations         | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended                                 |
| SEBI Merchant Banker Regulations | Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended   |
| SEBI NCS Regulations             | Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended and circulars issued thereunder |
| SEBI Operational Circular        | SEBI circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021, as amended  |
| TDS                              | Tax Deducted at Source   |
| Trademarks Act                   | Indian Trademarks Act, 1999  |

### Technical and Industry Related Terms

| <b>Term/Abbreviation</b>                  | <b>Description/Full Form</b>  |
|---|---|
| ECBs                                      | External Commercial Borrowing.  |
| FCNR                                      | Foreign Currency Non-Resident.  |
| IFC                                       | Infrastructure Finance Company.   |
| IRDAI                                     | Insurance Regulatory and Development Authority of India.  |
| ISO                                       | International Organization for Standardization.   |
| LIC                                       | Life Insurance Corporation of India   |
| Hybrid Debt                               | A capital instrument, which possesses certain characteristics of equity as well as debt   |
| LTV                                       | Ratio of loan to the collateral value   |
| MICR                                      | Magnetic Ink Character Recognition.   |
| MFI                                       | Microfinance institutions   |
| NPA                                       | Non-Performing Assets   |
| NBFC-BL/ NBFC – Base Layer                | Non-deposit taking NBFCs below the asset size of ₹ 1,000 crore and (b) NBFCs undertaking the activities- (i) NBFC-Peer to Peer Lending Platform (NBFC-P2P), (ii) NBFC-Account Aggregator (NBFC-AA), (iii) Non-Operative Financial Holding Company (NOFHC) and (iv) NBFCs not availing public funds and not having any customer interface  |
| NBFC-D                                    | NBFC registered as a deposit accepting NBFC   |
| NBFC-MFI                                  | An NBFC-MFI is defined as a non-deposit taking NBFC which extends loans to Micro Finance Sector   |
| NBFC-ND                                   | NBFC registered as a non-deposit taking NBFC  |
| NBFC-ND-SI (NBFC-ML/ NBFC – Middle Layer) | (a) all deposit taking NBFCs (NBFC-Ds), irrespective of asset size, (b) non-deposit taking NBFCs with asset size of ₹ 1,000 crore and above and (c) NBFCs undertaking the activities of (i) Standalone Primary Dealers (SPDs), (ii) Infrastructure Debt Fund – Non-Banking Financial Companies (IDF-NBFCs), (iii) Core Investment Companies (CICs), (iv) Housing Finance Companies (HFCs) and (v) Infrastructure Finance Companies (NBFC-IFC) |
| NBFC- TL / NBFC- Top Layer                | NBFC-UL which in the opinion of RBI has substantial increase in the potential systemic risk from specific NBFCs-UL  |
| NBFC-UL / NBFC-Upper Layer                | NBFCs which are specifically identified by the RBI as warranting enhanced regulatory requirement based on a set of parameters and scoring methodology as provided in SBR Framework  |
| Owned Funds                               | Paid-up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account; capital reserve representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of assets; less accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any   |
| Prudential Norms                          | Prudential norms as provided under Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016  |
| MSME                                      | Micro, Small and Medium Enterprises   |
| RBI                                       | Reserve Bank of India.  |
| Tier I Capital                            | Tier I capital means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with  |

| <b>Term/Abbreviation</b> | <b>Description/Full Form</b>  |
|--------------------------|---|
|                          | subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund; and perpetual debt instruments issued by a non-deposit taking nonbanking financial company in each year to the extent it does not exceed 15% of the aggregate Tier I Capital of such company as on March 31 of the previous accounting year   |
| Tier II Capital          | Tier II capital includes the following: <ul style="list-style-type: none"> <li>(a) preference shares other than those which are compulsorily convertible into equity;</li> <li>(b) revaluation reserves at discounted rate of fifty five percent;</li> <li>(c) General Provisions (including that for Standard Assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets;</li> <li>(d) hybrid debt capital instruments;</li> <li>(e) subordinated debt; and</li> <li>(f) perpetual debt instruments issued by a non-deposit taking non-banking financial company which is in excess of what qualifies for Tier I Capital to the extent the aggregate does not exceed Tier I Capital</li> </ul> |
| UTI                      | Unit Trust of India.  |
| WCDL                     | Working Capital Demand Loan.  |
| XIRR                     | Internal rate of return for irregular cash flows.   |
| Yield                    | Ratio of interest income to the daily average of interest earning assets.   |

*Notwithstanding the foregoing, the terms defined as part of “General Information”, “Risk Factors”, “Industry Overview”, “Regulations and Policies”, “Statement of Possible Tax Benefits”, “Summary of Key Provisions of Articles of Association”, “Financial Information” and “Other Regulatory and Statutory Disclosures” on pages 53, 19, 91, 179, 77, 603, 198 and 524, respectively shall have the meaning ascribed to them as part of the aforementioned sections. Terms not defined as part of the sections “Our Business”, “Risk Factors”, “Industry Overview” and “Regulations and Policies”, on pages 123, 19, 91 and 179, respectively, shall have the meaning ascribed to them hereunder.*

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

### Certain Conventions

In this Draft Shelf Prospectus, unless otherwise specified or the context otherwise indicates or implies the terms, all references to “we”, “us”, “our” or “PFC” are to Power Finance Corporation Limited and references to “you”, “offeree”, “purchaser”, “subscriber”, “recipient”, “investors” and “potential investor” are to the prospective investors in this Issue.

Unless stated otherwise, all references to page numbers in this Draft Shelf Prospectus are to the page numbers of this Draft Shelf Prospectus.

All references in this Draft Shelf Prospectus to “India” are to the Republic of India and its territories and possessions. All references to the “Government” or “State Government” or “Central Government” are to Government of India, Central or State, as applicable.

Unless stated otherwise all references to time in this Draft Shelf Prospectus are to Indian standard time.

### Presentation of Financial Information

Our Company’s financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular financial year or fiscal are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. Unless the context requires otherwise, all references to a year in this Draft Shelf Prospectus are to a calendar year and references to a Fiscal/Fiscal Year are to the year ended on March 31 of that calendar year.

For the purposes of disclosure in this Draft Shelf Prospectus, we have prepared and presented our Reformatted Standalone Financial Information for the last three Fiscals (in this case, for Fiscal 2023, 2022 and 2021). Our Company’s audited financial statements for the fiscal year ended March 31, 2023 and March 31, 2022, have been prepared in accordance with IndAS and have been audited by our Statutory Auditors, Dass Gupta & Associates, *Chartered Accountants* and Prem Gupta & Company, *Chartered Accountants* and for the fiscal year ended March 31, 2021 have been prepared in accordance with IndAS and have been audited by Gandhi Minocha & Co, Chartered Accountants, one of the previous statutory auditors of the Company and Dass Gupta & Associates, Chartered Accountants, one of the current statutory auditors of the Company. Our Company’s Audited Standalone Financial Statements for the years ended March 31, 2023 and March 31, 2022 and March 31, 2021 form the basis of preparation of the Reformatted Standalone Financial Information which is included in this Draft Shelf Prospectus and is referred to hereinafter as the “*Reformatted Standalone Financial Information*” in the section titled “*Financial Information*” on page 198.

For the purposes of disclosure in this Draft Shelf Prospectus, we have prepared and presented our Reformatted Consolidated Financial Information for the last three Fiscals (in this case, for Fiscal 2023, 2022 and 2021). Our Company’s audited financial statements for the fiscal year ended March 31, 2023 and March 31, 2022, have been prepared in accordance with IndAS and have been audited by our Statutory Auditors, Dass Gupta & Associates, Chartered Accountants and Prem Gupta & Company, Chartered Accountants and for the fiscal year ended March 31, 2021 have been prepared in accordance with IndAS and have been audited by Gandhi Minocha & Co, Chartered Accountants, one of the previous statutory auditors of the Company and Dass Gupta & Associates, Chartered Accountants, one of the current statutory auditors of the Company. Our Company’s Audited Consolidated Financial Statements for the years ended March 31, 2023 and March 31, 2022 and March 31, 2021 form the basis of preparation of the Reformatted Consolidated Financial Information which is included in this Draft Shelf Prospectus and is referred to hereinafter as the “*Reformatted Consolidated Financial Information*” in the section titled “*Financial Information*” on page 198.

Unless stated otherwise or unless the context requires otherwise, the financial data used in this Draft Shelf Prospectus as at and for the financial year ended March 31, 2023, March 31, 2022 and March 31, 2021 is derived from our Reformatted Financial Information.

Unless stated otherwise, macroeconomic and industry data used throughout this Draft Shelf Prospectus has been obtained from publications prepared by providers of industry information, government sources and multilateral institutions. Such publications generally state that the information contained therein has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although the Issuer believes that industry data used in this Draft Shelf Prospectus is reliable, it has not been independently verified. Further, the extent to which the market and industry data presented in this Draft Shelf Prospectus is meaningful depends on the

readers' familiarity with and understanding of methodologies used in compiling such data.

### Non-GAAP Financial Measures

This Draft Shelf Prospectus includes certain non-GAAP measures, including, inter alia, EBITDA, Net Worth, AUM, Total Debts to total assets, Debt Service Coverage ratios, interest service coverage ratios, Gross NPA (%), Net NPA (%), Tier I CAR (%) and Tier II CAR (%) (together, "Non-GAAP Measures"), which are a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, these Non-GAAP measures are not standardised terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies in financial services industry may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance.

### Currency and Unit of Presentation

In this Draft Shelf Prospectus, all references to 'Rupees'/'₹'/'INR'/'Rs.' are to Indian Rupees, the official currency of the Republic of India.

Except where stated otherwise in this Draft Shelf Prospectus, all figures have been expressed in 'crore'. All references to 'million/million/mn'. Refer to one million, which is equivalent to 'ten lakh' or 'ten lacs', the word 'lakh/lacs/lac' means 'one hundred thousand' and 'crore' means 'ten million' and 'billion/bn./billions' means 'one hundred crore'.

Certain figures contained in this Draft Shelf Prospectus, including financial information, have been subject to rounding adjustments. Unless set out otherwise, all figures in decimals, including percentage figures, have been rounded off to one decimal point. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Further, any figures sourced from third party industry sources may be rounded off to other than one decimal point to conform to their respective sources.

### Industry and Market Data

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

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors. Accordingly, investment decisions should not be based solely on such information.

### Exchange Rates

The exchange rates Rupees (₹) vis-à-vis of USD, EURO and JPY, as of June 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, are provided below:

| Currency | June 30, 2023 | March 31, 2023 | March 31, 2022 | March 31, 2021 |
|----------|---------------|----------------|----------------|----------------|
| 1 USD    | 82.04         | 82.22          | 75.81          | 73.50          |
| 1 Euro   | 89.13         | 89.61          | 84.66          | 86.10          |
| 100 JPY  | 56.77         | 61.80          | 62.23          | 66.36          |

Source: <https://www.fbil.org.in/#/home> and <https://www.rbi.org.in/scripts/ReferenceRateArchive.aspx>

*The above exchange rates are for the purpose of information only and may not represent the rates used by the Company for purpose of preparation or presentation of its financial statements. The rates presented are not a guarantee that any person could have on the relevant date converted any amounts at such rates or at all.*



## FORWARD LOOKING STATEMENTS

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

- Any increase in the levels of non-performing assets (“NPA”)/ Stage 3 on our loan portfolio, for any reason; whatsoever, would adversely affect our financial condition.
- Concentration of lending to public sector borrowers and our ability to manage our asset portfolio quality.
- Any disruption in our sources of funding.
- Volatility in interest rates could have a material adverse effect on our net interest income, net interest margin and our financial performance.
- Growth prospects of the Indian power sector and related policy developments.
- Certain conditions and restrictions in terms of our financing arrangements, could restrict our ability to conduct our business and operations in the manner we desire.
- Inability to recover the full value of collateral or amounts which are sufficient to cover the outstanding amounts due under defaulted loans.
- Difficulties in expanding the business into new regions and markets in India.
- Difficulty in expanding the business into infrastructure and logistics sector owing to challenges in infrastructure sector and related policy developments.
- System failures or inadequacy and security breaches in computer systems adversely affecting the business.
- Fluctuations in the market values of the investments by the Company and other asset portfolio adversely affecting the result of operations and financial condition.
- Occurrence of natural calamities, pandemics, or natural disasters affecting the areas in which our Company has operations.
- Downgrade of our credit ratings may increase our borrowing costs and constrain our access to capital and debt markets and, as a result, may adversely affect our net interest margin and our results of operations.
- Our ability to comply with certain specific conditions prescribed by the GoI in relation to our business.
- Interest rates and inflation in India.
- General, political, economic, social and business conditions in Indian and other global markets.

For further discussion of factors that could cause our actual results to differ, see “*Risk Factors*” on page 19.

All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results and valuations to differ materially from those contemplated by the relevant statement. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under the sections titled “*Industry Overview*”, “*Our Business*” and “*Legal and Other Information*” on pages 91, 123 and 502. The forward-looking statements contained in this Draft Shelf Prospectus are based on the beliefs of management, as well as the assumptions made by and information currently available to management. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct or will hold good at all times. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialise, or if any of our Company’s underlying assumptions prove to be incorrect, our Company’s actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

Neither the Lead Managers, our Company, its Directors, KMPs and officers, nor any of their respective affiliates or associates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In

accordance with SEBI NCS Regulations, our Company and the Lead Managers will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange for the NCDs.

## SECTION II – RISK FACTORS

*An investment in NCDs involves a certain degree of risk. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the NCDs. Prospective investors should carefully consider the risks and uncertainties described below, in addition to other information contained in this Draft Shelf Prospectus including “Our Business” and “Financial Information” on pages 123 and 198, respectively, before making any investment decision relating to the NCDs. If any of the following risks or other risks that are not currently known or are now deemed immaterial, actually occur, our business, financial condition, cash flows and result of operation could suffer, the trading price of the NCDs could decline, and you may lose all or part of your interest and/or redemption amounts. The risks and uncertainties described in this section are not the only risks that we currently face. The following risk factors are determined on the basis of their materiality. In determining the materiality of risk factors, we have considered risks which may not be material individually but may be material when considered collectively, which may have a qualitative impact though not quantitative, which may not be material at present but may have a material impact in the future. 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, results of operations and financial condition. The market prices of the NCDs could decline due to such risks and you may lose all or part of your investment including interest thereon. Further, the risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of, the NCDs.*

*Unless specified or quantified in the relevant risk factors below, we are not in a position to specify or to quantify the financial or other implication of any of the risks described in this section. However, there are certain risk factors where the effect is not quantifiable and hence has not been disclosed in the below risk factors. The ordering of the risk factors is intended to facilitate ease of reading and reference, and does not in any manner indicate the importance of one risk factor over another. This Draft Shelf Prospectus contains forward looking statements that involve risk and uncertainties. Our Company’s actual results could differ materially from those anticipated in these forward looking statements as a result of several factors, including the considerations described below and elsewhere in this Draft Shelf Prospectus. Certain information in this section includes data extracted from reports available in public domain. For further details, please refer to the chapter titled “Industry Overview” on page 91.*

*In this section, unless the context otherwise requires, a reference to “the Company” or “we”, “us” or “our Company” is a reference to Power Finance Corporation Limited and unless the context otherwise requires, a reference to “the PFC Group” refers to Power Finance Corporation Limited and its subsidiaries, as applicable in the relevant fiscal period, on a consolidated basis. Unless stated otherwise, or unless context requires otherwise the financial data in this section is as per our standalone financial information. The financial data of our Company for the Fiscal 2023, 2022 and 2021 has been derived from Reformatted Standalone Financial Information*

### **A. RISKS IN RELATION TO OUR BUSINESS**

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

We are a Public Financial Institution (“PFI”) focused on financing of the power sector in India, which has a limited number and type of borrowers, primarily comprising of state power utilities (“SPUs”), many of which have been historically loss making. Our past exposure has been towards SPUs and state electricity boards, and future exposure is expected to be, concentrated towards SPUs. As of March 31, 2023, our government sector (including SPUs) and private sector borrowers accounted for 82.79% and 17.21% respectively, of our total outstanding loans. Historically, SPUs have had a relatively weak financial position and have in the past defaulted on their indebtedness. Consequently, we have had to restructure some of the loans sanctioned to certain SPUs, including rescheduling repayment terms. In addition, many of our public sector borrowers, particularly SPUs, are susceptible to various operational risks including low metering at the distribution transformer level, high revenue gap, high receivables, low plant load factors and high AT&C losses, which may lead to further deterioration in the financial condition of such entities.

As of March 31, 2023, our total outstanding loans were ₹ 4,22,497.73 crore, of which, our single largest borrower accounted for 8.96% (₹ 37,848.17 crore) of our total outstanding loans, and our top five and top 10 borrowers accounted for, in the aggregate, 30.19% (₹ 1,27,537.87 crore) and 43.34% (₹ 1,83,131.42 crore), respectively, of our total outstanding loans. In addition, we have additional exposure to these borrowers in the form of non-fund based assistance. Our most significant borrowers are primarily public sector power utilities. Any negative trends, or financial difficulties, or inability on the part of such borrowers to manage operational, industry, and other risks applicable to such borrowers,

could result in an increase in our non-performing assets (“NPAs”) and adversely affect our business, financial condition and results of operations. For further details of our NPAs, see the risk titled “– *If the level of non-performing assets in our loan portfolio were to increase, our financial condition would be adversely affected.*”

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

Although we endeavour to obtain adequate security or implement quasi-security arrangements in connection with our loans, we have not obtained such security or collateral for all our loans. In addition, in connection with certain of our loans, we have been able to obtain only partial security or have made disbursements prior to adequate security being created or perfected in accordance with the policy of the Company. There can be no assurance that any security or collateral that we have obtained will be adequate to cover repayment of our loans or interest payments thereon or that we will be able to recover the expected value of such security or collateral in a timely manner or recover at all. As of March 31, 2023, 45.77% of our outstanding loans were secured, 39.54% were unsecured (but guaranteed by banks or governments), and 14.70% were unsecured.

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

Certain of our loans have been granted as part of a syndicate, and joint recovery action implemented by a consortium of lenders may be susceptible to delay or not favourable to us. Further, the RBI has issued circular RBI/2021-2022/125 titled “Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications” dated November 12, 2021 (“**Prudential Norms – Clarifications 2021**”), which provides for more stringent classification and recognition of Gross Stage 3 assets. We have aligned our account classification, in particular, the effect on our daily Gross Stage 3 assets position and upgradation of our Gross Stage 3 assets accounts in line with Prudential Norms – Clarifications 2021. However, in event RBI directions/guidelines on Gross Stage 3 assets become more stringent, the Company may or may not be able to maintain historic Gross Stage 3 assets positions, and if our Gross Stage 3 assets position significantly increase, it may in turn have a material adverse effect on our cash flows, profits, results of operations and financial condition.

For a further summary please see the section titled “*Regulations and Policies*” on page 179.

In circumstances where other lenders with such exposure / loan account by value and number and are entitled to determine corrective action plan for any of our borrowers, we may be required by such other lenders to agree to such corrective action plan, irrespective of our preferred mode of settlement of our loan to such borrower or subject our loan account to accelerated provisioning. Furthermore, with respect to any loans made as part of a consortium arrangement and multiple banking arrangement, a majority of the relevant lenders may elect to pursue a course of action that may not be favourable to us. Any such corrective action plan / accelerated provisioning could lead to an unexpected loss that could adversely affect our business, financial condition or results of operations.

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

As of June 30, 2023, our total borrowings were ₹ 3,66,377.43 crore (excluding interest accrued but not due and unamortised transaction cost). We are required to comply with various financial and other covenants under the loan agreements that we are a party to, including but not limited to, amongst other things, obtaining, wherever applicable, prior consents from our existing lenders for further borrowings, including undertaking this Issue, maintenance of financial ratios and for creation of encumbrances over certain of our assets.

There are restrictive covenants in the agreements we have entered into with certain banks and financial institutions for our short term borrowing, medium term borrowing, long term borrowing, and bonds trust deeds. These restrictive covenants require us to maintain certain financial ratios and seek the prior permission/consents of these banks/financial institutions for various activities, including, amongst others, selling, leasing, transferring or otherwise disposing of any part of our business or revenues, effecting any scheme of amalgamation or reconstitution, implementing a new scheme of expansion or taking up an allied line of business. Such restrictive covenants in our loan and bond documents may restrict our operations or ability to expand and may adversely affect our business. As on the date of this Draft Shelf Prospectus, our Company has obtained consents/ permissions required for creation of further charge on assets, from all the existing charge holders.

In addition, if our Company fails to meet its debt service obligations or if a default otherwise occurs, its lenders could declare our Company in default under the terms of its borrowing and accelerate the maturity of its obligations, or in some cases, could exercise step-in rights, or could enforce the security underlining their secured lending, such as security created on the secured long-term Rupee-denominated infrastructure bonds. Any acceleration of the maturity of our Company's obligations could have a material adverse effect on our Company's cash flows, business and results of operations. Furthermore, our Company's lenders may recall certain short-term demand loans availed of by our Company at any time. There can be no assurance that our Company will be able to comply with these financial or other covenants or that our Company will be able to obtain the consents necessary to take the actions our Company believes are required to operate and grow its business in the future. For more details on our borrowings and certain restrictive covenants in our loan documents, please see "*Financial Indebtedness*" on page 467.

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

Our ability to compete effectively is dependent on our timely access to capital, the costs associated with raising capital and our ability to maintain a low effective cost of funds in the future that is comparable or lower than that of our competitors. Many of our competitors may have greater and cheaper resources than us. Competition in our industry depends on, among other things, the ongoing evolution of Government policies relating to the industry, the entry of new participants into the industry and the extent to which there is consolidation among banks and financial institutions in India. Our primary competitors are public sector infrastructure finance companies, public sector banks, private banks (including foreign banks), financial institutions and other NBFCs. In respect of private sector entities, the Company has been following RBI's credit concentration norms. In respect of Central/State Government entities, RBI had exempted the Company from applicability of RBI's credit concentration norms till March 31, 2022. Further, RBI vide its letter dated August 24, 2022 has allowed the existing exposure of Central/State Government entities of the company as on date of letter to run off till maturity without invoking any regulatory violation.

As per SBR Framework, the credit concentration limits need to be calculated based on Tier I Capital from October 1, 2022 as against owned funds. RBI vide its letter dated March 20, 2023 has, inter-alia, directed the Company to reckon Tier I Capital as on March 31st (based on annual results) while computing exposure. However, during the year, for the purpose of credit concentration limits, the Company has worked out the owned fund / Tier I Capital based on quarterly financial results till March 21, 2023. As on March 31, 2023, the exposure of the Company to Private / Government Sector entities are within the RBI's prescribed credit concentration limits.

Further, our classification as an IFC enables us, among other things, to diversify our borrowing through the issuance of Rupee-denominated infrastructure bonds to bondholders, as and when notified by the GoI, and to raise ECBs under the automatic route, subject to certain specified limits. Adverse developments in economic and financial markets or the lack of liquidity in financial markets could make it difficult for us to access funds at competitive rates.

Our interest rate margins are determined by the cost of our funding relative to the pricing of our loan products. The cost of our funding and the pricing of our loan products are determined by a number of factors, many of which are beyond our control. Our cost of funds (ratio of finance costs to average borrowings, without foreign exchange fluctuation gain/loss amortized) raised as on March 31, 2023 is 7.51%. However, we may not be able to maintain the same during subsequent periods without raising funds from debt market through various concessional debt issues. While we have generally been able to pass on the increased cost of funds to our customers over this period, we may not be able to continue to do so in future. In the event we were to suffer a decline in interest rate margins, we would be required to increase our lending activity in order to maintain our then prevailing profit level. However, there can be no assurance that we will be able to do so and we may suffer reduced profitability or losses. In the event our interest rate margins decrease, the same may adversely affect our business, financial condition and results of operations.

Following a general decrease in the level of direct and indirect financial support by the GoI to us in recent years, we are fundamentally dependent upon funding from the equity and debt markets and commercial borrowing and are particularly vulnerable in this regard given the growth of our business. The market for such funds is competitive and there can be no assurance that we will be able to obtain funds on acceptable terms or obtain funds at all. Many of our competitors have or may have access to greater and cheaper sources of funding. Furthermore, many of our competitors may have larger resources or greater balance sheet strength than us and may have considerable financing resources. In addition, since we are a non-deposit taking NBFC, we may have restricted access to funds in comparison to banks and deposit taking NBFCs. While we have generally been able to pass any increased cost of funds onto our customers, we may not be able to do so in the future. If our financial products are not competitively priced, there is a risk of our borrowers raising loans from other lenders and in the case of financially stronger SPUs and private sector borrowers, there is a risk of their raising funds directly from the market. Our ability to raise capital also depends on our ability to maintain our credit ratings in order to access various cost competitive funding options.

If we are not able to maintain a low effective cost of funds, we may not be able to implement our growth strategy, competitively price our loans and, consequently, we may not be able to maintain the profitability or growth of our business, which could have a material adverse effect on our business, financial condition and results of operations.

**5. *Inability to develop or implement effective risk management policies and procedures could expose our Company to unidentified risks or unanticipated levels of risk.***

Our Company has put in place an Integrated Enterprise-wide Risk Management (“IRM”) policies and procedures that list all risks we face, which may have an impact on profitability and business of our Company, their root causes, existing mitigations factors and action plans for further mitigations, where required. The risks have been prioritized and key performance indicators identified for measuring and monitoring. A Risk Management Committee of the Board is constituted for monitoring the risks, mitigations and implementation of action plans. Our Company has Currency Risk Management (“CRM”) Policy and has appointed a consultant to manage risks associated with foreign currency borrowing. Our Company has also put in place an effective Asset Liability Management System, constituted an Asset Liability Management Committee (“ALCO”) to monitor and mitigate risks related to liquidity and interest rate.

Although our Company follows various risk management policies and procedures to identify, monitor and manage risks, there can be no assurance that such policies and procedures will be effective in addressing all risks that our Company encounters in its business and operations or that such policies and procedures are as comprehensive as those implemented by banks and other financial institutions. Our Company’s risk management policies and procedures are based, among other considerations, on historical market behaviour, information regarding borrowers, and market knowledge. Consequently, these policies and procedures may not predict future risk exposures that could vary from or be greater than those indicated by historical measures. In addition, information available to our Company may not be accurate, complete, up-to-date or properly evaluated. Unexpectedly large or rapid movements or disruptions in one or more financial markets or other unforeseen developments could have a material adverse effect on our Company’s results of operations and financial condition. Our Company’s risk management policies and procedures are also influenced by applicable GoI policies and regulations and may prove inadequate or ineffective in addressing risks that arise as a consequence of any development in GoI policies and consequently can have an adverse effect on our Company’s business and operations. In addition, our Company intends to continue to diversify its borrower portfolio and extend fund based and non-fund based financial and other assistance and services to projects that represent forward and backward linkages to the core power sector projects. These business initiatives may involve operational and other risks that are different from those our Company currently encounters or anticipates, and there can be no assurance that our Company will be able to effectively identify and address any additional risks that apply to such business initiatives. Inability to develop, modify and implement effective and dynamic risk management policies and procedures may adversely affect our Company’s growth strategy. Management of operational, legal, and regulatory risk requires, among others, policies and procedures to accurately record and verify transactions and events. There can be no assurance that our Company’s policies and procedures will effectively and accurately record and verify such information. Failure of our Company’s risk management policies and procedures or exposure to unanticipated risks could lead to losses and adversely affect our Company’s business, financial condition and results of operations.

**6. *Risks inherent to power sector projects, particularly power generation projects, could adversely affect our Company’s business, financial condition and results of operations.***

Our Company is a financial institution focused on providing financial and other assistance and related services to power sector projects. Power sector projects, particularly power generation projects, typically involve long gestation periods before they become operational and involve various project-specific risks as well as risks that are generally applicable to

the power sector in India. Many of these risks applicable to power sector projects that our Company finances are beyond our control and include:

- political, regulatory, fiscal, monetary and legal actions and policies that may adversely affect the viability of power sector projects, including changes in any tariff regulations applicable to power plants;
- delays in the implementation of GoI policies and initiatives;
- changes in Government and regulatory policies relating to the power sector;
- environmental concerns and environmental regulations applicable to power sector projects that, including, for example, relevant coal mining areas being classified as “no-go” areas;
- delays in obtaining environmental clearances or land for the projects;
- extent and reliability of power sector infrastructure in India;
- strikes, work stoppages or increased wage demands by employees or any other disputes with employees that affect the project implementation schedule or operations of the projects;
- adverse changes in demand for, or the price of, power generated or distributed by the projects;
- disruption of projects due to explosions, fires, earthquakes and other natural disasters, breakdown, failure or substandard performance of equipment, improper installations or operation of equipment, accidents, operational problems, transportation interruptions, other environmental risks and labour disputes;
- the willingness and ability of consumers to pay for the power produced by the projects;
- shortages of, or adverse price fluctuations in, fuel and other raw materials and key inputs involved in power generation, including coal, oil and natural gas;
- increase in project development costs due to environmental challenges and changes in environmental regulations;
- changes in credit ratings of our Company’s borrowers affecting their ability to finance projects;
- interruption or disruption in domestic or international financial markets, whether for equity or debt funds;
- delays in the construction and operation of projects;
- domestic power companies face significant project execution and construction delay risks i.e. longer than expected construction periods due to delays in obtaining environmental permits and infrastructure related delays in connecting to the grid, accessing offtake and finalising fuel supply agreements could cause further delays;
- potential defaults under financing arrangements of project companies and their equity investors;
- failure of co-lenders (with our Company under consortium lending arrangements) to perform their contractual obligations;
- failure of third parties such as contractors, fuel suppliers, sub-contractors and others to perform their contractual obligations in respect of the power projects;
- adverse developments in the overall economic environment in India;
- the provisions of the Electricity Act, 2003 have significantly increased competition in the power generation industry which may negatively impact individual power generation companies;
- failure to supply power to the market due to unplanned outages of any projects, failure in transmission systems or inter-regional transmission or distribution systems;
- adverse fluctuations in liquidity, interest rates or currency exchange rates;
- changes in technology may negatively impact power generation companies by making their equipment or power projects less competitive or obsolete;
- fluctuating fuel costs; and
- economic, political and social instability or occurrences such as natural disasters, armed conflict and terrorist attacks, particularly where projects are located in the markets they are intended to serve.

The long-term profitability of power sector projects, when commissioned, is partly dependent on the efficiency of their operation and maintenance of their assets. Delayed implementation, initial complications, inefficient operations, inadequate maintenance and similar factors may reduce the profitability of such projects, adversely affecting the ability of our Company’s borrowers to repay its loans or service interest payments thereon. Furthermore, power sector projects may be exposed to unplanned interruptions caused by catastrophic events such as floods, earthquakes, fires, major plant breakdowns, pipeline or electricity line ruptures or other disasters. Operational disruption, as well as supply disruption, could adversely affect the cash flows available from these projects. Furthermore, the cost of repairing or replacing damaged assets could be considerable. Repeated or prolonged interruption may result in a permanent loss of customers, substantial litigation or penalties and/or regulatory or contractual non-compliance. To the extent the risks mentioned above or other risks relating to the power sector projects that our Company finances, materialise, the quality of our Company’s asset portfolio and our Company’s results of operations may be adversely affected. Furthermore, as our Company continues to expand its operations, its loans to individual projects may increase, thereby increasing its exposure with respect to individual projects and the potential for adverse effects on our Company’s business, financial condition and results of operations in the event these risks were to materialise.



Further, any negative trend or financial difficulty in the Indian power sector could adversely affect our business and financial performance.

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

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

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

***7. If inflation increases, our Company's results of operations and financial condition may be adversely affected.***

There have been periods of slowdown in the economic growth of India. India's economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates and annual rainfall. Any persisted or future slowdown in the Indian economy or a further increase in inflation could have a material adverse effect on the price of raw materials involved in power generation and demand for our products and, as a result, on our business and financial results. In the event that domestic inflation or global inflation increases, certain of our Company's costs, such as salaries, which are typically linked to general price levels, may increase. Furthermore, if interest rates in India remain high, or if the RBI continues to retain high interest rates, our Company may face increased costs of funding. To the extent our Company cannot pass these increases in interest rates to its borrowers, its results of operations could be adversely affected.

***8. We currently fund our business in significant part through use of borrowing that have shorter maturities than the maturities of substantially all of our new loan assets and we may be required to obtain additional financing in order to repay our indebtedness and grow our business.***

We may face potential liquidity risks due to mismatches in our funding requirements and the financing we provide to our borrowers. In particular, a significant part of our business is funded through borrowing that have shorter maturities than the maturities of substantially all of our new loan assets. Our Company's financial products also have maturities that exceed the maturities of its borrowing.

To the extent our Company funds its business through the use of borrowing that have shorter maturities than the loan assets our Company disburses, our Company's loan assets will not generate sufficient liquidity to enable it to repay its borrowing as they become due, and our Company will be required to obtain new borrowing to repay its existing indebtedness. There can be no assurance that new borrowing will be available on favourable terms, or available at all. In particular, our Company is increasingly reliant on funding from the debt capital markets. The market for such funds is competitive and our Company's ability to obtain funds on acceptable terms will depend on various factors including, in particular, our Company's ability to maintain its credit ratings. Furthermore, our financial position may also be aggravated if our Company's borrowers pre-pay or are unable to repay any of the financing facilities our Company grants to them.

Our company has put in place an Asset Liability Management System and constituted an Asset Liability Management Committee ALCO headed by Director (Finance). ALCO monitors risks related to liquidity and interest rate and also monitors implementation of decisions taken in the ALCO meetings. The Asset Liability Management framework includes periodic analysis of long term liquidity profile of asset receipts and debt service obligations. While the liquidity risk is being monitored with the help of Asset Liability gap analysis, the interest rate risk is managed by analysis of interest rate sensitive gap statements. Such analysis is made on periodic basis in various time buckets and is being used for critical decisions regarding the time, volume and maturity profile of the borrowings and creation of mix of assets and liabilities in terms of time period (short, medium and long-term) and in terms of fixed and floating interest rates.

However, our inability to effectively manage our funding requirements and the financing we provide may also be aggravated if our borrowers pre-pay or are unable to repay any amount due under the financing facilities granted by our

Company. Our asset-liability management framework categorizes all interest rate sensitive assets and liabilities into various time period categories according to contracted residual maturities or anticipated re-pricing dates, as may be relevant in each case. The difference between the value of assets and liabilities maturing, or being re-priced, in any time period category provides a measure of our exposure to the risk of potential changes in the margins on new or re-priced assets and liabilities.

Any inability to obtain new borrowings, on favourable terms or otherwise, may negatively impact the profitability and growth of our business, which could have an adverse effect on our business, financial condition and results of operations.

To ensure that we always have sufficient funds to meet our commitments, our Company maintains sufficient liquidity to meet immediate disbursements and other obligations. At present surplus funds are invested as per the policy in financial instruments which includes short-term deposits with banks and debt oriented liquid mutual funds, etc.

Further, as per RBI Liquidity Risk Management Framework, a liquidity buffer is required to be maintained in terms of Liquidity Coverage Ratio (LCR) by ensuring that they have sufficient High Quality Liquid Asset (HQLA) to survive any acute liquidity stress scenario lasting for next 30 days. The HQLA is being maintained by the company as balance with Banks in Current Account and Fixed Deposits with Scheduled Commercial Banks and eligible securities. As of March 31, 2023, as required, PFC has maintained LCR of 70% and having sufficient HQLA.

Despite the existence of such measures, our Company's liquidity position could be adversely affected by the development of an asset-liability mismatch, which could have a material adverse effect on our Company's business, prospects, results of operations and financial condition.

**9. We are in non-compliance with certain corporate governance requirements mentioned under the SEBI Listing Regulations and Companies Act, 2013.**

Our Company, being a CPSE, our directors are appointed by the President of India as per the Articles of our Company. As on the date of this Draft Shelf Prospectus, our Company's Board comprises of seven Directors which includes three whole time functional directors, one Government Nominee Director and three independent director. Since appointment of directors is undertaken by the President of India through MoP, and is beyond the control of our Company, there are vacancies in our Board of Directors, which have not been fulfilled in terms of the requirements of SEBI Listing Regulations and consequently, we are in non-compliance with certain corporate governance requirements envisaged under the SEBI Listing Regulations and Companies Act, 2013, each as amended.

We have in the past received notices of penalty from NSE and BSE for non-compliance of the requirement of appointment of Independent Directors on the Board of the Company. Our Company has requested NSE and BSE for reconsideration and withdrawal of levy of fine. In this regard, the Stock Exchange have levied the following fines:

| (in ₹)         |                    |                |
|----------------|--------------------|----------------|
| Stock Exchange | Letter/Email dated | Penalty amount |
| NSE            | July 1, 2015       | 50,000         |
| BSE            | July 10, 2015      | 57,000         |
| BSE            | October 31, 2018   | 5,42,800       |
| NSE            | January 31, 2019   | 7,59,920       |
| BSE            | January 31, 2019   | 7,59,920       |
| NSE            | May 2, 2019        | 7,43,400       |
| BSE            | May 2, 2019        | 7,43,400       |
| NSE            | August 19, 2019    | 6,37,000       |
| BSE            | August 19, 2019    | 6,37,000       |
| NSE            | November 1, 2019   | 5,48,000       |
| BSE            | October 31, 2019   | 5,48,000       |
| NSE            | February 3, 2020   | 4,60,000       |
| BSE            | February 3, 2020   | 4,60,000       |
| NSE            | July 2, 2020       | 4,55,000       |
| BSE            | July 3, 2020       | 4,55,000       |
| NSE            | August 20, 2020    | 4,55,000       |
| BSE            | August 20, 2020    | 4,55,000       |
| NSE            | November 17, 2020  | 4,60,000       |
| BSE            | November 17, 2020  | 4,60,000       |
| NSE            | February 15, 2021  | 5,66,000       |

| Stock Exchange | Letter/Email dated | Penalty amount |
|----------------|--------------------|----------------|
| BSE            | February 15, 2021  | 5,66,000       |
| NSE            | May 17, 2021       | 7,44,000       |
| BSE            | May 17, 2021       | 7,44,000       |
| NSE            | August 20, 2021    | 8,19,000       |
| BSE            | August 20, 2021    | 8,19,000       |
| NSE            | November 22, 2021  | 8,28,000       |
| BSE            | November 22, 2021  | 8,28,000       |
| NSE            | February 21, 2022  | 7,92,000       |
| BSE            | February 21, 2022  | 7,92,000       |
| NSE            | May 20, 2022       | 1,50,000       |
| BSE            | May 20, 2022       | 1,50,000       |
| NSE            | November 21, 2022  | 4,60,000       |
| BSE            | November 21, 2022  | 4,60,000       |
| NSE            | February 21, 2022  | 4,60,000       |
| BSE            | February 21, 2022  | 4,60,000       |
| NSE            | May 22, 2023       | 4,50,000       |

We filed our representations to both NSE and BSE, explaining the reasons for such non-compliance and have requested withdrawal of such fines on account of the fact that the GoI appoints directors of our Company. Subsequently, BSE has *vide* its email dated September 24, 2020 and April 19, 2021 waived the fines levied on our Company for non-compliance under Regulations 17 and 19 of SEBI Listing Regulations from July 1, 2018 to December 31, 2020. . In this regard, our Company has received a letter dated July 4, 2023 from SEBI wherein SEBI has acceded to our request for exemption from compliance with the provisions of Regulation 5(1)(f) of the SEBI NCS Regulations to the extent of penalties levied upon PFC by the stock exchanges for non-compliance with corporate governance norms remaining outstanding, subject to necessary disclosures for such non-compliances under SEBI Listing Regulations in this Draft Shelf Prospectus, the Shelf Prospectus and relevant Tranche Prospectus(es).

In addition, the Companies Act, 2013, also prescribes a penalty for non-compliance with regard to appointment of requisite minimum number of independent directors, ranging from ₹ 50,000 to ₹ 5,00,000 respectively. This non-compliance with regard to appointment of requisite minimum number of independent was beyond the control of our Company, and our Company has/had requested the GoI from time to time to expedite the process of such appointment(s). Our Company cannot provide any assurance that this will be rectified until the GoI appoints such directors

Further, there can be no assurance that we may not be subjected to similar penalties in the future.

Further, RoC issued a show cause notice dated June 18, 2015 under Section 172 of the Companies Act, 2013 to PFCGEL (our erstwhile Subsidiary) and its directors who were also our Company's then functional directors, i.e. Mr. Mukesh Kumar Goel, CMD, Mr. Radhakrishnan Nagarajan, Director (Finance) and Mr. Anil Kumar Agarwal, Director (Projects), for not appointing a woman director on its board of directors, in terms of provisions of section 149 of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules 2014. On July 1, 2015, PFCGEL and its directors filed a reply to RoC. Subsequently, PFCGEL merged with our Company vide MCA order dated February 7, 2019. While no further communication has been received from RoC, our Company cannot assure you that no further action will be taken, or the levy of fine or penalty will be imposed by RoC in this regard.

**10. Our Promoter has majority control in the Company, which enables the Promoter to influence the outcome of matters submitted to shareholders for approval.**

As on March 31, 2023, our Promoter held 55.99% stake in the equity share capital of our Company. As a result, the President of India, acting through the MoP, will continue to exercise significant control over our Company. The President also controls the composition of the Board and determines matters requiring shareholder approval or approval by the Board. Our Promoter may take or block actions with respect to our Company's business, which may conflict with our Company's interests or the interests of our Company's minority shareholders. By exercising its control, the Promoter could delay, defer or cause a change of our Company's control or a change in our Company's capital structure, or a merger, consolidation, takeover or other business combination involving our Company, or discourage or encourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company. In addition, as long as the Promoter continues to exercise control over our Company, it may influence the material policies of our Company in a manner that could conflict with the interest of our Company's other shareholders and may take positions

with which our Company or our Company's other shareholders may not agree. In addition, the Promoter significantly influences our Company's operations both directly and indirectly through its various departments and policies in relation to the power industry generally. In particular, given the importance of the power industry to the economy, the Promoter could require our Company to take action designed to serve the public interest in India and not necessarily to maximise our Company's profits.

**11. *The shareholding of Government may come below 51% in our Company that may result in a change in control of our Company.***

Whilst the Government's shareholding in our Company equals or exceeds 51%, our Company will continue to be classified as a Government company and will be subject to various regulations, regulatory exemptions and benefits generally applicable to public sector companies in India. As of the date of this Draft Shelf Prospectus, there is no legislation that places a mandatory requirement on the Government to hold a minimum 51% shareholding in our Company or a merged entity (subsequent to any merger, including any potential merger with REC, our Subsidiary).

The Cabinet Committee on Economic Affairs (CCEA) has given in-principle approval on November 20, 2019 for reduction of GoI's paid-up share capital below 51% in select CPSEs in India while retaining management control on a case to case basis, taking into account the GoI's shareholding and the shareholding of GoI controlled institutions. The Department of Investment and Public Asset Management (DIPAM) is in the process of deciding the CPSEs for this purpose. Therefore, the Government may sell all or part of its shares in our Company, which may result in a change in control of our Company and which may, in turn, disqualify our Company from benefiting from certain regulatory exemptions and other benefits that may be applicable to our Company due to it being a public sector company. If a change of control were to occur, our Company cannot assure investors that it will have sufficient funds available at such time to pay the purchase price of such outstanding NCDs or repay such loan, which are required to be purchased / repaid as per their respective finance covenants, as the source of funds for any such purchase/repayment will be the available cash or third party financing which our Company may not be able to obtain at that time.

**12. *Our Company is subject to credit, market and liquidity risks and, if any such risk were to materialise, our Company's credit ratings and its cost of funds may be adversely affected.***

Our Company has put in place an asset liability management system and constituted an ALCO headed by Director (Finance), which monitors risks related to liquidity and interest rate and also monitors implementation of decisions taken in the ALCO meetings. The Asset Liability Management framework includes periodic analysis of long term liquidity profile of asset receipts and debt service obligations. While the liquidity risk is being monitored with the help of Asset Liability gap analysis, the interest rate risk is managed by analysis of interest rate sensitive gap statements. Such analysis is made on quarterly basis in various time buckets and is being used for critical decisions regarding the time, volume and maturity profile of the borrowings and creation of mix of assets and liabilities in terms of time period (short, medium and long-term) and in terms of fixed and floating interest rates. Our Company maintains sufficient liquidity to meet immediate disbursements and other obligations. At present surplus funds are invested in financial instruments as per the policy which includes short-term deposits with banks and debt oriented liquid mutual funds etc.

We review our lending rates periodically based on prevailing market conditions, borrowing cost, yield, spread, competitors' rates, sanctions and disbursements. Our rupee lending interest rates is mainly made with one year/ three year re-set clause.

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

We follow a systematic institutional and project appraisal process to assess and mitigate credit risk. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. We use a range of quantitative as well as qualitative parameters as a part of the appraisal process to make an assessment of the underlying credit risk in a project. We evaluate the credit quality of the borrowers by assigning risk weights on the basis of the various financial and non-financial parameters. We evaluate borrowers' eligibility criteria with an emphasis on financial and operational strength, capability and competence.

Although we encourage certain schemes through differential lending rates, the eligibility criteria and our funding decision is guided by the merit of the project and no funds are pre-allocated. In addition, we follow applicable provisions of RBI prudential norms for "Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies",

as notified and modified from time to time. For details on applicable Concentration of Credit / Investment Norms, please see section titled '*Regulations and Policies*' on page 179.

Although our Company follows various risk management policies and procedures, our Company may not be able to effectively mitigate its risk exposures in particular market environments or against particular types of risks. The Company's revenues and interest rate risk are dependent upon its ability to properly identify, and mark-to-market, changes in the value of financial instruments caused by changes in market prices or rates. Our Company's earnings are dependent upon its effectiveness in managing credit quality and risk concentrations, the accuracy of its valuation models and its critical accounting estimates and the adequacy of its allowances for loan losses. To the extent its assessments, assumptions or estimates prove inaccurate or are not predictive of actual results, our Company could incur higher than anticipated losses. The successful management of credit, market and operational risk is an important consideration in managing our Company's liquidity risk because it affects the evaluation of our Company's credit ratings by rating agencies. Our primary sources of funds include equity capital, internal resources, and domestic and foreign currency borrowings. Domestic credit rating agencies have given our Company the following ratings, in relation to our borrowing programmes – (i) CRISIL (a subsidiary of S&P) has granted us (a) "CRISIL AAA/Stable" rating in relation to our long term borrowing programme, for a limit of ₹ 60,000 crore, and (b) "CRISIL A1+" rating in relation to our short term borrowing programme, for a limit of ₹ 20,000 crore, (ii) ICRA has granted us (a) "[ICRA]AAA (stable)" rating in relation to our long term borrowing programme, for a limit of ₹ 60,000 crore, and (b) "[ICRA]A1+" rating for our short term borrowing programme, for a limit of ₹ 20,000 crore, and (iii) CARE has granted us (a) "CARE AAA; Stable" rating in relation to our long term borrowing programme, for a limit of ₹ 60,000 crore, and (b) "CARE A1+" rating in relation to our short term borrowing programme, for a limit of ₹ 10,000 crore. International credit rating agencies Moody's, and Fitch have granted our Company, the following ratings – (i) Moody's has granted us an issuer rating of "Baa3 Stable", (ii) Fitch has granted us long-term issuer default rating of "BBB-/ Stable".

Since our sources enable us to raise funds at a competitive cost, we believe we are able to price our financial products competitively. However, rating agencies may reduce or indicate their intention to reduce the ratings at any time and there can be no assurance that our Company may not experience such downgrade in the future. The rating agencies can also decide to withdraw their ratings altogether, which may have the same effect as a reduction in our Company's ratings. Any reduction in the rating by the domestic rating agencies below the level of "A" (adequate safety) or equivalent or withdrawal of our Company's ratings by domestic rating agencies may make our Company ineligible to remain classified as an IFC, increase our Company's borrowing costs, limit our Company's access to capital markets and adversely affect our Company's ability to sell or market its products, engage in business transactions, particularly longer- term and derivatives transactions, or retain its customers. This, in turn, could reduce our Company's liquidity and negatively impact our Company's financial condition and results of operations.

***13. Our Company may in the future conduct additional business through joint venture(s) and strategic partnerships, exposing our Company to certain regulatory and operating risks.***

Our Company intends to continue to pursue suitable joint venture and strategic partnership opportunities in India, in particular with companies/firms whose resources, capabilities and strategies are likely to enhance and diversify our Company's business operations in the power sector. Our Company may not be able to identify suitable joint venture or strategic partners or our Company may not complete transactions on terms commercially acceptable to our Company, or may not complete transactions at all. Our Company may not be able to successfully form such alliances and ventures or realise the anticipated benefits of such alliance and joint ventures. Furthermore, such partnerships may be subject to regulatory approvals, which may not be received in a timely manner, or may not be received at all. In addition, our Company's expected strategic benefits or synergies of any future partnerships may not be realised. Furthermore, such investments in strategic partnerships may be long-term in nature and may not yield returns in the short to medium term. Such initiatives will place significant strains on our Company's management, financial and other resources and any unforeseen costs or losses could adversely affect its business, profitability and financial condition.

***14. Some of our agreements with our lenders and our borrowers are not executed on stamp paper.***

Some of our loan documents with our lenders and our borrowers are not executed on stamp paper. As per Section 35 of Indian Stamp Act, 1899, such agreement cannot be admitted as evidence or be acted upon by any person having by law or consent of parties, the authority to receive evidence. Upon payment of stamp duty, such agreement can be admitted as evidence on payment of duty with which it is chargeable together with penalty of up to 10 times of such duty. In case of any dispute, unless these agreements are adequately stamped, they are not admissible-in-evidence in the court of law. If any dispute occurs with these lenders or clients/ borrowers with whom we have entered into unstamped agreement, then such agreement will not be admissible-in-evidence (unless adequate stamp duty together with penalty if any is paid) and this may have a material adverse effect on our business, results of operations and financial position.

**15. Our Statutory Auditors and previous statutory auditors of our Company have highlighted certain emphasis of matters to their audit reports relating to their audited financial statements, which may affect our future financial results.**

The auditor's report on the audited standalone and/or consolidated financial statements issued by respective statutory auditors for the Fiscals 2023, 2022 and 2021, as the case may be, of our Company included the following Emphasis of Matter:

| Particulars                | Emphasis Of Matter  | Impact on the financial statements and financial position of the company | Corrective steps taken and proposed to be taken by the company |
|----------------------------|---|--|--|
| <b>On Standalone basis</b> |   |  |  |
| As on March 31, 2023       | <p>Emphasis of Matter:</p> <p>i. We draw attention to Note 40.1.2 (iii) of the Standalone Financial Statements regarding the provision of impairment allowance in respect of loan assets, undisbursed letter of comfort and guarantee. The Company has recognized expected credit loss in respect of loan assets, undisbursed letter of comfort and guarantee as required under Ind AS 109, on the basis of documents provided by independent expert agency appointed by the Company. Since the calculation parameters require certain technical and professional expertise, we have relied upon the basis of determination of impairment allowance in so far as it relates to technical aspects/parameters considered by the said independent expert agency and management's judgment on the same.</p> <p>Our opinion is not modified in respect of the above said matter.</p>   | Nil  | Nil  |
| As on March 31, 2022       | <p>Emphasis of Matter:</p> <p>(i) We draw attention to Note 40.1.2 (iii) of the Standalone Financial Statements regarding the provision of impairment allowance in respect of loan assets, undisbursed letter of comfort and guarantee. The Company has recognized expected credit loss in respect of loan assets, undisbursed letter of comfort and guarantee as required under Ind AS 109, on the basis of documents provided by independent expert agency appointed by the Company. Since the calculation parameters require certain technical and professional expertise, we have relied upon the basis of determination of impairment allowance in so far as it relates to technical aspects/parameters considered by the said independent expert agency and management's judgment on the same.</p> <p>(ii) We draw attention to Note 58 of the Standalone Financial Statements regarding the impact of COVID-19 pandemic on the Company. Management is of the view that there are no reasons to believe that the pandemic will have any significant impact on the ability of the company to continue as a going concern. Nevertheless, the impact in sight of evolvement of pandemic in future period is uncertain and could impact the impairment allowance in future years.</p> <p>Other matters:</p> <p>The Standalone financial information of the Company for the year ended 31st March, 2021 included in the Standalone Financial Statements, were audited by joint statutory auditors of the Company, one of whom was predecessor audit firm, and they had expressed an unmodified opinion on Standalone Financial Statements vide their report dated 15th June, 2021.</p> | Nil  | Nil  |

| Particulars                  | Emphasis Of Matter   | Impact on the financial statements and financial position of the company | Corrective steps taken and proposed to be taken by the company |
|------------------------------|--|--|--|
| March 31, 2021               | <p><b>Emphasis of Matter:</b></p> <p>We draw attention to Note 57 of the Standalone Ind AS Financial Statements regarding the impact of COVID-19 pandemic on the Company. Management is of the view that there are no reasons to believe that the pandemic will have any significant impact on the ability of the company to continue as a going concern. Nevertheless, the impact in sight of involvement of pandemic in future period is uncertain and could impact the impairment allowance in future years.</p> <p>Our opinion is not modified in respect of the matter.</p> <p><b>Other Matters:</b></p> <p>The Company has recognized expected credit loss in respect of loan assets and undisbursed letter of comfort as required under Ind AS 109, on the basis of documents provided by independent expert agency appointed by the Company. Since the calculation parameters require certain technical and professional expertise, we have relied on the expected credit loss calculation as provided by the said independent expert agency.</p> <p>Our opinion on the standalone Ind AS financial statements is not modified in respect of above matters.</p>  | Nil  | Nil  |
| <b>On Consolidated basis</b> |  |  |  |
| March 31, 2023               | <p><b>Emphasis of Matters:</b></p> <p>We draw attention to Note 46.1.2 of the Consolidated Financial Statements regarding the provision of impairment allowance in respect of loan assets, undisbursed letter of comfort and guarantee. The Company and one of its subsidiaries has recognized expected credit loss in respect of loan assets, undisbursed letter of comfort and guarantee as required under Ind AS 109, on the basis of documents provided by independent expert agency appointed by them. Since the calculation parameters require certain technical and professional expertise, we have relied upon the basis of determination of impairment allowance in so far as it relates to technical aspects/parameters considered by the said independent expert agency and management's judgement on the same.</p> <p>Our opinion is not modified in respect of the above said matter.</p> <p><b>Other Matters:</b></p> <p>a. We did not audit the Financial Statements / financial information of two subsidiaries whose Financial Statements / financial information reflect total assets of ₹ 4,65,779.72 crore as at 31<sup>st</sup> March, 2023, total revenues of ₹ 39,614.51 crore and net cash flows amounting to ₹ (175.47) crore for the year ended on that date, as considered in the consolidated Financial Statements. These Financial Statements / financial information have been audited by other auditors whose report has been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so</p> | Nil  | Nil  |



| Particulars    | Emphasis Of Matter  | Impact on the financial statements and financial position of the company | Corrective steps taken and proposed to be taken by the company |
|----------------|---|--|--|
|                | <p>far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.</p> <p>b. We did not audit the Financial Statements / financial information of one subsidiary, whose unaudited Financial Statements/financial information reflect total assets of ₹ 1.31 crore as at 31<sup>st</sup> March, 2023, total revenues ₹ Nil and net cash flows amounting to ₹ Nil for the year ended on that date, as considered in the consolidated Financial Statements. The consolidated Financial Statements also include unaudited financial Statements / other financial information in respect of eleven associates, whose Financial Statements reflect Group's share of net profit of ₹ 0.01 crore for the year ended 31<sup>st</sup> March, 2023 as considered in the consolidated Financial Statements.</p> <p>These Financial Statements / financial information are unaudited and have been furnished to us by the Management, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid associates and jointly controlled entity, is based solely on such unaudited Financial Statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these Ind AS Financial Statements / financial information are not material to the Group.</p> <p>Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done by expert agency, the reports of the other auditors and the Financial Statements / financial information certified by the Management.</p> |  |  |
| March 31, 2022 | <p><b>Emphasis of Matter:</b></p> <p>(i) We draw attention to Note 46.1.2 of the Consolidated Financial Statements regarding the provision of impairment allowance in respect of loan assets, undisbursed letter of comfort and guarantee. The Company and one of its subsidiaries has recognized expected credit loss in respect of loan assets, undisbursed letter of comfort and guarantee as required under Ind AS 109, on the basis of documents provided by independent expert agency appointed by them. Since the calculation parameters require certain technical and professional expertise, we have relied upon the basis of determination of impairment allowance in so far as it relates to technical aspects/parameters considered by the said independent expert agency and management's judgment on the same.</p> <p>(ii) We draw attention to Note 57 of the Consolidated Financial Statements regarding the impact of COVID-19 pandemic on the Group. Management is of the view that there are no reasons to believe that the pandemic will have any significant impact on the ability of the Group to continue as a going concern. Nevertheless, the impact in sight of evolution of pandemic in future period is uncertain and could impact the impairment allowance in future years.</p> <p>Our opinion is not modified in respect of the above said matters.</p>   | Nil  | Nil  |

| Particulars | Emphasis Of Matter  | Impact on the financial statements and financial position of the company | Corrective steps taken and proposed to be taken by the company |
|-------------|---|--|--|
|             | <p><b>Other Matters:</b></p> <p>a. We did not audit the Financial Statements / financial information of two subsidiaries whose Financial Statements / financial information reflect total assets of ₹ 4,11,090.61 crore as at 31st March, 2022, total revenues of ₹ 39,083.73 crore and net cash flows amounting to ₹ (1,016.94) crore for the year ended on that date, as considered in the consolidated Financial Statements. These Financial Statements / financial information have been audited by other auditors whose report has been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.</p> <p>b. The consolidated Financial Statements also include unaudited financial Statements / other financial information in respect of one jointly controlled entity and fifteen associates (including three associates which are under process of striking off), whose Financial Statements reflect Group's share of net profit of ₹ (22.40) crore for the year ended 31st March, 2022 (upto date of cessation of joint control for Joint venture entity), as considered in the consolidated Financial Statements.</p> <p>These Financial Statements / financial information are unaudited and have been furnished to us by the Management, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid associates and jointly controlled entity, is based solely on such unaudited Financial Statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these Ind AS Financial Statements / financial information are not material to the Group.</p> <p>c. The Consolidated financial information of the Company for the year ended 31st March, 2021 included in the Consolidated Financial Statements, were audited by joint statutory auditors of the Company, one of whom was predecessor audit firm, and they had expressed an unmodified opinion on Consolidated Financial Statements vide their report dated 15th June, 2021.</p> <p>Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done by expert agency, the reports of the other auditors and the Financial Statements / financial information certified by the Management.</p> |  |  |

| Particulars    | Emphasis Of Matter   | Impact on the financial statements and financial position of the company | Corrective steps taken and proposed to be taken by the company |
|----------------|--|--|--|
| March 31, 2021 | <p><b>Emphasis of Matter:</b></p> <p>We draw attention to Note 57 of the Consolidated Ind AS Financial Statements regarding the impact of COVID-19 pandemic on the Group. Management is of the view that there are no reasons to believe that the pandemic will have any significant impact on the ability of the Group to continue as a going concern. Nevertheless, the impact in sight of involvement of pandemic in future period is uncertain and could impact the impairment allowance in future years.</p> <p>Our opinion is not modified in respect of the matter.</p> <p><b>Other Matters:</b></p> <p>a. We did not audit the Ind AS financial statements / financial information of one subsidiary whose financial statements / financial information reflect total assets of ₹ 4,00,866.87 crore as at 31st March, 2021, total revenues of ₹ 35,003.07 crore and net cash flows amounting to ₹ (538.47) crore for the year ended on that date, as considered in the consolidated Ind AS financial statements. These Ind AS financial statements / financial information have been audited by other auditors whose report has been furnished to us by the Management and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.</p> <p>b. We did not audit the Ind AS financial statements / financial information of one subsidiary, whose unaudited Ind AS financial statements / financial information reflect total assets of ₹ 131.53 crore as at 31st March, 2021, total revenues of ₹ 74.90 crore and net cash flows amounting to ₹ 25.90 crore for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS Financial Statements also include unaudited financial Statements / other financial information in respect of one jointly controlled entity and fifteen associates, whose financial statements reflect Group's share of net profit of ₹ 6.24 crore for the year ended 31st March, 2021, as considered in the consolidated Ind AS financial statements.</p> <p>These financial statements / financial information are unaudited and have been furnished to us by the Management, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, associates and jointly controlled entity, is based solely on such unaudited Ind AS financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these Ind AS financial statements / financial information are not material to the Group.</p> <p>c. The Group has recognized expected credit loss in respect of loan assets and undisbursed letter of comfort as required under Ind AS 109, on the basis of documents provided by independent expert agencies</p> | Nil  | Nil  |

| Particulars | Emphasis Of Matter  | Impact on the financial statements and financial position of the company | Corrective steps taken and proposed to be taken by the company |
|-------------|---|--|--|
|             | <p>appointed by the Holding Company and its subsidiary. Since the calculation parameters require certain technical and professional expertise, we and auditors of the subsidiary have relied on the expected credit loss calculation as provided by the said independent expert agencies.</p> <p>Our opinion on the Consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done by expert agency, the reports of the other auditors and the Ind AS financial statements / financial information certified by the Management.</p> |  |  |

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

Some of our Directors have interests in other companies, which are in businesses similar to ours, which may result in potential conflicts of interest. Potential conflicts of interest may arise out of common business objectives shared by us and our Directors and there can be no assurance that these or other conflicts of interest will be resolved in an impartial manner or at all. For further details, please refer to the section “Our Management” beginning on page 163.

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

The following table sets forth information with respect to our historical cash flows (on standalone basis), including certain negative cash flows for Fiscals 2023, 2022 and 2021:

| Particulars  | Fiscal 2023 | Fiscal 2022 | Fiscal 2021 |
|--|-------------|-------------|-------------|
| Net cash from operating activities                   | (35,740.75) | 6,919.28    | (17,514.68) |
| Net cash from investing activities                   | (713.97)    | (211.39)    | 880.92      |
| Net cash from financing activities                   | 35,755.95   | (9,704.60)  | 20,168.86   |
| Net increase/(decrease) in cash and cash equivalents | (698.77)    | (2,996.71)  | 3,535.10    |

(₹ in crore)

Our cash outflows relating to loans and advances disbursed by our Company (net of any repayments we receive) are reflected in our cash flow from operating activities whereas the cash inflows from external funding we procure (net of any repayments of such funding) to disburse these loans and advances are reflected in our cash flows from financing activities. The net cash flows from investing activities primarily represent sale and purchase of fixed assets, other investments and interest received.

However, after taking into account all the cash flows, there is positive cash and cash equivalents balance at the end of Fiscals 2023, 2022 and 2021, as below.

| Particulars | Amount   |
|-------------|----------|
| Fiscal 2023 | 22.14    |
| Fiscal 2022 | 720.91   |
| Fiscal 2021 | 3,717.62 |

(₹ in crore)

While presently our overall cash flows are positive, there is no assurance that negative cash flows from operations will not occur in the future.

**18. Setting up and operating power projects in India requires a number of approvals and permits, and the failure to obtain or renew them in a timely manner may adversely affect the operations of our Company's borrowers and in turn adversely affect the quality of our Company's loans.**

Setting up and operating power projects requires a number of approvals, licenses, registrations and permissions. Some of these approvals are subject to certain conditions, the non-fulfillment of which may result in revocation of such approvals. Moreover, some of the conditions may be onerous and may require our Company's customers to incur substantial expenditure, specifically with respect to compliance with environmental laws. Furthermore, certain of our Company's borrowers' contractors and other counterparties are required to obtain approvals, licenses, registrations and permits with respect to the services they provide to our Company's borrowers. Our Company's borrowers, their contractors or any other party may not be able to obtain or comply with all necessary licenses, permits and approvals required for the power projects in a timely manner to allow for the uninterrupted construction or operation of the power plants, or may not comply at all. Any failure to renew the approvals that have expired or apply for and obtain the required approvals, licenses, registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations and permits that have been or may be issued to our Company's borrowers may adversely affect its operations. This in turn could adversely affect the quality of our Company's loans, may put our Company's customers in financial difficulties (which could increase the level of non-performing assets in our Company's portfolio) and adversely affect our Company's business and financial condition.

***19. Our Company's business and activities are regulated by the Competition Act, 2002 (the "Competition Act") and any application of the Competition Act to our Company may be unfavourable or have an adverse effect on our Company's business, financial condition and results of operations.***

The Indian Parliament has enacted the Competition Act to prevent business practices that have an appreciable adverse effect on competition in India. Under the Competition Act, any arrangement, understanding or action in concert between enterprises, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India is void and attracts substantial monetary penalties. Any agreement which directly or indirectly determines purchase or sale prices, limits or controls production, shares the market by way of geographical area, market or number of customers in the market is presumed to have an appreciable adverse effect on competition. Furthermore, if it is proved that the contravention committed by a company took place with the consent or involvement or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be guilty of a contravention and liable to be punished.

If our Company is affected, directly or indirectly, by any provision of the Competition Act or its application or interpretation, including any enforcement proceedings initiated by the Competition Commission of India ("**Competition Commission**"), and any adverse publicity that may be generated due to scrutiny or prosecution by the Competition Commission, it may have a material adverse effect on our Company's business, financial condition and results of operations.

***20. Changes in legislation, including tax legislation, or policies applicable to our Company could adversely affect our Company's results of operations.***

Our business and operations are governed by various laws and regulations. Our business and financial performance could be materially adversely affected by any change in laws or interpretations of existing laws, or the promulgation of new laws, rules and regulations applicable to our business. Unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment laws governing our Company's business, operations and group structure may result in our Company being deemed to be in contravention of such laws. The Government or state governments could implement new regulations and policies, which could require us to obtain approvals and licences from the Government and other regulatory bodies or impose onerous requirements and conditions on our operations. Our Company may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources. Any such changes and the related uncertainties with respect to the implementation of the new regulations as well as any failure to comply may have a material adverse effect on our business, prospects, financial condition and results of operations. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body of administrative or judicial precedent may be time consuming as well as costly for our Company to resolve and may impact the viability of its current business or restrict its ability to grow its business in the future.

Tax and other levies imposed by the central and state governments in India that affect our Company's tax liability include central and state taxes and other levies, income tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. Any tax amendments from time to time may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our Company's business and results of operations.

As the taxation system undergoes changes, the effect of such changes on the financial system may not be determined and there can be no assurance that such effects would not adversely affect our business, prospects, financial condition and results of operations. At present, our Company has the benefit of the deductions under Sections 36(1) (viiia) (c) and 36(1) (viii) of the Income Tax Act. The Government of India is in the process of bringing Direct Tax Code which may review exemption / deductions available to companies. Non-availability of deduction under Sections 36(1) (viiia) (c) and 36(1) (viii) of the Income Tax Act may increase our tax liability.

Additionally, we are subject to the SEBI Listing Regulations, which was notified by the Securities and Exchange Board of India on September 2, 2015. The SEBI Listing Regulations have brought into effect changes to the framework governing listed companies, including the introduction of certain additional requirements such as the disclosure of material events or information, and making prior notifications of certain proposals to raise funds. The requirement for compliance with such applicable regulations presents a number of risks, particularly in areas where applicable regulations may be subject to varying interpretations. Further, if the interpretations of the regulators and authorities are different, we may be subject to penalties and our business could be adversely affected. Furthermore, to ensure compliance with the requirements of the SEBI Listing Regulations, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention.

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

As of March 31, 2023, ₹ 72,731.95 crore or 17.21% of our total outstanding loans were to private sector borrowers. Under the terms of our loans to private sector borrowers, our loans are secured by project assets, and in certain cases, we also obtain additional collateral in the form of a pledge of shares by the relevant promoter, or sponsor guarantee. We intend to increase our exposure to private sector borrowers in the future. The ability of such borrowers to perform their obligations under our loans will depend primarily on the financial condition and results of the relevant projects, which may be affected by many factors beyond the borrowers' control, including competition, operating costs, regulatory issues and other risks. If borrowers with non-recourse or limited recourse loans were to be adversely affected by these or other factors and were unable to meet their obligations, the value of the underlying assets available to repay the loans may become insufficient to pay the full principal and interest on the loans, which could expose us to significant losses.

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

Our Company uses escrow accounts as a credit enhancement mechanism for certain of its public sector borrowers that do not meet certain of its credit risk criteria. As of March 31, 2023, 84.05% of our outstanding loans to state and Central sector borrowers involved escrow account mechanism. Similarly, in the case of private sector borrowers, security is typically obtained through a first priority *pari passu* charge on the relevant project assets, and through a trust and retention account mechanism.

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

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

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

whether these legal proceedings will be decided in our favour or have no adverse outcome, nor can any assurance be given that no further liability will arise out of these claims. For further details, please section “*Outstanding Litigations and other Confirmations*” on page 502.

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

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

**25. *Volatility in interest rates affects our Company’s lending operations and may result in a decline in our Company’s net interest income and net interest margin and adversely affect our Company’s return on assets and profitability.***

The Company’s business is primarily dependent on interest income from its lending operations, which contributed approximately 94.23%, 94.31% and 94.60%, of its total income in Fiscal 2023, Fiscal 2022 and Fiscal 2021, respectively. In addition, as of March 31, 2023, 76.35% of our Company’s borrowing were at fixed rates while the remaining were at floating rates (i.e., linked to the MCLR/RBI Repo rate and other market benchmarks), compared to 76.98% of our Company’s loan assets which carry interest rates with one year/ three year reset clause. The primary interest rate-related risks our Company faces are from timing differences in the pricing of our Company’s assets and liabilities, for example, in an increasing interest rate environment, our Company’s liabilities are priced prior to its assets being priced, our Company may incur additional liabilities at a higher interest rate and incur a repricing risk, or in the event that there is an adverse mismatch between the repricing terms of our Company’s loan assets and its loan liabilities. Interest rates are highly sensitive to many factors beyond our Company’s control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions and other factors. When interest rates decline, our Company is subject to greater re-pricing and pre-payment risks as borrowers may take advantage of the attractive interest rate environment. If our Company re-prices loans, our Company’s results may be adversely affected in the period in which the re-pricing occurs. If borrowers prepay loans, the return on our Company’s capital may be impaired as any prepayment premium our Company receives may not fully compensate our Company for the redeployment of such funds elsewhere. In addition, while our Company sets the interest rate under its loans and also typically has the option to reset the rate to our Company’s prevailing lending rates in accordance with the terms of the relevant loans, mainly yearly or every three years, this flexibility is also subject to the borrower’s ability to prepay the loan and refinance with another lender. When interest rates rise, it results in an increase of interest rates for our Company’s borrowing and given that a majority of our Company’s loans are subject to one/three year re-set clauses, our Company may not be able to re-price the loans or increase the interest rates with respect to such loans during such period, which could have a material adverse effect on our Company’s results of operations and financial condition. In addition, as a non-deposit taking NBFC, our Company may be more susceptible to such increases in interest rates than some of our Company’s competitors such as commercial banks or deposit taking NBFCs that have access to lower cost funds. The Company’s results of operations are therefore dependent on various factors that are indirectly affected by the prevailing interest rate and lending environment, including disbursement and repayment schedules for our Company’s loans, the terms of such loans including interest rate reset terms as well as the currency of such loans and any exchange gains or losses relating thereto. In addition, the value of any interest rate hedging instruments our Company may enter into in the future may be affected by changes in interest rates. There can be no assurance that our Company will be able to adequately manage its interest rate risk and be able to effectively balance the proportion and maturity of its interest earning assets and interest bearing liabilities in the future. Although, our net interest margin has been at 3.36% in Fiscal 2023, 3.62% in Fiscal 2022 and 3.54% in Fiscal 2021, however, a decline in our net interest margin in the future can have a material adverse effect on our business, financial condition and results of operations.

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

We are a systemically important non-deposit taking NBFC and are subject to various regulations by the RBI as an NBFC. With effect from July 28, 2010, our Company has been classified as an IFC by the RBI. This classification is subject to certain conditions including (i) a minimum of 75% of the total assets of such IFC should be deployed in infrastructure

loans (as defined under Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016), (ii) net owned funds of ₹ 300 crore or more, (iii) a minimum credit rating of “A” or an equivalent credit rating of CRISIL, ICRA, CARE, Fitch, Brickwork Rating India Private Limited or equivalent rating by any other credit rating agency accredited by RBI, and (iv) CRAR of 15% with a minimum tier I capital of 10%. Tier I capital for such purposes means owned funds as reduced by investment in shares of other NBFCs and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, 10% of the owned fund and perpetual debt instruments issued by a non-deposit taking NBFC in each year to the extent it does not exceed 15% of the aggregate tier I capital of such company as of March 31 of the previous accounting year.

As per RBI’s SBR Framework, the credit concentration limits need to be calculated based on Tier I Capital from October 1, 2022 as against owned funds. RBI vide its letter dated March 20, 2023 has, inter-alia, directed the Company to reckon Tier I Capital as on March 31st (based on annual results) while computing exposure. However, during the year, for the purpose of credit concentration limits, the Company has worked out the owned fund / Tier I Capital based on quarterly financial results till March 21, 2023. As on March 31, 2023, the exposure of the Company to Private / Government Sector entities are within the RBI’s prescribed credit concentration limits.

As prescribed under RBI’s SBR Framework, following credit concentrations limits are being followed by our Company:

| <b>Concentration of Credit / Investment Norms Limit (as a percentage of Tier I Capital)</b> |     |
|---|-----|
| - Single borrower/ party  | 25% |
| - Single group of borrowers/ parties  | 40% |

In addition to above:

- An NBFC may exceed the concentration of credit/ investment norms, by 5% for any single party and by 10% for a single group of parties, if the additional exposure is on account of infrastructure loan and/or investment.

As of March 31, 2023, the CRAR of our Company was 24.37%. The exposure limits as prescribed by RBI are being followed by our Company in case of private sector borrowers. Any inability to continue being classified as an IFC may impact our growth plans by affecting our competitiveness. As an IFC, we will have to constantly monitor our compliance with the necessary conditions, which may hinder our future plans to diversify into new business lines. In the event we are unable to comply with the eligibility condition(s), we may be subject to regulatory actions by the RBI and/ or cancellation of our registration as an IFC. Any levy or fines or penalties or the cancellation of our registration as IFC may adversely affect our business prospects, results of operations and financial condition.

In addition, our ability to borrow from various banks may be restricted under guidelines issued by the RBI imposing restrictions on banks in relation to their exposure to NBFCs. According to the RBI, a bank’s exposure to a single NBFC will be restricted to 20 percent of their Tier-I capital. However, based on the risk perception, more stringent exposure limits in respect of certain categories of NBFCs may be considered. Banks’s exposure to a group of connected NBFCs or group of connected counterparties having NBFCs in the group will be restricted to 25 percent of their Tier I capital. The above exposure limits are subject to all other instructions in relation to bank’s exposures to NBFCs. Banks may also consider fixing internal limits for their aggregate exposure to the power sector put together. Although we do not believe such exposure limits have had any adverse effects on our own liquidity, however, any change in regulatory regime may result in a situation where individual lenders from whom we currently borrow may not be able to continue to provide us funds.

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

**27. We have been granted exemption in case of Central/ State sector entities from applying exposure limits prescribed by the RBI until March 31, 2023. We cannot assure you that such exemption will continue to be granted by RBI, in which event it may adversely affect our business.**

RBI has exempted our Company from applying RBI exposure norms in Central / State sector entities till March 31, 2022. Further, RBI vide its letter dated August 24, 2022 has allowed the existing exposure of Central/State Government entities of the Company as on date of letter to run off till maturity without invoking any regulatory violation.

As per RBI’s SBR Framework, the credit concentration limits need to be calculated based on Tier I Capital from October 1, 2022 as against owned funds. RBI vide its letter dated March 20, 2023 has, inter-alia, directed the Company to reckon



Tier I Capital as on March 31st (based on annual results) while computing exposure. However, during the year, for the purpose of credit concentration limits, the Company has worked out the owned fund / Tier I Capital based on quarterly financial results till March 21, 2023. As on March 31, 2023, the exposure of the Company to Private / Government Sector entities are within the RBI's prescribed credit concentration limits.

As prescribed under RBI's SBR Framework, following credit concentrations limits are being currently followed by our Company:

| <b>Concentration of Credit / Investment Norms Limit (as a percentage of Tier I Capital)</b> |     |
|---|-----|
| Single borrower/ party  | 25% |
| Single group of borrowers/ parties  | 40% |

In addition to above:

An NBFC may exceed the concentration of credit/ investment norms, by 5% for any single party and by 10% for a single group of parties, if the additional exposure is on account of infrastructure loan and/or investment.

**28. If our contingent liabilities and commitments materialize, they could adversely affect our business, financial condition and results of operations.**

As of March 31, 2023, we had contingent liabilities and commitments amounting to ₹ 2,788.57 crore, including ₹ 2,427.96 crore in the form of letters of comfort issued to borrowers' banks in connection with letters of credit, and other contingent liabilities and commitments of ₹ 360.61 crore. If any or all of these contingent liabilities materialize, our financial condition could be adversely affected.

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

In the past, our gross Stage III Assets (under Ind AS) have been as indicated below:

| <b>Particulars as of</b> | <b>Gross Stage III Assets (₹ in crore)</b> | <b>As a % of total loan assets</b> |
|--------------------------|--|------------------------------------|
| March 31, 2023           | 16,501.65                                  | 3.91%                              |
| March 31, 2022           | 20,915.28                                  | 5.61%                              |
| March 31, 2021           | 21,150.16                                  | 5.70%                              |

The Companies (Indian Accounting Standards) Rules, 2015, as amended, has with effect from April 1, 2018 introduced classification of previously termed non-performing assets or NPAs as Stage III Assets as per IND AS principals. We have made provisioning for Stage III assets or non-performing assets accordingly. In addition, we may, from time to time, amend our policies regarding asset classification of our loans which may increase our Stage III assets. Further, in terms of the Stressed Asset Framework, failure to resolve stressed assets in a timely manner may lead to higher provisioning being made for such stressed assets. This in turn may adversely affect our Stage III assets. There can be no assurances that the classification norms for our loans would not be subject to further change in the future, including on account of changes to accounting policies. Any further changes in classification or provisioning parameters may require additional provisions to be made in our accounts and additional actions to be taken by us, which we may not be able to in a timely manner or at all. Additionally, if we are not able to prevent increases in our level of Stage III assets, our business and our future financial condition could be adversely affected.

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

We usually require certain regulatory approvals, sanctions, licences, registrations and permissions for operating our businesses. We may not receive or be able to renew such approvals in the time frames anticipated by us or at all, which could adversely affect our business. If we do not receive, renew or maintain such regulatory approvals required to operate our business, the same may have a material adverse effect on the continuity of our business and may impede our effective operations in the future. Additionally, any historical or future failure to comply with the terms and conditions of our existing regulatory or statutory approvals may cause us to lose or become unable to renew such approvals.

We are subject to periodic inspection by the RBI under Section 45N of the RBI Act, pursuant to which the RBI inspects

our books of accounts and other records for the purpose of verifying the correctness or completeness of any statement, information or particulars furnished to the RBI. RBI, in its last inspection report for the financial year ended March 31, 2022, has indicated certain observations with respect to, *inter alia*, non-compliance with the provisions of SEBI Listing Regulations due to inadequate representation of independent directors in audit committee and nomination and remuneration committee, requisite amount not spent on CSR activities during Fiscal 2022, internal audit, control gaps, interest rate risks liquidity ratio, management and other supervisory concerns, etc. We have responded to all the observations of RBI and as on date, no penalties have been levied by RBI. Further, as on date, RBI inspection report for the period 2022-23 has not been released to the Company. We cannot assure you that the RBI will not find any deficiencies in future inspections or the RBI will not make similar or other observations in the future. Imposition of any penalty or adverse findings by the RBI during the ongoing or any future inspections may have an adverse effect on our business, results of operations, financial condition and reputation.

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

We are a Government company operating in a regulated industry, and the GoI (being a principal shareholder holding 55.99% as on March 31, 2023, of our paid up equity share capital), acting through the MoP, exercises significant influence on key decisions relating to our operations, including with respect to the appointment and removal of members of our Board, and can determine various corporate actions that require the approval of our Board or majority shareholders, including proposed budgets, transactions with other Government companies or GoI entities and agencies, and the assertion of any claim against such entities. The GoI has also issued directions in connection with the payment of dividends by Government companies.

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

**32. *Volatility in foreign exchange and un-hedged foreign currency could adversely affect our Company's financial conditions and results of operations.***

As of March 31, 2023, we had foreign currency borrowing outstanding of USD 5,841 million, JPY 1,32,381 Million and EUR 932 million, the total of which was equivalent to ₹ 64,686.39 crore or 17.4% of our total borrowing. We may continue to be involved in foreign currency borrowing and lending in the future, which will further expose us to fluctuations in foreign currency rates. Our Company has put in place a policy for management of risks on foreign currency borrowings, to manage risks associated with foreign currency borrowing. However, there is no assurance that it will remain effective over a period of time. Our Company enters into hedging transactions to cover exchange rate and interest rate risk through various instruments like currency forward, option, principal swap, interest rate swap and forward rate agreements. As of March 31, 2023, we had entered into hedging transaction to cover 82% of our foreign currency principal exposure having residual maturity period of up to five years. Volatility in foreign exchange rates could adversely affect our business and financial performance. We are also affected by adverse movements in foreign exchange rates to the extent they impact our borrowers negatively, which may in turn impact the quality of our exposure to these borrowers. Foreign lenders may also impose conditions more onerous than domestic lenders.

In addition, although our Company engages in hedging transactions to manage interest rate and foreign exchange currency rate risks, our Company's hedging strategy may not be successful in minimising its exposure to these fluctuations. Our Company faces the risk that the counterparties to its hedging activities may fail to honour their contractual obligations to our Company. This may result in our Company not being able to net off its positions and hence reduce the effectiveness of our Company's hedges. Non-performance of contracts by counterparties may lead to our Company in turn not being able to honour its contractual obligations to third parties. This may subject our Company to, among others, legal claims and penalties.

**33. *Certain financing arrangements provided by us to state utilities of the erstwhile unified state of Andhra Pradesh continue to be secured by assets which are required to be bifurcated between the states of Andhra Pradesh and Telangana and the Union Territories of Jammu and Kashmir and Ladakh, which is pending finalisation. Difficulties associated with the transfer of assets may lead to imperfection of the security for loans granted by us, which may affect our ability to recover such loans and affect our financial condition.***

Pursuant to the notification regarding bifurcation of State of Andhra Pradesh and Telangana, the final transfer scheme is yet to be notified, duly indicating the transfer of assets and liabilities among the power utilities, action for execution of documentation formalities will be taken up in respect of all the outstanding loans with the new / name changed utilities. Till that time, the demand for payment of interest and principal is being segregated inter-se by the utilities of the two states on an ad hoc basis and the respective portions are being paid by utilities in the states of Telangana and Andhra Pradesh. The loans given by us to the state utilities of the erstwhile unified state of Andhra Pradesh, prior to the bifurcation, continue to remain secured by the assets created out of the said loans and the said loans continue to remain secured until the bifurcated states perform the actions required to be done as per the bifurcation scheme. Any difficulties in the transfer of assets between the states of Andhra Pradesh and Telangana, may lead to imperfection of the security for loans granted by us and may also inflict difficulties in us enforcing such security at subsequent stages, if required.

Further, after the bifurcation of the State of Jammu and Kashmir into two Union territories, Jammu and Kashmir and Ladakh, the existing entities pertaining to the erstwhile state of Jammu and Kashmir have been restructured vide unbundling order dated October 23, 2019. The addendums to the agreements with new restructured departments are yet to be executed. Pending the execution of such documents, the existing loans are being serviced/repaid in line with the existing loan agreement.

Any such failure to perfect security creation, may affect our ability to recovery amounts lent under such facilities and such failure to recover amounts may adversely affect our financial condition.

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

Our total loan assets increased from ₹ 3,70,770.99 crore as of March 31, 2021 to ₹ 4,22,497.73 crore as of March 31, 2023. We intend to continue to grow our business, which could place significant demands on our operational, credit, financial and other internal risk controls. It may also exert pressure on the adequacy of our capitalization, making management of asset quality increasingly important.

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

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

As part of its growth strategy, our Company has expanded its focus areas to include renewable energy projects, and projects that represent forward and backward linkages to core power sector projects, including capital equipment for the power sector, fuel sources for power generation projects and related infrastructure development, as well as power trading initiatives. In addition, our Company intends to expand its business and service offerings in consultancy and other fee-based services, debt syndication and equity investments. Our Company also intends to continue to develop strategic partnerships and alliances, and evaluate new business opportunities related to the power sector in India. Pursuing any strategic business opportunities may require capital resources and additional regulatory approvals. Our Company has limited knowledge and experience with respect to financing and other opportunities in these business expansion areas, and competition, applicable regulatory regimes and business practices applicable to these areas and opportunities may differ significantly from those faced by our Company in its current operations. In addition, if our Company decides to expand inorganically in these strategic areas, it may not be able to achieve expected synergies from, or achieve the strategic purpose of, any such acquisition, or achieve operational integration or the expected return on its investment. There can be no assurance that our Company will be able to implement, manage or execute its growth strategy efficiently or in a timely manner or at all, which could adversely affect its business, prospects, financial condition and results of operations. Our Company's Board has approved a plan to set up a private equity fund to invest in power projects and forward and backward linkages to the core power sector projects. Our Company has limited experience in private equity, and competition and applicable regulatory regimes and business practices applicable to this area may differ significantly from those faced by our Company in its current operations. This venture may not be successful, which could adversely affect our Company's business, prospects, financial condition and results of operations.

Our Company has recently forayed into the financing to Logistic and Infrastructure sectors. Since this is a new area of financing and our Company has no previous experience of financing in these sectors, we may not be able to generate sufficient level of income/ profitability in such business or achieve desired growth. This may adversely affect our financial condition, and result of operations.

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

We have been appointed as the nodal agency for the development of UMPPs, each with a contracted capacity of 4,000 MW or more. As of March 31, 2023, a total of 19 Special Purpose Vehicles (SPVs) have been incorporated as wholly-owned subsidiaries for 14 UMPPs. Out of these, 4 UMPPs were transferred to the successful bidders and 4 UMPPs are closed. These SPVs have been established to undertake preliminary site investigation activities necessary for conducting the bidding process for these projects and also to undertake preliminary studies and obtain necessary linkages, clearances, land and approvals, including for water, land and power sale arrangements, prior to transfer of the projects to successful bidders. The objective is to transfer these SPVs to successful bidders, through a tariff based international competitive bidding process, who will then implement these projects, on payment of development costs incurred by each SPV. Our Company has and is likely to continue to incur expenses in connection with these SPVs. There may be delays in the development of such UMPPs or we may be unable to transfer these UMPPs due to various factors, including environmental issues, resistance by local residents, changes in related laws or regulatory frameworks, or our inability to find a developer for such projects. In addition, we may not be able to fully recover our expenses from the successful bidder, which may result in financial loss to us, which could adversely affect our financial condition and results of operations.

**36. *Our agreements regarding investments in other companies contain restrictive covenants, which limit our ability to transfer our shareholding in such ventures.***

Our Company has entered into certain share subscription and shareholders agreements, in respect of certain entities promoted by us or in which we have invested. As we hold minority interests in each of these companies, our partners will have control over such companies (except to the extent agreed under the respective agreements). These partnerships are dependent on cooperation of our partners and subject to risk of non-performance by our partners of their obligations. Any disputes that may also arise between our partners and us may cause delays in completion or the suspension or abandonment of the venture. Further, though our agreements confer rights on us, our partners have certain decision-making rights that may limit our flexibility to make decisions relating to such business, and may cause delays or losses. Under the terms of the relevant agreements our Company is not permitted to transfer its shareholding in the joint venture(s) to a third party for a specified lock-in period, and such agreements also contain "Right of First Refusal" provisions, by virtue of which our Company is required, post-expiry of the relevant lock-in periods, to offer its shareholding in such joint ventures to the other parties to these agreements in proportion to their shareholding in these ventures, prior to offering its shareholding for sale to third parties. Such covenants limit our ability to make optimum use of our investments or exit these joint ventures and thereby liquidating our investments at our discretion, which may have an adverse impact on our financial condition.

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

We have received and currently receive tax benefits by virtue of our status as a lending institution, including our lending within the infrastructure sector, which have enabled us to reduce our effective tax rate. In Financial Years 2022-23, 2021-22 and 2020-21 our effective tax liability, calculated on the basis of our tax liability (excluding deferred taxes) as a percentage of taxable profit before deductions mentioned above, was 19.16%, 19.18% and 17.74%, respectively, compared to statutory corporate tax rates (including surcharge and cess) of 25.168%, 25.168% and 25.168% respectively in such periods. The availability of such tax benefits is subject to the policies of the GoI, and there can be no assurance as to any or all of these tax benefits that we will receive or continue to receive in the future. If the laws or regulations regarding these tax benefits are amended, our taxable income and tax liability may increase/ decrease, which may have an impact on our financial condition and results of operations.

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

We may make equity investments in the power sector either directly or indirectly. As of March 31, 2023, our investments in equity and equity linked instruments were valued at ₹ 16,292.82 crore. For example, on March 28, 2019, we acquired a 52.63% equity stake in REC Limited from the GoI. Besides, we make equity investments in project SPVs, however,

we have limited/no control over the activities of these project SPVs. The value of these investments depends on the success and continued viability of these businesses. In addition to the project-specific risks described in the above risk factors, we have limited control over the operations or management of these businesses. Therefore, our ability to realize expected gains as a result of our equity interest in a business is highly dependent on factors outside our control. Write-offs or write-downs in respect of our equity investments may adversely affect our financial performance.

Our Company may also be unable to realise any value if the company in which our Company invests does not have a liquidity event, such as a sale of the business, recapitalization or public offering, which would allow our Company to sell the underlying equity interest. In addition, the ability of these investee companies to make dividend payments is subject to applicable laws and regulations in India relating to payment of dividends. Furthermore, equity investments in power sector projects may be less liquid and involve a longer holding period than traditional private equity investments. Such investments may not have any readily ascertainable market value, and the value of investments reflected in our Company's financial statements may be higher than the values obtained by our Company upon the sale of such investments.

**39. Any default in repayment of our borrowing would trigger payment to some or all of the other borrowing obtained by our Company, which would have a material adverse effect on the liquidity position, cash flows, business and results of operation of our Company**

Our Company has given cross default covenants in few of its borrowings which means that if our Company defaults in any of its obligations under a loan, the loan which has the cross default clause will also become payable even if there is no breach of covenant or default of payment on such loan. Any default on some of our Company's loans may also trigger cross-defaults under some of our Company's other loans, which would have a material adverse effect on our Company's liquidity, cash flows, business and results of operations.

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

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

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

We have entered and may enter into transactions with related parties, including our Directors. There can be no assurance that we could not have achieved more favourable terms on such transactions had they not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. The transactions we have entered into and any future transactions with related parties have involved or could potentially involve conflicts of interest. For details of related party transactions in the last three financial years, please refer to section titled "*Financial Information*" beginning on page 198.

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

**42. We have received an order from the RoC in relation to non-compliance with certain provisions of the Companies Act, which if determined against us, could adversely impact our business and financial condition.**

Under Section 234 (1) of the Companies Act, 1956, the RoC issued an order on July 24, 2013 to our Company requiring us to furnish information and/or explanation on certain issues pertaining to our financial statements for Fiscal 2008 to Fiscal 2012, where the RoC had observed that our Company had *prima facie* contravened certain provisions of the Companies Act, 1956 read with Accounting Standards which include, *inter alia*, the accounts of our Company not being prepared on an accrual basis, incomplete disclosures in the balance sheet, overstatement of profit, classification of doubtful debts as good, not reflecting true and fair view, non-compliance with ICAI suggestions on creation of deferred

tax liability on special reserve for the period 2001-02 to 2003-04 by charging the profit and loss account and crediting the reserve.

In addition, the RoC had asked our Company to furnish certain documents and details including details of the issue on infrastructure bonds including the objects of raising such funds, utilization of funds raised through the issue, unutilized amount and where such utilized amounts been invested, among others. Our Company gave a detailed response on August 30, 2013 to the RoC order, explaining with reasons and documents *inter alia* that there were no contraventions of the provisions of Companies Act, 1956 or Accounting Standards, nor are there was any wilful misstatement, the classification of the assets as standard was in accordance with the prudential norms of our Company, non-creation of deferred tax liability on special reserve was in line with the letter dated June 2, 2009 of the Accounting Standard Board of the ICAI. Further, the details of issues of infrastructure bonds were also furnished in our letter dated August 30, 2013. RoC, vide letter dated October 10, 2014 forwarded their comments to MoP on our response and clarification, who in turn had asked for the comments of our Company, vide MoP letter dated October 31, 2014. Our Company had furnished reply to MoP on December 12, 2014. The MoP, vide letter dated April 27, 2015 asked our Company to place the observations of the RoC before the Board of our Company. The Board had considered and ratified our Company's reply dated August 30, 2013 to the RoC order. This was informed to MoP vide our letter dated June 2, 2015. Thereafter, there was no further query or communication from RoC. For further details please refer to the section titled "*Outstanding Litigations*" on page 502.

If the alleged contraventions are determined against us, our Company and its officers in default may be subjected to fines and penalties and our officers in default may be subjected to imprisonment, in accordance with the Companies Act, 1956, which may have a material adverse impact on the business and financial condition of our Company.

While presently no penalties have been levied on us nor any adverse action has been taken by RoC with respect to the alleged contraventions, we cannot assure you that such action will not be taken in the future.

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

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

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

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

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

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

Further, the RBI has not provided for any ceiling on interest rates that can be charged by non-deposit taking NBFCs. There may be future changes in the regulatory system or in the enforcement of the laws and regulations, including policies or regulations or legal interpretations of existing regulations, relating to or affecting interest rates, taxation, inflation or exchange controls, that could have an adverse effect on non-deposit taking NBFCs. In addition, we are required to make various filings with the RBI, the RoC and other relevant authorities pursuant to the provisions of RBI regulations, Companies Act, 2013 and other regulations. If we fail to comply with these requirements, or a regulator claims we have not complied with such requirements, we may be subject to penalties. Moreover, these laws and regulations can be amended, supplemented or changed at any time such that we may be required to restructure our activities and incur additional expenses in complying with such laws and regulations, which could materially and adversely affect our business. In addition, any historical or future failure to comply with the terms and conditions of our existing regulatory or statutory approvals may cause us to lose or become unable to renew such approvals.

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

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for employee removal and dispute resolution, and imposes financial obligations on employers. This makes it difficult for our Company to maintain flexible human resource policies, discharge employees or downsize, which though not quantifiable, may adversely affect our Company's business and profitability. Our Company has a registered trade union under the Trade Unions Act, 1926. Although our Company considers its relations with its employees to be stable, as on March 31, 2023, 3.66% of our employees are unionised and although our Company has not lost any time on account of strikes or labour unrest to date, our Company's failure to effectively negotiate with union or other legitimate union activity could result in work stoppages. Any such work stoppage, though not quantifiable, could have an adverse effect on our Company's business, financial condition and results of operations.

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

Our Company has taken property on lease for its regional office and it is possible that the lease for such property may not be renewed on favourable terms. The property may not have been constructed or developed in accordance with local planning and building laws and other statutory requirements. In addition, there may be certain irregularities in title in relation to some of our Company's owned/leased properties. For example, some of the agreements for such arrangements may not have been duly executed and/or adequately stamped or registered in the land records of the local authorities or the lease deeds may have expired and not yet been renewed. Since registration of land title in India is not centralised and has not been fully computerised, the title to land may be defective as a result of a failure on the part of our Company, or on the part of a prior transferee, to obtain the consent of all such persons or duly complete stamping and registration requirements. The uncertainty of title to land may impede the processes of acquisition, independent verification and transfer of title, and any disputes in respect of land title to which our Company may become party may take several years and considerable expense to resolve if they become the subject of court proceedings. Any such dispute, proceedings or irregularities may have an impact on the operation of our Company's business.

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

We intend to utilize the net proceeds raised through this Issue for the purpose of onward lending, financing / refinancing the existing indebtedness of our Company, and/or debt servicing (payment of interest and/or repayment / prepayment of interest and principal of existing borrowings of our Company), and for general corporate purposes. Our Company has not entered into any definitive agreements for utilization of the net proceeds towards the objects of this Issue.

***48. We may become liable for the acts or omissions of external consultants engaged by our Company or our Subsidiaries.***

One of our Subsidiaries i.e. PFCCL provides consultancy services and undertakes execution of consultancy assignments in the power sector for its clients. For these purposes, it also engages external consultants. Our Company also engages external consultants in the course of its business to assist in the conduct of the bidding process, among others. In the event that any acts or omissions of these external consultants may result in professional negligence or breach of contract, our Company may become liable to its clients or third parties for the acts or omissions of such external consultants, which could have an adverse effect on our Company's business, financial condition and results of operations.

**49. *There is a significant risk due to changes in environmental norms being followed for the thermal power projects. With our Company's main focus financing of thermal projects, it may pose problems in future.***

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

**50. *Security of our Company's IT systems may fail and adversely affect our Company's business, operations, financial condition and reputation.***

Our Company is dependent on the effectiveness of its information security policies, procedures and capabilities to protect its computer and telecommunications systems, and the data such systems contain or transmit. An external information security breach, such as a hacker attack, fraud, a virus or worm, or an internal problem with information protection, such as a failure to control access to sensitive systems, could materially interrupt our Company's business operations or cause disclosure or modification of sensitive or confidential information. Our Company's operations also rely on the secure processing, storage and transmission of confidential and other information in its computer systems and networks. Our Company's computer systems, software and networks may be vulnerable to unauthorised access, computer viruses or other malicious code and other events that could compromise data integrity and security. Although our Company maintains procedures and policies to protect its IT systems, such as a data back-up system, disaster recovery and a business continuity system, any failure of our Company's IT systems as mentioned above could result in business interruption, material financial loss, regulatory actions, legal liability and harm to our Company's reputation. Furthermore, any delay in implementation or disruption of the functioning of our Company's IT systems could disrupt its ability to track, record, process financial information or manage creditors/debtors or engage in normal business activities.

**B. RISKS RELATING TO THE INDIAN ECONOMY**

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

Any slowdown in the Indian economy or in the growth of the industry to which we provide financing or future volatility in global commodity prices could adversely affect our borrowers and the growth of their businesses, which in turn could adversely affect our business, results of operations and financial condition.

India's economy could be adversely affected by a general rise in interest rates, currency exchange rates, adverse conditions affecting agriculture, commodity and electricity prices or various other factors, including pandemics. Further, conditions outside India, such as slowdowns in the economic growth of other countries, could have an impact on the growth of the Indian economy, and government policy may change in response to such conditions.

A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. The International Monetary Fund has provided a list of downside risk factors, including mounting trade tensions, rising interest rates, political uncertainty and complacent financial markets. This and any prolonged financial crisis may have an adverse impact on the Indian economy, thereby resulting in a material adverse effect on our business, financial condition and results of operations.

**52. *Any downgrading of India's debt rating by an international rating agency could have a negative impact on our Company's business.***

Our Company is rated by international rating agencies namely, Fitch and Moody's for its foreign currency borrowing (i) Moody's has granted us long term local and foreign currency Issuer rating of "Baa3 Stable", and (ii) Fitch has granted us long-term foreign currency issuer default ratings of "BBB-/Stable".

There can be no assurance that these ratings will not be further revised, suspended or withdrawn by Moody's, or Fitch or that international rating agencies will also not downgrade India's credit ratings.

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



finance to the power sector.

**53. *Climate change and health epidemics could have a negative impact on the Indian economy and could cause our business to suffer.***

Our business could be materially and adversely affected by the outbreak of public health epidemics, pandemic, endemic or the fear of such an outbreak, in India or elsewhere. In January 2020, an outbreak of a strain of coronavirus, COVID-19, which has spread globally, with cases recorded in various parts of the globe including China, Australia, Italy, Iran, Japan, South Korea, UAE, Thailand, the United States and India, among other countries. On January 30, 2020, the World Health Organization declared the COVID-19 outbreak a health emergency of international concern. Governments around the world had to impose a number of measures designed to contain the outbreak, including business closures, travel restrictions, quarantines, lockdown and cancellations of gatherings and events. This in turn has impacted the operation of businesses, reduced regional travels and trade and lowered industrial production and consumption demand. If the outbreak of any of these epidemics, pandemics, endemics or other severe epidemics, continues for an extended period, occurs again and/or increases in severity, it could have an adverse effect on economic activity worldwide, including India, and could materially and adversely affect our business, financial condition, cash flows and results of operations. Similarly, any other future public health epidemics in India could materially and adversely affect our business, financial condition, cash flows, results of operations and prospects.

**54. *A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely impact our Company's financial condition.***

A decline in India's foreign exchange reserves could impact the value of the Rupee and result in reduced liquidity and higher interest rates, which could adversely affect our Company's future financial condition. Alternatively, high levels of foreign funds inflow could add excess liquidity to the system, leading to policy interventions, which would also allow slowdown of economic growth. In either case, an increase in interest rates in the economy following a decline in foreign exchange reserves could adversely affect our Company's business, prospects, financial condition and results of operations.

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

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

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

India imports majority of its requirements of crude oil. Crude oil prices are volatile and are subject to a number of factors, such as the level of global production, and political factors such as war and other conflicts, particularly in the Middle East, where a substantial proportion of the world's oil and natural gas reserves are located. Future increases in oil prices could affect the Indian economy, including the power sector, and the Indian banking and financial system. High oil prices could also add to inflationary pressures in the Indian economy. Additionally, increases in oil prices may have a negative

impact on the power sector and related industries. This could adversely affect our business, including our ability to grow, the quality of our asset portfolio, our financial performance and our ability to implement our strategy.

In addition, natural gas is an important input for power projects. India has experienced interruptions in the availability of natural gas, which has caused difficulties in these projects in the past. India's natural gas demand has been mainly affected by (i) lower availability; (ii) price affordability; (iii) inadequate transmission and distribution infrastructure; and (iv) limited gas import facilities. Continued difficulties in obtaining a reliable and consistent supply of natural gas could adversely affect some of the projects we finance and could impact the quality of our asset portfolio and our financial performance.

Furthermore, the Indian power sector has been suffering generation loss due to a shortage of coal (domestic and imported). Continued shortages of fuel could adversely affect some of the projects we finance and could impact the quality of our asset portfolio, which in turn could have a material adverse effect on our business, financial condition and results of operations.

***57. Economic developments and volatility in securities markets in other countries may negatively affect the Indian economy.***

The Indian securities market and the Indian economy are influenced by economic and market conditions in other countries. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections. The collapse of the sub-prime mortgage loan market in the United States that began in September 2008 led to increased liquidity and credit concerns and volatility in the global credit and financial markets in following Fiscal years. The European sovereign debt crisis has led to renewed concerns for global financial stability and increased volatility in debt and equity markets. These and other related factors such as concerns over recession, inflation or deflation, energy costs, geopolitical issues, slowdown in economic growth in China and Renminbi (Chinese Yuan) devaluation, commodity prices and the availability and cost of credit have had a significant impact on the global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in the United States and global credit and financial markets.

In the event that the current difficult conditions in the global financial markets continue or if there are any significant financial disruptions, this could have an adverse effect on our Company's cost of funding, loan portfolio, business, future financial performance and the trading price of any NCDs issued pursuant to the Issue. Negative economic developments, such as rising Fiscal or trade deficits, or a default on national debt in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general.

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

Our Company is incorporated in India, derives its revenues from operations in India and all its assets are located in India. Consequently, our Company's performance may be affected by interest rates, Government policies, taxation, social and ethnic instability and other political and economic developments affecting India. The GoI has traditionally exercised and continues to exercise significant influence over many aspects of the Indian economy. Our Company's business, may be affected by changes in the GoI's policies, including taxation. Current macro-economic situations and global conditions might lead to a gradual departure from an accommodative fiscal and monetary policy, which would affect exchange rates and interest rates. Such events could also affect India's debt rating, our Company's business, its future financial performance and the trading price of the NCDs.

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

We are exposed to the risks consequent to being part of the Indian financial sector. This sector in turn may be affected by financial difficulties and other problems faced by Indian financial institutions. Certain Indian financial institutions have experienced difficulties during recent years, and some co-operative banks have also faced serious financial and

liquidity difficulties in the past. Any major difficulty or instability experienced by the Indian financial sector could create adverse market perception, which in turn could adversely affect our business and financial performance.

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

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets in which our securities trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, make travel and other services more difficult and eventually adversely affect our business. Any deterioration in relations between India and its neighbouring countries may result in actual or perceived regional instability. Events of this nature in the future could have a material adverse effect on our ability to develop our operations. As a result, our business, prospects, results of operations and financial condition could be materially adversely affected by any such events.

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

India has experienced natural calamities such as earthquakes, tsunamis, floods and droughts in the past few years. Prolonged power outages, spells of below normal rainfall in the country or other natural calamities could have a negative impact on the Indian economy, affecting our business and potentially causing the trading price of the NCDs to decrease. The extent and severity of these natural disasters determine their impact on the Indian economy. Such unforeseen circumstances of sub-normal rainfall and other natural calamities could have a negative impact on the Indian economy, especially on the rural areas, which could adversely affect our business, financial condition and results of operations.

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

We are under the administrative control of the MoP and a number of our activities are subject to supervision and regulation by statutory authorities including the RBI and the SEBI. We are also subject to policies/procedures of GoI departments such as the MoF, MCA and DPE. In addition, our borrowers in the power sector are subject to supervision and regulation by the CEA, CERC and SERCs. Furthermore, we are subject to changes in Indian law as well as to changes in regulation and Government policies and accounting principles. We also receive certain benefits and takes advantage of certain exemptions available to us as a public financial institution under Section 2(72) of the Companies Act, 2013 and as a systemically important non-deposit taking NBFC (Middle Layer) that are also IFCs under the RBI Act. In addition, the statutory and regulatory framework for the Indian power sector has undergone a number of changes in recent years and the impact of these changes is yet to be seen. The Electricity Act puts in place a framework for major reforms in the sector. Furthermore, there could be additional changes in the manner of determination of tariff and other policies and licensing requirements for, and tax incentives applicable to, companies in the power sector. Presently, we are not aware of the nature or extent of any future review and amendment of the Electricity Act and rules and policies issued thereunder, and it is possible that any amendments may have an adverse impact on our business, financial condition and results of operations. Applicable laws and regulations governing our borrowers and us could change in the future and any such changes could adversely affect our business, financial condition and results of operations.

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

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

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

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

As a result of these market conditions, the cost and availability of credit has been and may continue to be adversely affected by illiquid credit markets and wider credit spreads. Concern about the stability of the markets generally and the strength of counterparties specifically has led many lenders and institutional investors to reduce, and in some cases, cease

to provide credit to businesses and consumers. These factors have led to a decrease in spending by businesses and consumers alike and corresponding decreases in global infrastructure spending and commodity prices. Continued turbulence in the United States, Europe and other international markets and economies and prolonged declines in business consumer spending may adversely affect our liquidity and financial condition, and the liquidity and financial condition of our customers, including our ability to refinance maturing liabilities and access the capital markets to meet liquidity needs.

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

### **C. RISKS RELATING TO THE NCDs**

**65. *There has been no active market for the NCDs and it may not develop in the future, and the price of the NCDs may be volatile. The secondary market for debentures may be illiquid; limited or sporadic trading of non-convertible securities of the Company on the Stock Exchange.***

The NCDs may be very illiquid, and no secondary market may develop in respect thereof. Even if there is a secondary market for the NCDs, it is not likely to provide significant liquidity. Potential investors may have to hold the NCDs until redemption to realize any value.

The NCDs have no established trading market. There can be no assurance that an active market for the NCDs will develop or be sustained. If an active market for the NCDs fails to develop or be sustained, the liquidity and market prices of the NCDs may be adversely affected. The market price of the NCDs would depend on various factors *inter alia* including (i) the interest rate on similar securities available in the market and the general interest rate scenario in the country, (ii) the market price of our Equity Shares, (iii) the market for listed debt securities, (iv) general economic conditions, and, (v) our financial performance, growth prospects and results of operations. The aforementioned factors may adversely affect the liquidity and market price of the NCDs, which may trade at a discount to the price at which you purchase the NCDs and/or be relatively illiquid.

**66. *There is no guarantee that the NCDs issued pursuant to this Issue will be listed on the Stock Exchange in a timely manner, or at all.***

In accordance with Indian law and practice, permissions for listing and trading of the NCDs issued pursuant to this Issue will not be granted until after the NCDs have been issued and allotted. Approval for listing and trading will require all relevant documents, including execution of a debenture trust deed and security documents and a certificate to be obtained from the Debenture Trustee, to be submitted and carrying out of necessary procedures with the Stock Exchange. While our Company has not been refused listing of any security during last three years by any of the stock exchange in India or abroad, there could be a failure or delay in listing the NCDs on the Stock Exchange for reasons unforeseen. If permission to deal in and an official quotation of the NCDs is not granted by the Stock Exchange, our Company will forthwith repay, with interest, all monies received from the Applicants in accordance with prevailing law in this context, and pursuant to this Draft Shelf Prospectus. There is no assurance that the NCDs issued pursuant to this Issue will be listed on the Stock Exchange in a timely manner, or at all.

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

Our ability to pay interest accrued on the NCDs and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors *inter alia* including our financial condition, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the NCDs and/or the interest accrued thereon in a timely manner or at all. Although our Company will create appropriate security in favour of the Debenture Trustee for the NCD Holders on the assets adequate to ensure 100% (One Hundred per cent.) asset cover for the NCDs, it is the duty of the Debenture Trustee to monitor that the security is maintained, the realisable value of the assets charged as security, when liquidated, may be lower than the outstanding principal and/or interest accrued on the NCDs, depending on the market scenario prevalent at the time of enforcement of the security. Further, as the NCDs will be secured by way of first *pari passu* charge through hypothecation of the book debts/receivables (excluding the receivables on which a specific charge has already been created by the Company), any shortfall in our receivables, owing to any factor, including factors beyond our control, could lead to insufficiency of security, at the time of enforcement, which in turn may adversely affect the ability of the NCD holders to receive the amounts secured by the NCDs. Any such shortfall in receivables or failure or

delay to recover receivables charged as security in connection with the NCDs could expose the NCD Holder(s) to a potential loss.

**68. *The rights over the Security provided will not be granted directly to holders of the NCDs.***

The rights over the Security securing the obligations of our Company under the NCDs and the Debenture Trust Deed will not be granted directly to the NCD holders, but will be granted only in favour of the Debenture Trustee. As a consequence, NCD holders will not have direct security and will not be entitled to take enforcement action in respect of the security for the NCDs, except through the Debenture Trustee.

**69. *Any downgrading in our credit rating or the credit rating of the NCDs may affect the trading price of the NCDs and our ability to raise funds.***

CRISIL (a subsidiary of S&P) has granted us (a) “CRISIL AAA/Stable” rating in relation to our long term borrowing programme, for a limit of ₹ 60,000 crore, and (b) “CRISIL A1+” rating in relation to our short term borrowing programme, for a limit of ₹ 20,000 crore for Fiscal 2024 *vide* its letter dated March 30, 2023, revalidated as on June 08, 2023, (ii) ICRA has granted us (a) “[ICRA]AAA (stable)” rating in relation to our long term borrowing programme, for a limit of ₹ 60,000 crore, and (b) “[ICRA]A1+” rating for our short term borrowing programme, for a limit of ₹ 20,000 crore, for Fiscal 2024, by its letter dated March 28, 2023, revalidated as on June 22, 2023 and (iii) CARE has granted us (a) “CARE AAA; Stable” rating in relation to our long term borrowing programme, for a limit of ₹ 60,000 crore, and (b) “CARE A1+” rating in relation to our short term borrowing programme, for a limit of ₹ 10,000 crore for Fiscal 2024, by its letter dated March 31, 2023 revalidated as on June 21, 2023. International credit rating agencies Moody's, and Fitch have granted our Company, the following ratings – (i) Moody's has granted us an issuer rating of “Baa3 Stable”, (ii) Fitch has granted us long-term issuer default rating of “BBB-/ Stable”.

These ratings may be suspended, withdrawn or revised at any time. Any revision or downgrading in the credit rating may lower the trading price of the NCDs and may also affect our ability to raise further debt. For the rationale for these ratings, see Annexure A of this Draft Shelf Prospectus.

**70. *Payments made on the NCDs will be subordinated to certain tax and other liabilities preferred by law.***

The NCDs will be secured by way of first *pari passu* charge through hypothecation of the book debts/receivables (excluding the receivables on which a specific charge has already been created by the Company). However, the NCDs will be subordinated to certain liabilities preferred by law such as to claims of the GoI on account of taxes, and certain liabilities incurred in the ordinary course of our transactions. In particular, in the event of bankruptcy, liquidation or winding-up, our assets will be available to pay obligations on the NCDs only after all of those liabilities that rank senior to these NCDs have been paid. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining, after paying amounts relating to these proceedings, to pay amounts due on the NCDs. Further, there is no restriction on the amount of debt securities that we may issue that may rank above the NCDs. The issue of any such debt securities may reduce the amount recoverable by investors in the NCDs on our bankruptcy, winding-up or liquidation.

**71. *The NCDs are not guaranteed by the Republic of India.***

The NCDs are not the obligations of, or guaranteed by, the Republic of India. Although the Government owned 55.99% of our Company's issued and paid up share capital as of March 31, 2023, the Government is not providing a guarantee in respect of the NCDs. In addition, the Government is under no obligation to maintain the solvency of our Company. Therefore, investors should not rely on the Government ensuring that our Company fulfils its obligations under the NCDs.

**72. *Legal investment considerations may restrict certain investments***

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) the NCDs are legal investments for it, (ii) the NCDs can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of the NCDs.

**73. *The NCDs are subject to the risk of change in law.***

The terms and conditions of the NCDs are based on Indian law in effect as of the date of issue of the relevant NCDs. No assurance can be given as to the impact of any possible judicial decision or change to Indian law or administrative practice after the date of issue of the relevant NCDs and any such change could materially and adversely impact the value of any

NCDs affected by it.

***74. Some of the information included in this Draft Shelf Prospectus has been prepared by third parties and may be inaccurate or outdated.***

This Draft Shelf Prospectus includes information on the Indian economy and the Indian power industry taken from third parties, which our Company believes is reliable. However, the information taken from third parties and included in this Draft Shelf Prospectus may be inaccurate and outdated, and our Company makes no representation or warranty, express or implied, as to the accuracy or completeness of this information. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Shelf Prospectus. Our Company also cannot provide any assurance that the third parties have used correct or sound methodology to prepare the information included in this Draft Shelf Prospectus.

***75. The Issuer, being a listed company is not required to maintain debenture redemption reserve (“DRR”).***

The Equity Shares of the Company are listed on BSE and NSE. In accordance with amendments to the Companies Act, 2013, and the Companies (Share Capital & Debentures) Rules 2014, read with the SEBI NCS Regulations, a listed company (as defined under Companies Act, 2013) is not required to maintain DRR for issuance of debentures. Hence, investors shall not have the benefit of reserve funds to cover the re-payment of the principal and interest on the NCDs.

***76. There may be a delay in making refund/ unblocking of funds to Applicants.***

We cannot assure you that the monies refundable to you/ unblocked in your ASBA account, on account of (i) you not being a successful allottee, (ii) withdrawal of your applications, (ii) our failure to receive minimum subscription in connection with the Base Issue, (iii) withdrawal of the Issue, or (iv) failure to obtain the final approval from BSE for listing of the NCDs, will be refunded to you in a timely manner. We, however, shall refund / unblock such monies, with the interest due and payable thereon (in case of any delays) as prescribed under applicable statutory and/or regulatory provisions.

## SECTION III – INTRODUCTION

### GENERAL INFORMATION

Our Company was incorporated as Power Finance Corporation Limited on July 16, 1986 as a public limited company under the Companies Act, 1956 with CIN L65910DL1986GOI024862 and was granted a certificate of commencement of business on December 31, 1987. We were incorporated by the GoI in order to finance, facilitate and promote power sector development in India with the President of India, acting through the MoP, holding 100% of our paid up equity share capital at the time of incorporation. The President of India, acting through the MoP, held 55.99% of our paid-up Equity Share capital as on March 31, 2023. The registered office of our Company is “Urjanidhi”, 1, Barakhamba Lane, Connaught Place, New Delhi 110 001. Our Company is a systemically important non-deposit taking non-banking financial company (“NBFC”) registered with the Reserve Bank of India (“RBI”) under section 45 IA of the RBI Act, 1934 bearing registration number 14.00004 dated February 10, 1998. On July 28, 2010, our Company was classified as an Infrastructure Finance Company (“IFC”) vide registration certificate number B-14.00004. Our Company was also conferred with the ‘Mini Ratna’ (Category – I) status on September 15, 1998 and on June 22, 2007, our Company was notified as a Navratna company by the Government of India (“GoI”). Further, on October 12, 2021, our Company was conferred with Maharatna status by the GoI.

For further details in relation to the changes in our name, constitution, registration with the RBI and our Company’s main objects, see “History and Main Objects” on page 153.

#### Registration:

|   |                       |
|---|-----------------------|
| <b>Corporate Identification Number:</b> | L65910DL1986GOI024862 |
| <b>Legal Entity Identifier:</b>         | 3358003Q6D9LIJZ1614   |
| <b>RBI registration number:</b>         | B-14.00004            |
| <b>Permanent Account Number:</b>        | AAACP1570H            |

#### Registered Office and Corporate Office

##### Power Finance Corporation

“Urjanidhi”, 1, Barakhamba Lane,  
Connaught Place, New Delhi – 110 001, India.

**Tel:** + 91 11 2345 6000

**Fax:** + 91 11 2341 2545

**Website:** www.pfcindia.com

**Email:** publicissue2324@pfcindia.com

For further details regarding changes to our Registered Office, see “History and Main Objects” on page 153.

#### Address of the Registrar of Companies

The Registrar of Companies,  
Delhi and Haryana  
4<sup>th</sup> Floor, IFCI Tower, 61, Nehru Place  
New Delhi 110 019, India  
**Tel:** +91 11 2623 5703/ 2623 5708  
**Fax:** +91 11 2623 5702  
**E-mail:** roc.delhi@mca.gov.in

#### Liability of the members of the Company - Limited by shares

#### Director (Finance)\* with additional in charge of CMD

Mrs. Parminder Chopra  
‘Urjanidhi’, 1, Barakhamba Lane  
Connaught Place  
New Delhi – 110 001, India  
**Tel:** +91 11 2345 6912  
**Email:** directorfinance@pfcindia.com

*\*The Director (Finance) as part of her role carries out the functions of the chief financial officer.*

## Company Secretary and Compliance Officer

Mr. Manish Kumar Agarwal  
“Urjanidhi”,  
1, Barakhamba Lane,  
Connaught Place,  
New Delhi – 110 001, India.  
**Tel:** +91 11 2345 6787  
**Email:** publicissue2324@pfcindia.com

All comments on this Draft Shelf Prospectus are to be forwarded to the attention of Mr. Manish Kumar Agarwal, Company Secretary and Compliance Officer at the aforementioned address. Comments may be sent through post, facsimile or email. However, please note that all comments by post must be received by the Issuer by 5:00 p.m. (Indian Standard Time) on the seventh Working Day from the date on which this Draft Shelf Prospectus is hosted on the website of the Stock Exchange. All comments received on this Draft Shelf Prospectus will be suitably addressed prior to filing of the Shelf Prospectus and the relevant Tranche Prospectuses with the RoC.

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer in case of any pre-Issue or post-Issue related issues such as non-receipt of Allotment Advice, demat credit of allotted NCDs, refunds, transfers, etc. as the case may be.

## Lead Managers



**JM Financial Limited**  
7<sup>th</sup> Floor, Cnergy, Appasaheb Marathe Marg  
Prabhadevi, Mumbai – 400 025  
Maharashtra, India  
**Tel:** +91 22 6630 3030  
**Fax:** +91 22 6630 3330  
**E-mail:** pfc.bondissue2023@jmfl.com  
**Investor Grievance Email:** grievance.ibd@jmfl.com  
**Website:** www.jmfl.com  
**Contact Person:** Prachee Dhuri  
**Compliance Officer:** Sunny Shah  
**SEBI Registration Number:** INM000010361  
**CIN:** L67120MH1986PLC038784



**A.K. Capital Services Limited**  
603, 6<sup>th</sup> Floor, Windsor,  
Off CST Road, Kalina, Santacruz (East),  
Mumbai – 400 098, Maharashtra, India  
**Tel:** +91 22 6754 6500  
**Fax:** +91 22 6610 0594  
**Email:** pfc.ncd2023@akgroup.co.in  
**Investor Grievance Email:** investor.grievance@akgroup.co.in  
**Website:** www.akgroup.co.in  
**Contact person:** Saswat Mohanty / Chaitali Chopdekar  
**Compliance Officer:** Tejas Davda  
**SEBI Registration Number:** INM000010411  
**CIN:** L74899MH1993PLC274881



**Nuvama Wealth Management Limited**  
*(formerly known as Edelweiss Securities Limited)*  
8<sup>th</sup> Floor, Wing A, Building No 3  
Inspire BKC, G Block, Bandra Kurla Complex  
Bandra East, Mumbai – 400 051  
**Tel:** +91 22 4009 4400  
**Fax:** NA  
**E-mail:** Pfc.ncd@nuvama.com  
**Investor Grievance Email:**  
Customerservice.mb@nuvama.com  
**Website:** www.nuvama.com  
**Contact Person:** Lokesh Singhi/ Saili Dave  
**Compliance Officer:** Bhavana Kapadia  
**SEBI Registration No.:** INM000013004  
**CIN:** U67110MH1993PLC344634



**SMC Capitals Limited**  
A 401/402, Lotus Corporate Park  
Jai Coach Junction  
Off Western Express Highway  
Goregaon (East), Mumbai – 400 063  
Maharashtra, India  
**Tel:** +91 22 6648 1818  
**Fax:** +91 22 6734 1697  
**E-mail:** pfcncd2023@smccapitals.com  
**Investor Grievance Email:**  
investor.grievance@smccapitals.com  
**Website:** www.smccapitals.com  
**Contact Person:** Aastha Khanna/ Bhavin Shah  
**Compliance Officer:** Vaishali Gupta  
**SEBI Registration Number:** INM000011427  
**CIN:** U74899DL1994PLC063201





**TRUST INVESTMENT ADVISORS PRIVATE LIMITED**

109/110, Balarama  
Bandra Kurla Complex  
Bandra (East), Mumbai – 400 051  
Maharashtra, India  
**Tel:** +91 22 4084 5000  
**Fax:** +91 22 4084 5066  
**Email:** Projectsamridhi.Trust@trustgroup.in  
**Investor Grievance Email:**  
customercare@trustgroup.in  
**Website:** www.trustgroup.in  
**Contact Person:** Sumit Singh  
**Compliance Officer:** Brijmohan Bohra  
**SEBI Registration No.:** INM000011120  
**CIN:** U67190MH2006PTC162464

**Debenture Trustee**



**Beacon Trusteeship Limited**

4C&D, Siddhivinayak Chambers, Gandhi Nagar  
Opp. MIG Cricket Club Bandra (East)  
Mumbai – 400 051, Maharashtra, India  
**Tel:** +91 22 2655 8759  
**Fax:** +91 22 2655 8760  
**Email:** contact@beacontrustee.co.in  
**Investor Grievance Email:** investorcompliances@beacontrustee.co.in  
**Website:** www.beacontrustee.co.in  
**Contact Person:** Kaustubh Kulkarni  
**Compliance Officer:** Kaustubh Kulkarni  
**SEBI Registration No:** IND000000569  
**CIN:** U74999MH2015PLC271288

Beacon Trusteeship Limited under regulation 8 of SEBI NCS Regulations, by its letter dated June 21, 2023 have given its consent for its appointment as Debenture Trustee to the Issue (hereinafter referred to as “Trustees”). A copy of letter from Beacon Trusteeship Limited conveying their consent to act as Trustees for the Debenture holders and for its name to be included in this Draft Shelf Prospectus and Shelf Prospectus and the relevant Tranche Prospectuses and in all the subsequent periodical communications to be sent to the holders of the NCDs issued pursuant to this Issue is annexed as *Annexure B*.

Except as included in the Debenture Trust Deed, all the rights and remedies of the Debenture Holders under the Issue shall vest in and shall be exercised by the appointed Debenture Trustee for the Issue without having it referred to the Debenture Holders. All investors under the Issue are deemed to have irrevocably given their authority and consent to the Debenture Trustee so appointed by our Company for the Issue to act as their trustee and for doing such acts, deeds, matters, and things in respect of or relating to the Debenture Holders as the Debenture Trustee may in his absolute direction deem necessary or require to be done in the interest of Debenture Holders and signing such documents to carry out their duty in such capacity.

Any payment by our Company to the Debenture Holders/Debenture Trustee, as the case maybe, shall, from the time of making such payment, completely and irrevocably discharge our Company from any liability to the Debenture Holders to that extent. For details on the terms of the Debenture Trust Deed, please see “*Issue Related Information*” on page 543.

**Registrar to the Issue**

**KFIN Technologies Limited**

Selenium Tower B,  
Plot 31-32, Gachibowli,  
Financial District, Nanakramguda,  
Serilingampally, Rangareddi,  
Hyderabad – 500 032, Telangana, India

**Tel:** +91 40 6716 2222

**Fax:** +91 40 6716 1563

**Email:** pfcl.ncdipo@kfintech.com

**Investor Grievance Email:** einward.ris@kfintech.com

**Website:** www.kfintech.com

**Contact Person:** M. Murali Krishna

**Compliance Officer :** Anshul Kumar Jain

**SEBI Registration Number:** INR000000221

**CIN:** L72400TG2017PLC117649

KFIN Technologies Limited, has by its letter dated June 28, 2023, given its consent for its appointment as Registrar to the Issue and for its name to be included in this Draft Shelf Prospectus, Shelf Prospectus and the relevant Tranche Prospectuses, abridged prospectus and in all the subsequent periodical communications to be sent to the holders of the Debentures pursuant to the Issue.

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer in case of any pre-Issue or post-Issue related issues such as non-receipt of Allotment Advice, demat credit of allotted NCDs, refunds, unblocking, non-receipt of debentures certificates transfers, etc. as the case may be.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, Permanent Account Number, number of NCDs applied for, Series of NCDs applied for, amount paid on application, Depository Participant name and client identification number, and the collection centre of the Members of the Consortium where the Application was submitted and ASBA Account number (for Bidders other than Retail Individual Investors bidding through the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or UPI ID in case of Retail Individual Investors bidding through the UPI Mechanism. Further, the Bidder shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned Member of the Syndicate and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA Centres, giving full details such as name, address of Applicant, Application Form number, series applied for, number of NCDs applied for, amount blocked on Application.

All grievances related to the UPI process may be addressed to the Stock Exchange, which shall be responsible for addressing investor grievances arising from applications submitted online through the App based/ web interface platform of stock exchange or through their Trading Members. The intermediaries shall be responsible for addressing any investor grievances arising from the applications uploaded by them in respect of quantity, price or any other data entry or other errors made by them.

All grievances arising out of Applications for the NCDs made through the Online Stock Exchange Mechanism or through Trading Members of the Stock Exchange may be addressed directly to the Stock Exchange.

**Consortium member to the Issue**

As specified in the relevant Tranche Prospectus for each Tranche Issue.

**Bankers to the Issue**

### **Public Issue Account Bank**

As specified in the relevant Tranche Prospectus for each Tranche Issue.

### **Sponsor Bank**

As specified in the relevant Tranche Prospectus for each Tranche Issue.

### **Refund Bank**

As specified in the relevant Tranche Prospectus for each Tranche Issue.

### **Statutory Auditor**

#### **M/s Prem Gupta & Company**

*Chartered Accountants*

2342, Faiz Road, Karol Bagh

New Delhi – 110005, India

**Tel:** +91 11 4507 0187

**Email:** office@pguptaco.com

**ICAI Firm Registration No.** 000425N

**Contact person:** Shakun Gupta

**Appointment date:** August 19, 2021

#### **M/s Dass Gupta & Associates**

*Chartered Accountants*

NDG Center, B-4, Gulmohar Park,

New Delhi- 110049

**Tel:** +91 11 4611 1000

**Email:** admin@dassgupta.com

**ICAI Firm Registration No.** 000112N

**Contact person:** Naresh Kumar

**Appointment date:** August 1, 2019

Being a government company, the statutory auditors of the Issuer are appointed by the CAG. The annual accounts of the Issuer are reviewed every year by the CAG and their comments are also published in our annual report.

### **Credit Rating Agencies**



#### **CARE RATINGS LIMITED**

4<sup>th</sup> Floor, Godrej Coliseum

Somiya Hospital Road

Off Eastern Express Highway

Sion (East), Mumbai – 400 022

Maharashtra, India

**Tel:** +91 22 6754 3456

**Fax:** N/A

**Email:** Neha.kadiyan@careedge.in

**Website:** www.careratings.com

**Contact Person:** Neha Kadiyan

**SEBI Registration No:** IN/CRA/004/1999



#### **CRISIL Ratings Limited**

CRISIL House, Central Avenue

Hiranandani Business Park

Powai, Mumbai – 400 076

Maharashtra, India

**Tel:** +91 22 3342 3000 (B)

**Fax:** 91 22 3342 3050

**Email:** crisilratingdesk@crisil.com

**Website:** www.crisilratings.com

**Contact Person:** Ajit Velonie

**SEBI Registration No:** No: IN/CRA/001/1999

**CIN:** U67100MH2019PLC326247



#### **ICRA LIMITED**

Electric Mansion, 3<sup>rd</sup> Floor

Appasaheb Marathe Marg

Prabhadevi, Mumbai – 400 025

Maharashtra, India

**Tel:** +91 22 61143406

**Fax:** +91 22 24331390

**Email:** shivakumar@icraindia.com

**Website:** www.icra.in

**Contact Person:** L. Shivakumar

**SEBI Registration No:** IN/CRA/008/15

### **Credit Rating and Rationale**

Our Company has received rating of 'CARE AAA; Stable/ CARE A1+' (Triple A; Outlook: Stable/ A One Plus) by CARE to the (i) long term borrowing programme of our Company, for an amount up to ₹ 60,000 crore, and (ii) short term borrowing programme of our Company, for an amount up to ₹ 10,000 crore for Fiscal 2024, by its letter dated March 31, 2023 revalidated as on June 21, 2023; 'CRISIL AAA/Stable' by CRISIL to the long term borrowing programme of our Company for an amount up to ₹ 60,000 crore for Fiscal 2024 vide its letter dated March 30, 2023, revalidated as on June 8, 2023; and '[ICRA AAA] (Stable) (pronounced ICRA triple A: Stable)' by ICRA to the long term borrowing programme of our Company (including bonds and long term bank borrowing) for an amount up to ₹ 60,000 crore for Fiscal 2024, by its letter dated March 28, 2023, revalidated as on June 22, 2023. The Company hereby declares that ratings given by CARE, ICRA and CRISIL are valid as on the date of this Draft Shelf Prospectus and shall remain valid on date of issue and Allotment of the NCDs and the listing of the NCDs on Stock Exchange until the ratings are revised or withdrawn. Ratings issued by CARE, ICRA and CRISIL will continue to be valid for the life of the instrument unless withdrawn or reviewed by CARE, ICRA and CRISIL, in terms of the rating letter dated June 21, 2023, June 22, 2023 and June 8, 2023, respectively. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. These ratings are subjected to a periodic review during which they may be raised, affirmed, lowered, withdrawn, or placed on Rating Watch at any time on the basis of factors such as new information. The rating should be evaluated independently of any other rating. The Credit Rating Agencies' website will have the latest information on all its outstanding ratings. In case of any change in rating of NCDs till the NCDs commence trading on Stock Exchange, our Company will inform the investors through public notices/ advertisements in all those newspapers in which pre issue advertisement has been given. For the rating, rating rationale and press release for the above ratings, see Annexure A

### **Credit Rating Agency Disclaimer**

#### **Disclaimer clause of ICRA**

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website [www.icra.in](http://www.icra.in) or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.

#### **Disclaimer clause of CRISIL**

A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy/sell or hold the rated instrument, it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers/users/transmitters/distributors of its ratings. CRISIL Ratings criteria are available without charge to the public on the web site, [www.calratings.com](http://www.calratings.com). CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please visit [www.crisilratings.com](http://www.crisilratings.com) or contact Customer Service Helpdesk at [CRISILratingdesk@crisil.com](mailto:CRISILratingdesk@crisil.com) or at 1800-267-1301.

#### **Disclaimer clause of CARE**

The ratings issued by CARE Ratings Limited are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings Limited has based its ratings/outlooks based on information

obtained from reliable and credible sources. CARE Ratings Limited does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings Limited have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings Limited or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE Ratings Limited is, inter-alia, based on the capital deployed by the partners/proprietor and the current financial strength of the firm. The rating/outlook may undergo a change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE Ratings Limited is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE Ratings Limited's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

### **Legal Counsel to the Issue**



#### **Khaitan & Co**

One World Centre  
13<sup>th</sup> & 10<sup>th</sup> Floor, Tower 1C  
Senapati Bapat Marg  
Mumbai – 400 013  
Maharashtra, India  
**Tel:** +91 22 6636 5000

### **Bankers to our Company**

#### **State Bank of India**

5<sup>th</sup> Floor, Parswanath Capital Tower,  
Bhai Veer Singh Marg  
New Delhi – 110 001  
**Tel:** +91 11 2347 5504  
**Fax:** +91 11 2374 6069  
**Email:** [sbi.17313@sbi.co.in](mailto:sbi.17313@sbi.co.in)  
**Website:** [www.sbi.co.in](http://www.sbi.co.in)  
**Contact person:** Ujjwal Kumar Mishra

#### **ICICI Bank Limited**

ICICI Bank Tower, NBCC Place  
Bhisham Pitamah Marg, Pragati Vihar  
New Delhi – 110 003  
**Tel:** +91 11 4221 8360  
**Fax:** +91 11 2439 0070  
**Email:** [sunil.rathi@icicibank.com](mailto:sunil.rathi@icicibank.com)  
**Website:** [www.icicibank.com](http://www.icicibank.com)  
**Contact person:** Sunil Rathi

#### **HDFC Bank Limited**

HDFC Bank Limited  
B-6/3 Safdarjung Enclave  
DDA Commercial complex  
Opp. Deer park, New Delhi – 110 029  
**Tel:** +91 11 4139 2146  
**Fax:** NA  
**Email:** [Sameer.chowdhry@hdfcbank.com](mailto:Sameer.chowdhry@hdfcbank.com)  
**Website:** [www.hdfcbank.com](http://www.hdfcbank.com)  
**Contact person:** Sameer Chowdhry

### **Impersonation**

As a matter of abundant precaution, attention of the investors is specifically drawn to the provisions of sub-Section (1) of Section 38 of the Companies Act, 2013, relating to punishment for fictitious applications. Section 38(1) of the Companies Act, 2013 provides that:

*“Any person who —*

*(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its*

securities; or

- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under Section 447 of the Companies Act, 2013.”

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹ 0.10 crore or 1.00% of the turnover of our Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of the amount involved in the fraud. In case the fraud involves (i) an amount which is less than ₹ 0.10 crore or 1.00% of the turnover of our Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 0.50 crore or with both.

*Explanation — For the purposes of this section —*

- (i) “fraud” in relation to affairs of a company or any body-corporate, includes any act, omission, concealment of any fact or abuse of position committed by any person or any other person with the connivance in any manner, with intent to deceive, to gain undue advantage from, or to injure the interests of, the company or its shareholders or its creditors or any other person, whether or not there is any wrongful gain or wrongful loss;
- (ii) “wrongful gain” means the gain by unlawful means of property to which the person gaining is not legally entitled;
- (iii) “wrongful loss” means the loss by unlawful means of property to which the person losing is legally entitled.”

### **Recovery Expense Fund**

Our Company has created a recovery expense fund in the manner as specified by SEBI in SEBI Debenture Trustee Operational Circular as amended from time to time and Regulation 11 of SEBI NCS Regulations with the Designated Stock Exchange and inform the Debenture Trustee regarding the creation of such fund. The Recovery expense fund may be utilized by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, and the Applicable Laws, for taking appropriate legal action to enforce the security.

### **Inter-se allocation of Responsibility**

The following table sets forth the responsibilities for various activities by the Lead Managers:

| <b>Sr. No.</b> | <b>Activities</b>   | <b>Responsibility</b> | <b>Coordinator</b> |
|----------------|---|-----------------------|--------------------|
| 1.             | Structuring of various issuance options with relative components and formalities etc.   | All LMs               | JM Financial       |
| 2.             | Due diligence of Company's operations/management/business plans/legal etc. Drafting and design of the Offering Document (Draft/Shelf/Tranche) and of the statutory advertisement.<br><br>The Merchant Bankers shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock exchanges and SEBI including finalization of Offering Document and filing.<br>Co-ordination with the Stock Exchanges for In-Principle Approval<br>Co-ordination with the Lawyers for Legal Opinion | All LMs               | JM Financial       |
| 3.             | Co-ordination with SEBI and stock exchanges for exemptions, if any  | All LMs               | Nuvama             |
| 4.             | Co-ordination with the Company and Auditors on Financial Information in the offer document, Comfort Letter and other auditor deliverables.  | All LMs               | Nuvama             |
| 5.             | Finalization of Application Form  | All LMs               | SMC Capitals       |

| Sr. No. | Activities  | Responsibility | Coordinator                                |
|---------|---|----------------|--|
| 6.      | Assistance in appointment of all other intermediaries viz., Advertising Agency(ies), Bankers to the Issue, Printers, Registrar, Brokers / Consortium Members etc.   | All LMs        | Nuvama                                     |
| 7.      | Non-Institutional & Retail Marketing of the Issue, which will cover, <i>inter alia</i> : <ul style="list-style-type: none"> <li>Finalize media, marketing plan, publicity budget &amp; PR Strategy including centers for holding conferences for press and brokers and attending the road shows conducted for the Issue;</li> <li>Finalization of quantum of issue material, allocation &amp; distribution of application forms to various brokers in coordination with Printers and Follow-up on distribution of the same.</li> <li>Finalize Public Issue Account and Sponsor Bank Agreement and collection centers to collection bankers</li> <li></li> </ul> | All LMs        | Nuvama and SMC Capitals                    |
| 8.      | Institutional marketing strategy: <ul style="list-style-type: none"> <li>Finalize strategy for marketing &amp; presentation to institutional investors.</li> <li>Preparation of roadshow presentation, FAQs</li> </ul>  | All LMs        | Trust Investment Advisors and JM Financial |
| 9.      | Drafting and approval of all publicity material other than statutory advertisement as mentioned above including print, online advertisement, outdoor advertisement, including brochures, banners, hoardings etc.  | All LMs        | Trust Investment Advisors                  |
| 10.     | Finalization of agreement with stock exchanges (if any) for using their platform (bidding software), completing other necessary formalities in this regard and coordination in obtaining user id. password etc. from exchanges  | All LMs        | SMC Capitals                               |
| 11.     | <ul style="list-style-type: none"> <li>Finalization of draft of refund stationery like allotment advice etc.</li> <li>Co-ordination for final certificates from SCSBs and finalization of basis of allotment in consultation with RTA and Bankers to Issue</li> <li>Co-ordination for generation of ISINs</li> <li>Co-ordination for demat credit and refunds (if any).</li> </ul>  | All LMs        | A.K. Capital                               |
| 12.     | <ul style="list-style-type: none"> <li>Coordination for security creation by way of execution of Debenture Trust Deed between the Company and the Debenture Trustee</li> <li>Co-ordination with the Registrars and Stock Exchanges for completion of listing and trading formalities.</li> </ul>  | All LMs        | A.K. Capital                               |
| 13.     | Co-ordination for redressal of investor grievances in relation to post issue activities.  | All LMs        | A.K. Capital                               |

### Underwriting

The Issue is not underwritten.

### Arrangers to the Issue

There are no arrangers to the Issue.

### Guarantor to the Issue

There are no guarantors to the Issue.

### Minimum subscription

In terms of the SEBI NCS Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. If our Company does not receive the minimum subscription of 75% of Base Issue Size, the entire blocked Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within eight Working Days from the Issue Closing Date provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Account(s) of the Applicants

within eight Working Days from the Issue Closing Date, failing which our Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 and Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription amount was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard included in the SEBI Operational Circular.

### ***Designated Intermediaries***

#### **Self-Certified Syndicate Bank**

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=44> as updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms and UPI Mechanism through app/web interface from the Designated Intermediaries, refer to the above-mentioned link.

In relation to Bids submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of the ASBA Forms from the Members of the Syndicate is available on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=45> and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

#### **Syndicate SCSB Branches**

In relation to Applications submitted to a member of the Syndicate or the Trading Members of the Stock Exchange only in the Specified Cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat), the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Application Forms from the Members of the Syndicate is available on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=45>) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Syndicate at Specified Locations, see the website of the SEBI (<http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>) as updated from time to time or any such other website as may be prescribed by SEBI from time to time.

#### **Broker Centres/ Designated CDP Locations/ Designated RTA Locations**

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012, RTA Master Circular and the SEBI Operational Circular, Applicants can submit the Application Forms with the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the website of the Stock Exchange at [www.bseindia.com](http://www.bseindia.com). The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the Registered Brokers will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

#### **CRTAs / CDPs**

The list of the CRTAs and CDPs, eligible to accept Applications in the Issue, including details such as postal address, telephone number and email address, are provided on the website of BSE and NSE for CRTAs and CDPs, as updated from time to time.

#### **Utilisation of Issue proceeds**



For details on utilisation of Issue proceeds please see, “*Objects of the Issue*” beginning on page 74.

**Issue Programme\***

|                                 |   |
|---------------------------------|---|
| <b>Issue Opens on</b>           | As specified in the relevant Tranche Prospectus for each Tranche Issue. |
| <b>Issue Closes on</b>          | As specified in the relevant Tranche Prospectus for each Tranche Issue. |
| <b>Pay in Date</b>              | As specified in the relevant Tranche Prospectus for each Tranche Issue. |
| <b>Deemed Date of Allotment</b> | As specified in the relevant Tranche Prospectus for each Tranche Issue. |

\* The Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the period as indicated in the relevant Tranche Prospectus. Our Company may, in consultation with the Lead Managers, consider closing the relevant Tranche Issue on such earlier date or extended date (subject to a minimum period of three working days and a maximum period of 10 working days from the date of opening of the relevant tranche issue and subject to not exceeding thirty days from filing tranche prospectus with ROC) including any extensions, as may be decided by the Board of Directors of our Company, subject to relevant approvals, in accordance with Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in an English daily national newspaper with wide circulation and a regional daily with wide circulation where the registered office of the Company is located (in all the newspapers in which pre-issue advertisement for opening of this Issue has been given on or before such earlier or initial date of Issue closure). On the Issue Closing Date, the Application Forms will be accepted only between 10:00 a.m. and 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange.

Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) (“**Bidding Period**”), during the Issue Period as mentioned in the relevant Tranche Prospectus for each Tranche Issue on all Working Days (a) by the Designated Intermediaries at the Bidding Centres, or (b) by the SCSBs directly at the Designated Branches of the SCSBs. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange. It is clarified that the Applications not uploaded on the Stock Exchange Platform would be rejected. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 p.m. (Indian Standard Time) on one Working Day after the Issue Closing Date.

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Neither our Company, nor the Lead Managers, nor any Member of the Syndicate, Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations or designated branches of SCSBs are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. As per the SEBI Operational Circular, the allotment in this Issue is required to be made on the basis of date of upload of each application into the electronic book of the Stock Exchange. However, from the date of oversubscription and thereafter, the allotments will be made to the applicants on proportionate basis.

## CAPITAL STRUCTURE

### Details of share capital

The share capital of our Company as on June 30, 2023 is set forth below:

(₹ in crore, except share data)

| Share Capital   | Amount           |
|---|------------------|
| <b>AUTHORISED SHARE CAPITAL</b>                                       |                  |
| 11,00,00,00,000 Equity Shares of face value of ₹ 10 each              | 11,000.00        |
| 20,00,00,000 Preference share capital of face value ₹ 10 each         | 200.00           |
| <b>Total Authorised Share Capital</b>                                 | <b>11,200.00</b> |
|   |                  |
| <b>ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL</b>            |                  |
| 2,64,00,81,408 Equity Shares of face value of ₹ 10 each fully paid up | 2,640.08         |
| <b>Total</b>  | <b>2,640.08</b>  |
|   |                  |
| <b>Securities Premium Account</b>                                     | <b>2,776.54</b>  |

*Note: There will be no change in the capital structure and securities premium account due to the issue and allotment of the NCDs pursuant to this Issue.*

### Details of change in authorised share capital of our company as on June 30, 2023, for last three years:

There is no change in authorised share capital since past three years.

### Issue of Equity Shares for consideration other than cash in the last three years

No Equity Shares of the Company have been issued for consideration other than cash.

### Changes in the Equity Share capital of our Company in the last three years

There is no change in Equity Share capital of our Company since past three years.

Shareholding pattern of our Company as on June 30, 2023

Table I – Summary Statement holding of specified securities

| Category | Category of shareholder         | Nos. of shareholders | No. of fully paid-up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) | Number of Voting Rights held in each class of securities |               |                   |                          | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) | No. of Locked in shares |                                 | No. of Shares pledged or otherwise encumbered |                             | No. of equity shares held in dematerialised form |
|----------|---------------------------------|----------------------|---|--|--|------------------------|---|--|---------------|-------------------|--------------------------|--|--|-------------------------|---------------------------------|---|-----------------------------|--|
|          |                                 |                      |   |  |  |                        |   | No of Voting Rights                                      |               |                   | Total as a % of (A+B +C) |  |  | No.                     | As a % of total Shares held (b) | No.   | As a % of total Shares held |  |
|          |                                 |                      |   |  |  |                        |   | Class e.g.: Equity Shares                                | Class e.g.: y | Total             |                          |  |  |                         |                                 |   |                             |  |
| (I)      | (II)                            | (III)                | (IV)                                    | (V)                                      | (VI)   | (VII)                  | (VIII)  | (IX)   |               |                   |                          | (X)  | (XI)   | (XII)                   |                                 | (XIII)  |                             | (XIV)  |
| (A)      | Promoter & Promoter Group       | 1                    | 1478291778                              | 0  | 0  | 1478291778             | 55.99   | 1478291778   | 0             | 1478291778        | 55.99                    | 0  | 55.99  | 0                       | 0.00                            | 0   | 0.00                        | 1478291778                                       |
| (B)      | Public                          | 432083               | 1161789630                              | 0  | 0  | 1161789630             | 44.01   | 1161789630   | 0             | 1161789630        | 44.01                    | 0  | 44.01  | 0                       | 0.00                            | NA  | NA                          | 1161767913                                       |
| (C)      | Non-Promoter-Non Public         |                      |   |  |  |                        |   |  |               |                   |                          |  |  |                         |                                 |   |                             |  |
| (C1)     | Shares underlying DRs           | 0                    | 0                                       | 0  | 0  | 0                      | NA  | 0  | 0             | 0                 | 0.00                     | 0  | NA   | 0                       | 0.00                            | NA  | NA                          | 0  |
| (C2)     | Shares held by Employees Trusts | 0                    | 0                                       | 0  | 0  | 0                      | 0.00  | 0  | 0             | 0                 | 0.00                     | 0  | 0.00   | 0                       | 0.00                            | NA  | NA                          | 0  |
|          | <b>Total:</b>                   | <b>432084</b>        | <b>2640081408</b>                       | <b>0</b>                                 | <b>0</b>                                     | <b>2640081408</b>      | <b>100.00</b>   | <b>2640081408</b>  | <b>0</b>      | <b>2640081408</b> | <b>100.00</b>            | <b>0</b>   | <b>100.00</b>  | <b>0</b>                | <b>0.00</b>                     | <b>0</b>                                      | <b>0.00</b>                 | <b>2640059691</b>                                |

**Table –II – Statement showing shareholding pattern of the Promoter and Promoter Group**

| Category | Category and Name of the Shareholder                                       | PAN  | No of Share holders | No of fully paid up equity shares held | No of Partly paid-up equity shares held | No of Shares Underlying Depository Receipts | Total No of Shares Held (IV+V+VI) | Shareholding as a % of total no of shares (calculated as per SCRR, 1957 (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities |          |                   | No of Shares Underlying Outstanding convertible securities (Including Warrants) | Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2) | Number of Locked in Shares |          | Number of Shares pledged or otherwise encumbered |          | Number of equity shares held in dematerialized form |                             |
|----------|--|------|---------------------|--|---|---|-----------------------------------|---|--|----------|-------------------|---|--|----------------------------|----------|--|----------|---|-----------------------------|
|          |  |      |                     |  |   |   |                                   |   | No of Voting Rights                                      |          |                   |   |  | Total as a % of (A+B+C)    | No.      | As a % of total Shares held                      | No.      |   | As a % of total Shares held |
|          |  |      |                     |  |   |   |                                   |   | Class X  | Class Y  | Total             |   |  |                            |          |  |          |   |                             |
|          | (I)  | (II) | (III)               | (IV)                                   | (V)                                     | (VI)  | (VII)                             | (VIII)  | (IX)   |          |                   | (X)   | (XI)   | (XII)                      |          | (XIII)   | (XIV)    |   |                             |
| (1)      | Indian   |      |                     |  |   |   |                                   |   |  |          |                   |   |  |                            |          |  |          |   |                             |
| (a)      | Individuals/ Hindu undivided Family  |      | 0                   | 0                                      | 0                                       | 0   | 0                                 | 0.00  | 0  | 0        | 0                 | 0.00  | 0  | 0.00                       | 0        | 0.00   | 0        | 0.00  | 0                           |
| (b)      | Central Government/State Government(s)                                     |      | 1                   | 1478291778                             | 0                                       | 0   | 1478291778                        | 55.99   | 1478291778   | 0        | 1478291778        | 55.99   | 0  | 55.99                      | 0        | 0.00   | 0        | 0.00  | 1478291778                  |
|          | President of India   |      | 1                   | 1478291778                             | 0                                       | 0   | 1478291778                        | 55.99   | 1478291778   | 0        | 1478291778        | 55.99   | 0  | 55.99                      | 0        | 0.00   | 0        | 0.00  | 1478291778                  |
| (c)      | Financial Institutions/ Banks  |      | 0                   | 0                                      | 0                                       | 0   | 0                                 | 0.00  | 0  | 0        | 0                 | 0.00  | 0  | 0.00                       | 0        | 0.00   | 0        | 0.00  | 0                           |
| (d)      | Any Other  |      | 0                   | 0                                      | 0                                       | 0   | 0                                 | 0.00  | 0  | 0        | 0                 | 0.00  | 0  | 0.00                       | 0        | 0.00   | 0        | 0.00  | 0                           |
|          | <b>Sub-Total (A)(1)</b>  |      | <b>1</b>            | <b>1478291778</b>                      | <b>0</b>                                | <b>0</b>                                    | <b>1478291778</b>                 | <b>55.99</b>  | <b>1478291778</b>  | <b>0</b> | <b>1478291778</b> | <b>55.99</b>  | <b>0</b>   | <b>55.99</b>               | <b>0</b> | <b>0.00</b>                                      | <b>0</b> | <b>0.00</b>   | <b>1478291778</b>           |
| (2)      | Foreign  |      |                     |  |   |   |                                   |   |  |          |                   |   |  |                            |          |  |          |   |                             |
| (a)      | Individuals (Non-Resident Individuals/ Foreign Individuals                 |      | 0                   | 0                                      | 0                                       | 0   | 0                                 | 0.00  | 0  | 0        | 0                 | 0.00  | 0  | 0.00                       | 0        | 0.00   | 0        | 0.00  | 0                           |
| (b)      | Government   |      | 0                   | 0                                      | 0                                       | 0   | 0                                 | 0.00  | 0  | 0        | 0                 | 0.00  | 0  | 0.00                       | 0        | 0.00   | 0        | 0.00  | 0                           |
| (c)      | Institutions   |      | 0                   | 0                                      | 0                                       | 0   | 0                                 | 0.00  | 0  | 0        | 0                 | 0.00  | 0  | 0.00                       | 0        | 0.00   | 0        | 0.00  | 0                           |
| (d)      | Foreign Portfolio Investor   |      | 0                   | 0                                      | 0                                       | 0   | 0                                 | 0.00  | 0  | 0        | 0                 | 0.00  | 0  | 0.00                       | 0        | 0.00   | 0        | 0.00  | 0                           |
| (e)      | Any Other  |      | 0                   | 0                                      | 0                                       | 0   | 0                                 | 0.00  | 0  | 0        | 0                 | 0.00  | 0  | 0.00                       | 0        | 0.00   | 0        | 0.00  | 0                           |
|          | <b>Sub-Total (A)(2)</b>  |      | <b>0</b>            | <b>0</b>                               | <b>0</b>                                | <b>0</b>                                    | <b>0</b>                          | <b>0.00</b>   | <b>0</b>   | <b>0</b> | <b>0</b>          | <b>0.00</b>   | <b>0</b>   | <b>0.00</b>                | <b>0</b> | <b>0.00</b>                                      | <b>0</b> | <b>0.00</b>   | <b>0</b>                    |
|          | <b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b> |      | <b>1</b>            | <b>1478291778</b>                      | <b>0</b>                                | <b>0</b>                                    | <b>1478291778</b>                 | <b>55.99</b>  | <b>1478291778</b>  | <b>0</b> | <b>1478291778</b> | <b>55.99</b>  | <b>0</b>   | <b>55.99</b>               | <b>0</b> | <b>0.00</b>                                      | <b>0</b> | <b>0.00</b>   | <b>1478291778</b>           |











**List of top 10 holders of Equity Shares of our Company as on June 30, 2023:**

| Sr. No. | Name of the Shareholder                               | Total number of Equity Shares | Number of Equity Shares held in dematerialized form | Total shareholding as a % of total number of Equity Shares |
|---------|---|-------------------------------|---|--|
| 1.      | President of India                                    | 1,47,82,91,778                | 1,47,82,91,778                                      | 55.99  |
| 2.      | HDFC Trustee Company Limited A/C HDFC Balanced Advant | 14,30,87,457                  | 14,30,87,457  | 5.42   |
| 3.      | The Windacre Partnership Master Fund LP               | 10,66,01,000                  | 10,66,01,000  | 4.04   |
| 4.      | Life Insurance Corporation of India                   | 9,07,74,812                   | 9,07,74,812   | 3.44   |
| 5.      | Nippon Life India Trustee Ltd-A/C Nippon India Gro    | 4,72,34,125                   | 4,72,34,125   | 1.79   |
| 6.      | BNP Paribas Arbitrage                                 | 4,35,13,835                   | 4,35,13,835   | 1.65   |
| 7.      | UBS Principal Capital Asia Ltd                        | 3,58,62,960                   | 3,58,62,960   | 1.36   |
| 8.      | Kotak Equity Arbitrage Fund                           | 2,71,64,793                   | 2,71,64,793   | 1.03   |
| 9.      | Mirae Asset Emerging Bluechip Fund                    | 2,52,07,811                   | 2,52,07,811   | 0.95   |
| 10.     | Vanguard Emerging Markets Stock Index Fund, A Seri    | 1,58,42,745                   | 1,58,42,745   | 0.60   |
|         | <b>Total</b>  | <b>2,01,35,81,316</b>         | <b>2,01,35,81,316</b>                               | <b>76.27</b>   |

\*The total shareholding of LIC is on the basis of PAN.

**List of top 10 holders of non-convertible securities as on June 30, 2023 (on cumulative basis):**

(amount in ₹ crore)

| Sr. No. | Name of the holder of Non-convertible Securities | Amount    | % of total non-convertible securities outstanding |
|---------|--|-----------|---|
| 1.      | Life Insurance Corporation of India              | 37,610.00 | 17.50   |
| 2.      | CBT-EPF  | 34,278.00 | 15.95   |
| 3.      | NPS TRUST  | 10,256.32 | 4.77  |
| 4.      | Edelweiss Trusteeship Co Ltd-MF                  | 9,108.20  | 4.24  |
| 5.      | Coal Mines Provident Fund Organisation           | 6,440.30  | 3.00  |
| 6.      | SBI Life Insurance Co. Ltd                       | 6,105.80  | 2.84  |
| 7.      | HDFC -MF   | 5,865.00  | 2.73  |
| 8.      | State Bank Of India                              | 4,892.10  | 2.28  |
| 9.      | State Bank Of India Employees Pension Fund       | 4,417.10  | 2.05  |
| 10.     | SBI -MF  | 4,250.90  | 1.98  |

**Statement of the aggregate number of securities of our Company purchased or sold by our Directors/or their relatives within six months immediately preceding the date of filing of this Draft Shelf Prospectus.**

None of the Directors of our Company including their relatives as defined under Section 2(77) of the Companies Act, 2013 have undertaken purchase and/or sale of the Securities of our Company and its Subsidiaries during the preceding 6 (six) months from the date of this Draft Shelf Prospectus.

**Statement of Capitalization**

Statement of capitalization (Debt to Equity Ratio) of our Company on standalone basis as on March 31, 2023

(₹ in crore, except Debt/Equity ratio)

| Particulars                             | Pre-Issue as at March 31, 2023 | Post Issue as Adjusted |
|---|--------------------------------|------------------------|
| <b>Debt</b>                             |                                |                        |
| Debt securities                         | 2,52,289.44                    | 2,62,289.44            |
| Borrowings (other than debt securities) | 1,01,136.89                    | 1,01,136.89            |
| Subordinated Debt                       | 9,211.50                       | 9,211.50               |
| <b>Total Debt/Borrowings (A)</b>        | <b>3,62,637.83</b>             | <b>3,72,637.83</b>     |
|   |                                |                        |
| <b>Equity</b>                           |                                |                        |
| Equity share capital                    | 2,640.08                       | 2,640.08               |
| Other equity                            | 65,562.15                      | 65,562.15              |

(₹ in crore, except Debt/Equity ratio)

| Particulars                    | Pre-Issue as at March 31, 2023 | Post Issue as Adjusted |
|--------------------------------|--------------------------------|------------------------|
| <b>Total Equity (B)</b>        | <b>68,202.23</b>               | <b>68,202.23</b>       |
| <b>Debt/ Equity (C = A/B)*</b> | <b>5.32</b>                    | <b>5.46</b>            |

\*The debt-equity ratio post Issue is indicative on account of the assumed inflow of ₹ 10,000 crores from the proposed Issue. The actual debt-equity ratio post the Issue would depend on the actual position of debt and equity on the Deemed Date of Allotment.

Statement of capitalization (Debt to Equity Ratio) of our Company on consolidated basis as on March 31, 2023

(₹ in crore, except Debt/Equity ratio)

| Particulars                             | Pre-Issue as at March 31, 2023 | Post Issue as Adjusted |
|---|--------------------------------|------------------------|
| <b>Debt</b>                             |                                |                        |
| Debt securities                         | 4,83,246.43                    | 4,93,246.43            |
| Borrowings (other than debt securities) | 2,38,100.16                    | 2,38,100.16            |
| Subordinated Debt                       | 15,862.20                      | 15,862.20              |
| <b>Total Debt (A)</b>                   | <b>7,37,208.79</b>             | <b>7,47,208.79</b>     |
| <b>Equity</b>                           |                                |                        |
| Equity share capital                    | 2,640.08                       | 2,640.08               |
| Other equity                            | 81,518.41                      | 81,518.41              |
| Non-controlling interest                | 27,822.79                      | 27,822.79              |
| <b>Total Equity (B)</b>                 | <b>1,11,981.28</b>             | <b>1,11,981.28</b>     |
| <b>Debt/ Equity (C = A/B)*</b>          | <b>6.58</b>                    | <b>6.67</b>            |

\*The debt-equity ratio post Issue is indicative on account of the assumed inflow of ₹ 10,000 crores from the proposed Issue. The actual debt-equity ratio post the Issue would depend on the actual position of debt and equity on the Deemed Date of Allotment.

### Shareholding of Directors in our Company

The following is the shareholding of our Directors in our Company, as on date of this Draft Shelf Prospectus:

| Sr. No. | Name of Director     | Number of Equity Shares held | Percentage of the total paid-up capital (%) |
|---------|----------------------|------------------------------|---|
| 1.      | Parminder Chopra     | 2,000                        | Negligible                                  |
| 2.      | Rajiv Ranjan Jha     | 16,004                       | Negligible                                  |
| 3.      | Manoj Sharma         | Nil                          | Nil   |
| 4.      | Ajay Tewari          | Nil                          | Nil   |
| 5.      | Bhaskar Bhattacharya | Nil                          | Nil   |
| 6.      | Usha Sajeev Nair     | Nil                          | Nil   |
| 7.      | Prasanna Tantri      | Nil                          | Nil   |

### Details of Promoter's shareholding in our Company's Subsidiary

Nil.

### Details of Promoter's shareholding in our Joint Venture and Associate Companies

Nil. Our Company has no joint venture or associate companies as on the date of this Draft Shelf Prospectus.

### Details of any acquisition or amalgamation in the last one year

Nil

### Details of any reorganization or reconstruction in the last one year

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

### **Details of debt securities were issued at a premium or a discount by the Company**

Our Company has not, since its incorporation, issued any debt securities (i) for consideration other than cash,(ii) at a premium or at a discount, except for foreign currency bonds under medium term notes programme through various tranches - 3.95% USD Medium Term Notes 2030, 3.90% USD Medium Term Notes 2029, 4.50% USD Medium Term Notes 2029, 6.15% USD Medium Term Notes 2028, 5.25% Medium Term Notes 2028, 3.75% USD Medium Term Notes 2027, 3.75% USD Medium Term Notes 2024, 3.25% USD Medium Term Notes 2024 and 3.35% USD Medium Term Notes 2031. For further details, please refer to the section “*Financial Indebtedness*” on page 467.

### **Details of shareholding of our Directors in our Subsidiaries, Associate or Joint Ventures as of date of this Draft Shelf Prospectus**

Except as disclosed below, our Directors do not hold any shareholding in our Company’s Subsidiaries, Associate or Joint Ventures as on date of this Draft Shelf Prospectus:

#### **Holding in REC Limited**

| <b>Sr. No.</b> | <b>Name of Director</b> | <b>Number of Equity Shares held</b> | <b>Percentage of the total paid-up capital (%)</b> |
|----------------|-------------------------|-------------------------------------|--|
| 1.             | Parminder Chopra        | Nil                                 | -  |
| 2.             | Rajiv Ranjan Jha        | Nil                                 | -  |
| 3.             | Manoj Sharma            | Nil                                 | -  |
| 4.             | Ajay Tewari             | Nil                                 | -  |
| 5.             | Bhaskar Bhattacharya    | Nil                                 | -  |
| 6.             | Usha Sajeev Nair        | Nil                                 | -  |
| 7.             | Prasanna Tantri         | 53                                  | Negligible   |

#### ***Details of change in the promoter holding in our Company during the last financial year beyond 26 % (as prescribed by RBI)***

There has been no change in the promoter holding in our Company during the last financial year beyond 26%.

#### **Employee Stock Option Scheme**

As on the date of this Draft Shelf Prospectus, the Company does not have any existing ESOP scheme

#### **Details of pledge or encumbrance of equity shares held by Promoter**

None of the Equity Shares held by the Promoter in our Company are pledged or encumbered otherwise by our Promoter.

## OBJECTS OF THE ISSUE

### Issue Proceeds

Our Company has filed this Draft Shelf Prospectus for a public issue of secured, rated, listed, redeemable, NCDs for an amount up to ₹ 10,000 crore (the “**Shelf Limit**”). The NCDs will be issued in one or more tranches up to the Shelf Limit, on the terms and conditions as set out in the relevant Tranche Prospectus for any Tranche Issue, which should be read together with this Draft Shelf Prospectus and the Shelf Prospectus.

The Issue is being made pursuant to the provisions of the SEBI NCS Regulations and the Companies Act and the rules made there under. Our Company proposes to utilize the proceeds raised through the Issue, after deducting the Issue related expenses to the extent payable by our Company (“**Net Proceeds**”) towards funding the objects listed under this section.

The details of the proceeds of the Issue are summarized below:

| Particulars                   | Estimated amount (₹ in crore)  |
|-------------------------------|--|
| Gross proceeds of the Issue   | As specified in the relevant Tranche Prospectus for each Tranche Issue |
| Less: Issue related expenses* | As specified in the relevant Tranche Prospectus for each Tranche Issue |
| Net proceeds                  | As specified in the relevant Tranche Prospectus for each Tranche Issue |

*\*The above Issue related expenses are indicative and are subject to change depending on the actual level of subscription to the Issue, the number of allottees, market conditions and other relevant factors.*

### Requirement of Funds and Utilization of Net Proceeds

The following table details the objects of the Issue (collectively, referred to herein as the “**Objects**”) and the amount proposed to be financed from Net Proceeds:

| Sr. No.      | Objects of the Issue  | Percentage of amount proposed to be financed from Net Proceeds |
|--------------|---|--|
| a.           | For the purpose of onward lending, financing / refinancing the existing indebtedness of our Company, and/or debt servicing (payment of interest and/or repayment / prepayment of interest and principal of existing borrowings of our Company)* | At least 75%   |
| b.           | General Corporate Purposes**  | Maximum up to 25%  |
| <b>Total</b> |   | <b>100%</b>  |

*\*Our Company shall not utilise the proceeds of this Issue towards payment of prepayment penalty, if any*

*\*\*The Net Proceeds will be first utilized towards the Objects mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the amount raised in the Issue, in compliance with the SEBI NCS Regulations.*

The main objects clause of the Memorandum of Association of the Company permits the Company to undertake its existing activities as well as the activities for which the funds are being raised through the Issue.

### Issue related expenses break-up

The expenses for this Issue include, inter alia, lead management fees and selling commission to the Lead Managers, Consortium Member and intermediaries as provided for in the SEBI Operational Circular, fees payable to debenture trustees, the Registrar to the Issue, SCSBs’ commission/ fees, printing and distribution expenses, legal fees, advertisement expenses, listing fees and any other expense directly related to the Issue. The Issue expenses and listing fees will be paid by our Company.

The estimated breakdown of the total expenses for this Issue and the timeline for such payment for this Issue shall be as specified in the relevant Tranche Prospectus.

### Purpose for which there is a requirement of funds

As specified in the relevant Tranche Prospectus for each Tranche Issue.

### Funding Plan

Our Company confirms that for the purpose of this Issue, funding plan will not be applicable.

### **Summary of the project appraisal report**

Our Company confirms that for the purpose of this Issue, summary of the project appraisal report will not be applicable.

### **Schedule of implementation of the project**

Our Company confirms that for the purpose of this Issue, schedule of implementation of the project will not be applicable.

### **Monitoring of utilization of funds**

There is no requirement for appointment of a monitoring agency in terms of the SEBI NCS Regulations. The Audit Committee of our Company shall monitor the utilisation of the proceeds of the Issue. Our Company will disclose in our Company's financial statements for the relevant financial year commencing from Fiscal 2024, the utilisation of the proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilised thereby also indicating investments, if any, of such unutilized proceeds of the Issue. Our Company shall utilize the proceeds of the Issue only upon receipt of minimum subscription, i.e., 75% of base issue relating to the Issue and relevant Tranche Prospectus, the execution of the documents for creation of security and the Debenture Trust Deed and receipt of final listing and trading approval from the Stock Exchange. Our Company, in accordance with the timeline prescribed in SEBI Listing Regulations, shall submit to the stock exchange, a statement indicating the utilization of issue proceeds of non-convertible securities, which shall be continued to be given till such time the issue proceeds have been fully utilised or the purpose for which these proceeds were raised has been achieved.

### **Interim use of proceeds**

Our Management, in accordance with the policies formulated by it from time to time, will have the flexibility in deploying the proceeds received from the Issue. Pending utilization of the proceeds out of the Issue for the purposes described above, our Company intends to temporarily invest funds in high quality interest/ non- interest bearing liquid instruments including money market mutual funds, deposits with banks, current account of banks or temporarily deploy the funds in investment grade interest bearing securities as may be approved by the Board of Directors. Such investment would be in accordance with applicable law and the investment policies approved by the Board of Directors or any committee thereof from time to time.

### **Other Confirmations**

In accordance with the SEBI NCS Regulations, our Company will not utilize the proceeds of the Issue towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any immovable property.

No part of the proceeds from the Issue will be paid by us as consideration to our Promoter, the Directors, Key Managerial Personnel, or companies promoted by our Promoter except in ordinary course of business.

No part of the proceeds from the Issue will be utilized for buying, trading or otherwise dealing in equity shares of any listed company. Further our Company undertakes that Issue proceeds from NCDs allotted to banks shall not be used for any purpose, which may be in contravention of the RBI guidelines including those relating to classification as capital market exposure or any other sectors that are prohibited under the RBI Regulations.

All monies received out of the Issue shall be credited/ transferred to a separate bank account maintained with a Scheduled Bank as referred to in section 40(3) of the Companies Act 2013.

Details of all monies utilised out of the Issue referred above shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies have been utilised along with details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue.

Details of all unutilised monies out of the Issue, if any, shall be disclosed under an appropriate separate head in our balance sheet indicating the form in which such unutilised monies have been invested.

Our Company confirms that it will not use the proceeds from the Issue, directly or indirectly, for the purchase of any business or in the purchase of any interest in any business whereby our Company shall become entitled to an interest in

either the capital or profit or losses or both in such business exceeding 50% thereof, the purchase or acquisition of any immovable property (direct or indirect) or acquisition of securities of any other body corporate.

The fund requirement as above is based on our current business plan and is subject to change in light of variations in external circumstances or costs, or in our financial condition, business or strategy. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirements and deployment of funds may also change.

There is no contribution being made or intended to be made by the Directors as part of the Issue or separately in furtherance of the Objects of the Issue, except to the extent of NCDs subscribed by the Director (if subscribed).

### **Variation in terms of contract or objects in this Draft Shelf Prospectus**

Our Company shall not, in terms of Section 27 of the Companies Act, 2013, at any time, vary the terms of the objects for which this Draft Shelf Prospectus is issued, except as may be prescribed under the applicable laws and specifically under Section 27 of the Companies Act, 2013. Further, in accordance with the SEBI Listing Regulations, in case of any material deviation in the use of proceeds as compared to the objects of the issue, the same shall be indicated in the format as specified by SEBI from time to time.

### **Utilisation of Issue Proceeds**

- All monies received pursuant to the issue of NCDs to public shall be transferred to a separate bank account as referred to in sub-section (3) of section 40 of the Companies Act, 2013 and the SEBI NCS Regulations, and our Company will comply with the conditions as stated therein, and these monies will be transferred to Company's bank account after receipt of listing and trading approvals;
- The allotment letter shall be issued, or application money shall be refunded in accordance with the Applicable Law failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period;
- Details of all utilised and unutilised monies out of the monies collected out of each Tranche Issue and previous issues made by way of public offers, if any, shall be disclosed under an appropriate separate head in our balance sheet till the time any part of the proceeds of such issue remain unutilised, indicating the purpose for which such monies have been utilised and the securities or other forms of financial assets in which such unutilized monies have been invested;
- The Issue proceeds shall not be utilised towards full or part consideration for the purchase or any other acquisition, *inter alia*, by way of a lease, of any immovable property;
- We shall utilise the Issue proceeds only after (i) receipt of minimum subscription, i.e., 75% of the Base Issue Size pertaining to each Tranche Issue; (ii) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (iii) creation of security; (iv) obtaining requisite permissions or consents for creation of *pari passu* charge over assets sought to be provided as Security; (v) obtaining listing and trading approval as stated in this Draft Shelf Prospectus in the section titled "*Issue Structure*" on page 543;
- The Issue proceeds shall be utilised in compliance with various guidelines, regulations and clarifications issued by RBI, SEBI or any other statutory authority from time to time. Further the Issue proceeds shall be utilised only for the purpose and objects stated in the Offer Documents; and
- If Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within 6 Working days from the Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants in accordance with applicable laws.

### **Benefit / interest accruing to Promoter/Directors out of the object of the Issue**

Neither our Promoter nor the Directors of our Company are interested in the Objects of this Issue.

## STATEMENT OF POSSIBLE TAX BENEFITS

### STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDER(S) UNDER THE APPLICABLE LAWS IN INDIA

Date: July 6, 2023

To,

The Board of Directors

**Power Finance Corporation Limited**

Urjanidhi, 1,  
Barakhamba Lane,  
Connaught Place,  
New Delhi 110 001.  
(the "**Company**")

Dear Ma'am/Sir,

***Re: Proposed public issue by Power Finance Corporation Limited ("Issuer"/ "Company") of secured, rated, listed, redeemable, non-convertible debentures of face value of ₹ 1,000 each ("NCDs") for an amount aggregating to ₹ 10,000 Crore (the "Shelf Limit") ("Issue", "Issue Size"). The NCDs will be issued in one or more tranches up to the Shelf Limit, on terms and conditions as set out in relevant Tranche Prospectus(es) for each Tranche Issue.***

This is to certify that "*Statement of Possible Tax Benefits*" is as incorporated in **Annexure A** and is in the form it appears in the Draft Shelf Prospectus / Shelf Prospectus / relevant Tranche Prospectus(es) ("**Offer Document**"). We consent to its reproduction in the Offer Document.

Our views expressed in this statement are based on the facts and assumptions as indicated in the statement. Our views are not binding on any authority or court, and so, no assurance is given that a position contrary to that expressed herein would not be asserted by any authority and ultimately sustained by an Appellate Authority or a Court of law. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on this statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed issue relying on this statement.

This statement has been prepared solely in connection with the Issue under the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended.

The statement is neither a reproduction nor an extract of the relevant provisions of the Income Tax Act, 1961 and is an attempt to correlate the relevant provisions in a simplified manner.

We undertake to immediately inform the Lead Managers and legal counsels in case of any changes or any material developments in respect to the matters covered above only upon receipt of knowledge of the same from the Company till the listing of the securities. In the absence of any such communication, it may be assumed that the above information is accurate and updated and there is no change in respect of the matters covered in this certificate.

We also authorize you to deliver a copy of this letter pursuant to the provisions of the Companies Act, 2013 to Securities and Exchange Board of India, the Registrar of Companies, BSE Limited ("**Stock Exchange**") or any other regulatory authority as required by law. We further consent to the above details being included for the Records to be maintained by the Lead Managers in connection with the Issue and in accordance with applicable laws.

This letter may be relied upon by Lead Managers and the legal advisors to the Issue in respect of the Issue.

Sincerely,

Dass Gupta & Associates  
*Chartered Accountants*  
FRN: 000112N

Prem Gupta & Company  
*Chartered Accountants*  
FRN: 000425N

CA Naresh Kumar  
*Partner*  
Membership No. 082069

CA Shakun Gupta  
*Partner*  
Membership No. 506838

Place: New Delhi  
Date: July 6, 2023  
UDIN: 23082069BGZGVZ8027

Place: New Delhi  
Date: July 6, 2023  
UDIN: 23506838BGYZMD5297



## **ANNEXURE**

### **STATEMENT OF SUMMARY OF TAX BENEFITS**

- The information provided below sets out the possible direct tax benefits available to the debenture holders of the company in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of non-convertible debentures ("debentures"), under the current tax laws presently in force in India. Several of these benefits are dependent on the debenture holders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the debenture holders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on commercial imperatives a debenture holder faces, may or may not choose to fulfil. We do not express any opinion or provide any assurance as to whether the Company or its debenture holders will continue to obtain these benefits in future. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice.
- Debenture holders are advised to consult their own tax consultant with respect to the tax implications of an investment in the debentures particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.
- Our views expressed in this statement are based on the facts and assumptions as indicated in the statement. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on this statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed issue relying on this statement.
- The statement is neither a reproduction nor an extract of the relevant provisions of the Income Tax Act, 1961 and is an attempt to correlate the relevant provisions in a simplified manner.
- This statement has been prepared solely in connection with the Issue under the Regulations as amended.

### **STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDER(S)**

This Annexure is based on the provisions of the Income-tax Act, 1961 ('IT Act') in force as on the current date, after considering the amendments made by the Finance Act, 2023 ('FA, 2023').

#### **Act**

This Annexure intends to provide general information on the applicable provisions of the IT Act. However, in view of the nature of the implications, the investors are best advised to consult their respective tax advisors/consultants for appropriate counsel with respect to the specific tax and other implications arising out of their participation in the Portfolio as indicated herein.

#### **Taxability under the IT Act**

##### **Section 50AA of the IT Act**

The Finance Act, 2023 has inserted section 50AA to the IT Act to provide for a special provision for computation of capital gains in case of Market Linked Debenture (MLD). For the purposes of the said section, MLD have been defined in the Explanation thereto to mean a security by whatever name called, which has an underlying principal component in the form of a debt security and where the returns are linked to the market returns on other underlying securities or indices, and includes any security classified or regulated as a MLD by the Securities and Exchange Board of India.

Based on the definition, MLD has the following essential features:

- It is a security in the nature of debt;
- It has an underlying principal component;
- Returns with respect to such security are linked to market returns on other underlying securities or indices;
- And, by way of extension, it is also provided that any security classified or regulated by SEBI as an MLD, shall for the purposes of section 50AA of the IT Act, be deemed to be an MLD

The Non-Convertible Debentures (NCDs) issued/ proposed to be issued by the issuer creates a borrower-lender relationship between the issuer and subscriber and to that extent, such NCDs constitute a security in the nature of debt. Further, such NCDs, by their very nature, have a principal component (which is the price at which the subscriber subscribes to such NCDs).

However, the returns with respect to such NCDs (excess of redemption value over the principal component) is a fixed return and is not linked to any market return or underlying security or indices.

Given the same, the NCDs issued by the issuer do not satisfy the first limb of the definition of MLD as provided in the Explanation to section 50AA of the IT Act and thus, such NCDs should not constitute an MLD for the purposes of section 50AA of the IT Act.

The second limb of the definition of MLD which deems any security classified or regulated by SEBI as an MLD, to be an MLD for the purposes of section 50AA of the IT Act, is an independent limb and need to be construed as such. We have been given to understand that, at present, the NCD issued/ proposed to be issued by the issuer is neither classified nor regulated by the SEBI as an MLD and accordingly, the NCDs issued by the issuer should not constitute an MLD for the purposes of section 50AA of the IT Act. However, the said fact-pattern would have to be re-visited in light of any amendment in the law as may be notified by SEBI in future.

#### **A. Common provisions applicable to both Resident and Non-Resident debenture holders:**

##### **1. Determination of head of income for the purpose of assessability:**

The returns received by the investors from the Non-Convertible Debentures ('NCD') in the form of 'interest' and gains on transfer of the NCD, may be characterized under the following broad heads of income for the purposes of taxation under the IT Act:

- Profits and gains of business or profession ('PGBP');
- Capital gains ('CG'); and
- Income from other sources ('IFOS').

For determining the appropriate head of income (as mentioned above) *vis-à-vis* the income or loss earned on/ from the NCD, it will be pertinent to analyse whether the NCD are held as 'Investments' i.e. capital asset or as 'Stock-in-trade'.

If the NCD are held as 'Stock-in-trade', interest income as well as gain or loss on its transfer will be assessed to tax under the head PGBP, whereas, if the NCD are held as 'Investments', then the interest income will be assessed to tax under the head IFOS and any gain/ loss on its transfer will be assessed to tax under the head CG (explained in ensuing paragraphs), based on facts of each case.

However, as per section 2(14) of the IT Act, 'capital asset' includes, *inter alia*, securities held by a Foreign Institutional Investor ('FII') [now known as Foreign Portfolio Investor ('FPI')] which has invested in such securities in accordance with the regulations made under Securities and Exchange Board of India Act, 1992. Accordingly, such securities, held by an FII, will be characterised as 'capital asset' and classification as 'Stock-in-trade' shall not apply.

*The investors may obtain specific advice from their tax advisors regarding the above classification and tax treatment.*

##### **2. Taxation of Interest and Gain/ loss on transfer of debentures:**

###### **- Taxation of Interest**

Income by way of interest received on NCD held as 'Investments' (i.e. capital asset) will be charged to tax under the head IFOS at the rates applicable to the investor after deduction of expenses, if any, allowable under section 57 of the IT Act. These are essentially expenses (not being in the nature of capital expenditure) laid out or expended wholly and exclusively for the purpose of earning the interest income. In case of NCD held as 'Stock-in-trade', interest received thereon will be charged to tax under the head PGBP. Further, any expenditure specifically laid out or expended wholly and exclusively for the purpose of earning such interest income shall be allowed as deduction while computing income under the head PGBP.

*The investors may obtain specific advice from their tax advisors regarding the tax treatment of their Interest income.*

***- Taxation of gain or loss on transfer***

***(a) Taxable under the head PGBP***

As discussed above, depending on the particular facts of each case, the NCD may, in certain cases, be regarded to be in the nature of 'Stock-in-trade' and, accordingly, the gains from the transfer of such NCD should be considered to be in the nature of business income and hence chargeable to tax under the head PGBP.

In such a scenario, the gains from the business of investing in the NCD may be chargeable to tax on a 'net' basis (i.e. net of allowable deductions for expenses/allowances under Chapter IV – Part D of the IT Act).

Based on section 145 of the IT Act, the timing of charging any income to tax would depend on the method of accounting followed by the taxpayer consistently (i.e. cash or mercantile).

*Investors should obtain specific advice from their tax advisors regarding the manner of computing business income, the deductions available therefrom and the tax to be paid thereon.*

***(b) Taxable under the head Capital Gains***

As discussed above, based on the particular facts of each case, the NCD may, in certain cases, be regarded to be held as 'Investments' in which case the gains or loss from the transfer of such NCD should be chargeable to tax under the head CG.

In such a scenario, the gains / loss from the transfer of such NCD may be chargeable to tax on a 'net' basis (i.e. net of acquisition cost of NCD, expenditure incurred in relation to transfer of NCD).

*Investors should, however, seek specific advice from their tax advisors/ consultants in respect of characterization of capital gains, the manner of computation and the tax to be paid thereon.*

***3. Period of holding and Capital gain – long term & short term:***

As per section 2(29AA) read with section 2(42A) of the IT Act, listed NCD is treated as a long-term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer and consequently, the gain/ loss on transfer of such NCD should be treated as long term capital gain/ loss.

Accordingly, if listed NCD is held for up to 12 months immediately preceding the date of its transfer, the same should be treated as a short-term capital asset and the gain/ loss on transfer of such NCD should be treated as short-term capital gain/ loss.

Without prejudice to the fact that the NCDs to be issued by the issuer are not MLD (as has been concluded at the outset), where, for whatsoever reasons, the NCDs are treated as MLDs, then in such cases, as per the amendment by the FA, 2023, the capital gains arising on transfer or redemption or maturity of such NCDs shall be deemed to be capital gains arising from transfer of a short-term capital asset. Further, in computing the capital gains, no deduction shall be allowed on account of Securities Transaction Tax (STT) paid, if any.

***4. Computation of capital gains and tax thereon***

Capital gains is computed after reducing from the consideration received for the transfer of the capital asset [‘full value of consideration (FVC)'], the cost of acquisition (CoA) of such asset and the expenses incurred wholly and exclusively in connection with the transfer. The capital gains so computed will be chargeable to tax at the rates as detailed in the ensuing paragraphs.

***5. Set off of capital losses***

As per section 74 of the IT Act, long-term capital loss incurred during a year can be set-off only against long-term capital gains arising in that year or in subsequent years and cannot be set-off against short-term capital gains arising

in that year or in subsequent years. The long-term capital loss remaining after set-off, if any, can be carried forward for eight years immediately succeeding the year in which the loss was first computed, to be for set-off against subsequent years' long-term capital gains.

On the other hand, short-term capital loss incurred during a year can be set-off against both, short-term and long-term capital gains of the same year or of subsequent years. The short-term capital loss remaining after set-off, if any, can be carried forward for eight years immediately succeeding the year in which the loss was first computed, to be set-off against subsequent years' short-term as well as long-term capital gains.

**B. Tax benefits available to Resident NCD holders:**

- Interest on NCD received by resident NCD holders would form part of their total income and be subject to tax at the applicable rates of tax (Note 1 and 2 below) in accordance with and subject to the provisions of the IT Act.
- Capital gains on transfer of NCD shall be computed by deducting from the FVC, expenditure incurred wholly and exclusively in connection with the transfer and the CoA of the NCD.

As per section 112 of the IT Act, capital gains arising on the transfer of long-term capital assets being listed debentures are subject to tax at the rate of 10% (plus applicable surcharge and health & education cess – Note 2 below) on the capital gains calculated without indexing the cost of acquisition (Fourth proviso to Section 48 restricts indexation benefit in case of long-term capital asset being a bond or debenture).

In case of an individual or HUF, being a resident, where the total income as reduced by such long-term capital gains is below the maximum amount which is not chargeable to income-tax, then, such long-term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and the tax on the balance of such long-term capital gains shall be computed at the rate mentioned above.

Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months would be taxed at the applicable rates of tax (as mentioned in Note 1 and 2 below) in accordance with the provisions of the IT Act.

**C. Tax benefits available to Non-Resident debenture holders:**

- A non-resident Indian has an option to be governed by Chapter XII-A of the IT Act, subject to the provisions contained therein which are given in brief as under:
- As per section 115C(e) of the IT Act, the term "non-resident Indian" means an individual, being a citizen of India or a person of Indian origin who is not a "resident". A person shall be deemed to be of Indian origin if he, or either of his parents or any of his grand-parents, was born in undivided India.
- As per section 115E of the IT Act, interest income from debentures acquired or purchased with or subscribed to in convertible foreign exchange will be taxable at 20% (plus applicable surcharge and cess), whereas long term capital gains on transfer of such debentures will be taxable at 10% (plus applicable surcharge and cess – Note 2 below) of such capital gains without indexation of CoA. Short-term capital gains will be taxable at the applicable rates of tax (as mentioned in Note 1 and 2 below) in accordance with and subject to the provisions contained therein.
- Under section 115F of the IT Act, long term capital gains arising to a non-resident Indian from transfer of debentures acquired or purchased with or subscribed to in convertible foreign exchange will be exempt from capital gain tax if the whole of the net consideration is invested within six months after the date of transfer of the debentures in any specified asset or in any saving certificates referred to in section 10(4B) of the IT Act in accordance with and subject to the provisions contained therein.
- Under section 115G of the IT Act, it shall not be necessary for a non-resident Indian to file a return of income under section 139(1) of the IT Act, if his total income consists only of investment income as defined under section 115C and/or long term capital gains earned on transfer of such investment acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII-B of the IT Act in accordance with and subject to the provisions contained therein.

- Under section 115H of the IT Act, where a non-resident Indian becomes a resident in India in any subsequent year, he may furnish to the Assessing Officer a declaration in writing along with return of income under section 139 for the assessment year for which he is assessable as a resident, to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to the investment income (other than on shares in an Indian Company) derived from any foreign exchange assets in accordance with and subject to the provisions contained therein. On doing so, the provisions of Chapter XII-A of the IT Act shall continue to apply to him in relation to such income for that assessment year and for every subsequent assessment year until the transfer or conversion (otherwise than by transfer) into money of such assets.
- In accordance with and subject to the provisions of section 115-I of the IT Act, a non-resident Indian may opt not to be governed by the provisions of Chapter XII-A of the IT Act. In such a case, long-term capital gains on transfer of listed debentures would be subject to tax at the rate of 10% (plus applicable surcharge and cess – Note 2 below) computed without indexation of CoA.
- Interest income and short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months preceding the date of transfer, would be taxed at the applicable rates of tax (as mentioned in Note 1 and 2 below) in accordance with and subject to the provisions of the IT Act.
- Without prejudice to the fact that the NCDs to be issued by the issuer are not MLD (as has been concluded at the outset), where, for whatsoever reasons, the NCDs are treated as MLDs, then in such cases, as per the amendment by the FA, 2023, the capital gains arising on transfer or redemption or maturity of such NCDs shall be deemed to be capital gains arising from transfer of a short-term capital asset. Further, in computing the capital gains, no deduction shall be allowed for Securities Transaction Tax (STT) paid, if any.
- Where debentures are held as stock-in-trade, the income on transfer of debentures would be taxed as business income in accordance with and subject to the provisions of the IT Act.
- As per section 90(2) of the IT Act read with the Circular no. 728 dated October 30, 1995, issued by the Central Board of Direct Taxes ('CBDT'), in the case of a remittance to a country with which a Double Tax Avoidance Agreement ('DTAA') is in force, the tax should be deducted at the rate provided in the Finance Act of the relevant year or at the rate provided in the DTAA, whichever is more beneficial to the assessee. However, submission of a valid and subsisting tax residency certificate ('TRC') is a mandatory condition for availing benefits under any DTAA. If the TRC does not contain the prescribed particulars, a self-declaration in Form 10F would need to be provided by the assessee along with the TRC which is valid and subsisting.

**D. Tax benefits available to Foreign Institutional Investors ('FII's) or Foreign Portfolio Investors ('FPI's):**

- In accordance with and subject to the provisions of section 115AD of the IT Act, long-term capital gains on transfer of debentures by FIIs are taxable at 10% (plus applicable surcharge and cess – Note 2 below) and short-term capital gains are taxable at 30% (plus applicable surcharge and cess - Note 2 below). The benefit of indexation of CoA will not be available.
- Income other than capital gains arising out of debentures is taxable at 20% (plus applicable surcharge and cess - Note 2 below) in accordance with and subject to the provisions of Section 115AD of the IT Act.
- However, the above is subject to any relief available under DTAA entered into by the Government of India (as mentioned in Point C above).
- The CBDT has issued Notification No.9 dated 22 January 2014 which provides that Foreign Portfolio Investors (FPI) registered under SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be treated as FII for the purpose of Section 115AD of the IT Act.

**E. Withholding provisions**

The withholding provisions provided under the IT Act are machinery provisions meant for tentative deduction of income-tax subject to regular assessment. The withholding tax is not the final liability to income-tax of an assessee. For rate of tax applicable to an assessee, please refer Notes 1 and 2 below:

| Sr. No. | Scenarios  | Provisions   |
|---------|--|--|
| 1       | Withholding tax rate on interest on NCD issued to Indian residents                     | <ul style="list-style-type: none"> <li>- Interest paid to residents other than insurance companies will be subject to withholding tax as per section 193 of the IT Act at the rate of 10 per cent.</li> <li>- No tax is required to be deducted on interest paid to an individual or a HUF, in respect of debentures issued by a company in which the public is substantially interested if: <ul style="list-style-type: none"> <li>• the amount of interest paid to such person in a financial year does not exceed INR 5,000; and</li> <li>• such interest is paid by an account payee cheque</li> </ul> </li> </ul>   |
| 2       | Withholding tax rate on interest on NCD issued to Foreign Institutional Investor (FII) | <ul style="list-style-type: none"> <li>- Interest on NCD issued to FII may be eligible for concessional withholding tax rate of 5 per cent under section 194LD of the IT Act, provided the interest coupon on such NCDs does not exceed the rates as notified by the Central Government.</li> </ul> <p>Conditions to avail lower withholding tax rate of 5 percent are as under:</p> <ol style="list-style-type: none"> <li>a. Interest should be payable on or after 01 June 2013 but before 01 July 2023 in respect of investments made in (i) rupee denominated bond of an Indian Company; or (ii) a government security.</li> <li>b. Interest coupon on such NCDs should not exceed the rates as notified by the Central Government.</li> </ol> <ul style="list-style-type: none"> <li>- Interest to a non-resident, not being a company or to a foreign company by a specified company or a business trust, may alternatively be eligible for concessional tax rate of 5 per cent under section 194LC(2)(ia) of the IT Act in respect of monies borrowed by it from a source outside India by way of issue of rupee denominated bond before the 1<sup>st</sup> day of July 2023.</li> </ul> <p>The FA, 2023 has extended the applicability of section 194LC of the IT Act with the following modification:</p> <ol style="list-style-type: none"> <li>1. The provisions of section 194LC of the IT Act shall continue to apply to monies borrowed from a source outside India by way of issue of long-term bond or rupee denominated bond on or after 1 July 2023 where such bond is listed on a recognised stock exchange located in an International Financial Services Centre.</li> <li>2. The <b>rate of tax</b> in case of the aforesaid borrowings shall be <b>9 per cent</b>.</li> <li>3. With respect to the <b>borrowings made prior to 1 July 2023</b>, the provisions of section 194LC of the IT Act, as they applied at that time, shall continue to apply <i>sans</i> the modification discussed <i>supra</i>.</li> <li>4. No extension of date for payment of interest in case of section 194LD of the IT Act has been made by the FA, 2023. Where such remains the case, interest therein shall then be subject to tax at the rate of 20% (excluding applicable surcharge and cess) subject to availability of DTAA benefits.</li> </ol> <ul style="list-style-type: none"> <li>- Withholding rate will be increased by surcharge as applicable (Refer Note 2) and a health and education cess of 4 per cent on the amount of tax plus surcharge as applicable. However, where the withholding is done as per the rate of tax provided under the relevant DTAA, the said rate shall not be required to be increased by a surcharge and health and education cess.</li> </ul> |
| 3       | Withholding tax rate on interest on NCD issued to non-residents other                  | <ul style="list-style-type: none"> <li>- Interest payable to non-resident (other than FII) would be subject to withholding tax at the rate of 30 per cent/ 40 per cent as per the provisions of section 195 of the IT Act subject to relief under the relevant DTAA depending upon the status of</li> </ul>  |

| Sr. No. | Scenarios                                   | Provisions   |
|---------|---|--|
|         | than FIIs                                   | <p>the non-resident.</p> <ul style="list-style-type: none"> <li>- Alternatively, benefits of concessional rates of 5/ 9 per cent under section 194LC of the IT Act provided the said interest falls within the ambit of the provisions of section 194LC of the IT Act and meets the conditions mentioned therein which <i>inter-alia</i> includes the loan / bond being issued prior to/ on or after 1<sup>st</sup> July 2023, obtaining approval from the Central Government with respect to the rate of interest, etc.</li> <li>- Withholding rate will be increased by surcharge as applicable (Refer Note 2) and a health and education cess of 4 per cent on the amount of tax plus surcharge, as applicable.</li> </ul>  |
| 4       | Withholding tax rate on purchase of 'goods' | <ul style="list-style-type: none"> <li>- As per section 194Q of the IT Act, any sum payable by a 'buyer' to a resident for purchase of 'goods' of the value exceeding INR 50 Lakhs shall be liable to withholding at the rate of 0.1 percent.</li> <li>- Buyer means a person whose total sales, turnover or gross receipts from the business carried on by him exceeds INR 10 crores in the financial year immediately preceding the financial year in which the purchase is carried out.</li> <li>- TDS shall not be applicable where; <ul style="list-style-type: none"> <li>a. Tax is deductible under any of the provisions of the IT Act; or</li> <li>b. Tax is collectible under the provisions of section 206C of the IT Act other than a transaction to which section 206C(1H) of the IT Act applies</li> </ul> </li> <li>- The CBDT has issued Circular No 13 of 2021 dated 30 June 2021 laying down guidelines under section 194Q of the IT Act. It <i>inter alia</i> provides that TDS under section 194Q of the IT Act shall not apply to transaction in securities and commodities which are traded through recognised stock exchanges or cleared and settled by the recognised clearing corporation (including exchanges or corporation located in IFSC).</li> <li>- Given that the Circular does not provide clarity in respect of shares/ securities traded off-market, it is advisable that the investors obtain specific advice from their tax advisors regarding applicability of these provisions.</li> </ul> |

**F. Requirement to furnish PAN under the IT Act**

- i. Section 139A(5A) requires every person from whose income tax has been deducted under the provisions of chapter XVIIIB of the IT Act, to furnish his PAN to the person responsible for deduction of tax at source.
- ii. As per provisions of section 206AA of the IT Act, the payer would be obliged to withhold tax at higher of the following rates in case the deductee has not furnished PAN to the payer:
  - (i) at the rate in force specified in the relevant provision of the IT Act; or
  - (ii) at the rates in force; or
  - (iii) at the rate of twenty per cent

Section 206AA of the IT Act provides that the provisions shall not apply to non-residents in respect of payment of interest on long-term bonds as referred to in section 194LC and any other payment subject to such conditions as may be prescribed.

Further, as per Rule 37BC of the Income-tax Rules, 1962 ('the Rules'), the provisions of section 206AA shall not apply to non-residents where the non-residents provide the following information to the payer of such income:

- Name, email-id, contact number;
- Address in the country or specified territory outside India of which the deductee is a resident;
- A certificate of his being resident in any country or specified territory outside India from the government of the other country or specified territory if the law of that country or specified territory provides for issuance of such certificate;
- Tax Identification Number of the deductee in the country or specified territory of his residence and in a case, no such number is available, then a unique number on the basis of which the deductee is identified by the Government of that country or the specified territory of which he claims to be a resident.

Where an incorrect PAN is provided, it will be regarded as non-furnishing of PAN and TDS shall be deducted as mentioned above, apart from any other penal consequences that may ensue.

- iii. Further, as per section 206AB of the IT Act, with effect from 1 July 2021, payments made to specified persons will be subject to TDS at rate which is higher of the following:
- twice the rate specified in the relevant provision of the IT Act; or
  - twice the rate or rates in force; or
  - the rate of 5%

In cases, where both section 206AA and section 206AB of the IT Act are applicable, taxes shall be deducted at higher of the rate than prescribed under both the sections.

For the purpose of section 206AB of the IT Act, specified person means any person-

- Who has not filed an income-tax return for the AY relevant to the previous year immediately preceding the previous year in which tax is required to be deducted, and the prescribed time limit to file the income-tax return has expired;
- The aggregate amount of TDS is INR 50,000 or more in each of these previous years

But other than a non-resident who does not have a permanent establishment in India. Further, FA, 2023 has carved-out from the definition of ‘specified person’ under section 206AB of the IT Act, a person who is not required to file/ furnish a return of income and who, in that behalf, is notified by the Central Government *vide* the Official Gazette.

#### **G. General Anti Avoidance Rules (“GAAR”)**

The General Anti Avoidance Rule (“GAAR”) was introduced in the IT Act by the Finance Act, 2012. The Finance Act, 2015 made the provisions of GAAR applicable prospectively from 1 April 2017. Further, income accruing, arising, deemed to accrue or arise or received or deemed to be received by any person from transfer of investments made up to 31 March 2017 would be protected from the applicability of GAAR.

#### **H. Exemption under Section 54F of the IT Act**

Exemptions may be claimed from taxation of LTCG if investments in certain specified securities/assets is made subject to fulfillment of certain conditions.

Section 54F of the IT Act exempts long-term capital gains on transfer of any long-term capital asset (other than a residential house), held by an individual or HUF, if the net consideration is utilized to purchase/ construct a residential house within the specified timelines.

#### **Note 1: Tax Rates**

##### **Resident Individuals and Hindu Undivided Families:**

The FA, 2023 has amended section 115BAC of the IT Act by, *inter alia*, inserting sub-section (1A) thereto to provide that the tax regime provided under section 115BAC of the IT Act shall be the default tax regime applicable in case of an individual, HUF, AOP (other than a co-operative society), body of individual or artificial juridical, beginning with the financial year 2023-24, except where the assessee specifically opts to be governed by the erstwhile regime.

In such cases, the following shall be the rate of tax applicable:



| Slab  | Tax rate  |
|---|---|
| Total income up to INR 3,00,000                 | Nil   |
| More than INR 3,00,000 but up to INR 6,00,000   | 5 per cent of excess over INR 3,00,000                  |
| More than INR 6,00,000 but up to INR 9,00,000   | 10 per cent of excess over INR 6,00,000 + INR 15,000    |
| More than INR 9,00,000 but up to INR 12,00,000  | 15 per cent of excess over INR 9,00,000 + INR 45,000    |
| More than INR 12,00,000 but up to INR 15,00,000 | 20 per cent of excess over INR 12,00,000 + INR 90,000   |
| More than INR 15,00,000                         | 30 per cent of excess over INR 15,00,000 + INR 1,50,000 |

In computing the income-tax under the new regime, certain deductions like standard deduction available to salaried taxpayers, etc., shall be allowed. However, most of the deductions/exemptions such as section 80C, 80D, etc. would need to be foregone.

A resident individual (whose total income does not exceed Rs 7,00,000) whose income is chargeable to tax under sub-section (1A) of section 115BAC can avail rebate under section 87A. It is deductible from income tax before calculating health and education cess. The amount of rebate available would be 100 per cent of income-tax chargeable on his total income or Rs 25,000, whichever is less. Further, where the total income exceeds Rs 7,00,000, the assessee shall be entitled for deduction of an amount equal to the amount by which the income-tax payable on the total income exceeds the amount by which the total income exceeds Rs 7,00,000.

Where the assessee as stated above, specifically opts to be governed by the erstwhile regime, the income earned by assessee should be liable to tax as per the applicable slab rates (plus applicable surcharge and health and education cess) based on the taxable income of such assessee. The slab rates applicable to such investors (other than resident individuals aged 60 years or more) are as follows:

| Income   | Tax rate*   |
|--|---|
| Up to INR 2,50,000 <sup>#</sup>                        | NIL   |
| Exceeding INR 2,50,000 up to INR 5,00,000 <sup>@</sup> | 5 per cent of the amount by which the total income exceeds INR 2,50,000                                 |
| Exceeding INR 5,00,000 up to INR 10,00,000             | 20 per cent of the amount by which the total income exceeds INR 5,00,000 plus INR 12,500 <sup>§</sup>   |
| Exceeding INR 10,00,000                                | 30 per cent of the amount by which the total income exceeds INR 10,00,000 plus INR 112,500 <sup>§</sup> |

<sup>@</sup> A resident individual (whose total income does not exceed Rs 500,000) can avail rebate under section 87A. It is deductible from income tax before calculating health and education cess. The amount of rebate available would be 100 per cent of income-tax chargeable on his total income or Rs 12,500, whichever is less.

\* plus surcharge if applicable and a health and education cess ('cess') of 4 per cent on the amount of tax plus surcharge, if applicable).

<sup>#</sup> for resident senior citizens of sixty years of age and above but below eighty years of age, Rs 250,000 has to be read as Rs 300,000 and for resident senior citizens of eighty years of age and above ("super senior citizen) Rs 250,000' has to be read as Rs 500,000.

<sup>§</sup> Similarly, for resident senior citizens of sixty years of age and above but below eighty years of age, Rs 12,500 has to be read as Rs 10,000 and Rs 112,500 has to be read as Rs 110,000. And for super senior citizen Rs 12,500 has to be read as Nil and Rs 112,500 has to be read as Rs 100,000.

### Partnership Firms & LLP's:

The tax rates applicable would be 30 per cent (plus surcharge if applicable – Refer Note 2 and a health and education cess of 4 per cent on the amount of tax plus surcharge, if applicable).

### Domestic Companies:

| Type of Domestic company   | Base normal tax rate on income (other than income chargeable at special rates) | Base MAT rate |
|--|--|---------------|
| Domestic companies having turnover or gross receipts of upto Rs 400 Cr in FY 2020-21 (For AY 2023-24) and in FY 2021-22 (For AY 2024-25) | 25 per cent  | 15 per cent   |
| Domestic manufacturing company set-up and registered on or after 1 March 2016 subject to fulfilment of prescribed                        | 25 per cent  | 15 per cent   |

| Type of Domestic company  | Base normal tax rate on income (other than income chargeable at special rates) | Base MAT rate  |
|---|--|----------------|
| conditions (Section 115BA)  |  |                |
| Any domestic company (even if an existing company or engaged in non-manufacturing business) has an option to avail beneficial rate, subject to fulfilment of prescribed conditions (Section 115BAA)                                     | 22 per cent  | Not applicable |
| Domestic manufacturing company set-up and registered on or after 1 October 2019 and commences manufacturing upto 31 March 2024, has an option to avail beneficial rate, subject to fulfilment of prescribed conditions (Section 115BAB) | 15 per cent  | Not applicable |
| Domestic companies not falling under any of the above category  | 30 per cent  | 15 per cent    |

**Note 2: Surcharge (as applicable to the tax charged on income)**

**Non-corporate assessee (other than firm, co-operative societies and FIIs):**

| Particulars   | Rate of Surcharge   |
|---|---|
| Where total income (including dividend income and income under the provisions of section 111A, section 112A and section 112 of the IT Act) does not exceed Rs 50 lacs   | Nil   |
| Where total income (including dividend income and income under the provisions of section 111A, section 112A and section 112 of the IT Act) exceeds Rs 50 lacs but does not exceed Rs 1 crore  | 10 per cent on total tax  |
| Where total income (including dividend income and income under the provisions of section 111A section 112A and section 112 of the IT Act) exceeds Rs 1 crore but does not exceed Rs 2 crore   | 15 per cent on total tax  |
| Where total income (excluding dividend income and income under the provisions of section 111A, section 112A and 112 of the IT Act) does not exceed Rs 2 crore but total income (including dividend income and income under the provisions of section 111A, section 112A and 112 of the IT Act) exceeds Rs 2 crore | 15 per cent on total tax<br><i>The Finance Act, 2022 from FY 2022-23 has capped the surcharge rates for long-term gains chargeable to tax under section 112 of the IT Act.</i>  |
| Where total income (excluding dividend income and income under the provisions of section 111A, section 112A and section 112 of the IT Act) exceeds Rs 2 crore   | - 25 per cent on tax on income excluding dividend income and income under the provisions of section 111A, section 112A and section 112 of the IT Act<br>- 15 per cent on tax on dividend income and income under the provisions of section 111A section 112A and section 112 of the IT Act.<br><br><i>The Finance Act, 2022 from FY 2022-23 has capped the surcharge rates for long-term gains chargeable to tax under section 112 of the IT Act as well.</i> |

**Note:** *The Finance Act, 2022 from FY 2022-23 has capped the surcharge rates for long-term gains chargeable to tax under section 112 of the IT Act as well.*

*As per the FA, 2023, the maximum surcharge rate in case of capital gains chargeable to tax under section 112 of the IT Act, in case of an assessee being an individual, HUF, AOP (not being a co-operative society), BOI or artificial juridical person is also capped to 15%.*

**FIIs (Non – corporate):**

| Particulars | Rate of Surcharge |
|-------------|-------------------|
|-------------|-------------------|

|   |   |
|---|---|
| Where total income (including dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act) does not exceed Rs 50 lacs  | Nil   |
| Where total income (including dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act) exceeds Rs 50 lacs but does not exceed Rs 1 crore   | 10 per cent on total tax  |
| Where total income (including dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act) exceeds Rs 1 crore but does not exceed Rs 2 crore   | 15 per cent on total tax  |
| Where total income (excluding dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act) does not exceed Rs 2 crore but total income (including dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act) exceeds Rs 2 crore | 15 per cent on total tax  |
| Where total income (excluding dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act) exceeds Rs 2 crore  | - 25 per cent on tax on income excluding dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act<br>- 15 per cent on tax on dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act |

*Note: The FA, 2023 has capped the highest surcharge rate to 25 per cent.*

**For assesseees other than those covered above:**

| Particulars  | Rate of surcharge applicable   |
|--|--|
| Non-corporate taxpayers being firms and co-operative societies   | Nil where total income does not exceed Rs 1 crore  |
|  | From FY 2022-23 7 per cent (for firms 12 per cent) where total income exceeds Rs 1 crore but does not exceed Rs 10 crore |
|  | From FY 2022-23 12 per cent where total income exceeds Rs 10 crore   |
| Domestic companies (other than companies availing benefit under section 115BAA and section 115BAB of the IT Act) | Nil where total income does not exceed Rs 1 crore  |
|  | 7 per cent where total income exceeds Rs 1 crore but does not exceed Rs 10 crore   |
|  | 12 per cent where total income exceeds Rs 10 crore   |
| Domestic companies availing benefit under section 115BAA and section 115BAB of the IT Act                        | 10 per cent (irrespective of total income)   |
| Foreign Companies (including corporate FIIs)   | Nil where total income does not exceed Rs 1 crore  |
|  | 2 per cent where total income exceeds Rs 1 crore but does not exceed Rs 10 crore   |
|  | 5 per cent where total income exceeds Rs 10 crore  |

*A health and education cess of 4 per cent is payable on the total amount of tax plus surcharge.*

Notes:

- The above statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of NCD.
- The above statement covers only certain relevant direct tax law benefits and does not cover benefit under any other law.
- The above statement of possible tax benefits is as per the current direct tax laws (read along with the amendments made by the FA, 2023) relevant for the AY 2024-25 corresponding to the FY 2023-24.
- This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the NCD of the Company.

- In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.
- No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.
- Several of the above tax benefits are dependent on the debenture holders fulfilling the conditions prescribed under the relevant tax laws and subject to General Anti Avoidance Rules covered under Chapter X-A of the Act.
- This Statement does not discuss any tax consequences in the country outside India of an investment in the Debentures. The subscribers of the Debentures in the country other than India are urged to consult their own professional advisers regarding possible income tax consequences that apply to them.
- The Company is not liable to the debenture holder in any manner for placing reliance upon the contents of this statement of tax benefits.

## SECTION-IV - ABOUT OUR COMPANY

### INDUSTRY OVERVIEW

*Unless noted otherwise, The information in this section has been obtained or derived from industry sources, such as National Electricity Plan – Vol.1 : Generation ( Notified vide Extra ordinary Gazette No. 3189, SI. No. 329, under part III, Section IV dated May 18, 2023, RBI Monetary Policy Report, April 2023 - <https://rbidocs.rbi.org.in/rdocs/Publications/PDFs/MPRAPR2023CE7252C3A2594B408162BF7877EF7F03.PDF>), RBI Bi-monthly Monetary Policy Statement, 2023-24 Resolution of the Monetary Policy Committee – June 6-8 2023, India Economic Survey - 2022-23), Ministry of Finance - <https://www.indiabudget.gov.in/economicsurvey/index.php>. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Accordingly, investment decisions should not be based on such information. Figures used in this section are presented as in the original sources and have not been adjusted, restated or rounded-off for presentation in this Draft Shelf Prospectus.*

#### Global Economy

The global economy is slowing under the impact of tighter financial conditions, high inflation, and the lingering conflict in Ukraine. Consumer price inflation is ruling well above targets and is exhibiting persistence. In March, global financial markets were rattled by the failures/bailouts in the banking space which triggered extreme risk aversion, meltdowns, and flight to safety. Sovereign bond yields exhibited sizeable movements over the past six months – easing during November-January on expectations of less aggressive monetary tightening over softer inflation prints; hardening in February 2023 on stickier inflation and strong labour market conditions; and crashes across maturities in March on banking and financial stability concerns. Short-term yields recorded the sharpest single-day decline in decades in March. The US dollar weakened until January 2023, but it appreciated in February 2023. Global equity markets remained cautious with an upward bias up to February, with sharp corrections in mid-March. Looking ahead, food and energy insecurity, financial stability concerns and risks of debt distress pose downside risks to the outlook for emerging market and developing economies.

In second half of 2022, global growth was stronger than anticipated, reflecting pent-up demand, accumulated household savings, labour market gains, easing supply bottlenecks and sharp corrections in energy prices. High frequency indicators in first quarter of 2023 point to an easing of the downturn in manufacturing and an uptick in service sector activity. The International Monetary Fund (IMF) in its World Economic Outlook (WEO) update of January 2023 revised up global growth projections for 2022 and 2023 by 20 basis points (bps) each to 3.4 per cent and 2.9 per cent, respectively.

*(Source: RBI Monetary Policy Report, April 2023-  
<https://rbidocs.rbi.org.in/rdocs/Publications/PDFs/MPRAPR2023CE7252C3A2594B408162BF7877EF7F03.PDF>)*

In the second quarter of 2023, the global economy is sustaining the momentum gained in the preceding quarter in spite of still elevated though moderating inflation, tighter financial conditions, banking sector stress, and lingering geopolitical conflicts. Sovereign bond yields are trading sideways on expectations of the imminent peaking of the tightening cycle of monetary policy while the US dollar has appreciated. For several emerging market economies (EMEs), weak external demand, elevated debt levels and geoeconomic disintegration amidst tighter external financial conditions pose risks to growth prospects, although capital flows are cautiously returning to them on renewed risk appetite.

*(Source: RBI Bi-monthly Monetary Policy Statement, 2023-24 Resolution of the Monetary Policy Committee – June 6-8 2023  
<https://rbidocs.rbi.org.in/rdocs/PressRelease/PDFs/PR3643DFF6F8A3AE3429A826A641E1DF57844.PDF>)*

#### The Indian Economy

India has an estimated population of 1.44 billion people as of April 2023. The Indian economy is one of the largest economies in the world, with a GDP at current price of an estimated US\$3.74 trillion for the fiscal year 2022- 2023.

*(Source: International Monetary Fund's World Economic Outlook -*

<https://www.imf.org/en/Countries/IND#countrydata>)

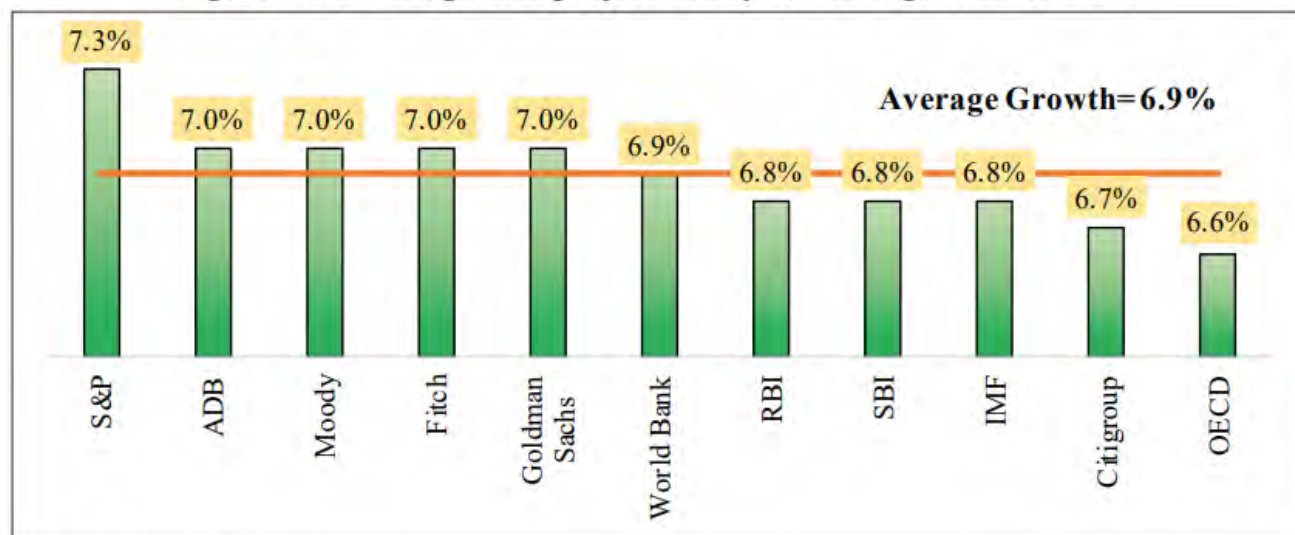
The below table depicts the projected real GDP growth of India in 2023 in comparison with certain other countries:

| Country        | Estimated Real GDP Growth in 2023 (%) |
|----------------|---------------------------------------|
| China          | 5.2                                   |
| <b>India</b>   | <b>5.9</b>                            |
| Brazil         | 0.9                                   |
| United States  | 1.6                                   |
| United Kingdom | -0.3                                  |
| Japan          | 1.3                                   |
| World          | 2.8                                   |

(Source: International Monetary Fund's World Economic Outlook as of April 2023 - <https://www.imf.org/en/Publications/WEO/Issues/2023/04/11/world-economic-outlook-april-2023>)

Monetary tightening by the RBI, the widening of the CAD, and the plateauing growth of exports have essentially been the outcome of geopolitical strife in Europe. As these developments posed downside risks to the growth of the Indian economy in FY23, many agencies worldwide have been revising their growth forecast of the Indian economy downwards. These forecasts, including the advance estimates released by the NSO, now broadly lie in the range of 6.5-7.0 per cent. Despite the downward revision, the growth estimate for FY23 is higher than for almost all major economies and even slightly above the average growth of the Indian economy in the decade leading up to the pandemic. IMF estimates India to be one of the top two fast-growing significant economies in 2022. Despite strong global headwinds and tighter domestic monetary policy, if India is still expected to grow between 6.5 and 7.0 per cent, and that too without the advantage of a base effect, it is a reflection of India's underlying economic resilience; of its ability to recoup, renew and re-energise the growth drivers of the economy.

**Figure I.17: India growth projections by various agencies for FY23**



Source: Various Agencies

Note: ADB stands for Asian Development Bank, IMF is International Monetary Fund

(Source: India Economic Survey - 2022-23), Ministry of Finance - <https://www.indiabudget.gov.in/economicsurvey/index.php>)

India's recovery from the pandemic was relatively quick, and growth in the upcoming year will be supported by solid domestic demand and a pickup in capital investment. The current growth trajectory will be supported by multiple structural changes that have been implemented over the past few years. The private sector – financial and non-financial – was repairing balance sheets, which led to a slowdown in capital formation in the previous decade. The financial system stress experienced in the second decade of the millennium, evidenced by rising nonperforming assets, low credit growth and declining growth rates of capital formation, caused by excessive lending witnessed in the first decade-plus, is now behind us. Aided by healthy financials, incipient signs of a new private sector capital formation cycle are visible. More importantly, compensating for the private sector's caution in capital expenditure, the government raised capital expenditure substantially. Budgeted capital expenditure rose 2.7X in the last seven years, from FY16 to FY23, re-invigorating the Capex cycle. Structural reforms such as the introduction of the Goods and Services Tax and the

Insolvency and Bankruptcy Code enhanced the efficiency and transparency of the economy and ensured financial discipline and better compliance.

(Source: India Economic Survey - 2022-23), Ministry of Finance  
<https://www.indiabudget.gov.in/economicsurvey/index.php/>)

According to the Bi-Monthly Monetary Policy Statement in 2023-24 of the Monetary Policy Committee (“MPC”) for June 6-8, 2023, the outlook for growth the Indian Economy is as follows:

- a. The higher rabi crop production in 2022-23, the expected normal monsoon, and the sustained buoyancy in services should support private consumption and overall economic activity in the current year.
- b. The government’s thrust on capital expenditure, moderation in commodity prices and robust credit growth are expected to nurture investment activity.
- c. Weak external demand, geoeconomic fragmentation, and protracted geopolitical tensions, however, pose risks to the outlook.
- d. Taking all these factors into consideration, real GDP growth for 2023-24 is projected at 6.5 per cent with Q1 at 8.0 per cent, Q2 at 6.5 per cent, Q3 at 6.0 per cent, and Q4 at 5.7 per cent, with risks evenly balanced.

(Source: RBI Bi-monthly Monetary Policy Statement, 2023-24 Resolution of the Monetary Policy Committee – June 6-8 2023 <https://rbidocs.rbi.org.in/rdocs/PressRelease/PDFs/PR3643DFF6F8A3AE3429A826A641E1DF57844.PDF>)

## **THE INDIAN POWER SECTOR**

### **National Electricity Plan 2022-32**

The National Electricity Plan includes a review of the period 2017-22, detailed capacity addition requirement during the years 2022-27 and Perspective Plan projections for the years 2027-32. Major Highlights are as follows:

- As per 20th EPS report, the projected electrical energy requirement and peak electricity demand on all-India basis is 1907.8 BU and 277.2 GW for year 2026-27 respectively and 2473.7 BU and 366.4 GW for year 2031-32 respectively.
- The Installed Capacity of the country as on 31.03.2022 was 398,986.9 MW (excluding 510 MW of Diesel) comprising of 235,599 MW thermal, 6,780 MW Nuclear and 156,607.9 MW renewable energy (including Large Hydro). This is considered as a base installed capacity for the study period 2022-32.
- The projected capacity addition requirement during the period 2022-27 to meet the peak demand and energy requirement for the year 2026-27 is 211,819 MW comprising of 31,880 MW of Conventional capacity (Coal-25,580MW and Nuclear-6,300MW) and 179,939 MW of Renewable based Capacity (Large Hydro- 10,462 MW, Solar-131,570, Wind-32,537 MW, Biomass-2,318 MW, Small Hydro-352MW PSP-2700 MW) excluding likely Hydro based Imports of 3720MW. Additionally, the likely BESS requirement is 8,680MW/34,720 MWh during this period.
- Based on generation planning studies carried out for the period of 2022-27, the likely Installed Capacity for the year 2026-27 is 609,591 MW comprising of 273,038 MW of Conventional capacity (Coal- 235,133MW, Gas-24,824MW, Nuclear-13,080MW) and 336,553 MW of Renewable based Capacity (Large Hydro-52,446 MW, Solar-185,566 MW Wind-72,895 MW, Small Hydro-5,200 MW, Biomass- 13,000MW, PSP-7446MW) along with BESS capacity of 8,680MW/34,720 MWh.
- The projected capacity addition requirement during the period 2027-32 to meet the peak demand and energy requirement for the year 2031-32 is 291,802 MW comprising of 32,080 MW of Conventional capacity (Coal-25,480 MW, Nuclear-6,600 MW) and 259,722 MW of Renewable based Capacity (Large Hydro- 9,732 MW, Solar-179,000, Wind-49,000, Biomass-2,500 MW, Small Hydro-250 MW PSP-19,240 MW). Additionally, there is likely to be a requirement of BESS based capacity addition of 38,564 MW/201,500 MWh during this period.
- According to generation planning studies, projected electricity generation to meet the projected electrical energy requirement during the year 2026-27 is 2025 BU which comprises of coal based -1203.4 BU, Gas based-34.1 BU, Nuclear based- 77.9 BU, Large Hydro based- 207.7 BU (including generation from Hydro imports), PV based-339.3 BU, Wind based- 153.5 BU and Other RE-9.1 BU.
- The domestic coal requirement has been estimated to be 866.4 Million Tonnes for the year 2026-27 and 1025.8 Million Tonnes for the year 2031-32 and estimated requirement of 28.9 MT of coal imports for the plants designed to run on imported coal.
- The total fund requirement for the period 2022-2027 is estimated to be Rs. 14,54,188 crores, which also includes the likely expenditure during 2022-27 for advance action for the projects expected to get commissioned during



2027-2032.

- The total fund requirement for the period 2027-2032 has been estimated to be Rs. 19,06,406 crores. This fund requirement does not include advance action for the projects which may get commissioned after 31.03.2032
- Based on the estimation of fund requirement for the period 2022-27 and considering sector-wise equity contribution, it is estimated that developers will be required to infuse equity amount totaling to Rs. 3,63,547 crores. Further, they will have to arrange for total debt of Rs. 10,90,641 crores.
- The equity and debt requirement (excluding fund requirement for advance action for projects during the period beyond 31.03.2032) for the period 2027-2032 have been estimated as Rs. 4,76,602 crores and Rs. 14,29,805 crores respectively.

(Source: National Electricity Plan – Vol.1 : Generation ( Notified vide Extra ordinary Gazette No. 3189, SI. No. 329, under part III, Section IV dated 18.05.2023)

### Electricity demand and generation

The electricity consumption on all-India basis during the year 2021-22, 2026-27 and 2031-32 has been assessed as 1138.4 BU, 1610.1 BU and 2133.4 BU respectively. The electrical energy requirement on all-India basis during the year 2021-22, 2026-27 and 2031-32 has been assessed as 1381.6 BU, 1907.8 BU and 2473.8 BU respectively. The peak electricity demand has been estimated as 203.1 GW during the year 2021-22; 277.2 GW during 2026-27 and 366.4 GW during the year 2031-32. The electrical energy consumption, T&D losses, electrical energy requirement, annual load factor and peak electricity demand for the years 2021-22, 2026-27 and 2031-32 is summarized in Table 4.1.

**Table 4.1**

**Electrical energy consumption, T&D losses, electrical energy requirement and peak electricity demand for the years 2021-22, 2026-27 and 2031-32 on all-India basis as per 20th EPS Report**

| Particulars                                  | Year      |           |           | CAGR (in %)        |                    |
|--|-----------|-----------|-----------|--------------------|--------------------|
|  | 2021-22   | 2026-27   | 2031-32   | 2021-22 to 2026-27 | 2026-27 to 2031-32 |
| <b>Total Energy Consumption - MU</b>         | 11,38,408 | 16,10,053 | 21,33,380 | 7.18               | 5.79               |
| <b>T&amp;D losses - MU</b>                   | 2,43,237  | 2,97,782  | 3,40,396  |                    |                    |
| <b>T&amp;D losses (Ex- Bus) - %</b>          | 17.60     | 15.61     | 13.76     |                    |                    |
| <b>Energy Requirement (Ex-Bus) - MU</b>      | 13,81,646 | 19,07,835 | 24,73,776 | 6.67               | 5.33               |
| <b>Annual Load Factor - %</b>                | 77.65     | 78.57     | 77.07     |                    |                    |
| <b>Peak Electricity Demand (Ex-Bus) - MW</b> | 2,03,115  | 2,77,201  | 3,66,393  | 6.42               | 5.74               |

As evident from Table 4.1, CAGR of electrical energy requirement from 2021-22 to 2026-27 and from 2026-27 to 2031-32 is expected to be 6.67 % and 5.33 % respectively. The CAGR of electrical energy requirement in the country from the year 2016-17 to 2020-21 was 3.78%. CAGR of electrical energy consumption from 2021-22 to 2026-27 and from 2026-27 to 2031-32 is expected to be 7.18 % and 5.79% respectively. The percentage increase in electrical energy requirement is less than the increase in electricity consumption on account of reduction in T&D losses.



**Table 4.2**  
**Region-wise energy requirement & peak demand for the years 2021-22, 2026-27 and 2031-32 as per 20th EPS Report**

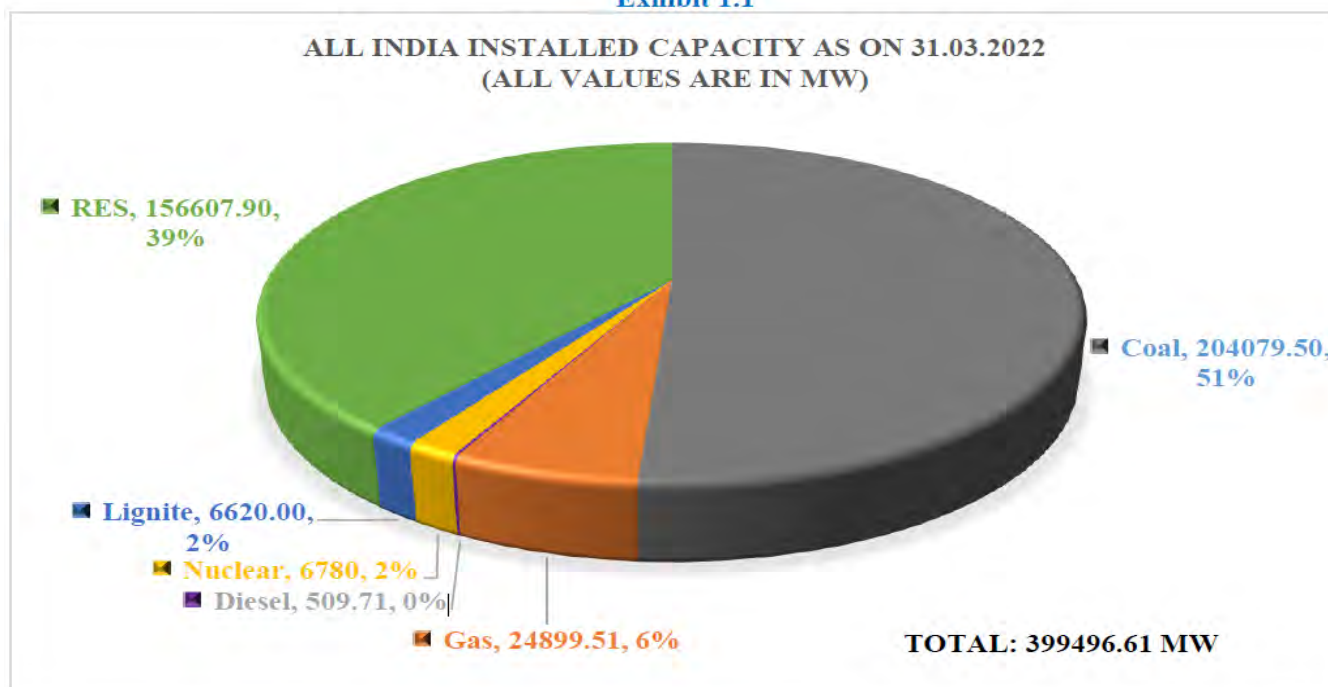
| Region               | Energy Requirement (in MU) |                  |                  | Peak Demand (in MW) |                 |                 |
|----------------------|----------------------------|------------------|------------------|---------------------|-----------------|-----------------|
|                      | 2021-22                    | 2026-27          | 2031-32          | 2021-22             | 2026-27         | 2031-32         |
| Northern Region      | 4,18,188                   | 5,92,312         | 7,73,545         | 73,367              | 97,898          | 1,27,553        |
| Western Region       | 4,28,994                   | 5,96,793         | 7,63,198         | 65,437              | 89,457          | 1,14,766        |
| Southern Region      | 3,51,611                   | 4,60,853         | 5,96,557         | 61,165              | 80,864          | 1,07,259        |
| Eastern Region       | 1,64,542                   | 2,32,971         | 3,08,103         | 26,043              | 37,265          | 50,420          |
| North Eastern Region | 18,312                     | 24,904           | 32,373           | 3,437               | 4,855           | 6,519           |
| <b>All India</b>     | <b>13,81,646</b>           | <b>19,07,835</b> | <b>24,73,776</b> | <b>2,03,115</b>     | <b>2,77,201</b> | <b>3,66,393</b> |

(Source: National Electricity Plan – Vol.1 : Generation ( Notified vide Extra ordinary Gazette No. 3189, SI. No. 329, under part III, Section IV dated 18.05.2023)

**Installed Capacity**

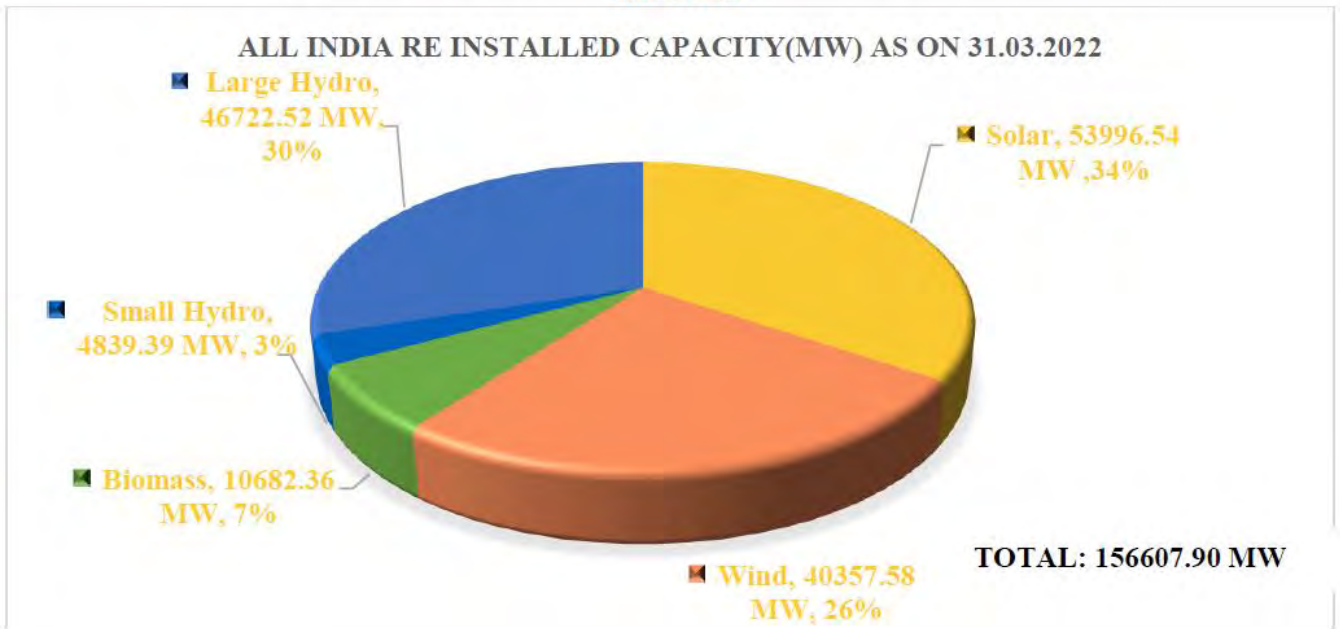
The Installed Capacity of the country as on 31.03.2022 was 399496.61 MW comprising of 236108.72 MW thermal, 6,780 MW Nuclear and 156607.90 MW renewables and is depicted in the Exhibit 1.1.

**Exhibit 1.1**



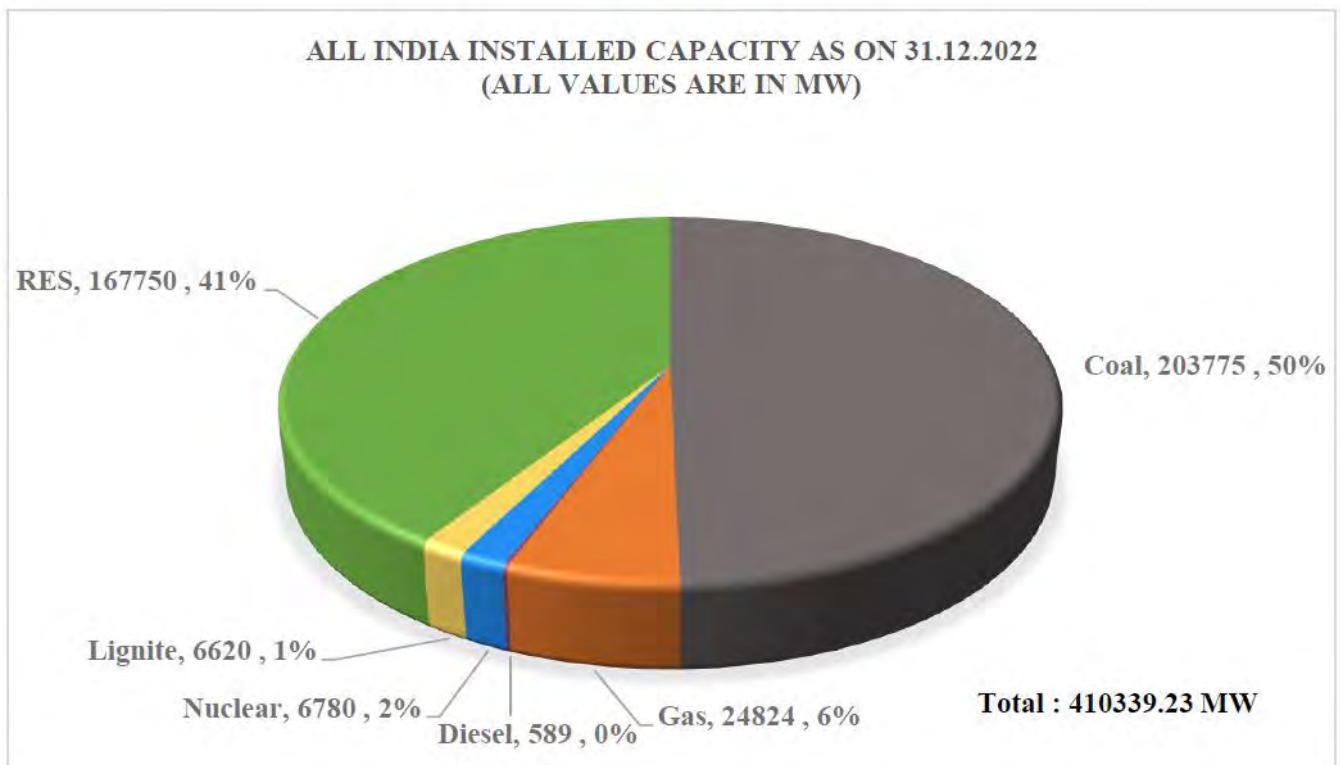
The country has significant potential of generation from renewable energy sources. All efforts are being made by Government of India to harness this potential. The Installed capacity as on 31st March, 2022 from renewable energy sources is 156607.90 MW. The total renewable installed capacity comprises of 46722.52 MW of Large Hydro, 40357.58MW of wind, 53996.54 MW of solar, 10682.36 MW of bio-Power & waste power and 4848.9MW of small hydro plants as shown in Exhibit 1.2.

Exhibit1.2



The Installed Capacity of the country as on 31.12.2022 was 410339.23 MW comprising of 235808.91 MW thermal, 6,780 MW Nuclear and 167750.32 MW renewables (46850.17 MW of Large Hydro, 41929.78 MW of wind, 63302.49 MW of solar, 10732.23 MW of bio-Power & waste power and 4935.645 MW) as shown in Exhibit 1.5.

Exhibit 1.5



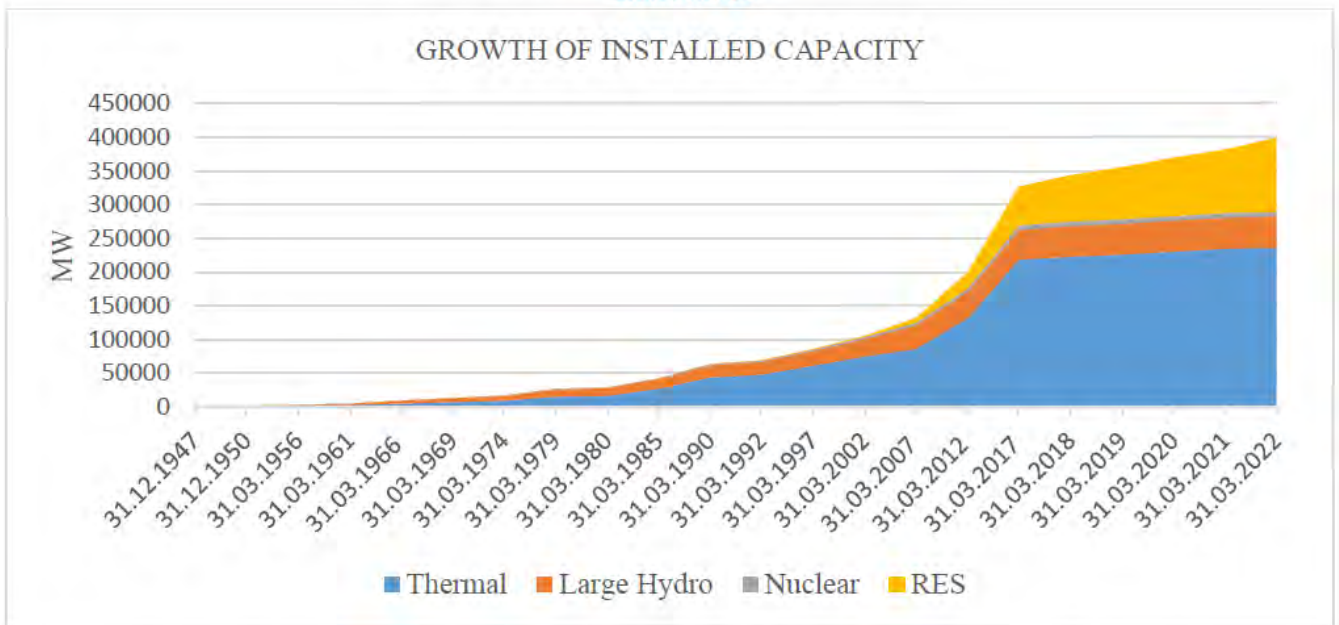
The growth of Installed Capacity and Electricity Generation in India from various sources is shown in Table 1.1, Exhibit 1.3 and 1.4.

**Table 1.1**  
**Growth of Installed Capacity & Electricity Generation**

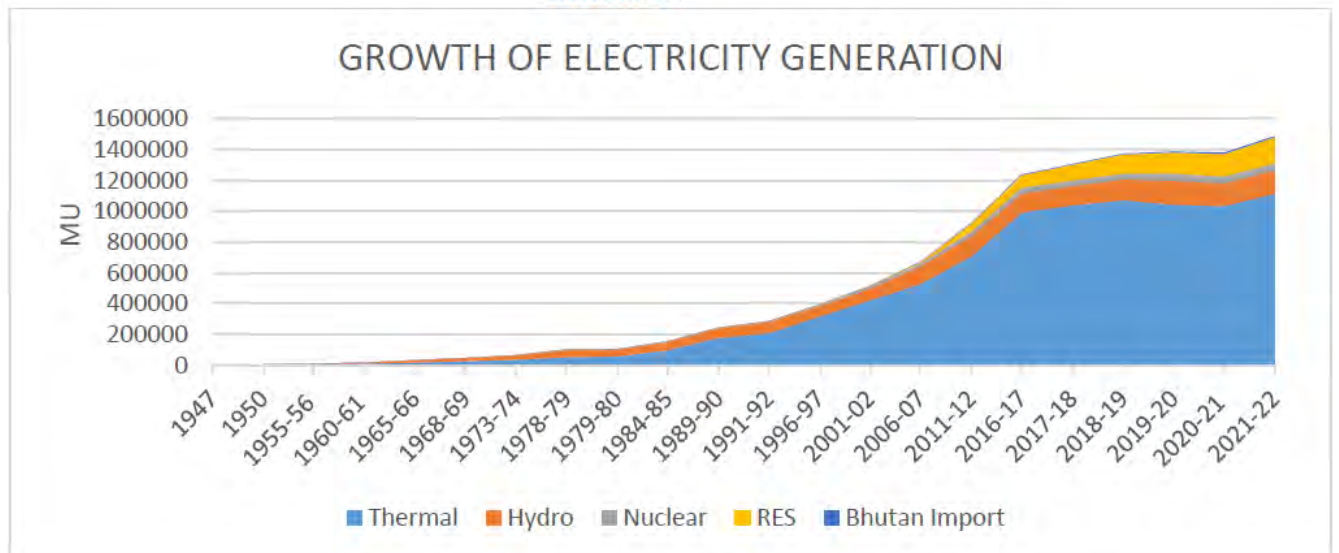
| Plan/Year                                | Installed Capacity (MW) | IC Growth Rate YoY basis (%) | CARG for IC (%) | Generation (BU) | Generation Growth YoY basis (%) | CAGR for Generation (%) |
|--|-------------------------|------------------------------|-----------------|-----------------|---------------------------------|-------------------------|
| At the end of 12 <sup>th</sup> Year plan | 326832                  |                              |                 | 1242            |                                 |                         |
| 2017-18                                  | 344002                  | 5.25                         | 4.1             | 1308.1          | 5.35                            | 3.72                    |
| 2018-19                                  | 356100                  | 3.52                         |                 | 1376.1          | 5.21                            |                         |
| 2019-20                                  | 370106                  | 3.93                         |                 | 1389.1          | 0.96                            |                         |
| 2020-21                                  | 382151                  | 3.25                         |                 | 1381.9          | -0.522*                         |                         |
| 2021-22                                  | 399496                  | 4.54                         |                 | 1491.9          | 7.96                            |                         |

\* COVID YEAR

**Exhibit 1.3**



**Exhibit 1.4**





(Source: National Electricity Plan – Vol.1 : Generation ( Notified vide Extra ordinary Gazette No. 3189, SI. No. 329, under part III, Section IV dated 18.05.2023)

### Thermal Power

Over the years, coal/lignite fired capacity has played a central role in meeting energy demand in India. In FY17, 78% of total power was sourced from coal/lignite fired capacity, which moderated to 73% in FY22.

Thermal power generation accounted for approximately 73% of total generation in India during FY22, and similar levels are expected for FY23. The contribution is likely to be around 72% in FY24. With a substantial increase in renewable capacity and higher output from wind farms (due to improved wind speeds) and better availability of gas at competitive prices by FY25, the contribution of coal/lignite-fired plants is expected to decrease from current levels but likely to remain above 68% in FY25.

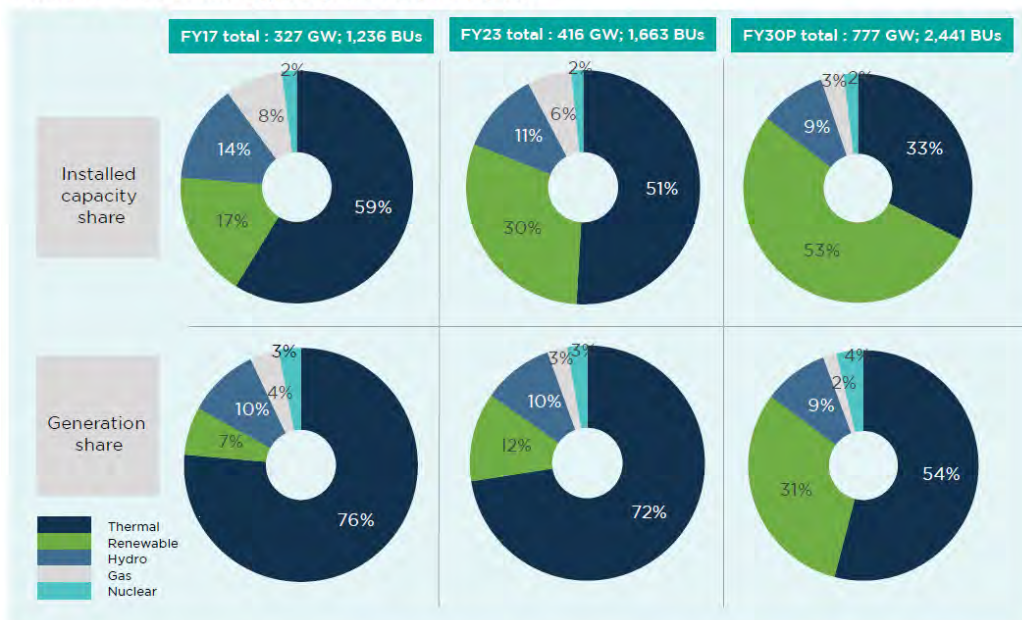
Coal dispatch to the thermal power sector, expected to peak at around 85% of total dispatch in FY23, is anticipated to continue at similar levels during FY24. Improved captive mine production during FY23 and going forward alleviates some concerns about Coal India Ltd and The Singareni Collieries Company Limited (CIL/SCCL) production ability, transportation bottlenecks, and increasing dependence on imported coal.

(Source: CARE Ratings Limited – Thermal Power: To clock 64.8% PLF in FY24 as peak Demand to Grow by 6% dated March 27, 2023)

The electricity generation mix of India had remained largely skewed towards coal-based power plants in the past. As per the national power portal, thermal capacity contributed more than half (~60%) of total capacity in India while it accounted for an overwhelmingly large share of 76% in terms of electricity generation in FY17. Between FY17-FY23, India has witnessed significant addition in renewable capacity installations leading to a moderation in the share of thermal capacity to 51% as on March 31, 2023. However, thermal capacity continued to maintain the lion’s share in overall generation at 73% in FY23.

The relevance of thermal capacity and generation is expected to remain high until FY30, despite some moderation in recent years. In FY23, thermal capacity accounted for more than 50% of the overall capacity, while thermal generation contributed to over 70% of the total generation. These shares are projected to remain above 30% and 50%, respectively, by FY30. The plant load factor (PLF) for the sector experienced a significant rebound in FY23 and is anticipated to remain above 62% until FY25. This positive trend is supported by increased demand and reduced output from alternative sources.

**Exhibit 1: Source-wise Capacity and Generation Mix**

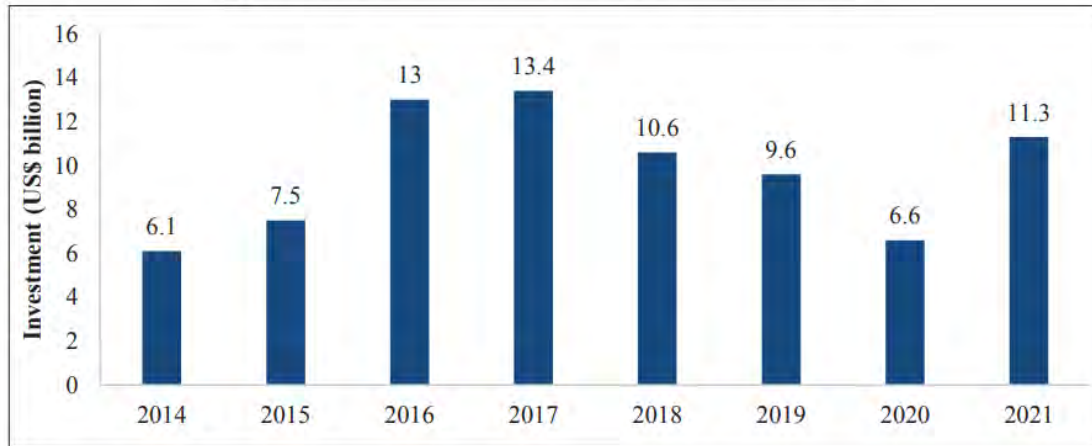


(Source: CARE Ratings Limited – Infrastructure – Key Driver of India’s Amrit Kaal March)

## Renewable Energy

India is progressively becoming a favoured destination for investment in renewables. As per the Renewables 2022 Global Status Report, during the period 2014 -2021, total investment in renewables stood at US\$ 78.1 billion in India. Investment in renewable energy has been close to or higher than US\$ 10 billion per year since 2016, except for a dip in 2020 likely due to various Covid-19 restrictions.

**Figure VII.6: Investment in Renewables in India since 2014**



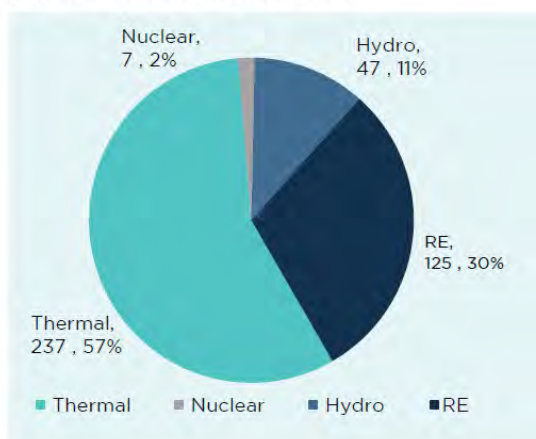
Source: REN 21. Renewables 2022 Global Status Report

While the target was to achieve 40 per cent of the installed electric capacity from nonfossil fuel sources by 2030 in the initial NDC submitted in 2015, the target has already been achieved. India is now striving to achieve the target of 50 per cent cumulative electric power installed capacity from non-fossil fuel-based energy resources by 2030, in line with updated NDCs.

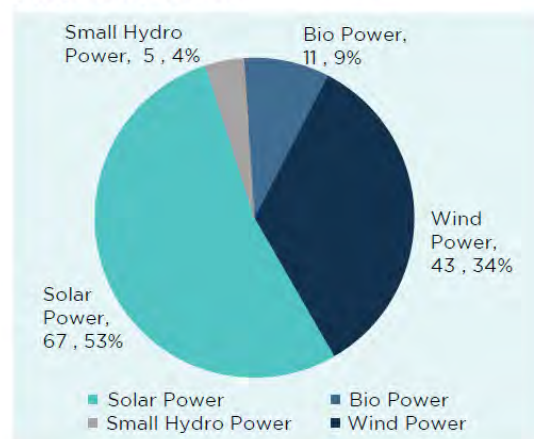
(Source: India Economic Survey - 2022-23), Ministry of Finance - <https://www.indiabudget.gov.in/economicsurvey/index.php/>)

India has achieved a significant milestone in its renewable energy (RE) sector, with an installed capacity of approximately 125 GW as of March 31, 2023. This remarkable achievement is driven by a solar capacity of 67 GW, followed by a wind capacity of 43 GW. The contribution of renewable energy in India's overall energy mix has shown notable improvement, rising from 15% at the end of FY16 to 30% by FY23. The Government of India has set an ambitious bidding trajectory of 50 GW annually for the next five years, providing a significant boost towards achieving the target of 500 GW capacity from non-fossil fuel sources by 2030.

**Exhibit 1: Sector-wise total power capacity (GW) of India as on FY23-end**



**Exhibit 2: Break up of total renewable capacity (GW) as of FY23-end**



Source: NPP, CEA, CareEdge Ratings

The growth of the renewable energy (RE) sector in India can be attributed to strong policy support from the Indian government, as well as robust investor interest driven by a greater focus on environmental, social, and governance (ESG) factors and attractive returns on assets. The market has attracted a wide range of global investors, including pension funds, sovereign wealth funds, private equity funds, and conglomerates that have established a presence in India.

Over the years, participants in the RE sector have found it relatively easier to raise debt both domestically and internationally. This is due to the improved creditworthiness of the participants and a general decrease in interest rates over the medium term. Various avenues have been explored by Indian RE players to raise funds, including domestic loans, domestic bonds, external commercial borrowings (ECBs), and green bonds.

Lender appetite has been supported by the introduction of new and innovative financing structures. These include cross-collateralization between multiple projects, cash pooling, and co-obligor structures. Additionally, credit enhancement has been achieved through partial or full guarantees provided by stronger entities or institutions.

*(Source: CARE Ratings Limited – Infrastructure – Key Driver of India’s Amrit Kaal March)*

### Increasing consumption

The per capita electricity consumption was 1122.00 kWh at the beginning of the 2017-18 i.e. 01.04.2017 and as on 31.03.2022 the per capita electricity consumption has increased to 1255 kWh. The per capita electricity consumption during 2017-22 is summarized in Table 1.2.

**Table 1.2**  
**Per Capita Electricity Consumption**

| YEAR    | PER CAPITA CONSUMPTION (KWh) |
|---------|------------------------------|
| 2017-18 | 1149                         |
| 2018-19 | 1181                         |
| 2019-20 | 1208                         |
| 2020-21 | 1161                         |
| 2021-22 | 1255                         |

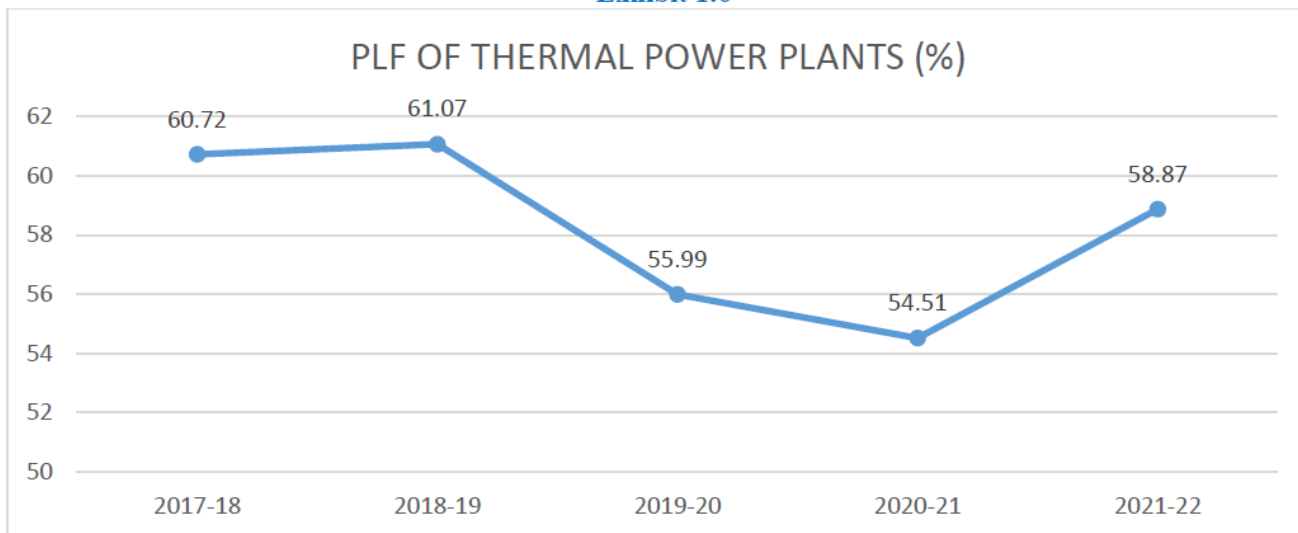
The peak demand not met was about 3,314 MW (2.0%) and the energy not supplied in the country was about 8,629 MU (0.7%) during 2017-18. The peak not met and energy not supplied of the country has substantially declined to 2475 MW (1.2 %) and 5,787 MU (0.4%) respectively by the end of 2021-22. The power supply position in the country during 2017-22 is summarized in Table 1.3.

**Table 1.3**  
**All-India Actual Power Supply Position (2012-17)**

| Period  | Peak Demand (MW) | Peak Met (MW) | Peak Not Met/ Surplu s (MW) (- / +) | Peak Not Met/ Surplu s ( % ) (- / +) | Energy Requirement (MU) | Energy Availability (MU) | Energy Not Supplied / Surplus (Mu) (- / +) | Energy Not Supplied/ Surplus ( % ) (- / +) |
|---------|------------------|---------------|-------------------------------------|--------------------------------------|-------------------------|--------------------------|--|--|
| 2017-18 | 164,066          | 160,752       | 3,314                               | 2.0                                  | 1,213,326               | 1,204,697                | 8,629                                      | 0.7  |
| 2018-19 | 177,022          | 175,528       | 1,494                               | 0.8                                  | 1,274,595               | 1,267,526                | 7,070                                      | 0.6  |
| 2019-20 | 183,804          | 182,533       | 1,271                               | 0.7                                  | 1,291,010               | 1,284,444                | 6,566                                      | 0.5  |
| 2020-21 | 190,198          | 189,395       | 802                                 | 0.4                                  | 1,275,534               | 1,270,663                | 4,871                                      | 0.4  |
| 2021-22 | 2,03,014         | 2,00,539      | 2,475                               | 1.2                                  | 13,79,812               | 13,74,024                | 5,787                                      | 0.4  |

The national average Plant Load Factor (PLF) of Thermal based power generating stations for the year 2017-22 has been shown in Exhibit 1.6

**Exhibit 1.6**



(Source: National Electricity Plan – Vol.1 : Generation ( Notified vide Extra ordinary Gazette No. 3189, SI. No. 329, under part III, Section IV dated 18.05.2023)

**Capacity Addition**

**Generation Capacity Addition Achieved From Conventional Sources During 2017-22**

As per the National Electricity Plan notified in 2018, scheduled generation capacity addition from conventional sources was envisaged 51,561.15 MW for the period 2017-22. Details of sector wise and mode wise scheduled capacity addition is given in Table 2.1 and subsequently in Exhibits 2.1 and Exhibits 2.2.

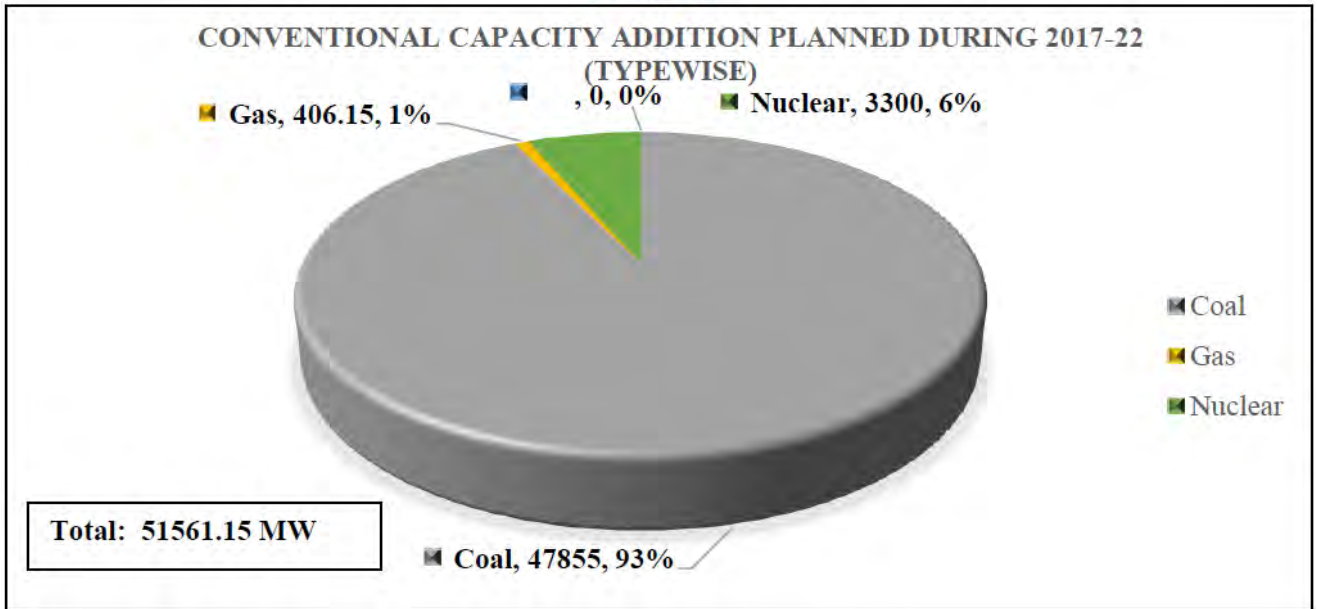
**Table 2.1**  
**Scheduled Capacity Addition from conventional sources for the period 2017-22**

(Figures in MW)

| Source       | Central      | State           | Private     | Total           |
|--------------|--------------|-----------------|-------------|-----------------|
| Coal         | 22900        | 18340           | 6615        | 47855           |
| Gas          | 0            | 406.15          | 0           | 406.15          |
| Nuclear      | 3300         | 0               | 0           | 3300            |
| <b>Total</b> | <b>26200</b> | <b>18746.15</b> | <b>6615</b> | <b>51561.15</b> |

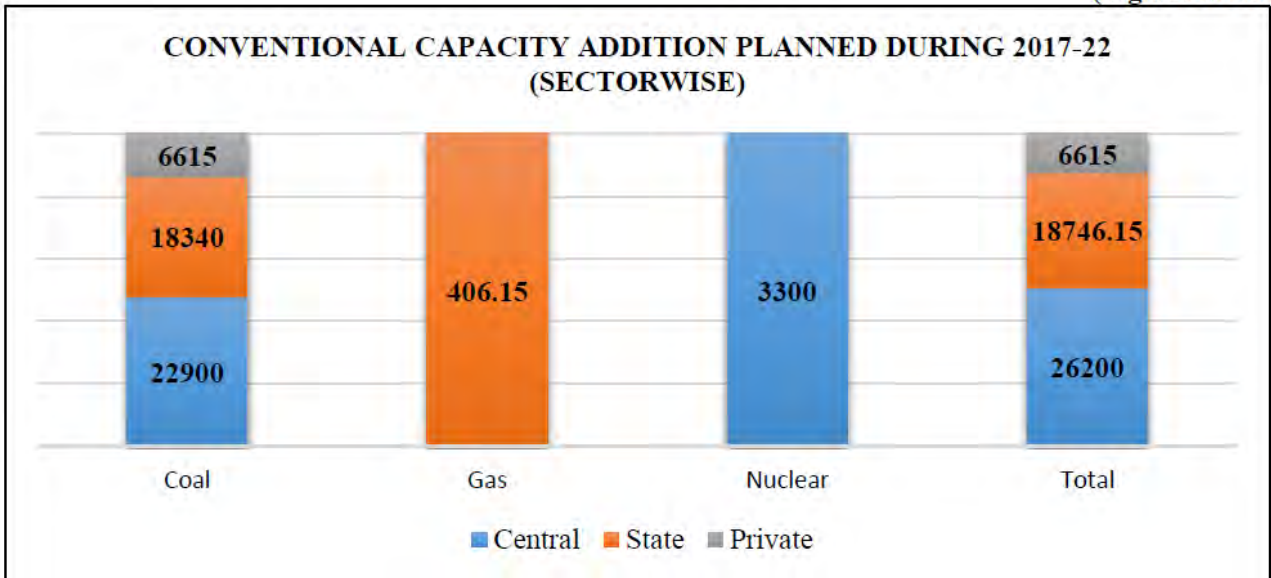
Note: Large hydro has been categorized as Renewable Energy Source.

**Exhibit 2.1**



**Exhibit 2.2**

(Figures in MW)



During period, 2017-22 capacity totaling to 30667.91MW from conventional sources has been achieved as on 31.03.2022 comprising of 30562 MW of Coal, 105.91 MW of Gas, and 0 MW of Nuclear. This also includes projects totaling to 726.76 MW which were originally not scheduled for the period 2017-22 but have also been commissioned.

During the period 2017-22, the year wise capacity addition achieved from conventional sources is shown in Table 2.2.



**Table 2.2**  
**Year wise capacity addition achieved during 2017-22**

(Figures in MW)

| Year    | Source       | Thermal     |               |                 | Nuclear  | Total           |
|---------|--------------|-------------|---------------|-----------------|----------|-----------------|
|         |              | Coal        | Gas           | Total           |          |                 |
| 2017-18 | Centre       | 3670        | 0             | 3670            | 0        | 3670            |
|         | State        | 1260        | 0             | 1260            | 0        | 1260            |
|         | Private      | 3780        | 0             | 3780            | 0        | 3780            |
|         | <b>Total</b> | <b>8710</b> | <b>0</b>      | <b>8710</b>     | <b>0</b> | <b>8710</b>     |
| 2018-19 | Centre       | 1960        | 0             | 1960            | 0        | 1960            |
|         | State        | 2780        | 69.755        | 2849.755        | 0        | 2849.755        |
|         | Private      | 972         | 0             | 972             | 0        | 972             |
|         | <b>Total</b> | <b>5712</b> | <b>69.755</b> | <b>5781.755</b> | <b>0</b> | <b>5781.755</b> |
| 2019-20 | Centre       | 3940        | 0             | 3940            | 0        | 3940            |
|         | State        | 2780        | 0             | 2780            | 0        | 2780            |
|         | Private      | 45*         | 0             | 45              | 0        | 45              |
|         | <b>Total</b> | <b>6765</b> | <b>0</b>      | <b>6765</b>     | <b>0</b> | <b>6765</b>     |
| 2020-21 | Centre       | 4080        | 0             | 4080            | 0        | 4080            |
|         | State        | 810         | 36.15         | 846.15          | 0        | 846.15          |
|         | Private      | 0           | 0             | 0               | 0        | 0               |
|         | <b>Total</b> | <b>4890</b> | <b>36.15</b>  | <b>4926.15</b>  | <b>0</b> | <b>4926.15</b>  |
| 2021-22 | Centre       | 2370        | 0             | 2370            | 0        | 2370            |
|         | State        | 1590        | 0             | 1590            | 0        | 1590            |
|         | Private      | 525         | 0             | 525             | 0        | 525             |
|         | <b>Total</b> | <b>4485</b> | <b>0</b>      | <b>4485</b>     | <b>0</b> | <b>4485</b>     |

**Capacity Addition Plan For The Period 2022-27 And 2027-32.**

The Installed Capacity from different energy sources (Thermal- Coal & Gas, Hydro, Nuclear, Renewable – Solar, Wind, Biomass, Small Hydro) in the country at the end of year 2021-22, as considered in the base case of generation planning studies, is given in Table 9.1.

**Table 9.1**

**Installed Capacity from different energy sources as on 31.03.2022**

| S.No. | Source                        | Capacity (MW) |
|-------|-------------------------------|---------------|
| 1     | Coal + Lignite                | 210700        |
| 2     | Gas                           | 24899         |
| 3     | Nuclear                       | 6780          |
| 4     | Hydro (including small Hydro) | 46825         |
| 6     | Solar                         | 53996         |
| 7     | Wind                          | 40358         |
| 8     | Pumped Storage                | 4746          |
| 9     | Biomass                       | 10682         |
|       | <b>Total*</b>                 | <b>398986</b> |

\*Excl. 510MW of Diesel based Capacity

Capacity addition plan for 2022-27 & 2027-32, as estimated in the generation planning studies is as given in Table 9.2.

**Table 9.2**  
**Capacity addition plan for 2022-27<sup>@</sup> & 2027-32**

| S.No. | Source \ Year                          | Capacity Addition in 2022-27 (MW) | Capacity Addition in 2027-32 (MW) |
|-------|--|-----------------------------------|-----------------------------------|
| 1     | Solar PV                               | 131,570                           | 179,000                           |
| 2     | Wind Power                             | 32,537                            | 49,000                            |
| 3     | Coal                                   | 25,580                            | 25,480                            |
| 4     | Hydro*                                 | 10,814                            | 9,982                             |
| 5     | Nuclear                                | 6,300                             | 6,600                             |
| 6     | Pumped Storage                         | 2,700                             | 19,240                            |
| 7     | Biomass                                | 2,318                             | 2,500                             |
| 8     | Gas Power                              | 0                                 | 0                                 |
|       | <b>Total (MW)</b>                      | <b>211,819</b>                    | <b>291802</b>                     |
|       | Battery Energy Storage System (MW/MWh) | 8,680/34,720                      | <b>38,564/201,500</b>             |

\*including Small Hydro but excluding hydro imports of 5856 MW

@9,306 MW of solar, 1572 MW of Wind, 50MW of Biomass and 208 MW of Hydro (incl. SHP) has already been added during 2022-23 as on 31.12.22.

(Source: National Electricity Plan – Vol.1 : Generation ( Notified vide Extra ordinary Gazette No. 3189, SI. No. 329, under part III, Section IV dated 18.05.2023)

### Key policies announced

In exercise of the powers conferred by section 176 of the Electricity Act, 2003 (36 of 2003), Government has made amendments in Electricity rules 2005. Major rules added through amendment:

- **Timely recovery of power purchase costs by distribution licensee:** The Appropriate Commission shall specify a price adjustment formula for recovery of the costs arising due to various reasons.
- **Resource Adequacy:** A guideline for assessment of resource adequacy during the generation planning stage (one year or beyond) as well as during the operational planning stage (up to one year) shall be issued by the Central Government
- **Energy storage system:** The Energy Storage Systems shall be considered as a part of the power system, as defined under clause (50) of section 2 of the Act. The Energy Storage System shall be utilised either as independent energy storage system or network asset or in complementary with generation, transmission and distribution.
- **Implementation of Uniform Renewable Energy Tariff for central pool:** The Implementing Agency shall compute the uniform renewable energy tariff for selling of electricity to end procurer by intermediary procure on a monthly basis, as per the methodology specified in Rules. The uniform renewable energy Tariff shall be applicable only to power procured by the end procurers and shall not in any manner have any implication on the renewable energy tariff discovered under the respective tariff based competitive bidding process and payable to renewable energy generators by the intermediary procurer as per the Power Purchase Agreement.

(Source: National Electricity Plan – Vol.1 : Generation ( Notified vide Extra ordinary Gazette No. 3189, SI. No. 329, under part III, Section IV dated 18.05.2023)

### Fuel Requirement

Fuel is the key input required to be tied up before implementation and operation of a thermal power plant. In the changed scenario with growing concern on environment, Government has given emphasis on Renewable Energy projects. However, the country's reliance on coal-based generation cannot be overlooked. An important aspect which, therefore, needs to be addressed is the availability of adequate coal for generation of power. In order to optimize coal usage, Government is committed to super critical/ ultra-super critical technology which is much more efficient and results into

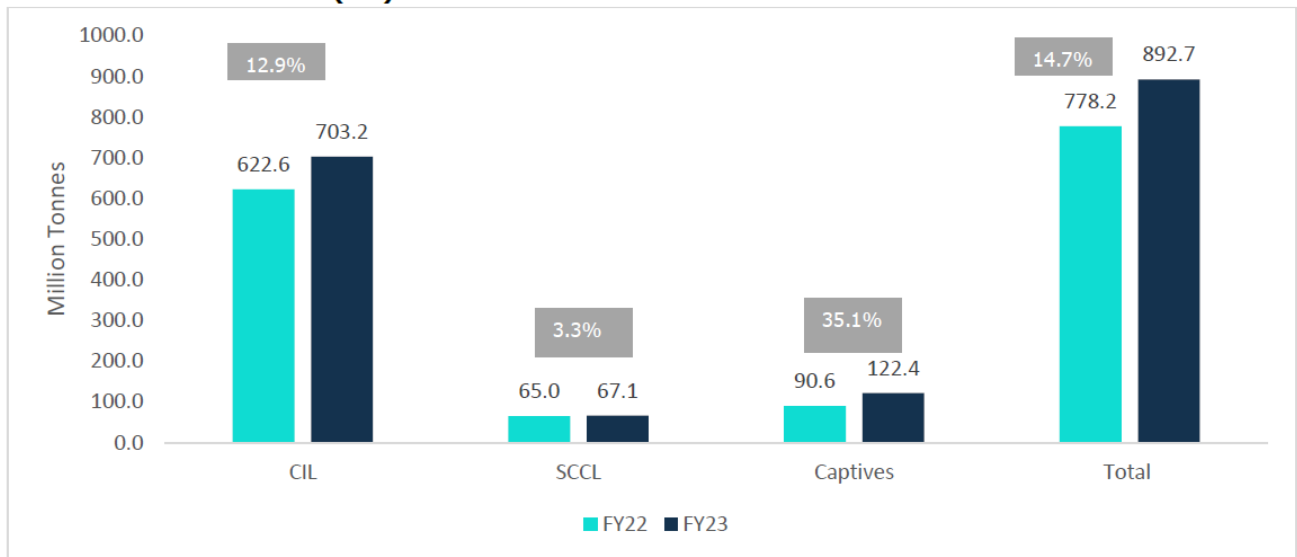
reduction in usage of coal. The timely availability of all the key inputs including fuel would ensure timely completion of a project and would, therefore, avert detrimental implications of cost and time overruns in case the power project is delayed.

(Source: National Electricity Plan – Vol.1 : Generation ( Notified vide Extra ordinary Gazette No. 3189, SI. No. 329, under part III, Section IV dated 18.05.2023)

### Coal Production

India’s coal production reached a new milestone of 892 Million Tonne (MT) during FY23, a 14.7% y-o-y growth, driven by a 12.9% y-o-y increase in production by Coal India Limited (CIL). The power sector continued to be the largest consumer of domestic coal, accounting for the total despatches of 737.9 MT during FY23, an increase of 9.1% y-o-y. Total coal imports surged by 26.18% y-o-y to 227.93 MT during 11MFY23 (April 2022 to February 2023) with non-coking coal accounting for 65% of the imports. The Ministry of Coal launched auctioned 87 coal mines to date under six tranches. The estimated revenue generated by these auctions is approximately Rs. 33,200 crores. About 106 fully explored, partially explored, coking, non-coking, lignite etc. coal mines are being offered under the 7th round of auctioning which commenced in March 2023.

**Chart 1: Coal Production (MT)**



Sources: Ministry of Coal, CareEdge Research Note: CIL- Coal India Limited, SCCL- Singareni Collieries Company Limited

The overall energy requirement in the country has increased to 1,182 BU during FY23 from 1,078 BU during FY22. The power sector consumed 663.5 MT of domestic coal and 50.8 MT of the imported coal in FY23 (April 2022-February 2023), a y-o-y growth of 10% and 110.5%, respectively.

In January 2023, the power ministry has directed the thermal power plants to import coal to achieve imported to domestic coal blending at the rate of 6% for the remaining period of the current fiscal and H1FY24. The move is targeted to reduce the coal shortfall anticipated during the summer months. However, to reduce dependence on imported coal over the medium-long term, the Government has been taking various initiatives including auctioning of coal blocks for commercial mining, FDI under the automatic route, expansion of existing mines, opening of new mines under CIL and development of evacuation infrastructure.

**Table 2: Total Coal Imports (MT)**

| Type of Coal | April- February |               | Growth (%) Y-o-Y |
|--------------|-----------------|---------------|------------------|
|              | FY23            | FY22          |                  |
| Non-Coking   | 148.58          | 112.38        | 32.21%           |
| Coking       | 50.50           | 46.89         | 7.70%            |
| Others*      | 28.85           | 21.37         | 35%              |
| <b>Total</b> | <b>227.93</b>   | <b>180.64</b> | <b>26.18%</b>    |

Sources: Ministry of Coal, CareEdge Research

Note: \* indicates that others include Anthracite, PCI Coal, Pet Coal, Met Coke

(Source: CARE Ratings Limited – Domestic Coal Production will continue to rise in FY24 dated April 25, 2023)

### Coal Supply Scenario

Coal is the mainstay of India's energy sector. The All India Installed Capacity of Power Stations in the country is about 399,497 MW as on 31.03.2022, out of which about 204,080 MW (~51.1%) is coal based. The coal based capacity as on 31.12.2022 was 203,776MW. Once the power station is commissioned, the biggest challenge is to operate the station at a high plant load factor (PLF), which is a measure of the output of a power plant compared to the maximum output it could produce. Higher plant load factor usually means more output and a lower cost per unit of electricity generation. Performance of the power plant is measured on the basis of PLF and Station Heat Rate (SHR). However, the Plant Load Factor (PLF) of the coal-based power stations in the country has been decreasing steadily over the years. The PLF has varied from 60.5 % in 2017- 18, 60.3 % in 2018-19, 55.9% in 2019-20, 54.5% in 2020-21 and 58.9 % during 2021-22.

(Source: National Electricity Plan – Vol.1 : Generation ( Notified vide Extra ordinary Gazette No. 3189, SI. No. 329, under part III, Section IV dated 18.05.2023)

### New Coal Distribution Policy

The Government introduced the New Coal Distribution Policy (NCDP), effective from 1st April 2009, which assured supplies at pre-determined prices to some categories of consumers and reintroduced e-auction to encourage a vibrant market for the commodity. The main features of the Policy are:

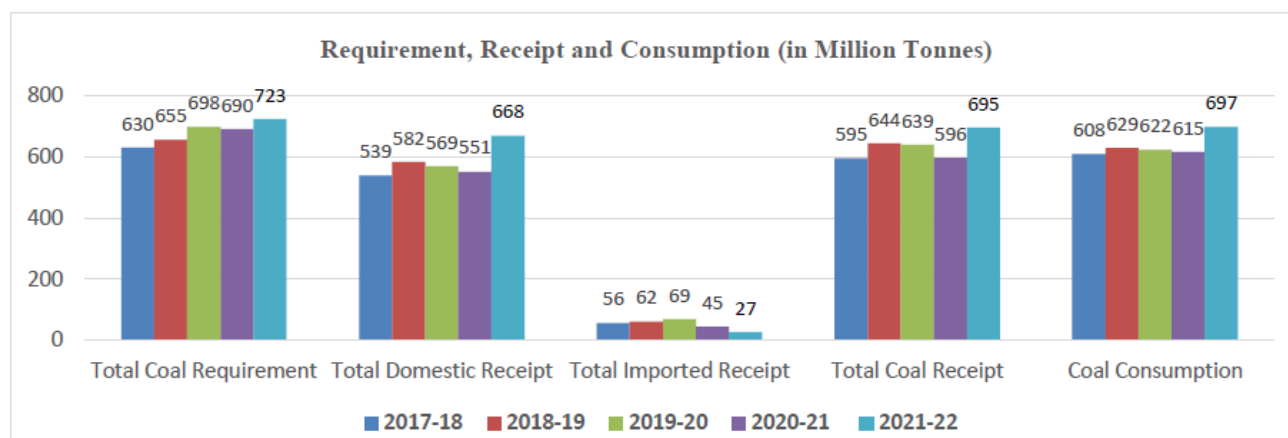
- 100% normative requirement of coal would be considered for supply to Power Utilities.
- Supply of coal through commercially enforceable Fuel Supply Agreements (FSAs) at notified prices by Coal India Limited (CIL).
- 10% of annual production of CIL to be offered through e-auction for consumers who are not able to source coal through available institutional mechanism.
- Fuel Supply Agreements (FSAs) to indicate Annual Contracted Quantity (ACQ) of coal to Power Utilities by coal companies during entire year. Incentive and penalty clauses were incorporated in FSAs.

Estimated coal requirement, source-wise actual receipt and coal consumption from 2017-18 are given at Table 7.5 and Exhibit 7.4.

**Table 7.5**  
**Estimated Requirement, Receipt and Consumption**

| Source  | 2017-18      | 2018-19      | 2019-20      | 2020-21      | 2021-22      |
|---|--------------|--------------|--------------|--------------|--------------|
| <b>Requirement (Million Tonnes)</b>                 |              |              |              |              |              |
| Domestic Coal Requirement                           | 584          | 609          | 651          | 645          | 678          |
| Imported Coal Requirement                           | 46           | 46           | 47           | 45           | 45           |
| <b>Total Coal Requirement</b>                       | <b>630</b>   | <b>655</b>   | <b>698</b>   | <b>690</b>   | <b>723</b>   |
| <b>Actual Receipt (Million Tonnes)</b>              |              |              |              |              |              |
| CIL Receipt   | 416.0        | 457.4        | 438.5        | 422.5        | 501.5        |
| SCCL Receipt  | 52.1         | 55.9         | 54.3         | 43.2         | 55.9         |
| Captive   | 31.6         | 40.1         | 43.5         | 50.1         | 71.0         |
| e-Auction   | 39.0         | 28.7         | 33.1         | 35.0         | 39.3         |
| <b>Total Domestic Receipt</b>                       | <b>538.6</b> | <b>582.1</b> | <b>569.5</b> | <b>550.8</b> | <b>667.6</b> |
| Imported (Blending)                                 | 17.0         | 21.4         | 23.8         | 10.4         | 8.1          |
| Imported (Imported coal plants)                     | 39.4         | 40.3         | 45.5         | 35.1         | 18.9         |
| <b>Total Imported Receipt</b>                       | <b>56.4</b>  | <b>61.7</b>  | <b>69.2</b>  | <b>45.5</b>  | <b>27.0</b>  |
| <b>Total Coal Receipt</b>                           | <b>595.0</b> | <b>643.7</b> | <b>638.7</b> | <b>596.3</b> | <b>694.6</b> |
| <b>Consumption (Million Tonnes)</b>                 |              |              |              |              |              |
| <b>Domestic Coal Based Plants</b>                   | <b>568.1</b> | <b>588.4</b> | <b>577.3</b> | <b>579.1</b> | <b>678.8</b> |
| <b>Imported Coal Based Plants</b>                   | <b>39.9</b>  | <b>40.5</b>  | <b>44.9</b>  | <b>36.3</b>  | <b>18.5</b>  |
| <b>Total Coal Consumption (Domestic + Imported)</b> | <b>608</b>   | <b>628.9</b> | <b>622.2</b> | <b>615.4</b> | <b>697.3</b> |

**Exhibit 7.4**



(Source: National Electricity Plan – Vol.1 : Generation ( Notified vide Extra ordinary Gazette No. 3189, SI. No. 329, under part III, Section IV dated 18.05.2023)

**Coal Demand and Availability Position during the Year 2022-23.**

For the year 2022-23, coal based gross generation programme of 1080 BU has been estimated by CEA. Based on the generation program, the total coal requirement of 788.5 MT has been estimated. The details of coal requirement vis-à-vis likely coal availability during the year 2022-23 are given in Table 7.7.

**Table 7.7**  
**Coal Requirement and likely availability for the year 2022-23**

| S.No.    | Description  | Units | 2022-23 |
|----------|--|-------|---------|
| <b>1</b> | <b>Coal based generation</b>                         |       |         |
| 1.1      | Gross Coal based generation programme during 2022-23 | BU    | 1080    |
| <b>2</b> | <b>Coal Requirement</b>                              |       |         |
| 2.1      | For plants designed on domestic Coal                 | MT    | 759.9   |
| 2.2      | For plants designed on imported coal                 | MT    | 28.6    |
| 2.3      | <b>Total Coal Requirement</b>                        | MT    | 788.5   |
| <b>3</b> | <b>Coal Availability from Indigenous Sources</b>     |       |         |
| 3.1      | From CIL   | MT    | 565     |
| 3.2      | From SCCL  | MT    | 57      |
| 3.3      | From Captive Mines                                   | MT    | 113     |
| 3.4      | Total domestic coal availability                     | MT    | 735     |
| 3.5      | Shortfall in domestic coal availability              | MT    | 25      |
| 3.6      | Requirement of imported coal for blending            | MT    | 17      |

*(Source: National Electricity Plan – Vol.1 : Generation ( Notified vide Extra ordinary Gazette No. 3189, SI. No. 329, under part III, Section IV dated 18.05.2023)*

**Coal Demand and Availability Position during the year 2026-27 and 2031-32.**

With the likely Renewable Energy Sources (RES) capacity addition, the coal-based generation has been estimated and accordingly provisional coal requirement has been worked out. The estimated generation from coal-based power plants is expected to be around 1174.63 BU during 2026-27 and about 1306.65 BU during 2031-32. However, in view of uncertainty associated with VRE Nuclear, Hydro generation, the coal requirement for the year 2026-27 and 2031-32 has been worked out assuming 20% reduction in Hydro, Nuclear and VRE generation due to uncertainty. This is to be compensated by coal-based generation. Accordingly, the details of coal requirement for the year 2026-27 and 2031-32 have been worked out and the details are given in Table 7.8.



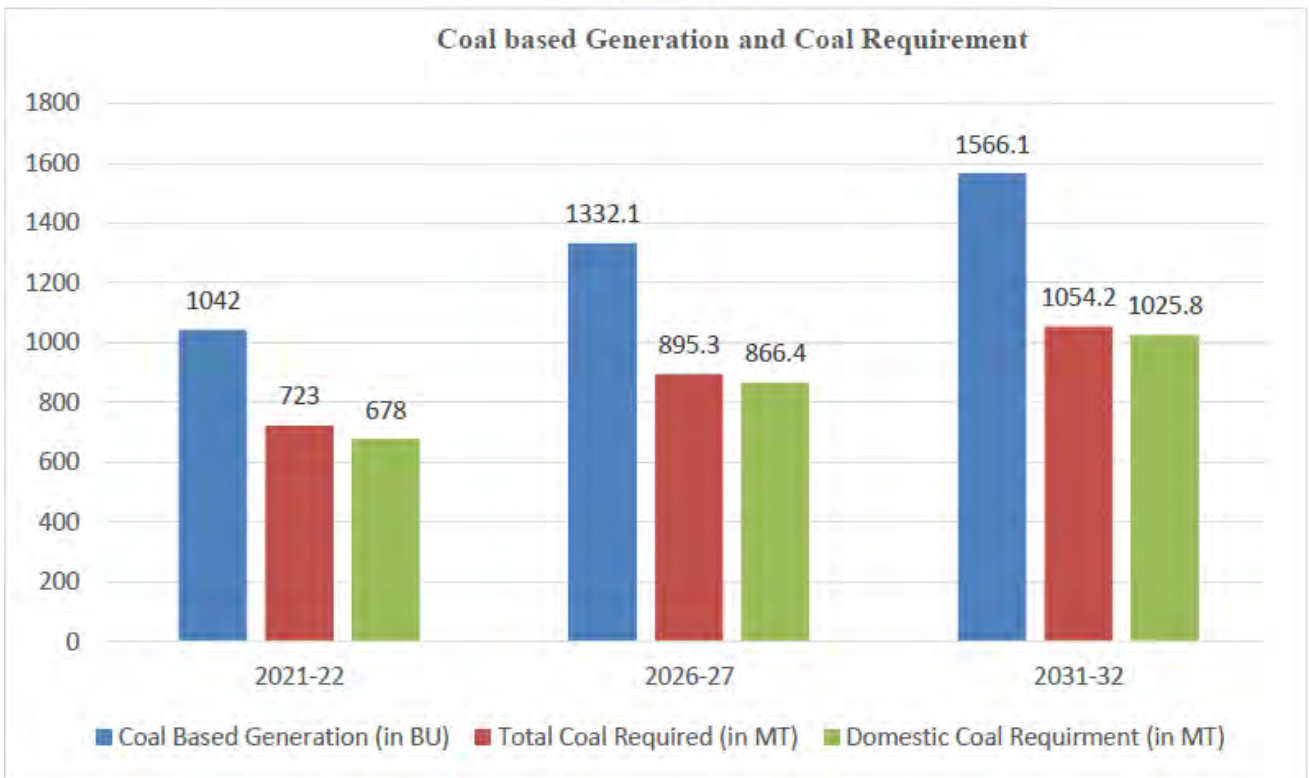
**Table 7.8**  
**Coal requirement during the year 2026-27 and 2031-32**

| S. No. | Coal Requirement Calculation   | Unit | 2026-27      | 2031-32       |
|--------|--|------|--------------|---------------|
| 1      | Coal based generation (gross)  | BU   | 1174.6       | 1306.6        |
| 2      | Hydro based generation (gross)<br>(Large & Small Hydro + Hydro Import) | BU   | 216.8        | 255.7         |
| 3      | Nuclear based generation (gross)                                       | BU   | 77.9         | 117.6         |
| 4      | Wind Generation(gross)   | BU   | 153.5        | 258.1         |
| 5      | Solar Generation(gross)  | BU   | 339.3        | 665.6         |
| 6      | Total VRE( Solar & Wind) +Hydro +Nuclear generation (gross)            | BU   | 787.5        | 1297.1        |
| 7      | 20% reduction in Hydro, Nuclear and VRE generation due to uncertainty  | BU   | 157.5        | 259.4         |
| 8      | Total coal based generation<br>(Sl No 1+Sl No 7)                       | BU   | 1332.1       | 1566.1        |
| 9      | <b>Coal Requirement</b>  | MT   | <b>895.3</b> | <b>1054.2</b> |
| 10     | <b>Imported Coal requirement</b>                                       | MT   | <b>28.9</b>  | <b>28.9</b>   |
| 11     | <b>Domestic Coal Requirement</b>                                       | MT   | <b>866.4</b> | <b>1025.8</b> |

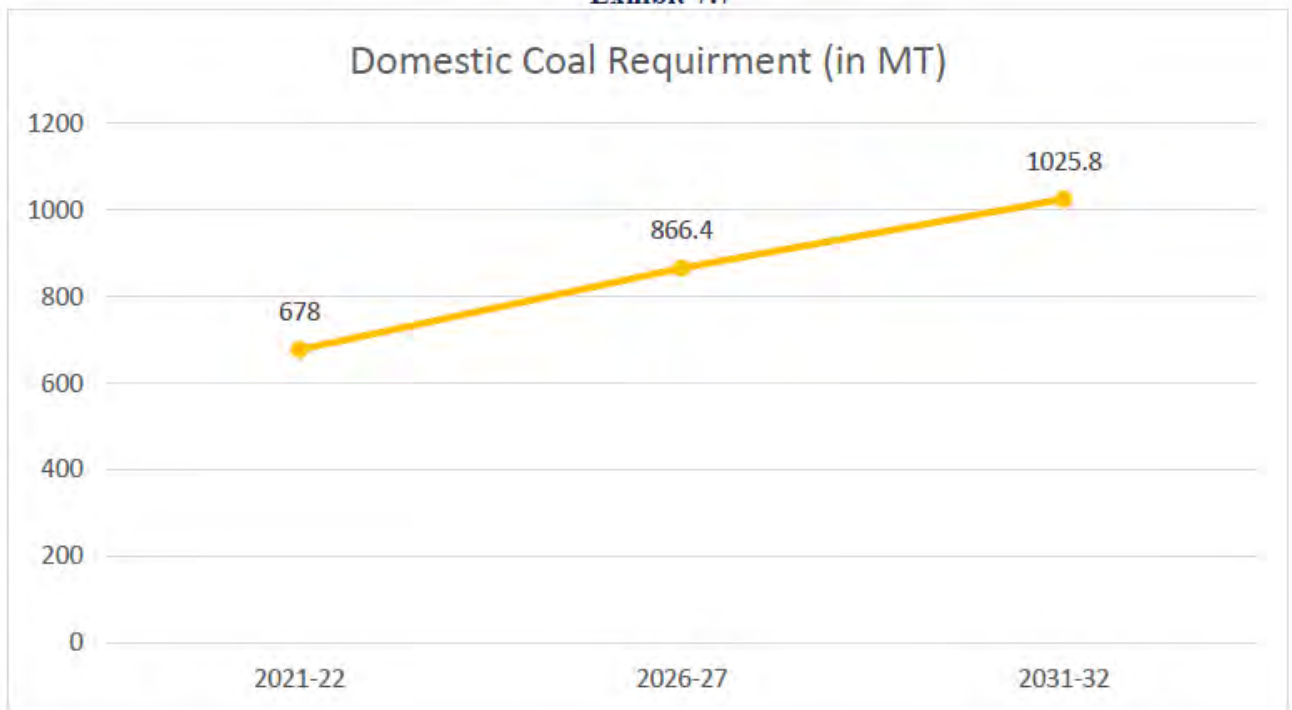
In order to enhance coal availability, multi-dimensional efforts are underway by Coal India Ltd to enhance production of domestic coal. A road map has been prepared by CIL to substantially enhance coal production level to 1 Billion Tonnes (BT) by the year 2023-24. With this programme there would be no shortage in the availability of coal for the power plants during 2026-27 and 2031-32. In addition, coal production from the captive coal blocks allotted to power utilities would also supplement the availability of domestic coal. The Government has also allowed commercial mining and mines have already been allocated through auction to the participating bidders. This would further supplement the supply of domestic coal to the power utilities.

Likely coal-based generation and coal requirement during 2021-22, 2026-27 and 2031-32 are shown in Exhibit 7.6 and Exhibit 7.7.

**Exhibit 7.6**



**Exhibit 7.7**



(Source: National Electricity Plan – Vol.1 : Generation ( Notified vide Extra ordinary Gazette No. 3189, SI. No. 329, under part III, Section IV dated 18.05.2023)

**New Initiatives Taken By The Government For Addressing Issues Related To Coal Supply To The Power Plants**

**Rationalization/ Swapping of Coal Linkages**



**(A) For State/Central Gencos (Constitution of a new Inter- Ministerial Task Force - IMTF)**

- In order to undertake a comprehensive review of existing sources of coal and considering the feasibility of rationalization of these sources to optimize cost of coal transportation, a new Inter Ministerial Task Force (IMTF) was constituted by Ministry of Coal in June, 2014. CIL also engaged M/s KPMG Advisory Services Private Ltd to assist the Task Force in optimization exercise.
- The new Inter-Ministerial Task Force (IMTF) had recommended a three-step approach for implementation. The recommendations inter-alia included rationalization of linkage sources for 19 power utilities in Stage-I by swapping linkage coal between different coal companies to optimize distances and maximizing dispatches of coal. As per status of implementation of recommendations of IMTF, Coal India Limited executed revised Fuel Supply Agreement (FSA) with 17 power plants in respect of Stage-I rationalization. This had resulted in movement rationalization of 24.6 MT coal with potential annual savings of about Rs. 913 crores.
- The Task Force recommended rationalization of 6 swap sets among power utilities in Stage-II which envisaged swapping of coal between ‘imported coal and domestic coal’ and ‘domestic coal of different power stations among 6 States involving 11 power utilities in Centre /State/ Private Sector. Among the participating companies, 19 swaps were envisaged. Out of these swaps, only 6 swaps (saving 952 crores) were agreed for implementation. However, with the improved availability of coal for pit head power plants, the swaps agreed for swapping of imported coal with domestic coal for pit head plants was not feasible. However, only one set of swaps has been implemented for movement of rationalization of 1.3 MT coal and potential annual savings of 458 crores of transportation cost.
- With the implementation of Stage-I and Stage-II of recommendations of the IMTF, movement rationalization of 25.9 MT coal has been taken.

**(B) For IPPs**

- Ministry of Coal vide OM dated 18th July, 2017 constituted a new “Inter-Ministerial Task Force (IMTF)” to rationalize the linkages of the Independent Power Producers (IPPs). The IMTF was constituted under the Chairmanship of Additional Secretary, Ministry of Coal, with members from Ministry of Coal, Ministry of Power, Ministry of Railways, Ministry of Shipping, CEA, CIL, and SCCL.
- The terms of reference of the IMTF was to undertake a comprehensive review of existing coal sources of IPPs having linkages and consider the feasibility for rationalization of these sources with a view to optimize transportation cost given the various technical constraints. The benefits accrued would be passed on to the DISCOMs/consumers in an objective and transparent manner.
- Based on the recommendation of IMTF, Ministry of Coal vide letter dated 15.05.2018 issued the Methodology for Linkage Rationalization for IPPs. The summary of the methodology is as under:
  - I. Basic objective of the methodology is to reduce the landed cost of coal due to reduction in transportation cost and cost of coal. The reduced landed price of coal would lead to savings, to be reflected in cost of power generated, and these savings shall be passed on to the buyers of power through a transparent and objective mechanism.
  - II. Reduce the distance by which the coal is transported, thus, easing up the Railway infrastructure for gainful utilization for other sectors.
  - III. The methodology has considered rationalization only for IPPs having linkages obtained through allotment route. The IPPs having linkages obtained through auction process are not eligible for rationalization under this scheme.

**Rationalization/ Swapping of Coal Linkages**

- In order to address quality concern of the coal supplied to power plants, it was decided in the meeting dated 28.10.2015 that coal samples shall be collected and prepared by a Single Third-Party Agency appointed by power utilities and coal companies. Accordingly, it was decided by the Ministry of Power and the Ministry of Coal that the power utilities would appoint a Third-Party Sampler (CIMFR) for Third Party Sampling and Analysis of coal at loading-end as well as at unloading-end. Based on the Third-Party Sampling analysis results furnished by CIMFR, credit/debit note are being issued by coal companies to the power plants in case of difference between declared grade of coal and analysed grade of coal.

- Subsequently, Ministry of Power vide letter dated 30.03.2021 conveyed the decision that Power Finance Corporation (PFC) shall empanel Third Party Sampling (TPS) Agencies for Power Sector, in addition to CIMFR, and consumers shall be free to take services of any of the empanelled agencies. The Terms of Reference for empanelment for the agency was to be formulated with the following broad guidelines:
  - I. Multiple Agencies should be available.
  - II. Sampling only at loading end with appellate/referee provision.
  - III. Choice of taking services from empanelled agencies shall be of the buyer of coal.
  - IV. Review mechanism to review the working of the system.
- MOP, after consultation with the stakeholders including CEA, finalized the Terms of Reference for empanelment of TPS which was forwarded to PFC on 17.08.2021 for taking further necessary action.
- PFC has empanelled one firm (M/s Mitra SK Private Limited) as a 'Third Party sampling Agency (TPSA) for collection, preparation and analysis of coal samples at loading end with appellate/referee provision for power sector'.

### **Flexibility in Utilization of Domestic Coal**

- The Government, on 04.05.2016, approved the proposal for allowing flexibility in utilization of domestic coal amongst power generating stations to reduce the cost of power generation. Under the scheme, the Annual Contracted Quantity (ACQ) of each individual coal linkage as per Fuel Supply Agreement is to be aggregated as consolidated ACQ for each State and Company owning Central Generating Stations instead of individual generating station. The State/Central Gencos have flexibility to utilize their coal in most efficient and cost-effective manner in their own power plants as well as by transferring coal to other State/Central Gencos Power plants for generation of cheaper power. The methodology provides for utilizing coal amongst State/Central Generating Stations having 4 cases- i) within state ii) one state to another state iii) one state to CGSs & vice versa and iv) within CGSs & other CGSs. The methodology in this regard has been issued by CEA on 08.06.2016.
- Generating Stations instead of individual generating station. The State/Central Gencos have flexibility to utilize their coal in most efficient and cost-effective manner in their own power plants as well as by transferring coal to other State/Central Gencos Power plants for generation of cheaper power. The methodology provides for utilizing coal amongst State/Central Generating Stations having 4 cases- i) within state ii) one state to another state iii) one state to CGSs & vice versa and iv) within CGSs & other CGSs. The methodology in this regard has been issued by CEA on 08.06.2016.
- Based on the experience gained, Ministry of power vide letter dated 15.06.2018 has amended clauses related to bid security, performance security coal transportation mode in the methodology for Case- 4. Subsequently, Ministry of Power vide letter dated 25.10.2018 has issued 2nd amendment in the methodology allowing moisture correction while reconciliation of coal.

### **Scheme for Harnessing and Allocating Koyala (Coal) Transparently in India (SHAKTI)**

Ministry of Coal vide letter dated 22.05.2017 issued the SHAKTI Policy for allocation of coal to power plants of Central, State and Private Sector. Subsequently, Ministry of Coal on 25.03.2019 issued certain amendments to the SHAKTI Policy after CCEA approval based on the recommendations of Group of Ministers (GoM), which examined the specific recommendations of High-Level Empowered Committee (HLEC) constituted to address the issues of stressed thermal power projects.

Developments under various provisions of SHAKTI Policy are as follows:

- Coal linkages to Central Government and State Government generating companies would be granted based on recommendations by Ministry of Power. Since the launch of SHAKTI Policy, under para B (i), SLC (LT) has accorded coal linkage to 23 nos. of Thermal Power Projects totaling to 25,340 MW capacity.
- Coal linkages may be granted on notified price on auction basis for power producers/IPPs having already concluded long term PPAs based on domestic coal. Power Producers shall bid for discount on tariff. Till date, four rounds of auction for coal linkage under SHAKTI B(ii) have been held under which a total of 40.99 MT of coal (G13 grade equivalent) have been allocated to 17 nos. of TPPs having installed capacity of 11,934 MW and long term PPA capacity of 9,204.6 MW.
- Future coal linkages may be granted on auction basis (bid for premium above the notified price) for power

producers/IPPs without PPAs that are either commissioned or to be commissioned. Coal drawl will be permitted only against valid long term and medium term PPAs, which the successful bidder shall be required to procure and submit within two (2) years of completion of auction process.

Till date, around 7.15 MT of coal (G13 grade equivalent) have been awarded by CIL to 7 nos. of TPPs, having installed capacity of 5995 MW and non-PPA capacity of 3774.94 MW.

- Coal linkage may be earmarked to the states for fresh PPAs, by pre declaring the availability of coal linkage. States may indicate these linkages to Discoms and based on linkages, undertake tariff based competitive bidding for long term and medium-term procurement.  
Till date, coal linkages have been allocated by CIL to States of Gujarat, Uttar Pradesh and Madhya Pradesh for 3915 MW, 1600 MW and 3000 MW capacity of power respectively, to be raised through tariff based competitive bidding.
- Power requirement of Group of States can be aggregated and procurement of power on tariff-based bidding shall be made by a designated agency. PFC Consulting Limited (PFCCL) (a wholly owned subsidiary of PFC) is the designated agency. 10 MT of coal has been earmarked by CIL for this purpose.
- Linkage would be given on auction basis to power plants for their non-PPA capacity, under B (iii) and B (iv) of SHAKTI Policy for a period of minimum 3 months up to a maximum of 1 year, for trading power in Short Term through Discovery of Efficient Energy Price (DEEP) Portal and in Day Ahead Market (DAM) through Power Exchanges. Till date, under SHAKTI B (viii) (a) covering para B (iii) of SHAKTI Policy, around 7.3 MTs of coal (G-13 grade equivalent) have been allocated to various private power plants in auctions held for seven quarters viz. Apr-June'2020 to Oct-Dec'2021.

*(Source: National Electricity Plan – Vol.1 : Generation (Notified vide Extra ordinary Gazette No. 3189, Sl. No. 329, under part III, Section IV dated 18.05.2023)*

### **Outlook for Coal**

Coal imports increased by 26.18% y-o-y to 227.93 MT in FY23 (April- February). Non-coking coal, mainly used in power generation, cement and metals sectors, accounted for 65% of the total coal imports. Over 70% of the non-coking coal is imported from Indonesia and South Africa while coking coal is majorly imported from Australia.

In January 2023, the power ministry has directed the thermal power plants to import coal to achieve imported to domestic coal blending at the rate of 6% for the remaining period of the current fiscal and H1FY24. The move is targeted to reduce the coal shortfall anticipated during the summer months. However, to reduce dependence on imported coal over the medium-long term, the Government has been taking various initiatives including auctioning of coal blocks for commercial mining, FDI under the automatic route, expansion of existing mines, opening of new mines under CIL and development of evacuation infrastructure.

*(Source: CARE Ratings Limited – Domestic Coal Production will continue to rise in FY24 dated April 25, 2023)*

### **Natural Gas**

Natural Gas is the next generation fossil fuel with less carbon dioxide per joule delivered than either by coal or oil and contains far fewer pollutants than other hydrocarbon fuels. Therefore, the natural gas has emerged as the most preferred fuel due to its inherent environmentally benign nature, easy transportability, ease of use, greater efficiency and cost effectiveness.

The demand of natural gas has sharply increased in the last two decades at the global level. However, the supply of domestic gas in India is not keeping pace with the demand and gas-based power plants are operating at sub-optimal PLF. The power and fertilizer industries emerged as the key demand drivers for natural gas due to the scale of their operations, policy intervention and social impact. In an agrarian economy such as India, the priority has been the production of fertilizers.

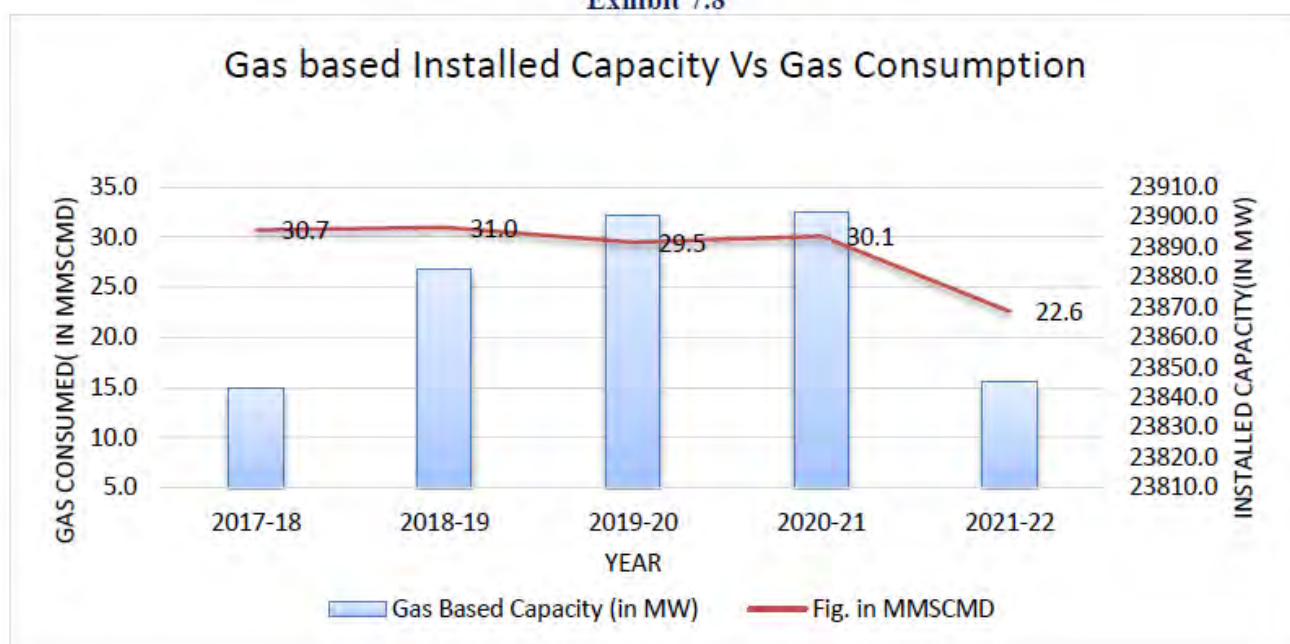
### **Gas supply position to gas-based power plants**

Supply of natural gas to gas-based power plants since 2017-18 is shown in Table 7.11.

**Table 7.11**  
**Average Gas Supply and Shortfall**

| Sl. | Years   | Gas-based Capacity at the end of year (MW) | Gas Required* (MMSCMD) | Average Gas Supplied (MMSCMD) | Shortfall (MMSCMD) |
|-----|---------|--|------------------------|-------------------------------|--------------------|
| 1   | 2       | 3  | 4                      | 5                             | (6)=(4)-(5)        |
| 1   | 2017-18 | 23842.87                                   | 101.5                  | 30.7                          | 70.8               |
| 2   | 2018-19 | 23882.68                                   | 101.8                  | 31.0                          | 70.8               |
| 3   | 2019-20 | 23900.82                                   | 102.0                  | 29.5                          | 72.5               |
| 4   | 2020-21 | 23901.97                                   | 102.0                  | 30.1                          | 71.9               |
| 5   | 2021-22 | 23845.05                                   | 101.5                  | 22.6                          | 78.9               |

**Exhibit 7.8**

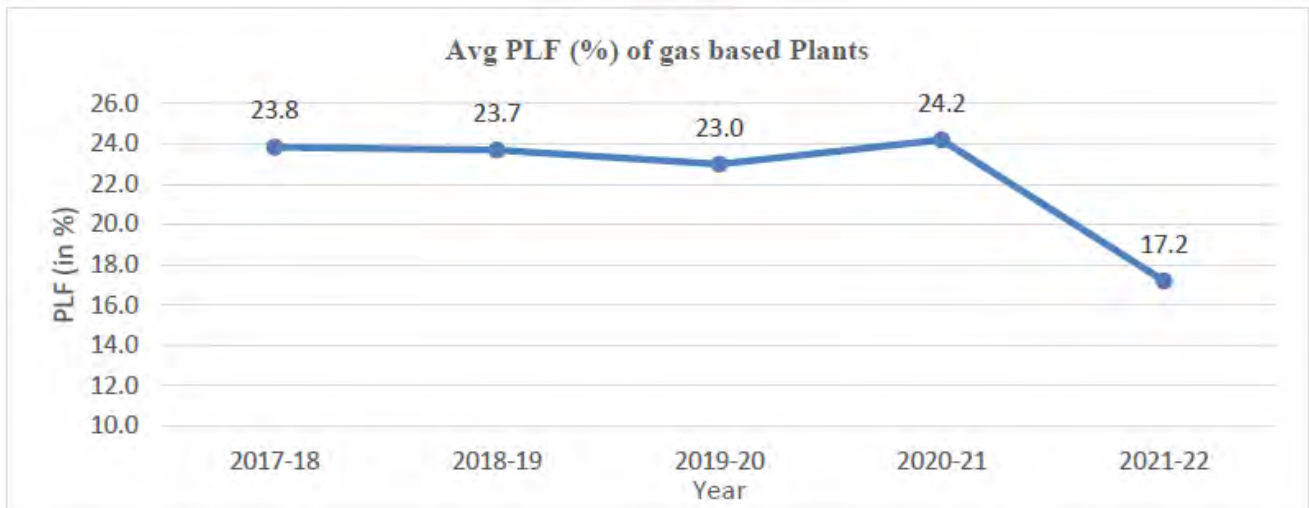


Domestic gas supply to gas-based power plants had reached a peak of 59.3 MMSCMD during 2010-11, thereafter, due to unprecedented reduction in gas supply, the gas supply to gas-based power plants had reduced sharply. The gas supplied to gas-based power plants since 2017-18 to 2020-21 has been almost 30 MMSCMD. However, during the year 2021-22, total gas supplied to gas-based power plants was only 22.62 MMSCMD.

**Average PLF of Gas-based capacity**

Average PLF of gas-based capacity since 2017-18 is shown in Exhibit 7.9 It can be seen that average PLF of gas-based capacity during 2017-18 was around 24% and has decreased to about 17% in the year 2021-22.

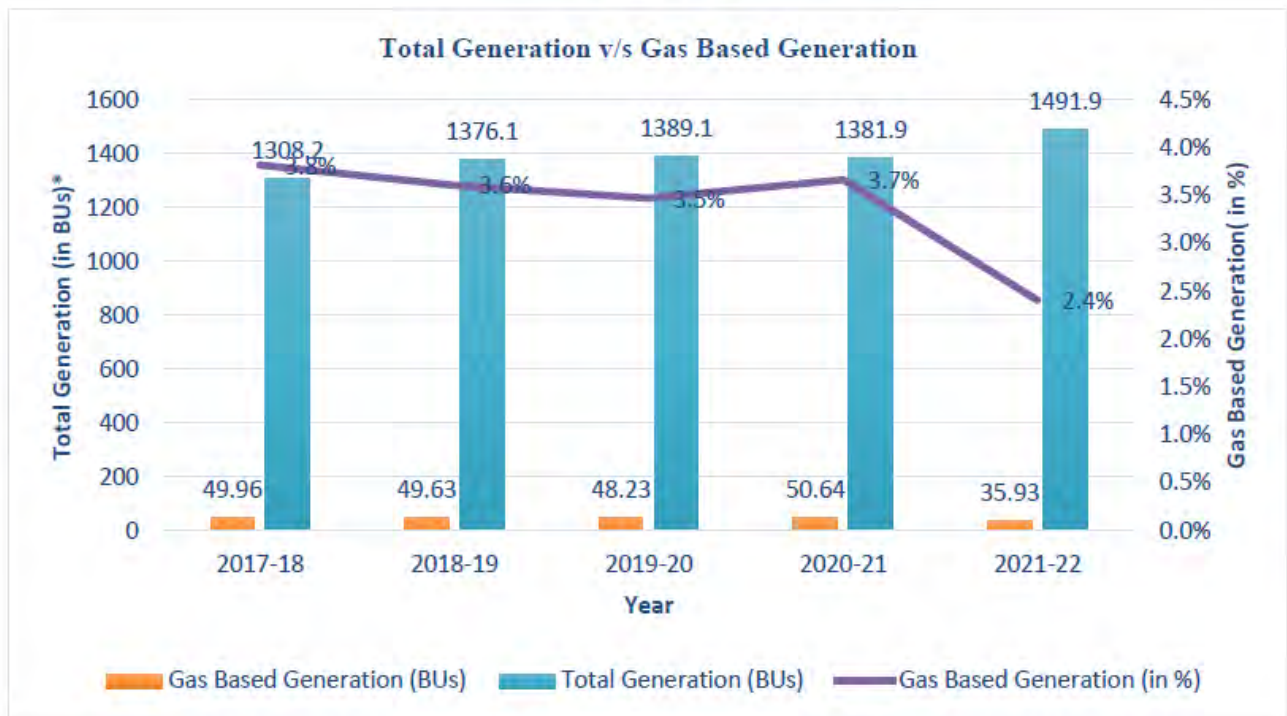
Exhibit 7.9



**Share of Gas-based Generation in Total Generation**

Share of gas-based power generation against total generation from 2017-18 to 2021-22 is shown in Exhibit 7.10. It can be seen that share of gas-based generation since 2017-18 till 2020-21 has been about 3.6%, which has reduced to around 2.4% during 2021-22.

Exhibit 7.10



**STEPS taken by Government to overcome shortage of gas**

- Policy to grant relaxation, extension & classifications at development & production stage for early monetization of hydrocarbon discoveries.
- Discovered Small Field Policy.
- Formulation of Hydrocarbon Exploration and Licensing Policy (HELP) in March, 2016.
- Policy for marketing freedom for gas produced from Deepwater & Ultra Deepwater areas.

- In order to revive and improve utilization of gas-based capacity in the country, Government of India had sanctioned a scheme for utilization of gas-based power generation capacity for the years 2015-16 and 2016-17. The scheme envisaged supply of imported spot RLNG to the stranded gas-based plants as well as plants receiving domestic gas, selected through a reverse e-bidding process. The scheme also envisaged sacrifices to be made collectively by all stakeholders and support from PSDF (Power System Development Fund). The scheme ended on 31.03.2017.
- The Government of India constituted a High-Level Empowered Committee (HLEC) on 29th July, 2018 to consider issues related to stressed thermal power projects. HLEC, in its report submitted in November 2018 has, inter-alia, recommended that MOP and MOPNG may jointly devise a scheme in line with the earlier e-bid RLNG scheme supported by PSDF in order to revive gas-based power plants. The recommendation of HLEC is under consideration in the Ministry of Power.

## **Conclusion**

- The domestic coal requirement has been estimated to be 866.4 Million Tonnes for the year 2026-27 and 1025.8 Million Tonnes for the year 2031-32 and estimated requirement of 28.9 MT of coal imports for the plants designed to run on imported coal.
- The scheme for utilisation of gas-based generation capacity introduced by Government of India ended on 31.03.2017. However, it is felt that a long-term policy intervention is required for optimal utilization of gas-based capacity in the country.
- Large scale renewable capacity addition is being implemented in the country. Such largescale renewable integration is likely to pose a number of challenges to system operations. One of the challenges is to provide support to the grid particularly during the peak hours when solar energy is going down and the load is ramping up. Gas-based power plants can play a vital role in grid stability and provide the much needed balancing power for integrating renewable sources-based power generation into the grid, particularly in view of their fast ramp up/down capability.
- The regasification capacity in the country is also a matter of concern for gas-based power plants, particularly those who are connected with RGTIL East-West pipeline. Due to technical constraints like directional flows etc., imported RLNG from west coast cannot be transported to power plants located in the East Coast. Therefore, facility of re-gasification capacity may be suitably created at East Coast also.

*(Source: National Electricity Plan – Vol.1 : Generation ( Notified vide Extra ordinary Gazette No. 3189, SI. No. 329, under part III, Section IV dated 18.05.2023)*

## **Fund Requirement**

### **Fund Requirement for The Period 2022-2027**

To assess the fund requirement for various types of generation projects, the year-wise phasing of expenditure has been considered in accordance with the base scenario. The estimates of standard cost per MW for the year 2021-22 has been taken as input for various technologies (except Hydro and Nuclear stations) and this has further been escalated thereafter @3% per annum (considering 10 year CAGR of WPI for- FY12/13-21/22). The fund requirement of Hydro projects has been considered based on estimated capital cost data and actual expenditure incurred for identified individual projects. Fund requirement for Nuclear capacity addition has been based on estimates provided by NPCIL.

Based on the above, the total fund requirement for the period 2022-2027 is estimated to be Rs. 14,54,188 crores, which also includes the likely expenditure during this period for the projects expected to get commissioned during 2027-2032. Table 8.1 below captures the year-wise details of total estimated fund requirement.

**Table 8.1**  
**Total fund requirement for Generation projects during 2022-2027**

|   | 2022-23         | 2023-24         | 2024-25         | 2025-26         | 2026-27         | (Rs. Crores)<br>Total |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------------|
| <b>For projects likely to be commissioned during 2022-27</b>                | 2,14,580        | 2,43,799        | 2,45,269        | 2,22,903        | 1,11,542        | 10,38,093             |
| <b>Advance action for projects likely to be commissioned during 2027-32</b> | 7,735           | 26,138          | 38,752          | 64,393          | 2,79,076        | 4,16,095              |
| <b>Total</b>  | <b>2,22,315</b> | <b>2,69,937</b> | <b>2,84,021</b> | <b>2,87,297</b> | <b>3,90,618</b> | <b>14,54,188</b>      |

The source-wise estimated fund requirement for the period 2022-2027 (including the likely expenditure during this period for the projects expected to be commissioned during 2027-2032) is given in Table 8.2

**Table 8.2**  
**Fund requirement for Generation projects (Source-wise) during 2022-2027**

|                        | 2022-23         | 2023-24         | 2024-25         | 2025-26         | 2026-27         | (Rs. Crores)<br>Total |
|------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------------|
| <b>A. Conventional</b> |                 |                 |                 |                 |                 |                       |
| <b>Thermal</b>         | 62,027          | 62,763          | 29,411          | 24,310          | 39,919          | 2,18,430              |
| <b>Nuclear</b>         | 18,407          | 29,400          | 27,994          | 18,954          | 25,525          | 1,20,280              |
|                        |                 |                 |                 |                 |                 | <b>3,38,710</b>       |
| <b>B. Renewables</b>   |                 |                 |                 |                 |                 |                       |
| <b>Hydro</b>           | 14,733          | 16,670          | 14,912          | 10,277          | 9,558           | 66,148                |
| <b>PSP</b>             | 3,383           | 2,484           | 4,738           | 15,448          | 28,150          | 54,203                |
| <b>Wind</b>            | 25,863          | 41,541          | 54,824          | 55,611          | 53,106          | 2,30,946              |
| <b>Offshore Wind</b>   | 0               | 0               | 0               | 0               | 0               | 0                     |
| <b>SHP</b>             | 373             | 355             | 366             | 377             | 388             | 1,859                 |
| <b>Biomass</b>         | 4,131           | 4,921           | 5,064           | 5,217           | 5,372           | 24,704                |
| <b>Solar</b>           | 93,399          | 1,11,804        | 1,46,712        | 1,57,103        | 1,71,953        | 6,80,970              |
| <b>BESS</b>            | 0               | 0               | 0               | 0               | 56,647          | 56,647                |
|                        |                 |                 |                 |                 |                 | <b>11,15,478</b>      |
| <b>C. Total</b>        | <b>2,22,315</b> | <b>2,69,938</b> | <b>2,84,021</b> | <b>2,87,297</b> | <b>3,90,618</b> | <b>14,54,188</b>      |

#### **Fund Requirement for The Period 2027-32**

The fund requirement for the period 2027-32 has been estimated based on total capacity addition of 2,91,802 MW, consisting of 32,080 MW from conventional energy sources, 2,59,722 MW of renewable energy sources and 38,564 MW/201500 MWh of Battery Energy Storage Systems (BESS).

The fund requirement for the period of 2027-32 has been assessed using same principles as that for 2022- 27. The total fund requirement for coal-based generation, solar, wind, Biomass, PSP, SHP and BESS has been arrived based on estimated standard cost per MW for the year 2021-22 with annual escalation @3%. The fund requirement of Hydro projects has been considered based on estimated cost data and actual expenditure incurred for identified individual projects. Fund requirement for Nuclear capacity addition has been based on estimates provided by NPCIL.

Based on the above, the total fund requirement for the period 2027-2032 has been estimated to be Rs. 19,06,406 crores.



This fund requirement does not include advance action for the projects which may get commissioned after 31.03.2032. The source-wise fund requirement for the period 2027-2032 is given in Table 8.3.

**Table 8.3**  
**Fund requirement for Generation projects (mode-wise) during 2027-2032**

|                        | (Rs. Crores)    |                 |                 |                 |                 |                  |
|------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
|                        | 2027-28         | 2028-29         | 2029-30         | 2030-31         | 2031-32         | Total            |
| <b>A. Conventional</b> |                 |                 |                 |                 |                 |                  |
| <b>Thermal</b>         | 56,001          | 48,072          | 42,093          | 26,374          | 13,315          | 1,85,855         |
| <b>Nuclear</b>         | 22,449          | 12,624          | 5,726           | 2,252           | 0               | 43,051           |
|                        |                 |                 |                 |                 |                 | <b>2,28,906</b>  |
| <b>B. Renewables</b>   |                 |                 |                 |                 |                 |                  |
| <b>Hydro</b>           | 29,900          | 33,307          | 31,639          | 24,010          | 10,921          | 1,29,777         |
| <b>PSP</b>             | 29,692          | 25,120          | 15,405          | 5,023           | 0               | 75,240           |
|                        |                 |                 |                 |                 |                 |                  |
| <b>Wind</b>            | 61,341          | 74,449          | 74,197          | 83,821          | 37,092          | 3,30,900         |
| <b>Offshore Wind</b>   | 0               | 0               | 4,501           | 13,701          | 9,199           | 27,401           |
| <b>SHP</b>             | 400             | 412             | 424             | 302             | 131             | 1,669            |
| <b>Biomass</b>         | 5,536           | 5,702           | 5,873           | 4,180           | 1,814           | 23,105           |
| <b>Solar</b>           | 1,82,100        | 1,86,329        | 1,91,463        | 1,97,207        | 39,672          | 7,96,771         |
|                        |                 |                 |                 |                 |                 | <b>13,84,863</b> |
| <b>C.BESS</b>          | 1,44,966        | 83,981          | 22,502          | 8,249           | 32,938          | <b>2,92,637</b>  |
| <b>D. TOTAL</b>        | <b>5,32,386</b> | <b>4,69,996</b> | <b>3,93,823</b> | <b>3,65,119</b> | <b>1,45,082</b> | <b>19,06,406</b> |

#### Sources of Funds

- In case of Central Sector projects, generally developers make an equity contribution of 30%. In case of projects developed in State Sector and Private sector, the equity contribution is generally 20% and 25% respectively. Therefore, to arrive at overall requirement of equity and debt, we have assumed an average of 25% equity and 75% debt for overall fund requirement.
- Based on the estimation of fund requirement for the period 2022-27 and considering sector-wise equity contribution mentioned above, it is estimated that developers will be required to infuse equity amount totalling to Rs. 3,63,547 crores. Further, they will have to arrange for total debt of Rs. 10,90,641 crores.
- Similarly, the equity and debt requirement (excluding fund requirement for advance action for projects during the period beyond 31.03.2032) for the period 2027-2032 have been estimated as Rs. 4,76,602 crores and Rs. 14,29,805 crores respectively.
- The equity can be arranged from surplus generated from operations, Initial Public Offerings by listing in markets, Follow on Public Issues, convertible debentures and monetization of operational assets. Equity markets investments can be directly from the public and also from Mutual funds, Insurance companies' funds etc. NPS has provision of allowing Equity investment. Similarly, Provident fund also has provision of certain percentage investments in equity to support investments. As solar capacity includes roof top solar capacity, funding would be available from individuals, companies and the community from their savings. As per NITI Aayog estimates, funds availability for power sector from National Monetization Pipeline is estimated to be Rs. 85,032 crore over 2022-25.



- The sources available for debt funding are Scheduled Commercial Banks, financial institutions like Power Finance Corporation (PFC), Rural Electrification Corporation (REC), Life Insurance Corporation (LIC), commercial banks and bonds (domestic as well as overseas), External Commercial Borrowings, foreign currency loan from World Bank, ADB, KfW, EXIM Bank and also Buyer’s credit from foreign equipment manufacturers.
- In respect of nuclear power generation, Government budgetary support may be required for funding equity requirement for future power projects.
- IREDA, as Non-Banking Financial Institution is already engaged in promoting, developing and extending financial assistance for setting up projects relating to new and renewable sources of energy. Further, for financing renewable energy projects under various schemes and supporting technologies like Energy Storage, Green Climate Fund may also be a potential source.

(Source: National Electricity Plan – Vol.1 : Generation ( Notified vide Extra ordinary Gazette No. 3189, SI. No. 329, under part III, Section IV dated 18.05.2023)

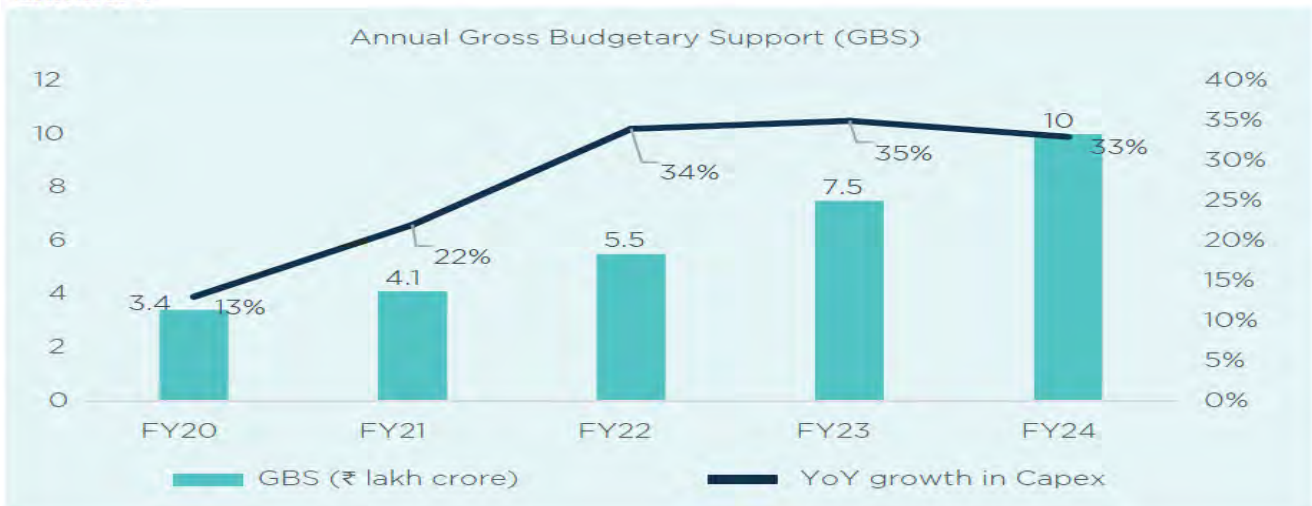
### Infrastructure

#### Domestic Crude Oil production, imports and consumption during H1-FY21

India’s G20 presidency presents an opportunity for the country to shape its infrastructure agenda and lead the way in global infrastructure development. With the aim of achieving a \$5 trillion economy by 2025, India recognizes the crucial role of infrastructure in sustaining its high growth trajectory. Given its youthful population, expanding middle class, and vast domestic market, global investors are increasingly drawn to India as a preferred destination for infrastructure investments. The Indian infrastructure financing landscape is maturing, with the availability of private equity, robust regulatory frameworks, competitive debt financing, and innovative financing structures like InvITs (Infrastructure Investment Trusts).

To meet the demands of India’s growing population and economic development, substantial investments in transport infrastructure are necessary. The budget for overall capex in 2023-24 has seen a significant increase of 33% to Rs 10 lakh crore (USD 122 billion), amounting to approximately 3.3% of GDP. Additionally, the establishment of the Infrastructure Finance Secretariat aims to facilitate private investment opportunities in various sectors, including railways, roads, urban infrastructure, and power.

#### Exhibit 1



Source: Economic Survey and Union Budget

Thanks to policy reforms, increased project awards by central and state authorities, and capital recycling through stake sales of completed projects, the credit profile of most infrastructure entities in India has witnessed improvement over the past two years, despite the challenges posed by the pandemic. Against the backdrop of growing economic and political uncertainty worldwide, the stability and resilience of infrastructure projects provide a ray of hope for patient capital, while contributing to climate targets and the development of more robust and inclusive infrastructure.

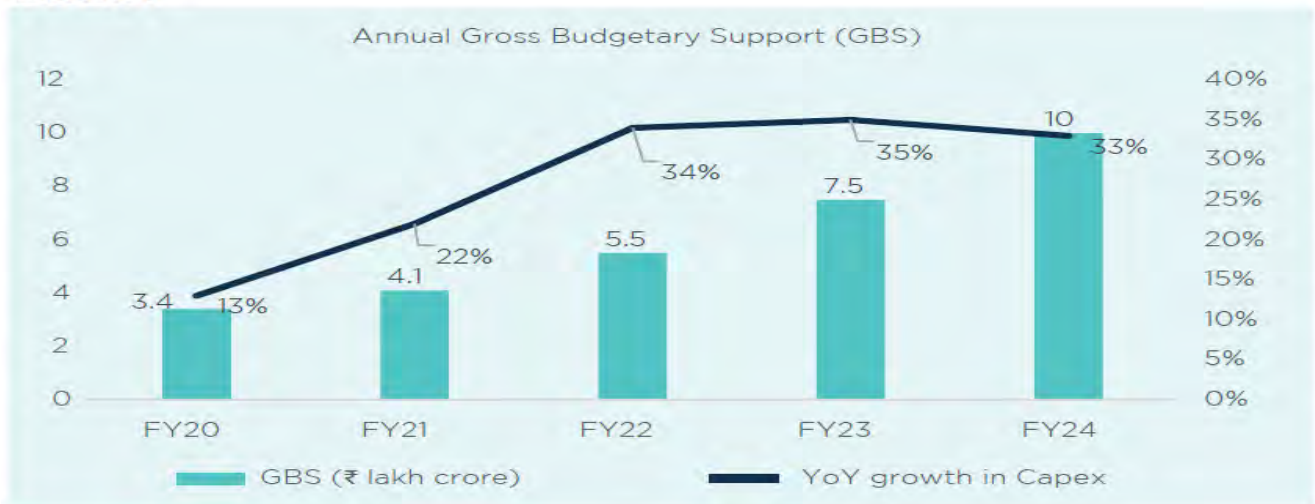
(Source: CARE Ratings Limited – Infrastructure: Financing Emerging Strong dated October 22, 2020)

## Infrastructure: Financing Emerging Strong

India's G20 presidency presents an opportunity for the country to shape its infrastructure agenda and lead the way in global infrastructure development. With the aim of achieving a \$5 trillion economy by 2025, India recognizes the crucial role of infrastructure in sustaining its high growth trajectory. Given its youthful population, expanding middle class, and vast domestic market, global investors are increasingly drawn to India as a preferred destination for infrastructure investments. The Indian infrastructure financing landscape is maturing, with the availability of private equity, robust regulatory frameworks, competitive debt financing, and innovative financing structures like InvITs (Infrastructure Investment Trusts).

To meet the demands of India's growing population and economic development, substantial investments in transport infrastructure are necessary. The budget for overall capex in 2023-24 has seen a significant increase of 33% to Rs 10 lakh crore (USD 122 billion), amounting to approximately 3.3% of GDP. Additionally, the establishment of the Infrastructure Finance Secretariat aims to facilitate private investment opportunities in various sectors, including railways, roads, urban infrastructure, and power.

**Exhibit 1**



Source: Economic Survey and Union Budget

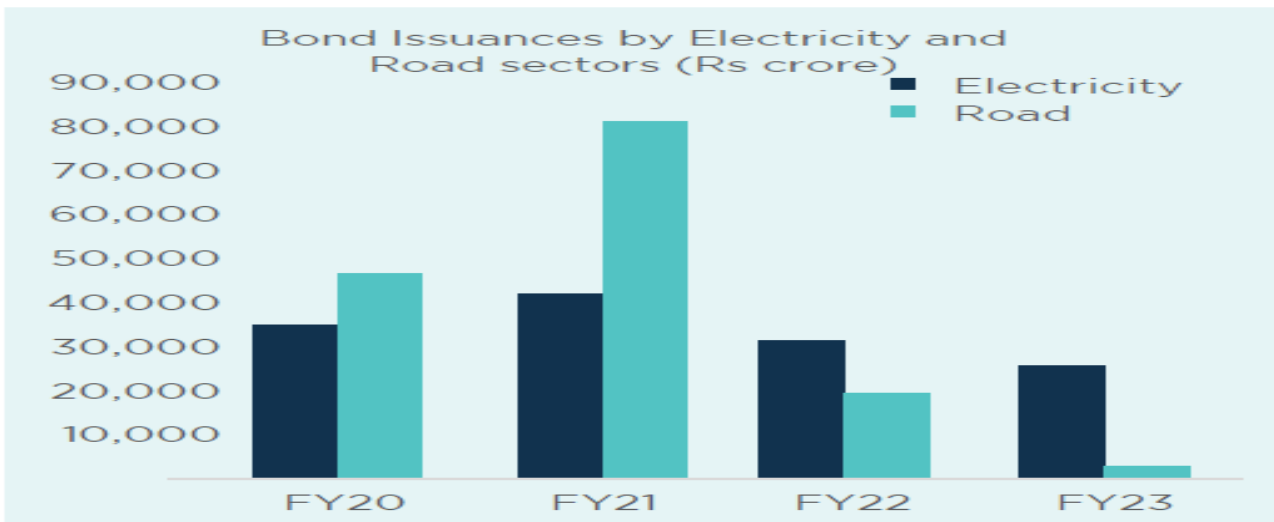
(Source: CARE Ratings Limited – Infrastructure – Key Driver of India's Amrit Kaal March)

## Stepping up Infra Financing

Despite facing certain challenges, the Indian infrastructure sector has experienced significant activity in the financing landscape, attracting attention from both debt and equity investors. The relaxation of FDI norms has played a crucial role in drawing investments towards India's infrastructure projects. A major milestone in this regard is the implementation of the National Infrastructure Pipeline (NIP), initiated in 2019, which aims to compile an extensive "masterlist of infrastructures" across the country. This ambitious undertaking involved meticulous groundwork in gathering data on various infrastructure sub-sectors. The NIP encompasses a diverse range of projects with significant potential for foreign investment, including water and sanitation, commercial and social infrastructure, transport, energy, communication, and logistics. This comprehensive project list empowers foreign investors to assess and select projects that align with their risk-return preferences, thus paving the way for substantial investments in India's infrastructure sector.

India faces a significant infrastructure financing gap, exceeding 5% of GDP. While traditional sources such as Indian banks and government aid have been relied upon during the construction phase, the need for alternative financing options is evident. With operating infrastructure assets offering low-risk factors, various avenues have emerged, including the bond market, InvITs, and Infrastructure debt funds. These avenues have gained prominence, with power and road sectors witnessing a surge in bond issuances for operational projects, particularly during periods of favourable interest rates.

#### Exhibit 4



(Source: CARE Ratings Limited – Infrastructure – Key Driver of India’s Amrit Kaal March)

#### Logistics

A critical aspect of boosting a country’s overall competitiveness is its logistic infrastructure. India’s logistic costs as a percentage of GDP are estimated to be in the range of 14-18%, much higher in comparison to the global benchmark of 8%. In the last few years, there is a renewed focus on developments in roads, railways, ports, airports, last-mile connectivity and warehousing. In the World Bank’s Logistic Performance Index (2023), India’s ranking improved to the 38<sup>th</sup> spot from its rank of 44<sup>th</sup> in 2018. Despite the improvement, India ranks much lower compared to other economies such as Germany (3<sup>rd</sup>), Japan (13<sup>th</sup>), the United States (17<sup>th</sup>) and China (19<sup>th</sup>).

The recently launched National logistics policy (NLP), aimed at developing a comprehensive tech-enabled logistics infrastructure, should provide a strong boost to the logistics sector. The PM Gati Shakti plan, targeted at integrated development in multi-modal connectivity, will further complement the NLP. In the last few years, the Government has announced various other initiatives like National Infrastructure Pipeline (NIP) and National Monetisation Pipeline (NMP) to enable a wholesome development of the infrastructure sector.

Roads, railways, ports, power, and urban infrastructure are some of the key infrastructure sectors that will steer growth in the years to come. In the last two years, roads and railways accounted for more than 50% of the Centre’s total capex. The government’s capex in road transport and highways has grown by a strong CAGR of around 40% in the last decade. Railways have seen the Government’s capex rising at a CAGR of 37% in the last four years (FY20-24) from 15% during FY15-FY19. There is also a significant increase in the Centre’s capex on energy, ports, civil aviation, and telecommunication.

**Exhibit 1: Trend in Centre's Capital Expenditure**



Source: CMIE & CareEdge Ratings; Note: Data for FY23 are Revised Estimates (RE) and FY24 are Budget Estimates (BE)

Going forward, India's infrastructure investment requirement is going to grow sharply. As per CareEdge's estimate, India will require additional infrastructure investment of USD 18-20 trillion in the next 25 years as it becomes a USD 25-30 trillion economy by 2047. Currently, more than 70% of the financing for infrastructure projects comes from the General government and public sector.

(Source: CARE Ratings Limited – Infrastructure – Key Driver of India's Amrit Kaal March)

## OUR BUSINESS

*In this section, unless the context otherwise requires, a reference to “the Company” or “we”, “us” or “our Company” is a reference to Power Finance Corporation Limited and unless the context otherwise requires, a reference to “the PFC Group” refers to Power Finance Corporation Limited and its Subsidiaries, as applicable in the relevant fiscal period, on a consolidated basis. Unless stated otherwise, the financial data in this section is as per our Reformatted Standalone Financial Information.*

*Some of the information contained in the following discussion, including information with respect to our plans, strengths and strategies, contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. This section should be read in conjunction with the sections “Forward-Looking Statements”, “Risk Factors” and “Financial Statements” on pages 17, 19 and 198 for a discussion of the risks and uncertainties related to such statements and also “Risk Factors” on page 19 for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.*

### OVERVIEW

Our Company is one of India’s leading public financial institution and a Schedule-A Maharatna Central Public Sector Enterprises (CPSE), focused on the power sector. Our Company plays a strategic role in the initiatives of the Government of India for the development of the power sector in India and we work with Government of India agencies, state governments, power sector utilities, other power sector intermediaries and private sector clients for the development and implementation of policies and for structural and procedural reforms in the power sector in India. Our Company’s portfolio includes financial products and services such as rupee term loans, short-term loans, equipment lease financing, transitional financing services etc. for various power projects in the generation, transmission, and distribution sectors. Over the last few years our Company’s focus areas have been strategically expanded to include projects that represent forward and backward linkages to core power sector projects, including procurement of capital equipment for the power sector, fuel sources for power generation projects and related infrastructure development. Our Company also funds power trading initiatives.

In addition, our Company is involved in various GoI programs relating to the power sector, including acting as the nodal agency for Revamped Distribution Sector Scheme (RDSS), Ultra Mega Power Projects (UMPPs), Integrated Power Development Scheme (IPDS), bid process coordinator for Independent Transmission Projects (ITPs), DISCOM Liquidity Package under Atmanirbhar Bharat and Late Payment Surcharge (LPS) Rules, 2022. Going forward, our Company aspires to contribute to the government’s thrust toward renewable and clean energy sources. Our Company has aligned our business operations to leverage emerging opportunities in E-mobility and increased thrust in the transmission and distribution (T&D) space. Recently, our MoA has been amended to enable lending to infrastructure and logistics sectors also.

Our Company is a listed GoI company and a public financial institution under the Companies Act, 2013. Our Company is registered with the RBI as a non-deposit taking systemically important NBFC, and was classified as an IFC on July 28, 2010. Our Company believes that our NBFC and IFC classifications enable us to effectively capitalize on available financing opportunities in the Indian power sector.

Our clients mainly include central power utilities, state power utilities, private power sector utilities (including independent power producers), joint sector power utilities and power equipment manufacturers and our Company provides a comprehensive range of financial products and other services to our clients, including:

- various forms of fund-based assistance, including long-term project finance, short/medium term loan to equipment manufacturers, buyers’ lines of credit, underwriting of debt, grants/interest free loans for studies/consultancies, lease financing for purchase of equipment, corporate loans, credit facility for purchase of power through power exchange and debt refinancing schemes;
- various forms of non-fund based assistance including default payment guarantees, credit enhancement guarantees, guarantee for performance of contract/ obligations and letters of comfort;
- services ranging from project conceptualization to the post-commissioning stage, including generation (conventional and renewable), transmission and distribution projects, and related renovation and modernization projects; and
- various fee-based technical advisory and consultancy services for power sector projects through our wholly owned subsidiary PFCCCL.

Our primary sources of funds include equity capital, internal resources, and domestic and foreign currency borrowings. Domestic credit rating agencies have given our Company the following ratings, in relation to our borrowing programmes – (i) CRISIL (a subsidiary of S&P) has granted us (a) “CRISIL AAA/Stable” rating in relation to our long term borrowing programme, for a limit of ₹ 60,000 crore, and (b) “CRISIL A1+” rating in relation to our short term borrowing programme, for a limit of ₹ 20,000 crore, (ii) ICRA has granted us (a) “[ICRA]AAA (stable)” rating in relation to our long term borrowing programme, for a limit of ₹ 60,000 crore, and (b) “[ICRA]A1+” rating for our short term borrowing programme, for a limit of ₹ 20,000 crore, and (iii) CARE has granted us (a) “CARE AAA; Stable” rating in relation to our long term borrowing programme, for a limit of ₹ 60,000 crore, and (b) “CARE A1+” rating in relation to our short term borrowing programme, for a limit of ₹ 10,000 crore. International credit rating agencies Moody’s, and Fitch have granted our Company, the following ratings, (i) Moody’s has granted us an issuer rating of “Baa3 Stable”, (ii) Fitch has granted us long-term issuer default rating of “BBB-/ Stable”.

For details of key awards and recognitions received by our Company, please see section titled “*History and Certain Corporate Matters*” on page 153.

## **COMPETITIVE STRENGTHS**

Our Company believes that the following are our principal strengths:

### ***Comprehensive financial assistance platform focused on the Indian power sector***

Our Company provides a comprehensive range of financial products and related advisory and other services to our clients in the power sector, ranging from project conceptualization to the post-commissioning stage, including generation (conventional and renewable), transmission and distribution projects, as well as related renovation and modernization projects.

Our Company also provides clients with fee-based technical advisory and consultancy services for power sector projects through our wholly owned subsidiary, PFCCL. Further, our Company provides various forms of fund-based assistance, including but not limited to long term project finance, short-term loans, buyers’ lines of credit, bridge loans, corporate loans, and debt refinancing schemes, in addition to non-fund based assistance including default payment guarantees and letters of comfort. Our knowledge in the domain of project finance has helped us in strategically expanding our focus areas to include projects that represent forward and backward linkages to core power sector projects, including procurement of capital equipment for the power sector, fuel sources for power generation projects, and related infrastructure development.

Further our Subsidiary, REC is engaged in extending financial assistance to the power sector and is an NBFC registered with RBI, and is also registered with RBI as an IFC. Our Company believes that synergies with REC helps us to enhance our product portfolio, de-risk our revenue base, achieve economies of scale, as well as deploy investible funds.

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

Our Company has played a strategic role in the GoI’s initiatives for the promotion and development of the power sector in India for more than three decades. Our Company has been involved in the development and implementation of various policies and of structural and procedural reforms in the power sector in India. Our Company has been involved in various GoI programmes for the power sector, including acting as the nodal agency for the UMPP, RDSS and as a bid process coordinator for the ITP scheme.

Further, the Finance Minister on May 13, 2020 announced a ₹ 20 lakh crore stimulus package aimed at spurring growth and building a self-reliant India and aimed at combating the COVID-19 pandemic induced stress. In order to address liquidity issues in the power sector value chain, the Government of India mandated our Company and REC, to disburse ₹ 90,000 crore to DISCOMs under the DISCOM Liquidity Package. Our Company has disbursed ₹ 53,587 crore under the scheme as on March 31, 2023. Further, Ministry of Power (MoP) *vide* Gazette Notification dated June 3, 2022, notified “The Electricity (Late Payment Surcharge and Related Matters) Rules, 2022” (LPS Rules). These rules provide a mechanism for settlement of outstanding dues of generating companies, inter-state transmission licensees and electricity trading licensees. The rules provide for clubbing of all outstanding dues as on June 3, 2022 including principal, late payment surcharge etc. into a consolidated amount which can be paid in interest free Equated Monthly Instalments (EMI). The maximum number of such EMIs can be 48 based on the quantum of the total outstanding dues. The rules also indicate modalities for implementation and also penalties for not making payments, in line with the Re-determined Payment Schedule. Our Company has disbursed ₹ 16,764 crore under the scheme as on March 31, 2023. Further, the loans

sanctioned under both the schemes are secured with unconditional and irrevocable State Government guarantee.

As a result, we believe we have developed strong working relationships with the Central and the State Governments, various regulatory authorities, significant power sector organizations, Central and State power utilities, private sector project developers, as well as other intermediaries in the power sector. Our Company believes that our experience in implementing Government policies and programs provide us with industry knowledge that enables us to leverage our project risk assessment capabilities to effectively evaluate projects, structure appropriate financing solutions, develop effective loan disbursement and project monitoring methodologies, as well as provide related advisory services. Our Company believes that this unique positioning enables us to leverage our power sector knowledge, our existing client base and continuing relationships with Government agencies and instrumentalities to be a preferred financing provider for the power sector in India.

### ***Operational flexibility to capitalize on both fund raising and lending opportunities***

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

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

In July, 2010, our Company was classified as an IFC, a distinct category of NBFCs that is primarily engaged in infrastructure financing. Our Company believes our classification as an IFC enables us to increase lending exposures to individual entities, corporations and groups, compared to other NBFCs that are not IFCs. We also believe that this results in significant competitive advantages in providing project financing for large, long-gestation power sector projects. For further information relating to the IFC category of NBFCs, see “*Regulations and Policies*” on page 179.

### ***Favorable credit rating and access to various cost-competitive sources of funds***

Our primary sources of funds include equity capital, internal resources, and domestic and foreign currency borrowings. Domestic credit rating agencies have given our Company the following ratings, in relation to our borrowing programmes – (i) CRISIL (a subsidiary of S&P) has granted us (a) “CRISIL AAA/Stable” rating in relation to our long term borrowing programme, for a limit of ₹ 60,000 crore, and (b) “CRISIL A1+” rating in relation to our short term borrowing programme, for a limit of ₹ 20,000 crore, (ii) ICRA has granted us (a) “[ICRA]AAA (stable)” rating in relation to our long term borrowing programme, for a limit of ₹ 60,000 crore, and (b) “[ICRA]A1+” rating for our short term borrowing programme, for a limit of ₹ 20,000 crore, and (iii) CARE has granted us (a) “CARE AAA; Stable” rating in relation to our long term borrowing programme, for a limit of ₹ 60,000 crore, and (b) “CARE A1+” rating in relation to our short term borrowing programme, for a limit of ₹ 10,000 crore. International credit rating agencies Moody's, and Fitch have granted our Company, the following ratings – (i) Moody's has granted us an issuer rating of “Baa3 Stable”, (ii) Fitch has granted us long-term issuer default rating of “BBB-/ Stable”.

We believe that our financial strength and favorable credit ratings facilitate access to various cost competitive funding options. Our borrowings reflect various sources, maturities and currencies; and include bonds, term loans and commercial paper. Subject to certain conditions, we are also eligible to raise, under the automatic route (without the prior approval of the RBI), ECBs up to U.S.\$ 750 million each fiscal year. We also have access to various international funding sources including the Asian Development Bank, Japan Bank for International Cooperation (“JBIC) and KfW Development Bank. Our average cost of funds in Fiscals 2023, 2022 and 2021 was 7.51%, 7.30% and 7.48%, respectively, which we believe is competitive.

Historically, most of our borrowings have been on an unsecured basis.

### ***Comprehensive credit appraisal and risk management policies and procedures***

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

We believe that our comprehensive credit appraisal and project monitoring processes also result in strong collection and



recovery. As of March 31, 2023, 84.05% of our outstanding loans to Central and State sector borrowers provide for an escrow mechanism, which ensures that in case of default in payment of dues to us by such borrowers, the escrow agent is required to make available the default amount to us on demand.

### ***Track record of consistent financial performance and growth***

We believe that we have a track record of consistent financial performance and growth, which enables us to capitalize on attractive financing opportunities in the Indian power sector. Our total loan assets increased from ₹ 3,70,770.99 crore as of March 31, 2021 to ₹ 4,22,497.73 crore as of March 31, 2023. In addition, our loan asset portfolio has increasingly diversified by sector and customer base. As of March 31, 2023, 82.79% of our total loan assets related to government sector borrowers, while 17.21% related to private sector borrowers. As of March 31, 2023, 41.34%, 11.41%, 7.30%, 36.89% and 3.06% of our total loan assets related to power generation projects, renewable energy projects, transmission projects, distribution projects and others (including metro/railways, computerisation, project settlement, technical assistance project, studies, short-term loans, loan for redemption of bonds, loan for asset acquisition, bills discounting, fuel sources development, S.S.E.R, MTL, loan against receivables and others) respectively. As of March 31, 2023, our top five, ten and twenty borrowers represented 30.19%, 43.34% and 61.10%, respectively, of our total loan assets.

Our total income increased from ₹ 37,766.57 crore in Fiscal 2021 to ₹ 39,665.63 crore in Fiscal 2023, and our profit after tax increased from ₹ 8,444.01 crore to ₹ 11,605.47 crore in the same period. Our RoA and RoNW were 2.77% and 18.20%, respectively, in Fiscal 2023, while NIM (on earning assets) was 3.36% in the same period. As of March 31, 2023, our net worth was ₹ 68,202.23 crore, while our capital adequacy ratio was 24.37%.

### ***Experienced and committed management and employee base with in-depth sector knowledge***

We have an experienced, qualified and committed management and employee base. Many of our employees, particularly senior management, have considerable knowledge of the power sector in India. We believe that we have an efficient and lean organizational structure relative to the size of our operations and profitability. Our personnel policies are aimed towards recruiting talented employees and facilitating their integration into our Company and encouraging the development of their skills.

Our management has significant experience and knowledge in the power sector and the financial services industry, which has enabled us to develop a comprehensive and effective project appraisal process, implement a risk management framework, identify specific requirements of power sector projects, and offer comprehensive financing solutions and advisory assistance to such projects. The experience of our management has enabled us to successfully identify attractive financing opportunities. We believe that our experienced management team has been the key to our success and will enable us to capitalize on future growth opportunities.

## **STRATEGIES**

### ***Continue to leverage industry knowledge and relationships to capitalize on the expected growth in the Indian power sector***

We intend to continue to leverage our industry experience and relationships to provide comprehensive financing solutions for power sector projects in India. The Indian power sector has historically been characterized by power shortages and relatively low per capita consumption. Consequently, the GoI has prioritized investment in the power sector in a number of ways, including through: (a) the implementation of the Electricity Act in June, 2003, to address the systemic deficiencies in the Indian power sector and to attract capital for large-scale power projects; (b) the notification of the National Electricity Policy in February, 2005, to accelerate the development of the power sector; (c) the implementation of the Rajiv Gandhi Grameen Vidyutikaran Yojana (“RGGVY”) from April, 2005; (d) the launch of the Deen Dayal Upadhaya Gram Jyoti Yojana (“DDUGJY”) (under which the RGGVY scheme is subsumed) to increase the pace of rural electrification and to provide access to electricity to all Indian rural households; (e) the launch of the IPDS in urban areas to strengthen the sub-transmission and distribution network; (f) the metering of feeders and distribution transformers to reduce systems in India’s transmission and distribution infrastructure, and (g) the Pradhan Mantri Sahaj Bijli Har Ghar Yojana - Saubhagya, to achieve ‘Universal Household Electrification’ in the country.

On the distribution reforms front, the GoI introduced the Ujjwal Discom Assurance Yojana (UDAY) scheme to turn around Discoms in November, 2015. Further, the Finance Minister on May 13, 2020 announced a ₹ 20 lakh crore stimulus package aimed at spurring growth and building a self-reliant India and aimed at combating the COVID-19 pandemic induced stress. In order to address liquidity issues in the power sector value chain, the Government of India mandated our Company and REC, to disburse ₹ 90,000 crore to DISCOMs under the DISCOM Liquidity Package.



Further, Ministry of Power (MoP) vide Gazette Notification dated June 3, 2022, notified “The Electricity (Late Payment Surcharge and Related Matters) Rules, 2022” (LPS Rules). These rules provide a mechanism for settlement of outstanding dues of Generating Companies, Inter-State Transmission Licensees and Electricity Trading Licensees. Although the continued prioritization of the power sector will need to be met by increased funding, there are various investment opportunities in this sector, including investment in power projects, power equipment manufacturing, wind and solar power, coal mining, natural gas, liquefied natural gas, gas pipelines, carbon trading and CDM projects. We intend to employ our industry knowledge and ability to develop, supervise and implement structured financial assistance packages based on specific operational and financial performance standards to assist otherwise financially weak SPUs and public sector projects and improve their financial position. We aim to continue to contribute to the development and implementation of GoI policies relating to the power sector in India and play an integral role in the supervision of the implementation of reforms by SPUs and GoI agencies.

### ***Strategically expand business and service offerings***

#### *Consultancy and other fee-based services*

Our Company intends to continue to increase our focus on fee-based technical and consultancy services to SPUs, power distribution licensees, IPPs, public sector undertakings and Electricity Regulatory Commissions. Our Company also intends to continue to provide fee-based services for various GoI programs for the power sector in India, including acting as a nodal agency for UMPP and R-APDRP (now subsumed under the IPDS).

#### *Debt Syndication*

Our Company intends to increase our focus on debt syndication activities in the power sector. Our Company plans to continue to target debt syndication opportunities. Our Company believes that our technical knowledge and industry experience, project appraisal capabilities, and relationship with commercial banks and other financial institutions enable us to ensure timely completion of such projects.

### ***Broaden loan asset base and borrower profile***

#### *Private sector projects*

As of March 31, 2023, March 31, 2022 and March 31, 2021, 17.21%, 15.85% and 16.02%, respectively, of our total loan assets were related to private sector projects. We intend to continue to provide financial assistance to private sector generation, transmission and distribution projects to further diversify our borrower profile.

#### *Hydro projects and renewable energy*

We intend to continue to focus on providing financial assistance to hydro projects to facilitate an optimal mix of thermal and hydro projects in our loan asset portfolio. We have extended loan repayment periods of state sector loans up to 20 years after moratorium for hydro projects, effectively increasing the loan tenor for such projects. The economic life of hydro projects is generally longer than other categories of power projects. The Ministries of Power and New & Renewable Energy have rolled out a slew of reforms to push mainstreaming of energy from green and sustainable sources and achieve the 500 GW target. Towards this end, thermal power generators have been allowed to set up renewable energy capacities on their own or through dedicated developers and to supply it to the consumers under the existing PPAs.

Our Company has strategically increased our focus on renewable energy projects, including solar, wind, biomass and small hydro projects, to capitalize on the GoI’s various renewable energy initiatives. These initiatives include certain minimum specified percentages of state distribution utilities’ total power requirements required to be met from renewable energy sources and special tariffs for renewable energy projects. To boost renewable energy business increased sole lending limits, introduced letter of undertaking (LoU) and project specific funding of RE equipment manufacturers and special rebate to solar with domestic content

We continue to provide financing for public and private sector renewable energy generation projects. Our total loan assets outstanding with regard to renewable energy projects aggregated ₹ 48,197.75 crore as of March 31, 2023. As of March 31, 2023, 11.41% of our total loan assets pertained to renewable energy projects.

#### *Forward and backward linkages to core power sector projects*

We have strategically expanded our focus areas to include projects that represent forward and backward linkages to power

sector projects, including procurement of capital equipment for the power sector, fuel sources for power generation projects, related infrastructure development as well as power trading initiatives.

#### *Capital equipment manufacturers*

The Indian power sector requires augmentation of equipment manufacturing capacities for capital equipment for all segments of the power sector from generation to transmission and distribution. We intend to provide financial assistance to manufacturers of equipment used in the power sector, including transmission and distribution equipment as well as solar and wind energy generation equipment.

#### *Fuel sources and related infrastructure development*

The GoI has introduced various reforms for the development of fuel sources for thermal power generation projects, including allocation of coal blocks to public and private sector entities as well as the development of related infrastructure facilities for the transportation of coal and other fuel sources such as natural gas. We intend to provide financing assistance to fuel supply projects and related infrastructure development projects.

#### ***Foray into new business segment including Infrastructure and Logistics Financing sector***

On August 25, 2022, Ministry of Power has accorded approval to our Company to lend to infrastructure and logistics financing sector to an extent permitted by Government of India. Our Company has accordingly modified MOA, sanctioned projects and made one disbursement in this sector. Our Company has also signed a MoU with RITES Limited (a public sector undertaking) to explore mutual collaboration for consultancy works in areas, including transport and logistics, energy, water and sanitation, communication, social and commercial infrastructure. RITES will provide expertise for pre-feasibility reports, detailed project reports, transaction advisory, project management services, audits, and inspection, while our Company and our Subsidiaries will provide financial assistance for such projects.

### **KEY OPERATIONAL AND FINANCIAL PARAMETERS**

A summary of our key operational and financial parameters for the last three completed Fiscals are as follows:

*Our key operating and financial metrics on a consolidated basis as at and for the Fiscal year ended March 31, 2023, March 31, 2022 and March 31, 2021 are as follows:*

*(₹ in crore, unless stated otherwise)*

| <b>Parameters</b>   | <b>Fiscal 2023</b> | <b>Fiscal 2022</b> | <b>Fiscal 2021</b> |
|---|--------------------|--------------------|--------------------|
| <b>Balance Sheet</b>  |                    |                    |                    |
| Net Fixed assets <sup>1</sup>   | 737.66             | 668.94             | 297.75             |
| Current assets <sup>2</sup>   | 142,856.59         | 97,109.25          | 99,364.60          |
| Non-current assets <sup>3</sup>   | 752,517.61         | 693,222.08         | 676,044.73         |
| <b>Total assets</b>   | <b>896,111.86</b>  | <b>791,000.27</b>  | <b>775,707.08</b>  |
| <b>Non-Current Liabilities<sup>4</sup> (including maturities of long-term borrowings and short term borrowings)</b> |                    |                    |                    |
| Financial (borrowings, trade payables, and other financial liabilities) <sup>Note 1</sup>                           | 638,642.43         | 589,011.22         | 570,845.08         |
| Provisions  | 101.64             | 188.50             | 97.41              |
| Deferred tax liabilities (net)  | -                  | -                  | -                  |
| Other non-current liabilities   | 178.56             | 250.94             | 178.14             |
| <b>Current Liabilities<sup>5</sup> (including maturities of long-term borrowings)</b>                               |                    |                    |                    |
| Financial (borrowings, trade payables, and other financial liabilities) <sup>Note 1</sup>                           | 144,531.89         | 104,770.18         | 122,313.45         |
| Other non-financial liabilities <sup>Note 1</sup>   | 311.27             | 312.24             | 282.96             |
| Provisions  | 336.47             | 168.05             | 174.87             |
| Deferred tax liabilities (net)  | -                  | -                  | -                  |
| Current tax liabilities (net)   | 28.32              | 23.98              | 24.84              |
| <b>Equity (including other equity)<sup>6</sup></b>  | <b>84,158.49</b>   | <b>71,676.24</b>   | <b>60,767.48</b>   |
| Non-Controlling Interest  | 27,822.79          | 24,598.91          | 21,022.77          |
| <b>Total equity and liabilities</b>   | <b>896,111.86</b>  | <b>791,000.27</b>  | <b>775,707.08</b>  |
| <b>Profit and Loss</b>  |                    |                    |                    |
| <b>Total revenue<sup>7</sup></b>  | <b>77,625.19</b>   | <b>76,344.92</b>   | <b>71,700.67</b>   |

(₹ in crore, unless stated otherwise)

| Parameters   | Fiscal 2023      | Fiscal 2022      | Fiscal 2021      |
|--|------------------|------------------|------------------|
| From operations <sup>8</sup>   | 77,568.30        | 76,261.66        | 71,656.10        |
| Other income   | 56.89            | 83.26            | 44.57            |
| <b>Total Expenses</b>  | <b>51,129.13</b> | <b>52,940.30</b> | <b>51,816.18</b> |
| Exceptional Item   | -                | -                | -                |
| Profit / (Loss) before tax   | 26,496.07        | 23,382.22        | 19,890.73        |
| Profit / (Loss) after tax <sup>9</sup>                                 | 21,178.59        | 18,768.21        | 15,716.20        |
| Other comprehensive income   | (1,130.71)       | 121.57           | 547.89           |
| Total comprehensive income for the year                                | 20,047.88        | 18,889.78        | 16,264.09        |
| <b>EPS<sup>10</sup></b>  |                  |                  |                  |
| (a) Basic  | 60.19            | 53.08            | 44.50            |
| (b) Diluted  | 60.19            | 53.08            | 44.50            |
| <b>Cash Flow</b>   |                  |                  |                  |
| Net cash generated from operating activities                           | (74,698.93)      | 4,904.48         | (59,142.61)      |
| Net cash (used in) / generated from investing activities               | (1,693.58)       | (547.39)         | 1,741.06         |
| Net cash (used in) / generated from financing activities               | 75,518.27        | (8,370.59)       | 60,424.08        |
| Add: Opening cash and cash equivalents as at the beginning of the year | 914.24           | 4,927.74         | 1,905.21         |
| Cash and cash equivalents  | 40.00            | 914.24           | 4,927.74         |
| Balance as per statement of cash flows                                 | 40.00            | 914.24           | 4,927.74         |
| <b>Additional information</b>  |                  |                  |                  |
| Net worth <sup>11</sup> (including Non-Controlling Interest)           | 1,11,981.28      | 96,275.15        | 81,790.25        |
| Cash and Cash Equivalents  | 127.59           | 914.24           | 4,927.74         |
| Current Investments <sup>12</sup>                                      | 3,973.43         | 5,770.26         | 3,274.82         |
| Assets under Management <sup>13</sup>                                  | 376,055.05       | 322,576.87       | 280,231.47       |
| Off Balance Sheets Assets <sup>14</sup>                                | NA               | NA               | NA               |
| Total Debts to Total assets <sup>15</sup>                              | 0.82             | 0.82             | 0.83             |
| Debt Service Coverage Ratios   | NA               | NA               | NA               |
| Interest Income  | 76,495.93        | 74,887.12        | 70,845.58        |
| Interest Expense <sup>16</sup>   | 47,016.78        | 44,708.78        | 44,683.52        |
| Interest service coverage ratio  | NA               | NA               | NA               |
| Provisioning and Write-Offs <sup>17</sup>                              | (269.42)         | 5,339.07         | 5,888.90         |
| Bad debts to Account receivable ratio                                  | NA               | NA               | NA               |
| Gross Stage 3 (%) <sup>18</sup>  | 3.66%            | 5.02%            | 5.29%            |
| Net Stage 3 (%) <sup>19</sup>  | 1.06%            | 1.66%            | 1.97%            |
| Tier I Capital Adequacy Ratio (%)                                      | NA               | NA               | NA               |
| Tier II Capital Adequacy Ratio (%)                                     | NA               | NA               | NA               |
| Net Debt-equity ratio <sup>20</sup>                                    | 6.58             | 6.71             | 7.82             |
| Yield on AUM (%) <sup>21</sup>   | NA               | NA               | NA               |
| Cost of Borrowing (%) <sup>21</sup>                                    | NA               | NA               | NA               |
| Spread (%) <sup>22</sup>   | NA               | NA               | NA               |
| Net Interest Margin (NIM) (%) <sup>23</sup>                            | NA               | NA               | NA               |
| Return on Average Assets (RoAA) (%) <sup>24</sup>                      | NA               | NA               | NA               |
| Return on Average Equity (RoAE) (%) <sup>25</sup>                      | NA               | NA               | NA               |
| Net Interest Income <sup>26</sup>                                      | 29,479.15        | 30,178.34        | 26,162.06        |
| Pre-Provisioning Operating Profit (PPOP) <sup>27</sup>                 | 26,226.65        | 28,721.29        | 25,779.63        |

1. "Net fixed assets" refers the net value of "property, plant and equipment (PPE)" as per Ind AS 16. Net value is computed as gross value less accumulated depreciation of PPE.

2. "Current assets" includes all financial assets and non-financial assets which are expected to be realised within twelve months after the reporting date.

3. "Non-current assets" includes all assets other than "Net fixed assets" and "Current assets" defined above.

4. "Non-current liabilities (including maturities of long-term borrowings and short-term borrowings)" includes all financial and non-financial liabilities other than current liabilities.

5. "Current liabilities (including maturities of long-term borrowings)" includes all financial and non-financial liabilities which are due to be settled within twelve months after reporting date.

6. Equity (including other equity) refers to equity attributable to owners of our Company
7. Total revenue refers to the total income.
8. From operations refer to revenue from operations
9. Profit/(Loss) after tax refers to profit for the year.
10. EPS refer to Earnings Per Equity Share
11. Net worth = Equity Share Capital + Other Equity
12. "Current Investments" includes Bank balances other than cash and cash equivalents + Investment in Mutual Funds.
13. Assets under Management refer to addition of business loans and investments in Debt Securities - principal o/s of Debt Securities schedule
14. Off Balance Sheets Assets refers to Non-Fund Based Exposures.
15. Total debts to total assets = (Debt securities + Borrowings (other than debt securities) + Subordinated liabilities) / total assets.
16. Interest Expense refers to finance cost
17. Provisioning and write off refers to addition of Net loss on fair value changes, Net loss on derecognition of financial instruments under amortised cost category and Impairment on financial instruments
18. Gross Stage 3 (%) refers Gross NPAs to Gross Advances %
19. Net Stage 3 (%) refers Net NPAs to Net Advances %
20. Net Debt-equity ratio = (Debt securities + Borrowings (other than debt securities) + Subordinated liabilities) less cash and cash Equivalent/ Net worth.
21. Yield on AUM and cost of borrowing is calculated as weighted average rate of portfolio outstanding as on March 31, 2023, March 31, 2022 and March 31, 2021
22. Spread = Yield on AUM (-) Cost of Borrowing
23. Net Interest Margin = (Interest income + Net gain on investments – Interest expense) / monthly average of total assets
24. Return on Average Assets = Profit / (Loss) after tax / yearly average of total assets
25. Return on Average Equity = Profit / (Loss) after tax / yearly average of total share capital and other equity
26. Net Interest Income = Interest Income + Net gain on sale of investments (-) Interest Expense
27. Pre-provisioning Operating Profit (PPOP) = Profit / (Loss) before tax + Provisioning and Write-Offs

#### Note 1

| Particulars   | As at March 31, 2023 |                    | As at March 31, 2022 |                    | As at March 31, 2021 |                    |
|---|----------------------|--------------------|----------------------|--------------------|----------------------|--------------------|
|   | Within 12 months     | After 12 months    | Within 12 months     | After 12 months    | Within 12 months     | After 12 months    |
| <b>Trade payables</b>   |                      |                    |                      |                    |                      |                    |
| (i) Total outstanding dues of micro enterprises and small enterprises                       | 0.67                 | -                  | 1.11                 | -                  | 0.01                 | -                  |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | 50.19                | -                  | 48.64                | -                  | 70.42                | -                  |
| Debt securities   | 63,400.22            | 4,33,329.16        | 55,156.00            | 3,94,575.56        | 83,174.52            | 3,96,906.13        |
| Borrowings (other than debt securities)   | 72,559.00            | 1,65,784.00        | 45,795.24            | 1,48,821.74        | 35,729.82            | 1,27,614.60        |
| Subordinated liabilities  | 6,699.20             | 9,385.94           | 399.28               | 15,728.46          | 401.29               | 15,855.80          |
| Other non-financial liabilities   | 311.25               | 73.54              | 312.24               | 55.77              | 282.96               | 62.30              |
| Other financial liabilities   | 1,735.18             | 29,229.49          | 3,294.26             | 29,304.72          | 2,817.26             | 29,257.34          |
| <b>Total</b>  | <b>1,44,755.71</b>   | <b>6,37,802.13</b> | <b>1,05,006.77</b>   | <b>5,88,486.25</b> | <b>1,22,476.28</b>   | <b>5,69,696.17</b> |

**Our key operating and financial metrics on a standalone basis as at and for the Fiscal year ended March 31, 2023, March 31, 2022 and March 31, 2021 are as follows:**

(₹ in crore, unless stated otherwise)

| Parameters  | Fiscal 2023        | Fiscal 2022        | Fiscal 2021        |
|---|--------------------|--------------------|--------------------|
| <b>Balance Sheet</b>  |                    |                    |                    |
| Net Fixed assets <sup>1</sup>   | 44.00              | 44.72              | 37.21              |
| Current assets <sup>2</sup>   | 72,109.58          | 54,367.43          | 61,442.22          |
| Non-current assets <sup>3</sup>   | 3,72,679.48        | 3,39,997.86        | 3,30,604.64        |
| <b>Total assets</b>   | <b>4,44,833.06</b> | <b>3,94,410.01</b> | <b>3,92,084.07</b> |
|   |                    |                    |                    |
| <b>Non-Current Liabilities<sup>4</sup> (including maturities of long-term borrowings and short term borrowings)</b> |                    |                    |                    |
| Financial (borrowings, trade payables, and other financial liabilities) <sup>Note 1</sup>                           | 3,15,837.52        | 2,83,780.33        | 2,89,100.83        |
| Provisions  | 50.93              | 140.43             | 55.54              |
| Deferred tax liabilities (net)  | -                  | -                  | -                  |
| Other non-current liabilities   | 129.21             | 221.18             | 73.18              |
| <b>Current Liabilities<sup>5</sup> (including maturities of long-term borrowings)</b>                               |                    |                    |                    |
| Financial (borrowings, trade payables, and other financial liabilities) <sup>Note 1</sup>                           | 60,092.26          | 50,560.55          | 50,180.60          |
| Other non-financial liabilities <sup>Note 1</sup>   | 248.19             | 250.67             | 181.19             |

(₹ in crore, unless stated otherwise)

| Parameters   | Fiscal 2023        | Fiscal 2022        | Fiscal 2021        |
|--|--------------------|--------------------|--------------------|
| Provisions   | 272.72             | 106.57             | 99.61              |
| Deferred tax liabilities (net)   | -                  | -                  | -                  |
| Current tax liabilities (net)  | -                  | -                  | -                  |
| <b>Equity (including other equity)<sup>6</sup></b>                     | <b>68,202.23</b>   | <b>59,350.28</b>   | <b>52,393.12</b>   |
| <b>Total equity and liabilities</b>                                    | <b>4,44,833.06</b> | <b>3,94,410.01</b> | <b>3,92,084.07</b> |
| <b>Profit and Loss</b>   |                    |                    |                    |
| <b>Total revenue<sup>7</sup></b>                                       | <b>39,665.63</b>   | <b>38,591.17</b>   | <b>37,766.57</b>   |
| From operations <sup>8</sup>   | 39,651.75          | 38,545.40          | 37,744.87          |
| Other income   | 13.88              | 45.77              | 21.70              |
| <b>Total Expenses</b>  | <b>25,495.01</b>   | <b>26,363.52</b>   | <b>27,559.26</b>   |
| Exceptional Item   | -                  | -                  | -                  |
| Profit / (Loss) before tax   | 14,170.62          | 12,227.65          | 10,207.31          |
| Profit / (Loss) after tax <sup>9</sup>                                 | 11,605.47          | 10,021.90          | 8,441.01           |
| Other comprehensive income   | (159.67)           | 180.83             | 90.20              |
| Total comprehensive income for the year                                | 11,445.80          | 10,202.73          | 8,534.21           |
| <b>EPS<sup>10</sup></b>  |                    |                    |                    |
| (a) Basic  | 43.96              | 37.96              | 31.98              |
| (b) Diluted  | 43.96              | 37.96              | 31.98              |
| <b>Cash Flow</b>   |                    |                    |                    |
| Net cash generated from operating activities                           | (35,740.75)        | 6,919.28           | (17,514.68)        |
| Net cash (used in) / generated from investing activities               | (713.97)           | (211.39)           | 880.92             |
| Net cash (used in) / generated from financing activities               | 35,755.95          | (9,704.60)         | 20,168.86          |
| Add: Opening cash and cash equivalents as at the beginning of the year | 720.91             | 3,717.62           | 182.52             |
| Cash and cash equivalents  | 22.14              | 720.91             | 3,717.62           |
| Balance as per statement of cash flows                                 | 22.14              | 720.91             | 3,717.62           |
| <b>Additional information</b>  |                    |                    |                    |
| Net worth <sup>11</sup>  | 68,202.23          | 59,350.28          | 52,393.12          |
| Cash and Cash Equivalents  | 22.14              | 720.91             | 3,717.62           |
| Current Investments <sup>12</sup>                                      | 1,595.96           | 3,240.31           | 1,044.58           |
| Assets under Management <sup>13</sup>                                  | 1,70,508.37        | 1,50,118.64        | 1,35,633.84        |
| Off Balance Sheets Assets <sup>14</sup>                                | 3,547.66           | 8,421.77           | 5,297.40           |
| Total Debts to Total assets <sup>15</sup>                              | 0.82               | 0.81               | 0.83               |
| Debt Service Coverage Ratios   | NA                 | NA                 | NA                 |
| Interest Income  | 37,645.31          | 36,701.22          | 36,145.76          |
| Interest Expense <sup>16</sup>   | 23,282.57          | 22,671.30          | 23,194.49          |
| Interest service coverage ratio  | NA                 | NA                 | NA                 |
| Provisioning and Write-Offs <sup>17</sup>                              | (366.77)           | 2,212.72           | 4,015.35           |
| Bad debts to Account receivable ratio                                  | NA                 | NA                 | NA                 |
| Gross Stage 3 (%) <sup>18</sup>  | 3.91%              | 5.61%              | 5.70%              |
| Net Stage 3 (%) <sup>19</sup>  | 1.10%              | 1.83%              | 2.16%              |
| Tier I Capital Adequacy Ratio (%)                                      | 21.61%             | 20.00%             | 15.46%             |
| Tier II Capital Adequacy Ratio (%)                                     | 2.76%              | 3.48%              | 3.37%              |
| Net Debt-equity ratio <sup>20</sup>                                    | 5.32               | 5.38               | 6.13               |
| Yield on AUM (%) <sup>21</sup>   | 10.04%             | 10.22%             | 10.58%             |
| Cost of Borrowing (%) <sup>21</sup>                                    | 7.51%              | 7.30%              | 7.48%              |
| Spread (%) <sup>22</sup>   | 2.53%              | 2.92%              | 3.10%              |
| Net Interest Margin (NIM) (%) <sup>23</sup>                            | 3.36%              | 3.62%              | 3.54%              |
| Return on Average Assets (RoAA) (%) <sup>24</sup>                      | 2.77%              | 2.55%              | 2.24%              |
| Return on Average Equity (RoAE) (%) <sup>25</sup>                      | 18.20%             | 17.94%             | 17.31%             |
| Net Interest Income <sup>26</sup>                                      | 14,362.74          | 14,029.92          | 12,951.27          |
| Pre-Provisioning Operating Profit (PPOP) <sup>27</sup>                 | 13,803.85          | 14,440.37          | 14,222.61          |

(₹ in crore, unless stated otherwise)

| Parameters                            | Fiscal 2023 | Fiscal 2022 | Fiscal 2021 |
|---------------------------------------|-------------|-------------|-------------|
| Loan                                  | 422,497.73  | 373,134.61  | 370,770.99  |
| Investment in Debt Securities         | 300.08      | -           | -           |
| Total of Debt Securities including CP | 252,289.44  | 223,015.97  | 235,137.15  |
| AUM                                   | 170,508.37  | 150,118.64  | 135,633.84  |

1. "Net fixed assets" refers the net value of "property, plant and equipment (PPE)" as per Ind AS 16. Net value is computed as gross value less accumulated depreciation of PPE.
2. "Current assets" includes all financial assets and non-financial assets which are expected to be realised within twelve months after the reporting date.
3. "Non-current assets" includes all assets other than "Net fixed assets" and "Current assets" defined above.
4. "Non-current liabilities (including maturities of long-term borrowings and short-term borrowings)" includes all financial and non-financial liabilities other than current liabilities.
5. "Current liabilities (including maturities of long-term borrowings)" includes all financial and non-financial liabilities which are due to be settled within twelve months after reporting date.
6. Equity (including other equity) refers to equity attributable to owners of our Company
7. Total revenue refers to the total income.
8. From operations refer to revenue from operations
9. Profit/(Loss) after tax refers to profit for the year.
10. EPS refer to Earnings Per Equity Share
11. Net worth = Equity Share Capital + Other Equity
12. "Current Investments" includes Bank balances other than cash and cash equivalents + Investment in Mutual Funds.
13. Assets under Management refer to addition of business loans and investments in Debt Securities - principal o/s of Debt Securities schedule
14. Off Balance Sheets Assets refers to Non-Fund Based Exposures.
15. Total debts to total assets = (Debt securities + Borrowings (other than debt securities) + Subordinated liabilities) / total assets.
16. Interest Expense refers to finance cost
17. Provisioning and write off refers to addition of Net loss on fair value changes, Net loss on derecognition of financial instruments under amortised cost category and Impairment on financial instruments
18. Gross Stage 3 (%) refers Gross NPAs to Gross Advances %
19. Net Stage 3 (%) refers Net NPAs to Net Advances %
20. Net Debt-equity ratio = (Debt securities + Borrowings (other than debt securities) + Subordinated liabilities) less cash and cash Equivalent/ Net worth.
21. Yield on AUM and cost of borrowing is calculated as weighted average rate of portfolio outstanding as on March 31, 2023, March 31, 2022 and March 31, 2021
22. Spread = Yield on AUM (-) Cost of Borrowing
23. Net Interest Margin = (Interest income + Net gain on investments - Interest expense) / monthly average of total assets
24. Return on Average Assets = Profit / (Loss) after tax / yearly average of total assets
25. Return on Average Equity = Profit / (Loss) after tax / yearly average of total share capital and other equity
26. Net Interest Income = Interest Income + Net gain on sale of investments (-) Interest Expense
27. Pre-provisioning Operating Profit (PPOP) = Profit / (Loss) before tax + Provisioning and Write-Offs

#### Note 1

| Particulars   | As at March 31, 2023 |                    | As at March 31, 2022 |                    | As at March 31, 2021 |                    |
|---|----------------------|--------------------|----------------------|--------------------|----------------------|--------------------|
|   | Within 12 months     | After 12 months    | Within 12 months     | After 12 months    | Within 12 months     | After 12 months    |
| <b>Trade payables</b>   |                      |                    |                      |                    |                      |                    |
| (i) Total outstanding dues of micro enterprises and small enterprises                       | -                    | -                  | -                    | -                  | -                    | -                  |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | -                    | -                  | -                    | -                  | -                    | -                  |
| Debt securities   | 23,522.04            | 2,36,305.01        | 25,518.09            | 2,04,638.86        | 38,118.69            | 2,04,692.85        |
| Borrowings (other than debt securities)   | 32,211.00            | 69,017.89          | 23,265.32            | 64,700.10          | 11,220.79            | 69,616.81          |
| Subordinated liabilities  | 3,902.30             | 5,409.54           | 102.33               | 9,208.94           | 101.80               | 9,208.40           |
| Other non-financial liabilities   | 248.19               | 24.19              | 250.67               | 26.26              | 181.19               | 29.94              |
| Other financial liabilities   | 432.60               | 5,105.08           | 1,618.05             | 5,185.94           | 683.31               | 5,144.74           |
| <b>Total</b>  | <b>60,316.13</b>     | <b>3,15,861.70</b> | <b>50,754.46</b>     | <b>2,83,760.10</b> | <b>50,305.78</b>     | <b>2,88,692.70</b> |

The following table sets forth details of our non-performing assets and provisions on standalone basis as at March 31, 2023, March 31, 2022 and March 31, 2021.

(₹ in crore, unless stated otherwise)

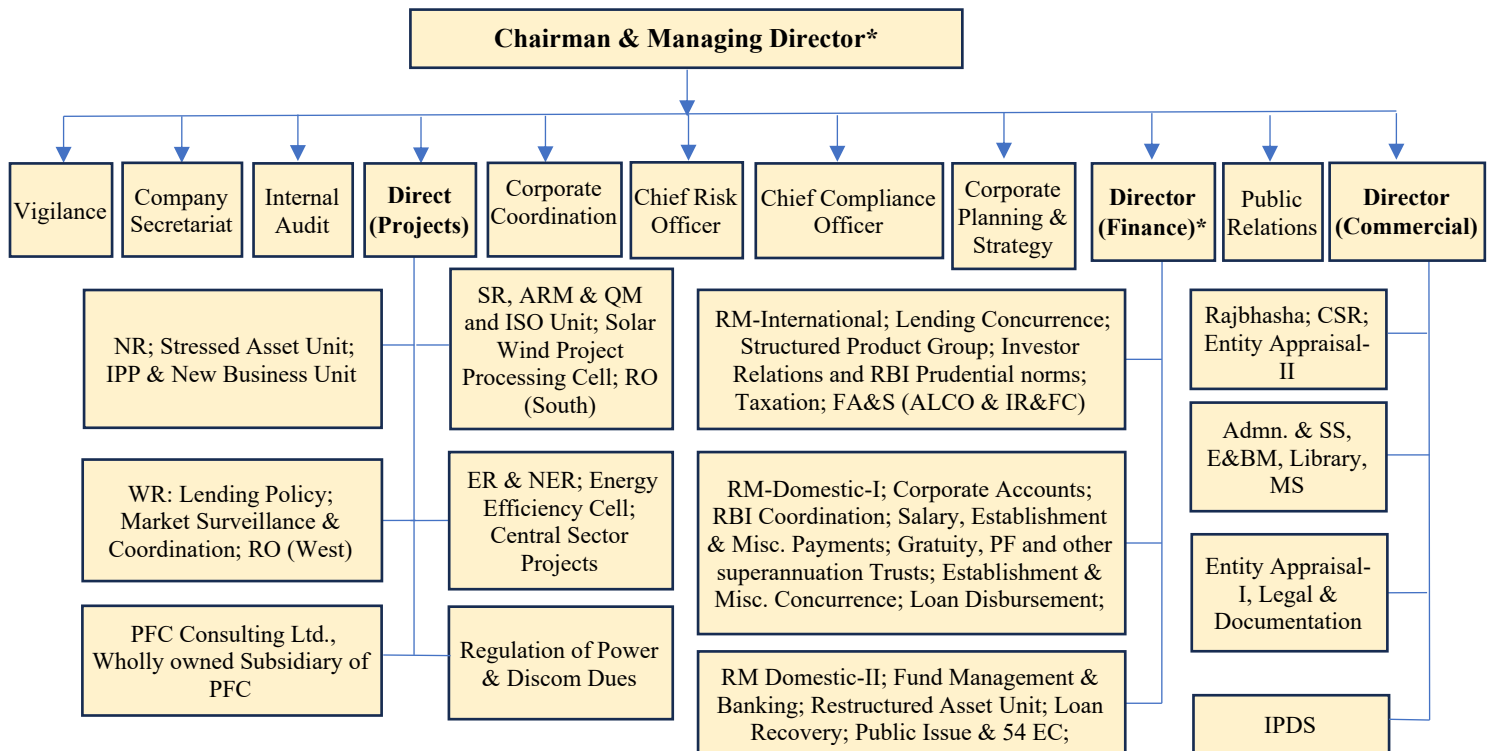
| Parameters              | As of       |             |             |
|-------------------------|-------------|-------------|-------------|
|                         | Fiscal 2023 | Fiscal 2022 | Fiscal 2021 |
| Loan Book               | 4,22,497.73 | 3,73,134.61 | 3,70,770.99 |
| Stage 3 Book            | 16,501.65   | 20,915.28   | 21,150.16   |
| Gross Stage 3 %         | 3.91%       | 5.61%       | 5.70%       |
| Gross Stage 3 Provision | 11,999.38   | 14,344.38   | 13,416.36   |
| Net stage 3*            | 1.07%       | 1.76%       | 2.09%       |
| Net Stage 3 %**         | 1.10        | 1.83        | 2.16        |
| PCR % - NPA             | 72.72%      | 68.58%      | 63.43%      |

\*Net Stage 3 refers to Net NPA

\*\*Net Stage 3 (%) refers Net NPAs to Net Advances %

## CORPORATE STRUCTURE

The following chart presents the corporate structure of our Company:



\* Currently, the Director (Finance) is holding the additional charge of Chairman and Managing Director

## OUR MAJOR PRODUCTS

We provide a comprehensive range of fund-based and non-fund based assistance from project conceptualization to the post-commissioning stage to our clients in the power sector. Our fund-based assistance includes primarily project finance, short-term loans, buyers' lines of credit, bridge loans, corporate loans, and debt refinancing schemes. Non-fund based assistance includes primarily default payment guarantees and letters of comfort. Some of our key products are as set out below:

### Fund-Based

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

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

(₹ in crore, except percentages)

| Particulars            | As of March 31, 2023 |               | As of March 31, 2022 |               | As of March 31, 2021 |               |
|------------------------|----------------------|---------------|----------------------|---------------|----------------------|---------------|
|                        | Amount               | % of total    | Amount               | % of total    | % of total           | % of total    |
| Rupee loans            |                      |               |                      |               |                      |               |
| a. Term loans          | 4,01,183.38          | 94.95         | 3,72,295.89          | 99.78         | 3,63,867.19          | 98.14         |
| b. Short term loans    | 21,073.36            | 4.99          | 597.73               | 0.16          | 6,662.81             | 1.80          |
| Foreign currency loans | 240.99               | 0.06          | 240.99               | 0.06          | 240.99               | 0.06          |
| <b>Total</b>           | <b>4,22,497.73</b>   | <b>100.00</b> | <b>3,73,134.61</b>   | <b>100.00</b> | <b>3,70,770.99</b>   | <b>100.00</b> |

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

(₹ in crore, except percentages)

| Particulars      | For the year ended March 31, 2023 |               | For the year ended March 31, 2022 |               | For the year ended March 31, 2021 |               |
|------------------|-----------------------------------|---------------|-----------------------------------|---------------|-----------------------------------|---------------|
|                  | Amount                            | % of total    | Amount                            | % of total    | % of total                        | % of total    |
| Term loans       | 63,051.81                         | 73.52         | 50,163.09                         | 97.90         | 79,647.87                         | 90.20         |
| Short term loans | 22,704.35                         | 26.48         | 1,078.50                          | 2.10          | 8,654.18                          | 9.80          |
| <b>Total</b>     | <b>85,756.15</b>                  | <b>100.00</b> | <b>51,241.59</b>                  | <b>100.00</b> | <b>88,302.05</b>                  | <b>100.00</b> |

### ***Rupee Term Loans***

Rupee Long term loans accounted for 94.95%, 99.78%, 98.14% of our total loan assets as of March 31, 2023, 2022 and 2021, respectively. We generally disburse funds either directly to a supplier of project equipment or services or by way of a reimbursement to the borrower against satisfactory proof of eligible expenditure on the relevant project, or through a trust and retention account.

We generally implement security and quasi-security arrangements in relation to our Rupee term loans.

Our Rupee term loan financings are generally secured in the case of public sector clients, including state utilities, either through a charge on the project assets or by a state government guarantee, or both. In addition to such security or guarantee, most of our loans to central and state sector borrowers provide for an escrow mechanism. For private sector clients, our Rupee term loan financings are secured through, among other things, a first priority *pari passu* charge on the relevant project assets, collateral such as pledge of shares held by promoters and/or personal or corporate guarantees, as well as trust and retention account arrangements. For further information, see “— Risk Management — Security Risk” on page 142.

Interest rates on Rupee term loans are notified to the borrower from time to time. Typically, there is an option to select interest rates with a reset option after every three years or ten years. We believe that our comprehensive credit appraisal and project monitoring processes also result in strong collection and recovery. As of March 31, 2023, 84.05% of our outstanding loans to Central and State sector borrowers provide for an escrow mechanism, which ensures that in case of default in payment of dues to us by such borrowers, the escrow agent is required to make available the default amount to us on demand.

*Transitional loans.* We also provide transitional financing to state sector distribution companies in specified states, as per applicable regulatory guidelines / limits, to meet any temporary liquidity shortfall they may experience due to various reasons such as non-adjustment of fuel surcharge, inadequate GoI support, cash or revenue gap, insufficient capacity addition or purchase of expensive power so as to provide the distribution companies with an opportunity to resolve their liquidity position over a specified period. We also provide financial support to newly formed power generating companies, transmission companies and distribution companies incorporated out of bifurcation or reorganization of a state in order to meet any liquidity shortfall experienced by such entities during their initial years due to various reasons, such as, inadequate cash flow, immediate payment requirements for purchase of fuel or power, or other revenue expenditure for the operation of the plant, transmission network or distribution network.

*Debt refinancing scheme.* Under this scheme, we assist borrowers who have borrowed funds from other lending institutions at a higher rate of interest, to refinance their loans at a lower interest rate. The refinancing facility is available only for commissioned projects.

*Funding of Regulatory Assets.* We provide loans to distribution companies for the purpose of funding regulatory assets, as per applicable regulatory guidelines / limits. In order to be awarded a loan under this facility, the borrower needs to provide a state government guarantee and must have a business plan in place. Furthermore, the relevant SERC must specify certain conditions such as a time bound recovery plan and recovery of carrying cost of the regulatory assets,



among others.

*Corporate loans.* We provide corporate loans to entities in the power sector, whether government or private, for the purpose of equity infusion into new power projects or for the acquisition of existing power projects including generation, transmission and distribution projects.

*Loans to grid connected solar photovoltaic power generation projects.* We provide loans to grid-connected solar photovoltaic power generation projects.

### **Liquidity Scheme for DISCOMs under Atmanirbhar Bharat initiative of Government of India (“DISCOM Liquidity Package”)**

The Finance Minister on May 13, 2020 rolled out a ₹ 20 lakh crore stimulus package aimed at spurring growth and building a self-reliant India and combating the effects of the COVID 19 related pandemic. In order to address liquidity issues in the power sector value chain, the Government of India mandated our Company and our subsidiary, REC, to disburse ₹ 90,000 crore to DISCOMs to cover the outstanding dues of the DISCOMs up to March 31, 2020. The loans are secured with unconditional and irrevocable State Government guarantee covering the loan amount along with interest and any other charges towards the loan.

### **Late Payment Surcharge (LPS) Rules, 2022**

Ministry of Power (MoP) vide Gazette Notification dated June 3, 2022, notified “The Electricity (Late Payment Surcharge and Related Matters) Rules, 2022” (LPS Rules). These rules provide a mechanism for settlement of outstanding dues of Generating Companies, Inter-State Transmission Licensees and Electricity Trading Licensees.

The rules provide for clubbing of all outstanding dues (as on June 3, 2022) including Principal, Late Payment Surcharge etc. into a consolidated amount which can be paid in interest free Equated Monthly Instalments (EMI). The maximum number of such EMIs can be forty eight (48) based on the quantum of the total outstanding dues. The rules also indicate modalities for implementation and also penalties for not making payments, in line with the Re-determined Payment Schedule. The borrower shall provide State Government Guarantee as security for the loan. Our Company may also stipulate any additional security like budgetary allocation etc. on case to case basis.

### **Foreign Currency Loans-**

Foreign Currency Loans (accounted for 0.06%, 0.06% 0.06% ) our total loan assets as of March 31, 2023, 2022 and 2021, respectively .

### **Short-term loans**

We provide short-term loans to borrowers to meet their immediate funding requirements. Short-term loans accounted for 4.99%, 0.16% and 1.80% of our total loan assets as of March 31, 2023, 2022 and 2021, respectively. These loans are Rupee-denominated and primarily relate to the purchase of fuel for power plants, consumables, essential spares, emergency repair and maintenance of power plant and transmission and distribution infrastructure. Such short-term loans are also extended against receivables of the borrowers.

### **Other Fund-Based Assistance**

Our product portfolio includes providing a comprehensive range of other fund-based assistance, including but not limited to providing financial assistance for purposes of computerization, studies, equipment manufacturing, loans against receivables, buyers’ lines of credit and loans for renewable energy business, including renewable energy produced from biomass, bagasse and municipal waste.

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

*Buyers’ line of credit.* We provide non-revolving Rupee lines of credit for power sector projects in connection with purchase of machinery, equipment and other capital goods (including accessories and spare parts) on a deferred payment basis.

## Non-Fund Based

We also provide non-fund based assistance including default payment guarantees and letters of comfort.

*Deferred Payment Guarantees.* We issue guarantees on behalf of certain power sector projects to guarantee their payment obligations for the debt availed for such projects. As of March 31, 2023, the total amount of Rupee-denominated default payment guarantees issued by us amounted to ₹ 536.62 crore.

*Letters of Comfort.* We provide letters of comfort against our sanctioned term loans to enable borrowers to establish a letter of credit with their banks. The letter of comfort is issued only in cases where it is a prerequisite for EPC contracts or equipment supply contracts of projects financed by us. The letter of comfort is issued after all other pre-disbursement conditions have been complied with. As of March 31, 2023, we had outstanding letters of comfort aggregating ₹ 2,427.96 crore.

## PROJECTS WE FUND

Our project financing activities have been focused primarily on thermal and hydro generation projects, including financing of renovation and modernization of existing thermal and hydroelectric plants. Transmission and distribution projects financed by us include system improvements and projects involving provision of shunt capacitors and meters. We also focus on the promotion and development of other energy sources, including alternate and renewable fuels. As of March 31, 2023, 41.34%, 11.41%, 7.30%, 36.89% and 3.06% of our total loan assets related to power generation projects, renewable projects, transmission projects, distribution projects and others (including transitional finance, computerization, funding of regulatory assets, equipment manufacturer loan, loan against receivables, short-term loans, buyer lines of credit, etc.), respectively.

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

The following table provides territory-wise information relating to our total loan assets (principal outstanding) as of March 31, 2023:

| State             | Amount    |
|-------------------|-----------|
| Andhra Pradesh    | 38,848.32 |
| Assam             | 630.12    |
| Bihar             | 5,275.42  |
| Chhattisgarh      | 16,797.12 |
| Delhi             | 3,224.21  |
| Goa               | 600.00    |
| Gujarat           | 7,829.08  |
| Haryana           | 1,022.87  |
| Himachal Pradesh  | 2,050.46  |
| Jammu and Kashmir | 13,681.09 |
| Jharkhand         | 4,590.09  |
| Karnataka         | 16,824.21 |
| Kerala            | 1,049.68  |
| Madhya Pradesh    | 16,572.46 |
| Maharashtra       | 22,787.49 |
| Manipur           | 109.50    |
| Meghalaya         | 1,491.53  |
| Mizoram           | 9.09      |
| Nagaland          | 2.78      |
| Orissa            | 4,243.95  |
| Punjab            | 13,976.87 |
| Rajasthan         | 54,936.73 |
| Sikkim            | 7,818.50  |
| Tamil Nadu        | 57,456.97 |
| Telangana         | 64,815.24 |
| Tripura           | 96.61     |

(₹ in crore)

| State              | Amount             |
|--------------------|--------------------|
| Uttar Pradesh      | 55,797.30          |
| Uttarakhand        | 1,345.59           |
| West Bengal        | 8,614.43           |
| <b>Grand Total</b> | <b>4,22,497.73</b> |

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

(₹ in crore, except percentages)

| Particulars  | As on March 31, 2023 |             | As on March 31, 2022 |             | As on March 31, 2021 |             |
|--------------|----------------------|-------------|----------------------|-------------|----------------------|-------------|
|              | Amount               | % of total  | Amount               | % of total  | Amount               | % of total  |
| Generation   | 1,74,660.92          | 41.34%      | 1,75,434.21          | 47.02%      | 1,89,577.54          | 51.13%      |
| Renewable    | 48,197.75            | 11.41%      | 36,777.49            | 9.86%       | 37,474.49            | 10.11%      |
| Transmission | 30,841.01            | 7.30%       | 30,499.70            | 8.17%       | 29,344.59            | 7.91%       |
| Distribution | 1,55,871.68          | 36.89%      | 1,28,006.79          | 34.31%      | 1,12,298.51          | 30.29%      |
| Others       | 12,926.37            | 3.06%       | 2,416.42             | 0.65%       | 2,075.85             | 0.56%       |
| <b>Total</b> | <b>4,22,497.73</b>   | <b>100%</b> | <b>3,73,134.61</b>   | <b>100%</b> | <b>3,70,770.99</b>   | <b>100%</b> |

Note: "Others" include BLC, Computerization, Equipment manufacturing, funding of Regulatory Assets, Counterpart funding, DPG, and others

### ***Thermal generation projects***

We provide financing for thermal energy generation projects in the public and private sectors. Such projects include coal- and gas-based power plants.

### ***Hydro generation projects***

We provide financing for hydro generation projects in the public and private sectors. This facilitates an optimal mix of thermal and hydro projects in our loan asset portfolio. In this regard, we have extended loan repayment periods of state sector loans for hydro projects to 20 years after moratorium for hydro projects, effectively increasing the loan tenor for such projects.

### ***Renewable energy projects***

We provide financing for various renewable energy generation projects, including solar, wind, biomass and small hydro projects in the public and private sectors.

### ***Renovation, modernization and life-extension scheme***

We provide financing for renovation, modernization and life-extension projects for old thermal and hydro power plants.

### ***Transmission projects and schemes***

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

### ***Distribution, capacitor and metering schemes***

We provide financing for various projects and entities that establish and upgrade substations and distribution networks in various distribution circles, including the installment of capacitors and meters to reduce losses and improve revenue generation, and to improve the quality and reliability of power supply to consumers.

## **SECTOR-WISE LOAN PORTFOLIO**

We provide financial assistance to the public sector, which includes central, state and joint (i.e., companies that have both

state and central public sector participation) sectors, and to private sector projects.

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

(₹ in crore, except percentages)

| Particulars    | As on March 31, 2023 |             | As on March 31, 2022 |             | As on March 31, 2021 |             |
|----------------|----------------------|-------------|----------------------|-------------|----------------------|-------------|
|                | Amount               | % of total  | Amount               | % of total  | Amount               | % of total  |
| Public sector  | 3,49,765.78          | 82.79%      | 3,14,004.35          | 84.15%      | 3,11,386.55          | 83.98%      |
| Private sector | 72,731.95            | 17.21%      | 59,130.26            | 15.85%      | 59,384.44            | 16.02%      |
| <b>Total</b>   | <b>4,22,497.73</b>   | <b>100%</b> | <b>3,73,134.61</b>   | <b>100%</b> | <b>3,70,770.99</b>   | <b>100%</b> |

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

(₹ in crore, except percentages)

| Particulars    | For the Fiscal 2023 |               | For the Fiscal 2022 |               | For the Fiscal 2021 |               |
|----------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|
|                | Amount              | % of total    | Amount              | % of total    | Amount              | % of total    |
| Public sector  | 63,325.99           | 73.84         | 42,294.59           | 82.54         | 79,050.63           | 89.52         |
| Private sector | 22,430.16           | 26.16         | 8,946.99            | 17.46         | 9,251.42            | 10.48         |
| <b>Total</b>   | <b>85,756.15</b>    | <b>100.00</b> | <b>51,241.59</b>    | <b>100.00</b> | <b>88,302.05</b>    | <b>100.00</b> |

Note

<sup>(1)</sup> The disbursement other than Private Sector Disbursement is considered as Public Sector Disbursement.

<sup>(2)</sup> Our Company's loan disbursement, the amount received from GOI/MOP under RAPDRP/IPDS Schemes (for which our Company is acting as Nodal Agency) was released to concerned utilities as advised by GOI/MOP.

## CONSULTANCY SERVICES

We provide fee-based services for various GoI programs, including acting as a nodal agency for UMPP and R-APDRP projects.

## SOURCES OF FUNDS

Our primary sources of funds include equity capital, internal resources and domestic and foreign borrowings. Our borrowings reflect various sources, maturities and currencies, and include bonds, term loans and commercial paper. Historically, most of our borrowings have been on an unsecured basis.

The following table sets forth certain information relating to our Rupee-denominated and foreign currency-denominated borrowings as of the dates indicated:

(₹ in crore, except percentages)

| Particulars                     | As on June 30, 2023* |               | For the Fiscal 2023 |               | For the Fiscal 2022 |               | For the Fiscal 2021 |               |
|---------------------------------|----------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|
|                                 | Amount               | % of total    | Amount              | % of total    | Amount              | % of total    | Amount              | % of total    |
| Rupee                           | 3,01,313.91          | 82.24         | 3,05,681.39         | 82.53         | 2,71,088.01         | 82.79         | 2,83,147.39         | 85.04         |
| Foreign currency <sup>(1)</sup> | 65,063.52            | 17.76         | 64,686.39           | 17.47         | 56,345.63           | 17.21         | 49,811.95           | 14.96         |
| <b>Total</b>                    | <b>3,66,377.43</b>   | <b>100.00</b> | <b>3,70,367.78</b>  | <b>100.00</b> | <b>3,27,433.64</b>  | <b>100.00</b> | <b>3,32,959.34</b>  | <b>100.00</b> |

<sup>(1)</sup> The Rupee equivalent of foreign currency borrowings is based on the RBI's FBIL data base.

\*The numbers herein includes only principal amount outstanding.

## Rupee resources

Our primary sources of funds are from rupee-denominated bonds and term loans taken in India. In addition, we are classified as an IFC, which enables us to further diversify our borrowings through the issuance of Rupee-denominated infrastructure bonds that offer certain tax benefits to bondholders.

A significant percentage of our rupee-denominated borrowings are raised through the issuance of privately placed bonds in India. As of March 31, 2023, we had outstanding borrowings (principal amount outstanding) aggregating ₹ 2,24,281.61 crore and ₹ 73,801.73 crore in the form of bonds (including Rupee-denominated infrastructure bonds) and Rupee denominated term loans, respectively.

The following table sets forth certain information relating to the Rupee resources (principal amounts outstanding) as of the dates indicated:

(₹ in crore, except percentages)

| Particulars  | As of March 31, 2023 |               | As of March 31, 2022 |               | As of March 31, 2021 |               |
|--|----------------------|---------------|----------------------|---------------|----------------------|---------------|
|  | Amount               | % of total    | Amount               | % of total    | Amount               | % of total    |
| Taxable bonds  | 2,16,022.49          | 72.47         | 1,88,865.66          | 71.58         | 1,98,121.34          | 71.98         |
| Tax free bonds   | 8,259.12             | 2.86          | 8,983.03             | 3.53          | 12,275.11            | 4.61          |
| Term loans from Indian banks, foreign banks and financial institutions | 69,817.90            | 24.17         | 65,762.48            | 25.83         | 61,098.98            | 22.97         |
| Short term loans   | 3,983.83             | 1.38          | 228.59               | 0.09          | 3,763.27             | 1.41          |
| <b>Total</b>   | <b>2,98,083.34</b>   | <b>100.00</b> | <b>2,63,839.76</b>   | <b>100.00</b> | <b>2,75,258.70</b>   | <b>100.00</b> |

### Foreign currency resources

We have raised foreign currency funds through syndicated loans, medium term notes, loans from multilateral agencies and other sources such as FCNR(B) loans, which are foreign currency loans for specific end uses (such as infrastructure) and at interest rates linked to benchmarks such as LIBOR. The following table sets forth certain information relating to our outstanding foreign currency borrowings (principal amounts outstanding only), as of the dates indicated:

(₹ in crore, except percentages)

| Particulars          | As of March 31, 2023 |               | As of March 31, 2022 |               | As of March 31, 2021 |               |
|----------------------|----------------------|---------------|----------------------|---------------|----------------------|---------------|
|                      | Amount               | % of total    | Amount               | % of total    | Amount               | % of total    |
| FCL Bonds            | 37,219.33            | 57.66         | 34,378.78            | 61.08         | 30,871.97            | 61.95         |
| FCL Syndicated Loans | 20,719.21            | 32.10         | 21,781.52            | 38.70         | 18,813.18            | 37.75         |
| Other FCL Loans      | 6,615.95             | 10.25         | 128.07               | 0.23          | 150.65               | 0.30          |
| <b>Total</b>         | <b>64,554.49</b>     | <b>100.00</b> | <b>56,288.37</b>     | <b>100.00</b> | <b>49,835.80</b>     | <b>100.00</b> |

As an IFC, we are also eligible to raise, under the automatic route (without the prior approval of the RBI), ECBs of up to U.S.\$ 750 million in each fiscal year.

### OUR SUBSIDIARIES

#### REC

Our Subsidiary REC's business activities involve financing projects in the entire power sector value chain, be it generation, transmission or distribution including renewable energy projects in India. REC has also been granted "Maharatna" company under the Ministry of Power, Government of India. REC is the Nodal Agency for Government of India's flagship schemes i.e. Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGAYA), Deen Dayal Upadhaya Gram Jyoti Yojana (DDUGJY) and National Electricity Fund (NEF). Further, alongwith our Company, REC has also been designated as Nodal Agency for Revamped Distribution Sector Scheme (RDSS). Besides, REC assists Ministry of Power in monitoring of the Ujjwal Discom Assurance Yojana (UDAY) which seeks to operationally reform and financially turnaround the power distribution companies of the country.

#### PFCCCL

Our wholly owned subsidiary PFCCCL, also provides various technical consultancy and advisory services for power sector projects.

The Services offered by PFCCCL are broadly in the following areas:

- **Transaction Advisory:** End-to-End solutions in Transaction Advisory Services across different areas in power sector (Selection of Sellers/Developers, Reform and Restructuring, Independent Transmission Projects, Privatization of Electricity Distribution in Union Territories, Resolution Plan)
- **Project Development:** Project Development and implementation of various GoI initiatives (Ultra Mega Power Projects, Ultra Mega Renewable Energy Power Parks, Owner's Engineer, Lender's Independent Engineer, Lender's Insurance Advisor, Setting up of Manufacturing Zone for power and renewable energy equipment)
- **PMA / PMC/ GoI Schemes:** Project management and change agents focusing on revamped solutions and aiming for loss reduction (Revamped Distribution Sector Scheme, Procurement of Power, DEEP Portal, Coal Linkage Auction under SHAKTI Scheme, Pilot Scheme, PRAAPTI Portal, Integrated Power Development Scheme)

- **Smart Solutions:** Smart solutions to improve performance and processes, productivity and pro-active planning (Smart Metering, Energy Portfolio Management)
- **Policy Formulation Support:** Support to Government/ Regulators for formulation of Policies, Regulatory framework and Guidelines and SBDs
- **Other Services:** Strategy, Regulatory, Tariff Support, fund mobilization and other aspects of power sector

Our Company is designated by Ministry of Power (MoP) as the ‘Nodal Agency’ for facilitating development of Ultra Mega Power Projects and its wholly owned subsidiary i.e. PFCCL is the ‘Bid Process Coordinator’ for Independent Transmission Projects.

### **PFC Project Limited (PPL)**

PPL (formerly known as Coastal Karnataka Power Limited) was originally set up for managing the UMPPs as per the mandate from GoI. During the current Fiscal, PPL’s MoA has been amended and PPL will now undertake bidding lenders’ backed resolution plans by our Company.

### **REC Power Development & Consultancy Limited (RECPDCL)**

Our Subsidiary, RECPDCL is engaged in the business of bid process coordinator, project implementing agency, project management agency and consultancy services etc.

### **RISK MANAGEMENT**

We have developed various risk management policies and procedures, with particular emphasis on actively managing and controlling our risk exposures. These processes include a detailed appraisal methodology, identification of risks and suitable structuring of credit risk mitigation measures.

We have set up a Risk Management Committee to monitor various risks, examine risk management policies and practices, and initiate action for mitigation of risks relating to our operations.

We have also developed an integrated enterprise-wide risk management policy (“**IRM Policy**”). In order to implement the IRM Policy, our Company has constituted a Risk Management Compliance Committee of Directors and a separate unit called the CRA unit to monitor certain risks identified by our Company.

For managing various risks, our Company has put in place an integrated enterprise-wide risk management mechanism to ensure that the risks are monitored carefully and managed efficiently. In accordance with the RBI Master Direction in order to augment risk management practices in our Company, our Company has a Chief Risk Officer who is involved in the process of identification, measurement and mitigation of risks.

As a financial institution, we are primarily exposed to the following types of risk: credit risk, security risk, liquidity risk, interest rate risk, foreign currency risk and operational risk, each described in further detail below.

#### **Credit Risk**

Credit risk involves the risk of loss arising from the diminution in credit quality of a borrower along with the risk that the borrower will default on contractual repayments under a loan or an advance. We follow a systematic institutional and project appraisal process to assess and mitigate credit risk. These processes include a detailed appraisal methodology, identification of risks and suitable structuring, of credit risk mitigation measures. We use a wide range of quantitative as well as qualitative parameters as part of our appraisal process to make a sound assessment of the extent of underlying credit risk in a project. We evaluate the credit quality of borrowers by assigning risk weightings on the basis of various financial and non-financial parameters. Our lending policies evaluate borrowers’ eligibility criteria with an emphasis on financial and operational strength, capability and competence. For further information, see “– *Project and Entity Appraisal Process*” on page 144.

Although we encourage certain schemes through differential lending rates, the eligibility criteria and our funding decision is guided by the merits of a particular project, and no funds are pre-allocated.

Our key lending terms and conditions are set out in our operational policy statement, which is reviewed from time to time

to align it with market requirements. In addition, we place emphasis on funding projects with short lead times as well as on-going projects.

We evaluate the credit quality of all borrowers by assigning ratings on the basis of various financial and non-financial parameters. In addition, we assign an integrated rating (which is a combination of entity rating and project rating) for private sector generation projects. The interest rates, requirement of collateral securities and exposure limits are calculated on the basis of such integrated ratings.

### **Monitoring of Loans**

We have developed a project monitoring system following the grant of sanctions and execution of loan documents that monitors and tracks project implementation status and identifies risks where intervention is required to minimize the time and cost overruns and consequent slippages in disbursements. A separate project monitoring unit has been set up to monitor the status of projects based on quarterly progress reports, discussions with the borrowers and/or site engineers during site visits, discussions with relevant officials of the borrowers and other methods. The periodic progress analysis is presented before our Board on a quarterly basis. Such reports broadly cover the major areas of concern impacting the project's implementation and withdrawals from us, major reasons for project delays, age-wise delay analysis, major suppliers and agencies associated with the projects, and the cumulative status of our commitments versus disbursements.

For private sector projects, we typically engage the lender's engineers and financial advisors, which are independent agencies who act on behalf of various lenders and consortium members who provide lenders with periodic reports and information concerning the physical and financial progress status of specific projects based on periodic site visits, visits to borrowers' headquarters, and inspection and review of any relevant documents. Our project monitoring unit reviews the reports submitted by the lenders' engineers and prepares a report broadly covering the physical progress, time and cost overrun estimation and delay analysis. The report is submitted to our senior management and Board on a quarterly basis.

### **Appointment of Project monitoring Agency (PMA)**

Project Management Agency (PMA) are being appointed for private sector projects in lieu of LE/LFA/LIA for better coordination, operational efficiency and improved accountability, thereby facilitating better project management and timely implementation of the projects. The PMA shall be responsible for both physical and financial progress review of project inter alia, for monitoring and reporting of any deviations from the appraised milestones/parameters and its impact on the implementation process, review of contracts including LDs, guarantees etc., reasonability of costs, review of expenditure, TRA monitoring etc."

### **Recovery Mechanism**

Our recovery mechanism is characterized by the following features that are intended to ensure timely and efficient recovery from our borrowers: intensive follow-up, rebate for timely payments, suspension of further disbursements and sanctions in case of default. The rebate for timely payments is provided to state sector and central public sector borrowers.

In instances where there has been a default by a borrower, we invoke the security and quasi-security arrangements that have been created in relation to the concerned loan, as detailed in "– Risk Management — Security Risk" below. We also encourage payments due from State sector and Central Public sector borrowers by offering them a rebate for timely payment. In Fiscal 2023, the total rebate offered by us to our borrowers was ₹ 282.32 crore.

### **Non-Performing Assets / Stage-III Loan Assets**

The following table sets forth information relating to our net Stage-III loan assets relating to our net loan assets as of the dates indicated, by sector:

(₹ in crore, except percentages)

| Particulars    | As of March 31, 2023 |                            | As of March 31, 2022 |                            | As of March 31, 2021 |                            |
|----------------|----------------------|----------------------------|----------------------|----------------------------|----------------------|----------------------------|
|                | Amount               | % of total net loan assets | Amount               | % of total net loan assets | Amount               | % of total net loan assets |
| Public sector  | 0.00                 | -                          | 0.00                 | -                          | 0.00                 | -                          |
| Private sector | 4,502.27             | 100.00                     | 6,570.91             | 100.00                     | 7,733.80             | 100.00                     |
| <b>Total</b>   | <b>4,502.27</b>      | <b>100.00</b>              | <b>6,570.91</b>      | <b>100.00</b>              | <b>7,733.80</b>      | <b>100.00</b>              |

We had gross Stage III loan assets of ₹ 16,501.65 crore, ₹ 20,915.28 crore and ₹ 21,150.16 crore as of March 31, 2023,

March 31, 2022 and March 31, 2021, respectively, which represented 3.91%, 5.61% and 5.70% of our total loan assets as of such dates.

## Security Risk

We seek to put in place a number of different security and quasi-security arrangements in relation to the loans that we extend. In relation to financial assistance extended to public sector entities and projects, we obtain one or more of the following: (i) a priority claim over the surplus revenue from state power utilities over any loan granted by the relevant state government to other entities; (ii) an irrevocable guarantee from the relevant state governments; (iii) security in the form of a charge over the relevant project assets; and (iv) a negative lien from some of our borrowers.

Majority of our loans to government sector borrowers are supported by an escrow arrangement. The escrow agreement is typically a tripartite agreement entered into by our Company, the borrower and the bank designated as escrow agent. Under the terms of the escrow agreement, the borrower is required to deposit all of its receivables (from certain centers) into the designated escrow account and the borrower is specifically prohibited from opening any other account for the purpose of collection of revenues without our written consent. In the event of a default in payment by the borrower, the escrow agent, is upon demand by our Company, authorized to pay the amount owed to us from the monies deposited in the escrow account. In addition, the escrow agent is required to submit monthly bank statements of the escrow account to our Company. As of March 31, 2023, 84.05% of our outstanding loans to government sector power utilities involve such an escrow mechanism.

In the case of private sector power projects, security is normally obtained through: (i) a first priority *pari passu* charge on assets; and (ii) a trust and retention arrangement in relation to all of the cash flows of the project pursuant to a trust and retention account agreement (“**TRA Agreement**”). The TRA Agreement is usually entered into among our Company, the borrower and a bank designated as the account bank. Under the terms of the TRA Agreement, the cash flows of the project are controlled by the account bank which must deal with the cash flows strictly in accordance with the terms of the TRA Agreement. The TRA Agreement specifies the conditions that must be satisfied, on a periodic basis, before funds from the trust account can be used to meet the relevant expense and the manner in which such payments will be made, including payments by way of debt service to our Company throughout the life of the loan. The account bank is not permitted to allow any withdrawal of funds in excess of the approved limits without the prior approval of our Company. The TRA Agreement continues to operate until all of the obligations have been indefeasibly and irrevocably paid by the borrower. The TRA Agreement also specifies the payment waterfall that would apply upon the occurrence of an event of default or a potential event of default in relation to the loan, and which gives priority to the secured lenders.

For private sector borrowers, apart from stipulating the primary security as discussed above, we also stipulate various collaterals, *inter alia*, pledge of shares held by the promoters, debt service reserve account, and personal or corporate guarantees. Pursuant to our policy, the structure of collateral is formulated on the basis of an integrated rating, which is a combination of entity (promoter) rating and project rating, and these ratings are the outcome of the appraisal process of the borrower.

## Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect our financial condition. The primary interest rate-related risks that we face are from timing differences in the maturity of our fixed rate assets and liabilities. For example, in an increasing interest rate environment, if our fixed rate liabilities mature prior to our fixed rate assets, we will be required to incur additional liabilities at a higher interest rate, and re-pricing risk, for example, where there is an adverse mismatch between the re-pricing terms of our loan assets and our loan liabilities.

Interest rates are dynamic and dependent on various internal and external factors including cost of borrowing, liquidity in the market, competitors’ rates, movement of benchmarks such as AAA bond/GoI securities yields and RBI policy changes. The interest rate risk is managed by the analysis of interest rate sensitivity gap statements and by evaluating the creation of assets and liabilities with a mix of fixed and floating interest rates.

We review our lending rates periodically based on prevailing market conditions, borrowing cost, yield, spread, competitors’ rates, sanctions and disbursements. Our incremental Rupee lending interest rates are usually made with either a three-year or ten-year interest reset clause. In order to manage pre-payment risks, our policy is to require a pre-payment premium to be paid by the borrower in case of pre-payment.



We have historically implemented, and may in the future implement, interest rate risk management through the contractual terms of our loans, including pricing terms, maturities, and pre-payment and re-pricing provisions. In addition, all loan sanction documents specifically entitle us to vary the interest rate on the undisbursed portion of any loan.

For additional information on our interest rate risk, see “*Risk Factors — Volatility in interest rates affects our Company’s lending operations and may result in a decline in our Company’s net interest income and net interest margin and adversely affect our Company’s return on assets and profitability*” on page 37.

## Liquidity Risk

Liquidity risk is the risk of our potential inability to meet liabilities as they become due. We face liquidity risks, which could require us to raise funds or liquidate assets on unfavorable terms. We manage liquidity risk through a mix of strategies, including forward-looking resource mobilization based on projected disbursements and maturing obligations.

Our company has put in place an Asset Liability Management System and constituted an Asset Liability Management Committee (ALCO) headed by Director (Finance). ALCO monitors risks related to liquidity and interest rate and also monitors implementation of decisions taken in the ALCO meetings. The Asset Liability Management framework includes periodic analysis of long term liquidity profile of asset receipts and debt service obligations. While the liquidity risk is being monitored with the help of Asset Liability gap analysis, the interest rate risk is managed by analysis of interest rate sensitive gap statements. Such analysis is made on periodic basis in various time buckets and is being used for critical decisions regarding the time, volume and maturity profile of the borrowings and creation of mix of assets and liabilities in terms of time period (short, medium and long-term) and in terms of fixed and floating interest rates

To ensure that we always have sufficient funds to meet our commitments, our Company maintains sufficient liquidity to meet immediate disbursements and other obligations. At present surplus funds are invested as per the policy in financial instruments which includes short-term deposits with banks and debt oriented liquid mutual funds, etc.

The asset liability management maturity pattern of items of assets and liabilities as on March 31, 2023, is set out below:  
(₹ in crore)

| Bucket as at March 31, 2023     | Deposits/<br>Investments | Advances           | Domestic<br>Borrowings | Foreign Currency Items |                  |
|---------------------------------|--------------------------|--------------------|------------------------|------------------------|------------------|
|                                 |                          |                    |                        | Assets                 | Liabilities      |
| 1 to 7 days                     | -                        | 588.78             | -                      | -                      | -                |
| 8 to 14 days                    | -                        | 2,500.44           | 2,955.28               | -                      | -                |
| 15 days to 30/31 Days           | 1,471.96                 | 3,324.89           | 6,472.54               | -                      | 5.89             |
| Over 1 Month upto 2 Months      | 1,199.36                 | 2,248.07           | 2,652.04               | -                      | -                |
| Over 2 Months upto 3 Months     | 5.09                     | 2,982.71           | 10,963.41              | -                      | 6.57             |
| Over 3 Months and upto 6 Months | 5.00                     | 15,115.04          | 9,325.88               | -                      | 2,055.42         |
| Over 6 Months and upto 1 Year   | 9.71                     | 26,182.74          | 13,910.84              | --                     | 7,034.08         |
| Over 1 Year and upto 3 Years    | 100.24                   | 72,751.80          | 70,458.74              | -                      | 11,261.13        |
| Over 3 Years and upto 5 Years   | 105.43                   | 68,525.33          | 65,123.12              | -                      | 8,573.42         |
| Over 5 Years                    | 15,879.32                | 2,16,278.55        | 1,16,221.48            | -                      | 35,617.98        |
| <b>Total</b>                    | <b>18,776.11</b>         | <b>4,10,498.35</b> | <b>2,98,083.33</b>     | -                      | <b>64,554.49</b> |

Note: In the above table, the principal cash flows net of provision relating to Stage III assets have been considered in over five years bucket irrespective of the maturity date. Further, Bonds with put and call option have been shown considering the earliest exercise date. Further, the commercial papers and zero coupon bonds have been shown at the maturity value.

## Foreign Currency Exchange Risk

Foreign currency exchange risk involves exchange rate movements among currencies that may adversely impact the value of foreign currency-denominated assets, liabilities and off-balance sheet arrangements. We have foreign currency borrowings that could expose us to foreign currency exchange rate risk, and we expect to increase our foreign currency-denominated borrowings in the future.

We have developed a Currency Risk Management (“CRM”) policy to manage risks associated with foreign currency borrowings. We manage foreign currency risk and interest rate risks in foreign currency by lending in foreign currency and through derivative products (such as currency forwards, options, principal only swaps, interest rate swaps and forward rate agreements) offered by banks who are authorized dealers. Our CRM policy lays down the appropriate systems and controls to identify, measure, monitor, report and manage currency risks, including interest rate risk. Some of the important features of the CRM policy include benchmarks, hedging ratios, open position limits and exposure limits with regard to empaneled banks. In addition, foreign exchange exposures are evaluated on a loan-to-loan basis, and the

exposure is managed in accordance with the various parameters defined in the CRM policy. Every month, the details of foreign currency exposure, and open and hedged positions are submitted to the Risk Management Committee, and such details are submitted every quarter to the Audit Committee and the Board.

As on March 31, 2023, the details of outstanding foreign currency liabilities are US\$ 5,841 million, JPY 132,381 million and € 932 million; out of which US\$ 4,035 million and JPY 40,905 million and € 566 million; are hedged. Further, 82% of the foreign currency portfolio with residual maturity up to five years has been hedged.

As of March 31, 2023, our foreign currency liabilities that are not hedged by a derivative instrument or otherwise were US\$ 1,806.2 million, € 365.6 million and #JPY 91,476 million. For additional information on our foreign currency risk, see “Risk Factors — Volatility in foreign exchange and un-hedged foreign currency could adversely affect our Company’s financial conditions and results of operations” on page 40.

*#includes JPY loan liability hedged for one leg (USD/JPY) for ₹ 5,653.18 crore as at March 31, 2023.*

## **Operational Risk**

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

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

*Operational controls in treasury activities.* Our operational policy statement for the deployment of surplus funds provide a description of operations to be followed including suitable exposure and counterparty limits. Compliance with our guidelines is monitored through internal control and a well-developed audit system including external and internal audits.

## **Legal Risk**

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

## **PROJECT AND ENTITY APPRAISAL PROCESS**

Our lending policies are set out in our operational policy statement. We use a wide range of quantitative as well as qualitative parameters as part of our appraisal process to make a sound assessment of the extent of underlying credit risk in a project. We evaluate the credit quality of borrowers by assigning risk weightings on the basis of various financial and non-financial parameters. Our lending policies evaluate borrowers’ eligibility criteria with an emphasis on financial and operational strength, capability and competence.

### ***Project Appraisal***

We follow a separate project appraisal process for private and state or central public sector entities, which primarily involves a technical appraisal and a financial feasibility appraisal of the project.

*Private sector projects.* The appraisal process for the private sector involves two stages. Initially, a preliminary appraisal is carried out to scrutinize the basic information submitted by the borrower in the first stage. In the second stage, a detailed appraisal is carried out for shortlisted projects on the basis of the findings of the preliminary appraisal.

*Public sector projects.* A detailed appraisal is carried out for state or central public sector projects, and the project is analyzed based on various parameters, such as, its technical and economic soundness, compatibility with integrated power development and expansion plans of the state. Checks are also carried out to see whether the project has the requisite clearances in place, and is compliant with environmental standards and guidelines.

Detailed project appraisal involves technical and financial appraisal covering the following:

- project purpose, scope and location;
- need and justification supported by relevant studies;
- review of technology;
- forward and backward linkages (including fuel supply and transportation, water availability, power evacuation and sale of power) and their status;
- review of the contractual arrangements for the implementation of the project such as the EPC contract, power purchase agreement, fuel supply agreements, fuel transportation agreement and bulk power transmission agreement;
- present status of the project in terms of both physical and financial preparedness;
- regulatory compliance, statutory and non-statutory clearances;
- power evacuation arrangements;
- arrangement for O&M of the plant;
- implementation plan;
- review of cost, financing plan and phasing of expenditure;
- anticipated tangible and intangible benefits;
- identification of various risks and their mitigation; and
- financial modeling and projections, determination of project viability and sensitivity analysis.

Once the analysis has been completed, pre-commitment, pre-disbursement and other conditions are stipulated. As part of the project appraisal process, we evaluate each project and assign scores based on a range of quantitative and qualitative parameters. Quantitative parameters include the first full-year cost of generation, levelized tariff and average Debt Service Coverage Ratio (DSCR). Qualitative parameters include power off-take structure and payment security mechanisms, long-term fuel supply and transportation agreements and their commercial terms, construction contracts, methodology of award and the commercial terms and experience of the O&M contractor. For central/state sector projects, security is generally in the form of government guarantees, or a first charge on the existing and/or future assets and/or an escrow account mechanism. Private sector projects are generally secured either by a charge on assets, assignment of project contracts, first charge on all letters of credit, TRA, DSRA, other reserves and other bank accounts that are maintained by the project, and collateral in the form of a pledge over shares, DSRA or corporate or personal guarantees from the promoters.

Following the sanction of a loan to a public sector project, we typically undertake activities such as the completion of the necessary documentation for the sanction, disbursements and project review and monitoring, which involves obtaining progress reports on a quarterly basis, review and analysis of the reports and undertaking site visits as required by the project monitoring unit. Our project monitoring unit reviews the lender engineer's report and prepares an exception report based on the same. The exception report is submitted to our senior management and Board periodically.

### ***Entity Appraisal***

We follow a systematic entity appraisal process developed separately for public and private sector entities.

### ***Public sector appraisal***

We provide financial assistance to public sector borrowers based on entity and project appraisal. As part of our entity appraisal process, we evaluate the entity with reference to a set of qualitative and quantitative factors covering financial and operational efficiency, progress made towards implementing the GoI's reform program in the state power sector and

development of the regulatory framework. We categorize state power utilities into five categories, from A++ through to C, based on pre-determined parameters including operational and financial performance of the utilities. These categories enable us to determine credit exposure limits and the pricing of loans to be given to the SPUs. All new successor SPUs created from entities that were previously SEBs are assigned the category of the former entity for up to 30 months from the commencement of commercial operations by the successor entity. For loans that were originally guaranteed by the relevant state government, such state governments continue as guarantors. SPUs that are incorporated to develop new projects are categorized based on the strength of their respective promoters. The categorization methodology enables us to identify the relative strength and weakness of each entity. These categories are used to determine credit exposure limits, security requirements and the pricing of loans given to SPUs.

### ***Private sector appraisal***

We use a range of quantitative as well as qualitative parameters in our entity appraisal process to assess the capability of the promoters of the borrower to contribute equity towards the project and their overall creditworthiness. The promoters are subjected to an evaluation methodology that analyzes their business and financial flexibility. Based on this analysis, the promoters are graded depending upon their performance against pre-determined benchmarks. Promoters who are not assessable under the methodology are assigned notional scores in accordance with certain pre-determined criteria. These scores determine the overall grading of the promoters which is referred to as an “entity rating” in our appraisal process. Such entity rating enables us to identify the extent of an advance payment of equity required to mitigate equity infusion-related risks. The entity rating is combined with a project rating to produce an integrated rating which is used to determine the pricing of the loan, the amount of the loan to be extended, and the requirement of collateral securities and other covenants.

## **INSTITUTIONAL DEVELOPMENT ROLE AND GOI 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. These institutional, structural and procedural reforms are aimed at achieving operational and commercial efficiency, and improved viability of state power utilities; improving delivery of services and achieving cost effectiveness through technical, managerial and administrative restructuring of utilities; creating an environment that will attract private capital, both domestic and foreign, to supplement public sector investment; operating state power utilities in a manner that enables them to generate sufficient returns to meet operational and investment requirements; and achieving energy conservation through integrated resource planning, demand side management and minimizing waste.

We were established as an integral part of, and continue to play a strategic role in, the GoI’s initiatives for the development of the power sector in India. We work closely with GoI instrumentalities, state governments and power sector utilities, other power sector intermediaries and private sector clients for the development and implementation of policies and structural and procedural reforms for the power sector in India. In addition, we are involved in various GoI programs for the power sector, including acting as a nodal agency for the UMPP and R-APDRP (subsumed under the IPDS).

### **A. Ultra Mega Power Projects (“UMPP”)**

The GoI introduced the UMPP program with the objective of developing large capacity power projects in India in 2005-2006. We have been designated to act as a nodal agency by GoI for the development of UMPPs, each with a contracted capacity of approximately 4,000 MW. These UMPPs, among others, utilize the principle of economies of scale and the mechanisms of supercritical technology to reduce emissions and lower tariff costs.

PFC Consulting Limited (a wholly-owned subsidiary of PFC) along with MoP and CEA undertake preliminary site investigation activities, land acquisition activities, site specific studies to obtain appropriate regulatory and other approvals for land, water, coal block, environment etc. necessary to conduct catalyst of the bidding process. The successful bidder is then expected to develop and implement these projects.

A total of 19 Special Purpose Vehicles (SPVs) have been incorporated as wholly-owned subsidiaries for 14 UMPPs. Out of these, 4 UMPPs are awarded and 4 UMPPs are closed.

In reference to closed UMPPs, SPVs namely Tatiya Andhra Mega Power Limited (2nd Andhra UMPP), Coastal Maharashtra Mega Power Limited (Munge UMPP) and Chhattisgarh Surguja Power Limited (Chhattisgarh UMPP) are struck-off from the records of RoC in Fiscal 2023. Further, SPV namely Coastal Karnataka Power Limited. (Karnataka UMPP) has been renamed as PFC Projects Limited and is now being used for bidding stressed assets projects.

During the Quarterly Progress Review Meeting taken by Secretary (Power), MoP held on September 23, 2022, it was deliberated that the UMPPs may be closed in view of the country making the energy transition. Accordingly, PFC/PFCCL is in the process of closure of 6 UMPPs.

## **B. Independent Transmission Projects (ITPs)**

Ministry of Power has also initiated Tariff Based Competitive Bidding (TBCB) Process for development and strengthening of Transmission system through private sector participation.

The objective of this initiative is to develop transmission capacities in India and to bring in the potential investors after developing such projects to a stage having preliminary survey work, identification of route, preparation of survey report, initiation of process of land acquisition for sub-stations, if any, initiation of process of seeking forest clearance, if required etc.

Our wholly owned subsidiary PFCCL, has been nominated as 'Bid Process Coordinator' by Ministry of Power, Government of India for the development of independent transmission projects.

For ITPs, PFCCL plays the lead role in developing the projects to a stage having preliminary survey work, identification of route, preparation of survey report, initiation of process of land acquisition, initiation of process of seeking forest clearance, if required and to conduct bidding process etc.

As on March 31, 2023, our Company has established two SPVs and 47 SPVs have been established by our wholly-owned subsidiary, PFCCL for ITPs. As on March 31, 2023, out of 49 SPVs, 36 SPVs were transferred to the successful bidders and bidding process for eight SPVs are under progress. Further, due to de-notification of schemes by MoP, four SPVs were closed and one SPV is under process of closure.

## **C. Revamped Distribution Sector Scheme (RDSS) and Integrated Power Development Scheme (with R-APDRP subsumed in it)**

Our Company is involved in various GoI programs for the power sector, including acting as a nodal agency for the IPDS (R-APDRP subsumed) and Revamped Distribution Sector Scheme (RDSS) launched by Government of India in July, 2021.

### **REVAMPED DISTRIBUTION SECTOR SCHEME (RDSS)**

Ministry of Power *vide* office memorandum dated July 20, 2021 has conveyed sanction of President of India for implementation of "Revamped Distribution Sector Scheme (RDSS) – A Reforms-based and Results-linked, Distribution Sector Scheme" to improve the operational efficiencies and financial sustainability of DISCOMs, by providing financial assistance to DISCOMs for upgradation of the distribution infrastructure and prepaid smart metering and system metering based on meeting pre-qualifying criteria and achieving basic minimum benchmarks in reforms.

Our Company and REC are the designated nodal agencies for operationalization of the Scheme, as per RDSS guidelines and directions of inter-ministerial Monitoring Committee/ MoP from time to time. As nodal agencies we are eligible for 0.5% of the sum total of the gross budgetary support component of the various projects approved by Monitoring Committee as its fee. Our Company is the nodal agency for 17 States/ UTs under the Scheme. The approved projects under IPDS/R-APDRP were subsumed in RDSS. All State-owned distribution companies and State/ UT Power Departments excluding private sector companies are eligible for financial assistance under the RDSS Scheme. The implementation period of the Scheme is 5 Years (Fiscal 2022 to Fiscal 2026).

### **Scheme Objectives**

1. Improve the quality, reliability and affordability of power supply to consumers through a financially sustainable and operationally efficient distribution sector.
2. Reduce AT&C losses to pan-India levels of 12-15% by 2024-2025.
3. Reduce ACS-ARR gap to zero by 2024-2025.

### **Scope of RDSS Scheme**

The Scheme has two parts:

1. Part A covers metering works (prepaid smart metering for consumers and system metering) and distribution infrastructure works (loss reduction; modernization and system augmentation components).
2. Part B covers training and capacity building and other enabling and supporting activities.

### Outlay and Budgetary Support

The Scheme has an outlay of ₹ 3,03,758 crores with an estimated gross budgetary support of ₹ 97,631 crores from the Government of India.

### Financial Assistance under RDSS (as on March 31, 2023)

(₹ in crore)

| Scheme | Fiscal 2023   |                       | Cumulative upto March 31, 2023 |                       |
|--------|---------------|-----------------------|--------------------------------|-----------------------|
|        | Approved Cost | GoI Fund Disbursement | Approved Cost                  | GoI Fund Disbursement |
| RDSS   | 54,534        | 1,142                 | 1,16,951                       | 1,679                 |

Targeted infrastructure creation under RDSS in States allocated to our Company –

1. 500 new Substations
2. Over 4,00,000 Distribution transformers
3. 7.5 lakh ckm of AB and XLPE cables
4. 7 lakh ckm of overhead lines

### Other Initiatives

1. Our Company is supporting the States by preparing Model Bidding Documents for Automation and ERP projects under RDSS.
2. Our Company has tied-up with Asian Development Bank (ADB) for funding of \$ 500 MN for sanctioning counterpart loan to State DISCOMs under RDSS Scheme.
3. Our Company shall develop a Centre of Excellence in the form of National SCADA Resource Centre (NSRC) under RDSS at NPTI, Faridabad for developing the technical and operational skills of the Distribution Workforce across SCADA/ DMS systems supplied by multiple OEMs.
4. Our Company (alongwith REC) has developed an Integrated web portal that will serve as single version of truth for various government Schemes as well as vital reports being published by our Company / REC i.e. RDSS Scheme, DISCOM Integrated Rating (IR) Report, DISCOM Performance Report, Consumer Services Rating of DISCOMs (CSR), PRAAPTI Portal, Energy audit reports etc.
5. Our Company for taking-up capacity building/ training programme for employees of DISCOMs under RDSS by engaging NPTI.
6. Till March 31, 2023, 175 training programs were conducted through NPTI covering 6,490 DISCOM personnel.
7. Our Company is supporting skill development of the workforce for rolling out the RDSS Smart metering program by training 1,000 persons on various job-roles under our CSR Programme.
8. Our Company, in partnership with The United States Agency for International Development (USAID) has launched the South Asia Distribution Utilities Network (DUN), a regional platform to foster collaboration among electricity distribution Utilities across Bangladesh, Bhutan, India, Maldives, Nepal and Sri Lanka for the reform and modernization of the sector. Our Company acts as the anchor institution with technical support from USAID through its South Asia Regional Energy Partnership (SAREP) program.

9. Our Company with technical assistance of Foreign Commonwealth and Development Office (FCDO), Government of UK in association with MoP, GoI has developed Digital Utility Manager (DUM) Training Programme. The program aimed at proactive technology adoption at DISCOMs, to have flexibility in the mode of learning making this self-paced, covering frontier technologies such as Smart Grids, AMI, EVs, Energy Storage, AI/ ML, Blockchain, Robotics etc.
10. Our Company is also handholding the DISCOMs in incorporating better corporate governance practices.

#### **D. Ujwal Discom Assurance Yojna (“UDAY”)**

The UDAY scheme, which was notified by the GoI on November 20, 2015, aims to bring about a financial turnaround of power Discoms and applies to state Discoms. The broad objectives of the scheme, among others, are to:

- Financial Turnaround for participating states
- Operational improvement
- Reduction of cost of generation of power
- Development of Renewable Energy
- Energy efficiency and conservation

The Scheme incentivizes the States by exempting State takeover of DISCOM debts from Fiscal Responsibility and Budget Management (FRBM) limits for two years; increased supply of domestic coal; coal linkage rationalization; liberally allowing coal swaps, allocation of coal linkages to States at notified prices and additional/priority funding in Schemes of Ministry of Power and Ministry of New & Renewable Energy, if they meet the operational milestones in the Scheme. As of March 31, 2023, a total of 32 Indian states and union territories have signed the memorandum of understanding under the UDAY scheme.

#### **Liquidity Scheme for DISCOMs under Atmanirbhar Bharat initiative of Government of India (“DISCOM Liquidity Package”)**

The Finance Minister on May 13, 2020 rolled out a ₹ 20 lakh crore stimulus package aimed at spurring growth and building a self-reliant India and combating the effects of the COVID 19 related pandemic. In order to address liquidity issues in the power sector value chain, the Government of India mandated our Company and our subsidiary, REC, to disburse ₹ 90,000 crore to DISCOMs to cover the outstanding dues of the DISCOMs up to March 31, 2020.

The loan amount was restricted to the outstanding dues of CPSUs generating companies, transmission companies, IPPs and RE generators and after considering receivables against electricity bill dues and undisbursed subsidy of DISCOMs from state government departments, companies, bodies, ULIBs, PRIs etc. The loans are secured with unconditional and irrevocable State Government guarantee covering the loan amount along with interest and any other charges towards the loan.

#### *Late Payment Surcharge (LPS) Rules, 2022*

Ministry of Power (MoP) vide Gazette Notification dated June 3, 2022, notified “The Electricity (Late Payment Surcharge and Related Matters) Rules, 2022” (LPS Rules). These rules provide a mechanism for settlement of outstanding dues of Generating Companies, Inter-State Transmission Licensees and Electricity Trading Licensees.

The rules provide for clubbing of all outstanding dues (as on June 3, 2022) including Principal, Late Payment Surcharge etc., into a consolidated amount which can be paid in interest free Equated Monthly Instalments (EMI). The maximum number of such EMIs can be 48 based on the quantum of the total outstanding dues. The rules also indicate modalities for implementation and also penalties for not making payments, in line with the Re-determined Payment Schedule. The extent of funding shall be limited to total amount of outstanding dues of the borrower being rescheduled under the LPS rules, which should be in line with the borrower’s communication to all the suppliers. The same shall be confirmed by the respective borrower. The borrower shall provide State Government Guarantee as security for the loan. Our Company may also stipulate any additional security like budgetary allocation etc. on case to case basis. Further, for payment security, a Default Escrow Account to the satisfaction of our Company, shall necessarily be provided by the Borrower

#### **BUSINESS DIVERSIFICATION INITIATIVES**

We expect to continue to play a key role in promoting coordinated and accelerated growth of the power sector in India, and intend to strategically expand our business and service offerings.

### ***Renewable Energy and CDM Initiatives***

The Ministries of Power and New & Renewable Energy have rolled out a slew of reforms to push mainstreaming of energy from green and sustainable sources and achieve the 500 GW target. Towards this end, thermal power generators have been allowed to set up renewable energy capacities on their own or through dedicated developers and to supply it to the consumers under the existing PPAs.

We have strategically increased our focus on renewable energy projects, including solar, wind, biomass and small hydro projects, to capitalize on the GoI's various renewable energy initiatives. These initiatives include certain minimum specified percentages of state distribution utilities' total power requirements required to be met from renewable energy sources and special tariffs for renewable energy projects.

We continue to provide financing for public and private sector renewable energy generation projects. As of March 31, 2023, the total amount of loans that we extended to renewable energy projects which remains outstanding was ₹ 48,197.75 crore.

### ***Forward and Backward Linkages***

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

*Capital equipment manufacturers.* We believe that significant capacity addition in the Indian power sector requires an augmentation of equipment manufacturing capacities for capital equipment for all segments of the power sector, namely, generation, transmission and distribution. We continue to provide financial assistance to manufacturers of equipment used in the power sector, including transmission and distribution equipment and solar and wind energy generation equipment.

*Fuel sources and related infrastructure development.* The GoI has introduced various reforms for the development of fuel sources for thermal power generation projects, including the allocation of coal blocks to the public and private sector entities, as well as the development of related infrastructure facilities for the transportation of coal and other fuel sources such as natural gas. We intend to provide financing assistance to fuel supply projects and related infrastructure development projects such as electrification infrastructure as well as the development of rail and port infrastructure, which are integral to the development of the power sector in India.

*Power trading.* We continue to strategically focus on power trading initiatives in India.

### ***Debt Syndication***

We intend to increase our focus on debt syndication activities in the power sector. We plan to continue to target debt syndication opportunities and believe that our technical knowledge and industry experience, project appraisal capabilities, and relationship with commercial banks and other financial institutions enable us to ensure timely completion of such projects.

## **CORPORATE GOVERNANCE**

We believe in the adoption of corporate governance standards that are credible, consistent and coherent. Our philosophy of corporate governance encompasses the characteristics of adequate disclosure, focused approach, compliance with laws, a professional board, and ultimately the target of maximizing shareholder value while addressing the interests of creditors, employees, the environment and society at large. We intend to comply with the principles of corporate governance set out in the SEBI Listing Regulations.

We have also laid down a comprehensive code of conduct for the Board and senior management personnel which is applicable to all Directors and members of senior management of our Company. It aims to enhance the ethical and transparent way we manage our affairs.



Our Board consists of three independent directors apart from the one GoI nominee Director. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. The Board and its committees meet at regular intervals.

For further details with regard to our Board, please see “*Our Management*” on page 163.

## **COMPETITION**

As a leading financial institution in India focused on the power sector, we believe that our experience in implementing GoI policies and programs, industry knowledge, relationships with clients and large client base enables us to be a preferred financing provider for the power sector in India. Our primary competitors include infrastructure finance companies; public sector banks and private banks (including foreign banks); multilateral development institutions; insurance companies that either lend to the power sector directly or work in conjunction with other financial services firms to lend to the infrastructure sector; as well as private equity firms that focus on private equity, buyouts and mezzanine financing for the power sector. For further information, see “*Industry Overview*” and “*Risk Factors – 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*” on pages 91 and 21, respectively.

## **EMPLOYEES**

We have an experienced, qualified and committed management and employee base. As of March 31, 2023, we had 519 employees. In addition, we employ contract laborers from time to time. We believe that we have an efficient and lean organizational structure relative to the size of operations and profitability. We have a registered trade union under the Trade Unions Act, 1926. The per employee profit for Fiscal 2023 was ₹ 22.36 crore which indicates a high level of employee productivity.

## **CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT**

Our Company has a CSR Policy in line with Section 135 of the Companies Act, 2013 and Companies (CSR) Rules, 2014. The aim of our CSR Policy is to ensure that our Company becomes a socially responsible corporate entity committed to improving the quality of life of society at large. To oversee the activities of CSR, our Company has in place a Board level CSR&SD Committee of Directors headed by an Independent Director.

In conformity with the provisions of the Companies Act, 2013 and the rules framed thereunder, for Fiscal 2023, our Board had approved a CSR budget of ₹ 178.58 crore based on at least 2% of the average net profit made during the three immediately preceding financial years (to be calculated in accordance with section 198 of Companies Act, 2013 and Rule 2(h) of Companies (CSR Policy) Rules 2014). During the Fiscal 2023, our Company implemented a wide range of activities in the field of Environment Sustainability, Rehabilitation and Reconstruction Activities, Healthcare, Education, Sports, Sanitation and Drinking water and Skill development and Livelihood etc. Further, as per DPE’s mandate, our Company has also been contributed to thematic areas i.e. ‘Health and Nutrition, with preference given to Aspirational Districts.

## **CERTIFICATIONS**

We were awarded the ISO 9001:2015 certification with effect from January 9, 2022, valid until January 8, 2025 and 45001: 2018 certification with effect from July 16, 2022, valid until July 15, 2025, with respect to its operations.

## **INSURANCE**

We maintain insurance for our physical assets, such as office and residential properties. However, the amount of the insurance coverage may be less than the replacement cost of such property and may not be sufficient to cover all potential losses that we may suffer should a risk materialize. For risks associated with inadequate insurances, see “*Risk Factors — Our insurance may not be adequate to protect against all potential losses to which we may be subject*” on page 44. In addition, we maintain customary insurance for employees in case of accident or death as well as directors’ and officers’ liability insurance.

## **INFORMATION TECHNOLOGY**

We have implemented the following IT initiatives:

- all major business processes such as project appraisal, financial and loan accounting management, resource mobilization and treasury management, payroll and human resources have been computerized onto a centralized data base by using on-line transactional applications such as “Oracle ERP”, resource mobilization and treasury management modules, and an integrated power financing system;
- a web-based self-help employee portal has been implemented with an on-line claim processing system to facilitate partially paperless filing of various claims and to enable claim status to be viewed easily;
- a 24x7 operational data center is housed with ERP, databases, applications, networks, email system and anti-virus servers, with backup power and a temperature-controlled environment with data backup systems;
- a comprehensive network security system to secure data has been implemented with a firewall and an intrusion detection and prevention system, together with anti-virus and content filtering systems;
- local area networks have been installed, and access to IT facilities such as desktop computers are available to the employees; our Company’s reporting requirements have been met by using financial ERP systems, payroll, an integrated power financing system and resource mobilization and treasury management modules; and
- “oracle apps” for financial ERP systems have been implemented for all financial transactions and reporting covering general ledger, accounts payable and receivables, financial accounting, best-of breed software modules for resource mobilization and treasury management modules. These applications have been in operation since Fiscal 2011.

For information in relation to risks faced in relation to our IT systems, see “*Risk Factors — Security of our Company’s IT systems may fail and adversely affect our Company’s business, operations, financial condition and reputation*”.

## **PROPERTIES**

The details in relation to the properties of our Company are as follows:

**Registered and Corporate Office:** Our registered and corporate office is located at “Urjanidhi”, 1, Barakhamba Lane, Connaught Place, New Delhi. Our Company entered into a memorandum of agreement dated February 5, 2002, with the President of India in relation to our registered office premises, pursuant to which we were required to execute a perpetual lease upon completion of construction of the building where our Registered Office is situated. The perpetual lease deed was executed on March 23, 2011.

**Regional offices:** We also have two regional offices in Mumbai and Chennai, which are taken on lease-hold and freehold basis respectively. In addition to the offices, we also own certain residential properties in New Delhi.

## HISTORY AND MAIN OBJECTS

Our Company was incorporated on July 16, 1986 under the Companies Act, 1956 as a public limited company, registered with the Registrar of Companies, National Territory of Delhi and Haryana (“**RoC**”) with CIN L65910DL1986GOI024862, and received the certificate for commencement of business on December 31, 1987. Further, our Company was incorporated to finance, facilitate and promote India’s power sector development and was notified as a public financial institution under section 2 (72) of Companies Act, 2013 (erstwhile section 4A of Companies Act, 1956) on August 31, 1990.

Our Company is a systemically important non-deposit taking non-banking financial company (“**NBFC**”) registered with the Reserve Bank of India (“**RBI**”) under section 45 IA of the RBI Act, 1934 bearing registration number 14.00004 dated February 10, 1998. On July 28, 2010, our Company was classified as an Infrastructure Finance Company (“**IFC**”) vide registration certificate number B-14.00004. Our Company was also conferred with the ‘Mini Ratna’ (Category – I) status on September 15, 1998 and on June 22, 2007, our Company was notified as a Navratna company by the Government of India (“**GoI**”). Further, on October 12, 2021, our Company was conferred with Maharatna status by the GoI. For further details in relation to the changes in our name, constitution and registration with the RBI, see “*General Information*” on page 53.

For details of the business of our Company, see “*Our Business*” on page 123.

### ***Change in Registered Office of our Company***

The registered office of the Company is currently situated at “Urjanidhi”, 1 Barakhamba Lane, Connaught Place, New Delhi – 110 001, India. Other than disclosed below there are no change in the registered office of our Company.

| Date of change of Registered Office | Details of changes in the address of registered office  |
|-------------------------------------|---|
| March 25, 1988                      | From Room No. 627, Shram Shakti Bhawan, Rafi Marg, New Delhi - 110 001, India to Chandralok, 36, Janpath, New Delhi - 110 001, India        |
| September 23, 2006                  | From One Chandralok, 36, Janpath, New Delhi - 110 001, India to “Urjanidhi”, 1 Barakhamba Lane, Connaught Place, New Delhi – 110 001, India |

### **Main objects of our Company**

The main objects as contained in Clause III A of the memorandum of association, *inter alia*, are:

- i. *To finance projects, activities or works of creation, up-gradation, renovation, improvement, maintenance, repair, modernization, modification, replacement, augmentation, etc. related to generation, transmission, distribution or supply of power of any form including power from sources of renewable energy.*
- ii. *To finance projects, activities or works including electrification works of creation, up-gradation, renovation, improvement, maintenance, repair, modernization, modification, replacement, augmentation, etc. of electrical and electromechanical systems, standalone or that are part of large projects e.g. Projects of Lift Irrigation, Sewage treatment plant, Smart City, Electrification of railway line, etc.*
- iii. *To finance projects, activities, schemes for energy conservation, energy efficiency and environmental aspects of power including cogeneration/tri-generation/combined heat and power, waste heat recovery system(s), e-vehicle(s) and setting up of Charging Stations.*
- iv. *To finance projects for establishment, expansion, modernization, operations, maintenance of units for manufacturing of capital equipment(s) required in power sector including renewable energy and allied sectors.*
- v. *To finance projects, works and activities having a forward or backward linkage with power projects included in clause A1, including but not limited to development of coal and other mining activity(ies) for use as fuel or other fuel supply arrangements for power sector, laying of railway line(s), road(s), bridge(s), port(s), jetty(ies) and harbor(s), gas pipeline(s), gas terminal(s) and to meet such other enabling infrastructure facility(ies) that may be required for a power project included in clause A1.*

- vi. *To finance studies, surveys, investigations, research on any project, activity, or work covered in clauses A1 to A4 and to carry out any activity including consultancy, training, etc. to promote the business interest of the company in any of the clauses A1 to A5.*
- vii. *To lend to Logistics and Infrastructure sectors to the extent permitted by the Government of India.*

*The object incidental or ancillary to the attainment of the main object include the following:*

- i. *To administer the moneys received from time to time as grants or otherwise for the purpose of the Company.*
- ii. *To borrow or raise money or to receive money on deposit or loan at interest or otherwise in such manner as the company may think fit and in particular by the issue of debentures, bonds or debentures stock, perpetual or otherwise and convertible into shares of this or any other company and to secure the repayment of such money borrowed raised or received or owing by mortgage, pledge, charge or lien upon or any other property, assets or revenue of the company (both present and future) including its uncalled capital and to give the lenders or creditors the power of sale and other powers as may seem expedient and to purchase, redeem or pay off any such securities and also by a similar mortgage, charge or lien to secure and guarantee the performance by the company, of any obligation undertaken by the company or any other person, firm or company, as the case may be and to pay commission, fees, brokerage in respect thereof.*
- iii. *To borrow for purposes of the company foreign currency or to obtain foreign lines of credit including commercial loans from any bank or financial institution or Government/Authority in India or abroad.*
- iv. *To develop appropriate criteria of financing power projects including in particular criteria for securing a balanced growth of power in all the regions and to optimise power development and supply.*
- v. *To assign the financial resources more closely with physical requirements of projects in accordance with the national priorities and to secure satisfactory power supply in terms of availability, reliability and quality.*
- vi. *To promote efforts aimed at securing an integrated and efficient power system in accordance with the national policies and priorities and removing critical bottlenecks in power generation, transmission and distribution.*
- vii. *To develop appropriate systems for appraisal of the projects to be financed with particular reference to the techno-economic aspects, availability of managerial competence for proper implementation and financial viability in relation to approved criteria from time to time and to exercise such control and to stipulate such conditions as may be considered necessary for securing sound project construction, management and suitable technical and financial standards.*
- viii. *To develop appropriate concepts and criteria for economic and financial justification of projects and for monitoring implementation of the projects in relation to determined targets and for operation of power plants and systems aimed at attaining greater discipline and efficiency.*
- ix. *To secure close coordination with agencies involved in the power development programmes as necessary for expeditious, effective and timely completion of the projects financed.*
- x. *To secure compliance with the requirements of the relevant laws, rules and regulations with respect to power projects and for such other matters related thereto including clearance and technical scrutiny by the Central Electricity Authority.*
- xi. *To ensure, as a pre-condition for approval of any loans, in respect of inter-State Power Projects or projects of regional importance, the existence of necessary agreement for sharing of power between the participating States.*
- xii. *To act upon such direction or directions on matters related to conduct of business or affairs of the company including in particular on matters concerning identification of projects, choice of schemes, regional priorities, technical, financial, economic, managerial standards and norms for the purpose of financing as may from time to time be given to the company by the President.*

- xiii. *To construct, execute, carry out, improve work, develop, administer, manage or control works which expression in this Memorandum includes electric, light, power, telephonic, telegraphic and power supply works and all other works or conveniences, whatsoever.*
- xiv. *To enter into any contract or arrangement for the more efficient conduct of the business of the company or any part thereof and to sublet any contracts from time to time.*
- xv. *To create any Depreciation Fund, Reserve Fund, Sinking Fund, Insurance Fund, Development Fund, or any other special Fund whether for depreciation, or for repairing, improving, extending or maintaining any of the property of the company or for any other purpose conducive to the interests of the company.*
- xvi. *To establish provide, maintain and conduct experimental workshops for scientific and technical experiments, to undertake and carry on scientific and technical experiments and tests of all kinds, to promote studies, scientific and technical. investigations and inventions by providing, subsidising, engaging or assisting workshops, libraries, lectures, meetings and conferences and generally to encourage, promote and reward studies, investigations, experiments, tests and inventions of any kind that may be considered likely to assist any business which the company is authorised to carry on.*
- xvii. *To provide for the welfare of the employees or ex-employees of the company and the wives, widows and families or the dependents of connections of such persons, by building or contributing to the building of houses, dwellings or chawls, or by grant of money, pensions and allowances, bonus or other payments or by creating and from time to time subscribing or contributing to provident fund and other associations, institutions, funds. or trusts and by providing or subscribing or contributing towards places or instruction and recreation, hospitals and dispensaries, medical, education and other assistance as the company may think fit and to subscribe or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national, public or other institutions or objects or purposes.*
- xviii. *To guarantee the payment of money unsecured or secured, to guarantee or to become sureties for the performance of any contract or obligations.*
- xix. *To enter into any arrangements or agreements with the Government of India, or any local or State Government in India or with any authorities local or otherwise including foreign institutions, associations and agencies or with other persons that may seem conducive to the company's objects or any of them and to obtain from them any rights, powers and privileges, licenses, grants, concessions and assistance which the company may think it desirable to obtain or to carry out, exercise and comply with any such arrangements, agreements, rights, privileges and concessions.*
- xx. *To invest and deal with the moneys of the company in any of the securities, shares, investments, properties, movable and immovable, and in such manner as may from time to time be determined and to sell, transfer or deal in with the same.*
- xxi. *To lend money on mortgage of immovable property or on hypothecation or pledge of movable property or without security to such persons and on such terms as may seem expedient and in particular to persons having dealings with the company.*
- xxii. *To make, draw, accept, endorse, execute and issue cheques, promissory notes, bills of lading, debentures and other negotiable or transferable instruments.*
- xxiii. *To pay for any properties, rights or privileges acquired by the company either in shares of the company or partly in shares and partly in cash.*
- xxiv. *To open accounts with any individual, firm or company or with any bank or bankers or shroffs and pay into and withdraw moneys from such accounts.*
- xxv. *To acquire or take over with or without consideration and carry on the business of agents by themselves or in partnership with others or companies or partnerships or concerns whose objects may be similar, in part or in whole to those of the company.*

- xxvi. *To acquire and undertake the whole or any part of the business, property and liabilities of any person, firm or company carrying on any business which the company is authorised to carry on, or possessed of property suitable for the purposes of this company and to acquire or hold shares therein.*
- xxvii. *To let out on hire all or any of the property of the company whether movable or immovable including all and every description of apparatus or appliances.*
- xxviii. *To enter into partnership or into any arrangement for sharing or pooling profits, amalgamation, union of interests, co-operation, joint ventures or reciprocal concession or otherwise or amalgamate with any person or company carrying on or engaged in. or about to carry on or engage in any business or transactions which this company is authorised to carry on or engage in any business, undertaking or transactions which may seem capable of being carried on or conducted so as to directly or indirectly benefit this company.*
- xxix. *To train and pay for the training in India or abroad any of the company's employees or any candidate or to recruit and employ experts in the interests of or furtherance of the company's objects.*
- xxx. *To sell, let, exchange or otherwise deal with the undertaking of the company or any part thereof for such consideration as the company may think fit, and in particular for shares, debentures or securities of any other company having objects, altogether or in part similar to those of this company.*
- xxxi. *To sell, improve, manage, develop, exchange, lease, mortgage, enfranchise, dispose of, turn to account or otherwise deal with all or any part of property and rights of the company.*
- xxxii. *To promote and undertake the formation of any institution or company for the purpose of acquiring all or any of the property, rights and liabilities of the company or for any other purpose which may seem directly or indirectly calculated to benefit this company or form any subsidiary company or companies.*
- xxxiii. *To receive grants loans, advances or other moneys on deposit, or otherwise from State or Central Government, Banks, Companies, Trusts, institutions, associations, individuals with or without allowance of interest thereon.*
- xxxiv. *To obtain, apply for, arrange for the issue or enactment of order or Act of Legislature or Act of Authority in India or any other part of the world for enabling the company to obtain powers, authorities protection financial and other help. necessary or expedient to carry out or extend any of the objects of the company or for any other purposes which may seem expedient and to oppose any proceedings or applications or any other endeavors, steps or measures, which may seem calculated directly or indirectly to prejudice the company's interests.*
- xxxv. *To subscribe for, underwrite, purchase, or otherwise acquire and to hold, dispose of and deal with the shares, stocks, securities and evidence of indebtedness or the right to participate in profits or other similar documents issued by any Government, authority, corporation or body or by any company or body of persons and any option or right in respect thereof.*
- xxxvi. *To act as an agent of the Government or public sector financial institutions, to exercise all the rights and powers exercisable at any meeting of any company engaged in the planning, investigations, research, design and preparation of preliminary feasibility/and detailed project reports, construction, generation, operation and maintenance of power stations and projects, transmission, distribution and sale of power in respect of any shares held by the Government, public financial institutions, nationalized banks, nationalized insurance companies with a view to secure the most effective utilization of the financial investments and loans in such companies and the most efficient development of the concerned industries.*
- xxxvii. *Generally to do all such other things as may be deemed incidental or conducive to the attainment of the objects or any of them.*
- xxxviii. *To carry on the business of electric supply and to do all things incidental to such business, like purchase or otherwise, acquire from any Government, State or authority any licenses, concessions, grants, decrees, rights, powers and privileges whatsoever which may seem to the company capable of being turned to account and to work, develop, carry out, exercise and to account the same.*
- xxxix. *To acquire the right to use or manufacture and to put up telegraphs, telephones, phonographs, radio transmitting or receiving stations or sets, dynamos, accumulators, and all apparatus in connection with the generation,*

*accumulation, distribution, supply and employment of electricity, including all cables, wires, or appliances for connecting apparatus at a distance with other apparatus, and including the formation of exchanges or centers.*

- xl. To undertake, carry out, promote, and sponsor any programme for development of power supply for promoting the social and economic welfare of, or the uplift of the rural population including in particular the economically weaker sections and to incur any expenditure in respect thereof and to assist execution and promotion thereof either directly or through an independent agency or in any other manner.*
- xli. To undertake, carry out, promote and sponsor or assist any activity for the promotion and growth of national economy and for discharging social and moral responsibilities of the company to the public or any section of the public as also any activity to promote national welfare or social, economic or moral uplift of the public or any section of the public.*

The objects clause and the objects necessary for the furtherance of the main objects of the memorandum of association enable the Company to undertake the existing activities and the activities for which the funds are being raised through this issue.

**Key Events, Milestones and Achievements:**

| <b>Year</b> | <b>Particulars</b>  |
|-------------|---|
| 2020-2021   | <ol style="list-style-type: none"> <li>1. Loan sanctions (₹ 1,10,000 crore) and disbursements (~ ₹ 51,000 crore)</li> <li>2. Recorded highest ever profit during Fiscal 2021</li> <li>3. First time net worth crossed ₹ 50,000 crore mark</li> <li>4. Amended Memorandum of Association – To fund emerging businesses like energy storage, electric vehicles, charging infrastructure etc.</li> <li>5. To boost RE business increased sole lending limits, introduced LoU and project specific funding of RE equipment manufacturers and special rebate to solar with domestic content.</li> <li>6. Net NPAs reduced to 2.30% in Dec, 2020 - Lowest in last 5 years.</li> <li>7. Resolved large stressed assets in Private. Sector with exposure of ₹ 6,400 crore.</li> <li>8. Raised USD 500 million – Achieved lowest ever coupon of 3.35% and oversubscription of 5.1 times</li> <li>9. Launched PFC’s 1st ever public bond issue – Successfully raised ₹ 4,429 crore, oversubscribed 9 times, issue closed within two days</li> <li>10. System strengthening completed in 40 circles covering over 200 towns despite COVID Pandemic.</li> <li>11. Includes 44 new Sub-stations, 2,700 ckm of new overhead lines, 6,000 ckm of Underground/Aerial Bunched cables, 4,000 new Distribution Transformers etc. Under Atmanirbhar Bharat <ol style="list-style-type: none"> <li>a. Instrumental in implementing DISCOM liquidity package – Sanctioned ₹ 59,000 crore and Disbursed ₹ 22,000 crore</li> <li>b. Spearheaded privatization initiative of DISCOMs in UTs – Significant progress made and 2 UTs have already received bids</li> </ol> </li> <li>12. Prepared concept paper for setting up of Common Back-end infra facility for facilitating smart meter installation across the country</li> <li>13. Facilitated an RE-UMPP (in Tamil Nadu) for the 1st time</li> </ol> |
| 2021-2022   | <ol style="list-style-type: none"> <li>1. PFC achieved ‘Maharatna’ status, conferred by Govt. of India, the highest recognition for a Public Sector company</li> <li>2. PFC is the 1st Maharatna company in the financial space in the country</li> <li>3. Achieved highest ever annual profit of ₹ 10,022 crore, up 19% from Fiscal 2021</li> <li>4. Loan sanctions of ₹ 51,616 crore and disbursements of ₹ 51,242 crore</li> <li>5. PFC’s Networth reached ₹ 59,350 crore, up 13% from Fiscal 2021</li> <li>6. CRAR at a healthy level of 23.48%, up 25% from Fiscal 2021</li> <li>7. PFC has declared the highest ever dividend in its history of ₹ 12 per share.</li> <li>8. Achieved lowest NPA levels in last 6 years - Net NPAs at 1.76%</li> <li>9. Resolved 5 stressed assets in Private Sector with exposure of ₹ 2,800 crore</li> <li>10. Cost of funds reduced to 7.30%, down 18 bps from Fiscal 2021 <ol style="list-style-type: none"> <li>a. Capitalized on the low interest rate regime and raised ₹ 35,944 crore through domestic and international markets, with a weighted average maturity of 6.34 years at weighted average marginal cost of 5.27%</li> <li>b. Raised total USD equivalent of 960 million on a fixed rate basis</li> <li>c. About 70% of PFC’s foreign currency borrowing portfolio is on a fixed rate basis, insulating PFC’s P&amp;L from sudden interest rate spikes in the international markets</li> </ol> </li> </ol>   |

| Year      | Particulars  |
|-----------|--|
|           | <p>d. Prepaid high interest rate term loans worth ₹ 5,800 crore during the year</p> <ol style="list-style-type: none"> <li>11. Comprehensively reviewed lending rates, reducing interest rates up to 2.5%, the highest ever reduction in a year.</li> <li>12. Issued first ever Euro Green Bond issuance from India amounting to EUR 300 million at a coupon of 1.841%</li> <li>13. Increased 54 EC Bond mobilisation by 1.5 times in Fiscal 2022 compared to Fiscal 2021.</li> <li>14. Formulation of guidelines and successful launch of RDSS- Approval of Projects worth ₹ 65,000 crore across 6 States allotted to PFC viz. Andhra Pradesh, Gujarat, Himachal Pradesh, Kerala, Madhya Pradesh, and Uttarakhand in Fiscal 2022</li> <li>15. Successful closure of IPDS &amp; R-APDRP schemes- Achieved 100% completion of IPDS &amp; RAPDRP works, covering more than 1,950 projects spread across the country</li> <li>16. Appointed a globally top rated consulting agency for 10<sup>th</sup> Integrated Rating and revamped the rating methodology in consultation with MoP.</li> <li>17. Subsidiary in GIFT IFSC City, Gandhinagar- Initiated action to set up a subsidiary in IFSC GIFT City including appointment of consultant &amp; carrying out feasibility study</li> <li>18. Minimizing loan prepayments- Set-up a Committee to examine and minimize prepayment of good projects / loans. Prepayments of loans amounting to over ₹ 30,000 crore were stopped</li> <li>19. Corporate Strategy of PFC- Appointed a global top tier consultant to prepare a Corporate strategy so as to take PFC to the next orbit.</li> </ol>   |
| 2022-2023 | <ol style="list-style-type: none"> <li>1. PFC sets a record with the highest ever annual PAT of ₹ 11,605 crore in Fiscal 2023, a significant increase of 16% from ₹ 10,022 crore in Fiscal 2022.</li> <li>2. Highest ever loan Sanctions of ₹ 2,32,000 crore and Disbursements of ₹ 85,756 crore were made during the FY.</li> <li>3. The Loan Asset book increased by 13% and crossed the ₹ 4,00,000 crore mark.</li> <li>4. Declared highest ever Dividend in its history of ₹ 13.25 per share.</li> <li>5. The Net NPA ratio reached its lowest levels in the last 7 years, almost touching 1%.</li> <li>6. Resolved 7 Stressed assets with exposure of ₹ 6,200 crore</li> <li>7. MoA amended to enable lending to Infrastructure and Logistics sectors.</li> <li>8. Provided financial assistance to projects in the new areas of E-mobility, Desalination plants, Ports, Metro rail etc.</li> <li>9. Sanctioned projects worth ₹ 32,700 crore and Disbursed ₹ 1,016 crore in non-Power infrastructure areas.</li> <li>10. Foreign Currency loans worth USD 1.60 bn were raised during the year: <ol style="list-style-type: none"> <li>a. JPY denominated loan equivalent to USD 875 mn at 1.02% - the largest FCL raised by PFC in a single transaction.</li> <li>b. FCNRB loan of USD 720 mn at 4.96% - this was the first time PFC raised FCNRBs in USD with an embedded swap to EUR.</li> </ol> </li> <li>11. Availed loans from Multi-lateral agencies: <ol style="list-style-type: none"> <li>a. EUR 58.74 mn availed from KfW after a gap of 20 years.</li> <li>b. JPY 30 bn loan agreement executed with JBIC.</li> </ol> </li> <li>12. Increased 54 EC Capital Gain Bond mobilisation by 81% in Fiscal 2023 compared to Fiscal 2022</li> <li>13. Implementation of RDSS: <ol style="list-style-type: none"> <li>a. Approval of Action plans and DPRs worth over ₹ 50,000 crore for 8 Discoms in the states of Delhi, Haryana, Jharkhand, Maharashtra, Puducherry and Punjab.</li> <li>b. 82% tenders floated and 39% works awarded for Loss Reduction works; and works awarded for installation of 48 lakh Smart pre-paid meters.</li> <li>c. Capacity building - 175 training programs conducted through NPTI covering over 6,000 Discom personnel.</li> </ol> </li> <li>14. Implementation of LPS Rules: <ol style="list-style-type: none"> <li>a. Automated PRAAPTI portal for effective implementation of the Rules.</li> <li>b. Loans worth ₹ 16,800 crore disbursed to Discoms under LPS Rules.</li> <li>c. As a result, Legacy dues payable to Gencos have declined by 40% from its peak level of 1,40,000 crore through payment of 8 EMIs and the Current dues are being paid within stipulated time.</li> </ol> </li> <li>15. Subsidiary in GIFT IFSC City, Gandhinagar: <ol style="list-style-type: none"> <li>a. Obtained approval of BoD, DIPAM, Niti Aayog and subsequently of MoP for setting-up subsidiary in IFSC GIFT City.</li> <li>b. Final clearance of RBI in the matter is awaited.</li> </ol> </li> </ol> |



## Awards and Accreditations

A few select Awards and Accreditations received by the Company are as follows:

| Year    | Date/Month         | Awards/Accreditations   |
|---------|--------------------|---|
| 2021-22 | February 10, 2022  | ICAI Silver Award for Excellence in Financial Reporting for the Fiscal 2022 in 'Public Sector Entities' category.   |
|         | July 12, 2021      | Dalal Street Investment Journal PSU Award of the Year 2020: PFC received Dalal Street Investment Journal PSU AWARD OF THE YEAR 2020 in the Category – Navratna of the Year and the Most Efficient and Profitable Navratna of the Year – Non Manufacturing.  |
|         | August 11, 2021    | “Governance Now” Award for “Strategic Performance”<br>PFC conferred with the “Governance Now” Award in the category of “Strategic Performance” during the 8th PSU Awards organised by Governance Now.   |
|         | September 24, 2021 | Dun & Bradstreet’s India’s Best PSU Award<br>PFC bagged Dun & Bradstreet’s India’s Best PSU Award in the category of “Best Navratna” in a virtual format.   |
|         | December 23, 2021  | North India Best Employer Brand Award<br>PFC bagged the prestigious “North India Best Employer Brand Awards 2021” hosted by World HRD congress in the category “Dream Companies to work for”  |
|         | December 26, 2021  | Industry Excellence Award<br>PFC bagged the coveted “Industry Excellence Award by the Institution of Engineers in the Category EMP –A (Having turnover of ₹ 5000 crores and above),   |
|         | March 28, 2022     | “Maharatna of the Year (Non-Manufacturing)” Award by Dalal Street Investment Journal<br>Power Finance Corporation Limited has been selected as the “Maharatna of the Year (Non-Manufacturing)” for the year 2021 by the Dalal Street Investment Journal.<br>This selection is based on the financial workings of the Undertaking and based on the accepted evaluation model being used by the jury since last Twelve years. |
| 2022-23 | February 2023      | “Most Efficient and Profitable Maharatna of the Year (Non- Manufacturing)” Award by Dalal Street Investment Journal for the year 2022   |
|         | April 18, 2022     | ‘Green Urja Energy Efficiency Award’ for being the Best Renewable Energy Financing Institution this year at the Atma Nirbhar Bharat Summit organized by Elets.  |
|         | September 14, 2022 | Rajbhasha Kirti Puraskar : PFC was awarded the third prize of highest and prestigious ‘Rajbhasha Keerti’ for the year 2021-22 in the category of undertaking ‘A’ area for best performance in official language. PFC has been awarded this award for the ninth consecutive time.  |
|         | November, 2022     | PFC bagged four awards at the 16th Annual Global Communications Conclave organised by the Public Relations Council of India in the categories of Best Corporate Film (Gold), Best Annual Report (Silver), Best House Journal Print (Regional) and Best Use of Social Media  |
|         | December, 2022     | SAFA Gold Award in Best Presented Accounts/Annual Report Awards (BPA) for the Fiscal 2021 in ‘Public Services Entities category’.   |
|         | January, 2023      | ICAI Gold Shield Award in the category of ‘Public Sector Entities’ of ICAI Awards for Excellence in Financial Reporting for 2021-22.  |
|         | February, 2023     | Indian Chamber of Commerce’s (ICC) Gold Award for the “Top Financing institution in Renewable Energy and Energy Efficiency category at the 11th Green Energy Summit   |
|         | February, 2023     | Governance Now (Sab TV Group’s) Award to PFC in the categories of “Best Performer (Financial) & Use of Emerging Technologies: Cloud”  |
|         | March, 2023        | Indian Chamber of Commerce (ICC) Award to PFC in the category of “Operational Excellence” at the 12th PSE Excellence Awards.  |

## National/International Rankings Details

| Year    | Announcement Month | National/International Rankings Details   |
|---------|--------------------|---|
| 2021-22 | August 2021        | PFC was ranked 365 <sup>th</sup> in the World in terms of Assets as per Forbes Global 2021 Report –World’s Largest Public Companies   |
| 2022-23 | December 2022      | PFC was ranked at ‘34’ out of ‘Top 500’ Indian Companies by the Fortune Magazine  |
|         | December 2022      | PFC has been ranked 2 <sup>nd</sup> in “Swachhata Ranking” by NDMC in the category of offices in NDMC area  |
|         | January 2023       | PFC has been ranked 9 <sup>th</sup> amongst the Top 10 Profit-making CPSEs as per the “Public Enterprises Survey 2021-22” published by the Department of Public Enterprises, Ministry of Finance, Govt of India |

### Details of any acquisition or amalgamation in the last one year

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

### Details of any reorganization or Reconstruction undertaken by our Company in the last one year

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

### Key terms of Material Agreements and Material Contracts

#### A. Memorandum of Understanding (“MoU”) with REC

In terms of the MoU guidelines of Department of Public Enterprises (“DPE”), GoI, our Company entered into an MoU with its subsidiary REC on November 29, 2022, wherein targets under various performance indicators are specified for achievement during the Fiscal 2023. REC’s performance is evaluated by DPE against these targets.

#### B. MoU with Government of India

In terms of DPE’s MoU guidelines, the Company has signed an MoU with the Ministry of Power, GoI during the Fiscal 2023 detailing various performance-based targets to be achieved by the Company. The Company has been consistently accorded ‘*Excellent*’ Rating by Government of India since Fiscal 1994 except for two financial years. For Fiscal 2022, the Company was accorded ‘*Excellent*’ rating. The rating for Fiscal 2023 is still awaited.

#### C. MoU with RITES

The Company has signed an MoU with RITES Limited, a government of India Enterprise, under the Ministry of Railways, dated May 26, 2023 for a period of 5 (five) years from the date of signing, detailing various financial assistance proposed to be provided by the Company and its Subsidiaries in sectors as notified in notification dated 24 August, 2020 regarding harmonized master list of infrastructure by Department of Economic Affairs, Ministry of Finance (i.e., Transport and Logistics Energy, Water and Sanitation, Communication, Social and Commercial Infrastructure category) at various places in India and abroad. RITES will provide expertise for pre-feasibility reports, detailed project reports, transaction advisory, project management services, audits, and inspection, while our Company and our Subsidiaries will provide financial assistance for such projects.

### Subsidiaries, Joint Ventures and Associates

#### Details of Subsidiaries, and their special purpose vehicles

##### A. REC Limited

During Fiscal 2019, PFC acquired 103,93,99,343 equity shares of REC (representing 52.63% of the share capital of REC) and has since become the holding company and also a promoter of REC. REC is also a Systemically Important (Non-Deposit Accepting or Holding) Non-Banking Finance Company (NBFC) registered with Reserve Bank of India (RBI) as an Infrastructure Finance Company (IFC), involved in the business of financing power and infrastructure sector. The registered office of REC Limited is located at Core 4Scope Complex 7 Lodi road, New

Delhi -110 003, India.

As on March 31, 2023, PFC have 138,59,93,662 shares of REC Limited valued at cost, at ₹ 14,500.50 crore.

REC has reported profit after tax of ₹ 11,055 crore for the Fiscal 2023 as compared to Profit after Tax of ₹ 10,046 crore for Fiscal 2022.

#### **B. PFC Consulting Limited (“PFCCL”)**

PFCCL is a wholly owned subsidiary of our Company. PFCCL was incorporated on March 25, 2008 under the Companies Act, 1956 with an authorized share capital of ₹ 5,00,000 divided into 50,000 equity shares of ₹ 10 each. The CIN of PFCCL is U74140DL2008GOI175858. The registered office of PFCCL is located at First Floor, “Urjanidhi”, 1, Barakhamba Lane, Connaught Place, New Delhi – 110 001, India. PFCCL has been incorporated to carry on, promote and organize consultancy services related to the power sector. Presently, the consultancy services being undertaken by PFCCL comprise of assignments from state power utilities, licensees/ IPPs, State Government, PSUs and state electricity regulatory commissions.

As on March 31, 2023, PFC has 52,246 shares of PFC Consulting Limited valued at cost, at ₹ 0.15 crore.

#### **C. PFC Projects Limited**

Coastal Karnataka Power Limited (CKPL), a wholly owned company of PFC Limited was set up for managing the UMPPs as per the mandate from GoI and was considered as associate over which PFC had significant influence. During Fiscal 2023, CKPL’s MoA has been amended to be used for bidding lenders’ backed resolution plan by PFC and it has been renamed as PFC Projects Limited (PPL).

As on March 31, 2023, PFC have 50,000 shares of PFC Projects Limited valued at cost, at ₹ 0.05 crore.

#### **D. RECPDCL**

RECPDCL is a 100% owned subsidiary of the Issuer and promotes, develops, constructs, owns, operates, distributes and maintains up to 66 (sixty six) kV voltage electrification, distribution, electric supply lines and distribution systems. It provides value added project execution and consultancy services to various distribution companies/power departments across India. RECPDCL has reported profit after tax of ₹ 139.71 crore for the Fiscal 2023 as compared to Profit after Tax of ₹ 53.03 crore for Fiscal 2022.

As on March 31, 2023, the following Special Purpose Vehicles (“SPVs”) have been incorporated by our Companies and our Subsidiaries:

| <b>Sr. No.</b> | <b>Name</b>   |
|----------------|---|
|                | <b>Name of Special Purpose Vehicle (Ultra Mega Power Projects)#</b> |
| 1.             | Coastal Tamil Nadu Power Limited                                    |
| 2.             | Sakhigopal Integrated Power Company Limited                         |
| 3.             | Orissa Integrated Power Limited                                     |
| 4.             | Jharkhand Infrapower Limited  |
| 5.             | Bihar Mega Power Limited  |
| 6.             | Bihar Infrapower Limited  |
| 7.             | Cheyur Infra Limited  |
| 8.             | Ghogarpalli Integrated power Limited                                |
| 10.            | Odisha Infrapower Limited   |
| 11.            | Deoghar Mega Power Limited  |
|                | <b>Subsidiaries of PFCCL (Independent Transmission Projects)</b>    |
| 1.             | Bijawar-Vidarbha Transmission Limited                               |
| 2.             | Ananthpuram Kurnool Transmission Limited                            |
| 3.             | Chhatarpur Transmission Limited                                     |
| 4.             | Siot Transmission Limited   |
| 5.             | Fatehgarh III Beawar Transmission Limited                           |
| 6.             | Beawar Dausa Transmission Limited                                   |
| 7.             | Fatehgarh III Transmission Limited                                  |

| <b>Sr. No.</b>                  | <b>Name</b>                                   |
|---------------------------------|---|
| 8.                              | Bhadla III Transmission Limited               |
| 9.                              | Fatehgarh IV Transmission Limited             |
| <b>Subsidiaries through REC</b> |   |
| 1.                              | REC Power Development and Consultancy Limited |
| 2.                              | Chandil Transmission Limited                  |
| 3.                              | Dumka Transmission Limited                    |
| 4.                              | Koderma Transmission Limited                  |
| 5.                              | Mandar Transmission Limited                   |
| 6.                              | Bidar Transmission Limited                    |
| 7.                              | Beawar Transmission Limited                   |
| 8.                              | Luhri Power Transmission Limited              |
| 9.                              | NERES XVI Power Transmission Limited          |
| 10.                             | Ramgarh II Transmission Limited               |
| 11.                             | Sikar Khetri Transmission Limited             |
| 12.                             | Meerut Shamli Power Transmission Limited      |
| 13.                             | Khavda II-D Transmission Limited              |
| 14.                             | KPS1 Transmission Limited                     |

<sup>#</sup>Investment in each associate is ₹ 0.05 crore as at March 31, 2023 and March 31, 2022. These associates are companies incorporated as SPVs under mandate from GoI for development of Ultra Mega Power Projects (UMPPs) with the intention to hand over the same to successful bidders on completion of the bidding process.

## OUR MANAGEMENT

### Board of Directors

The general superintendence, direction and management of the operations, affairs and business of the Company are vested in the Board of Directors, which exercises its power subject to the Memorandum and Articles of Association of our Company and the requirements of the applicable laws. The Articles of Association set out that the number of Directors in our Company shall not be less than 3 and not more than 15 in number, unless otherwise determined in a general meeting.

As of the date of this Draft Shelf Prospectus, the Company has seven Directors on its Board, out of which 3 (three) Director are Executive Directors, 1 (one) Director is a Non-Executive Government Nominee Director and 3 (three) Directors are Non-Executive Independent Directors. Our Company has 2 (two) woman directors on the Board.

The following table sets out details regarding the Board of Directors, as on the date of this Draft Shelf Prospectus:

| Name, Designation, DIN, Occupation and Nationality   | Age | Address   | Date of Appointment | Other Directorships   |
|--|-----|---|---------------------|---|
| <b>Parminder Chopra</b><br><b>Designation:</b> Director (Finance) and Additional Charge Chairman and Managing Director<br><br><b>DIN:</b> 08530587<br><br><b>Occupation:</b> Service<br><br><b>Nationality:</b> Indian | 56  | H.N.-196, Gujranwala Town Part-2, Dr. Mukherjee Nagar Delhi 110009 Delhi, India             | July 1, 2020        | 1. PFC Consulting Limited<br>2. REC Limited   |
| <b>Ajay Tewari</b><br><b>Designation:</b> Government Nominee Director<br><br><b>DIN:</b> 09633300<br><br><b>Occupation:</b> Service<br><br><b>Nationality:</b> Indian  | 53  | Tower-7, 1 <sup>st</sup> Floor, Flat No. C-1 New Moti Bagh New Delhi, Delhi India – 110 023 | June 9, 2022        | 1. Energy Efficiency Services Limited<br>2. SJVN Limited  |
| <b>Rajiv Ranjan Jha</b><br><b>Designation:</b> Director (Projects)<br><br><b>DIN:</b> 03523954<br><br><b>Occupation:</b> Service<br><br><b>Nationality:</b> Indian   | 57  | C-II/ 1267, First Floor, Palam Vihar, Gurugram – 122 017 Haryana,                           | October 28, 2021    | 1. Cheyyur Infra Limited*<br>2. Coastal Tamil Nadu Power Limited*<br>3. PFC Consulting Limited<br>4. Orissa Integrated Power Limited<br>5. PTC India Limited**                    |
| <b>Manoj Sharma</b><br><b>Designation:</b> Director (Commercial)<br><br><b>DIN:</b> 06822395<br><br><b>Occupation:</b> Service<br><br><b>Nationality:</b> Indian   | 57  | 604, Santosh Apartment, Plot No. 39 B, Sector-6, Dwarka, New Delhi – 110 075                | August 29, 2022     | 1. Bihar Mega Power Limited <sup>#</sup><br>2. Deoghar Mega Power Limited <sup>#</sup><br>3. Jharkhand Infrapower Limited<br>4. PFC Projects Limited<br>5. PFC Consulting Limited |
| <b>Bhaskar Bhattacharya</b>  | 65  | 3D/2 Dr. B.N  | December 23,        | Nil   |

| Name, Designation, DIN, Occupation and Nationality   | Age | Address   | Date of Appointment | Other Directorships |
|--|-----|---|---------------------|---------------------|
| <b>Designation:</b> Independent Director<br><b>DIN:</b> 09406292<br><b>Occupation:</b> Service<br><b>Nationality:</b> Indian                             |     | Jot Sarani. Hirnalava Apartment. P.O & P.S – Seramnore Hooghly – 712 201  | 2021                |                     |
| <b>Usha Sajeev Nair</b><br><b>Designation:</b> Independent Director<br><b>DIN:</b> 09408454<br><b>Occupation:</b> Business<br><b>Nationality:</b> Indian | 47  | Flat No.- 103, Building/P, Phase-V, Pramukh Vihar, Naroli road, Ultan Falia, Silvassa, Dadra and Nagar Haveli and Daman and Diu – 396 230 | December 23, 2021   | Nil                 |
| <b>Prasanna Tantri</b><br><b>Designation:</b> Independent Director<br><b>DIN:</b> 06471864<br><b>Occupation:</b> Service<br><b>Nationality:</b> Indian   | 42  | H. No: 6-36A, Kaustubha, Guddeyangadi Post, Bommarabettu, Udupi, Karnataka – 576 113  | December 23, 2021   | Nil                 |

\* On June 28, 2023, Mr. Rajiv Ranjan Jha has been appointed as director on the board of Cheyyur Infra Limited and Coastal Tamil Nadu Power Limited

\*\* On June 30, 2023, Mr. Rajiv Ranjan Jha has been appointed as nominee director on the board of PTC India Limited

# On June 28, 2023, Mr. Manoj Sharma has been appointed as director on the board of Bihar Mega Power Limited and Deoghar Mega Power Limited

### Brief Profiles of Directors

#### Parminder Chopra - Director (Finance) and Additional Charge Chairman and Managing Director

Parminder Chopra, aged 56 years, holds a bachelor's degree in Commerce and is a qualified Cost Accountant and MBA. She took over the charge of Director (Finance), Power Finance Corporation Limited. on July 1, 2020. She is also PFC nominated Director on the Board of REC Ltd. She has around 35 years of experience in power sector, serving in key power sector organizations like National Hydroelectric Power Corporation of India (NHPC) and Power Grid Corporation of India (PGCIL). She joined PFC in 2005 and was working as an Executive Director (Finance) before assuming charge as Director (Finance), PFC. She has handled a gamut of finance portfolios such as resource mobilization from domestic as well as international markets, banking and treasury, asset-liability management, stressed assets resolution etc.

#### Ajay Tewari- Government Nominee Director

Ajay Tewari, aged 53 years, is an Indian Administrative Service Officer of 1993 Batch. He is presently Additional Secretary, Ministry of Power looking after Energy Conservation, Energy Transition, International Co-operation, Training & Research and Perspective Planning of Ministry of Power. Mr. Ajay Tewari is B. Tech (Electrical Engineer) from Indian Institute of Technology and holds PG Diploma in Financial Management. Before joining Central deputation in the Ministry of Labour & Employment as Joint Secretary & Director General of Labour Welfare in the year 2018, he had worked in different capacities in the State of Assam and Meghalaya. Shri Ajay Tewari has wide range of experience of working in Finance, Education, Housing & Urban Affairs, Sports, Youth Welfare, General Administration, Revenue Administration, Disaster Management & Labour Welfare sectors. Shri Ajay Tewari was born on August 5, 1970 and before joining Indian Administrative Service in the year 1993, he had also worked in Gas Authority of India Limited.

(GAIL) and Ordnance Factory, Nagpur for brief periods.

### **Rajiv Ranjan Jha- Director (Projects)**

Rajiv Ranjan Jha, aged 57 years has been working with Power Finance Corporation Limited (PFC) since March 1997. He holds a Bachelor Degree in Science (Mechanical Engg.) from NIT Jamshedpur of Ranchi University and a Diploma in Management from IGNOU. He has overall 35 years of experience and had been holding the position as Executive Director (Projects), PFC since May 27, 2019. Previously, he has been handling the PFC's loan portfolio in Western Region including State Sector Coordination Work in the States of Maharashtra, Gujarat, Madhya Pradesh, Chhattisgarh and Goa. He has earlier handled the entire loan portfolio in Consortium Lending with PFC as lead FI. He has also handled the entire Renewable Energy loan portfolio of PFC. He has also worked on Project Appraisal (especially for Independent Private Power Projects) & Ultra Mega Power Projects in PFC. Before joining PFC, he has worked with Visakhapatnam Steel Plant from November 1988 to February 1997 and dealt with Operation and Maintenance of their coal based Captive Power Plant and also in Material Planning.

### **Manoj Sharma- Director (Commercial)**

Manoj Sharma, aged 57 years, is a chartered accountant with a degree in law (LLB). He joined PFC in 1990 and was working as Executive Director (In charge) of Commercial Division before assuming charge as Director (Commercial), PFC. He has more than 30 years of experience in power sector. In PFC, he has handled multiple areas and domains including institutional appraisal and development, entity appraisal, legal and documentation, taxation, budget, audit, preparation of financial statements and audit reports, financial analysis, resource mobilization, debt syndication and consultancy assignments on financial/commercial aspects in power sector. During the last 3 decades, he has been associated with entire spectrum of PFC's loan assets, covering formulation of lending policies, putting in place a policy framework to guide appraisal with a structured format for financial analysis, compliance with applicable regulatory and statutory frameworks, monitoring conditions, facilitating disbursement, resolution mechanism for stressed accounts, etc. He is also Chairman of PFC Projects Limited and Jharkhand Infrapower Limited.

### **Bhaskar Bhattacharya- - Independent Director**

Bhaskar Bhattacharya, aged 65 years, is an Honours Graduate in Commerce and Bachelor degree in Law. He also holds a Post Graduate Diploma in Business Management. He has been acting as an Advocate for more than 25 years. He is the Chairman of Hooghly Tax Advocates Bar Association and Member of West Bengal Taxation Tribunal. He has also worked as a Gen-Secretary in an NGO named Nibedan.

### **Usha Sajeew Nair- Independent Director**

**Usha Sajeew Nair**, aged 47 years, holds a graduation degree in Bachelors of Arts. She is a female entrepreneur engaged in her own business in Dadra and Nagar Haveli and Daman and Diu providing employment and support to a number of families for quite some time now. Besides this, she is actively engaged in social work for upliftment of needy people. In the period of COVID pandemic, she together with her support team provided food, medical supplies, masks, sanitizers, gloves etc. to people in distress. She is also engaged in raising women issues, support to old and homeless people and orphans.

### **Prasanna Tantri-Non-Executive – Independent Director**

Prasanna Tantri, aged 41 years, holds a B.Com degree from Mangalore University and is a qualified Cost Accountant. He has also done Fellow Programme Management and Post Graduate Programme in Management from Indian School of Business and also holds a Ph.D. from Deakin University. At present, he is an Associate Professor in the Finance area at the Indian School of Business and Executive Director of the Centre for Analytical Finance at ISB. His research areas include- banking, financial inclusion, financial contagion, regulation, and the relationship between politics and finance.

### **Relationship with other Directors**

As on the date of this Draft Shelf Prospectus, none of our Directors are related to each other.

### **Borrowing Powers of our Directors**

Pursuant to a resolution passed by the members of the Company on September 29, 2020, under the Companies Act, 2013, the Board of Directors are authorised to borrow sums of money for the purpose of the business activities of our Company,

which together with the monies already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business), may exceed at any time, the aggregate of the paid-up share capital of our Company and its free reserves (that is to say, reserves, not set apart for any specific purposes) the sums so borrowed and remaining outstanding on account of principal not exceeding ₹ 6,00,000 crores.

The aggregate value of the NCDs offered under this Draft Shelf Prospectus, together with the existing borrowings of the Company, is within the approved borrowing limits as above mentioned.

#### Details of Appointment and Term of our Directors

| Sr. No. | Name of Director     | MoP Order No.   | Term   |
|---------|----------------------|---|--|
| 1.      | Parminder Chopra     | F. No. 24-8/2/2019-PFC (MoP) dated May 20, 2020                     | Five years with effect from July 1, 2020 or till the date of her superannuation, or until further orders, whichever is earlier     |
| 2.      | Ajay Tewari          | F. No. 8/1/2007- PFC desk dated May 30, 2022                        | With effect from June 9, 2022 and until further orders.  |
| 3.      | Rajiv Ranjan Jha     | F. No. 24-8/1/2020-PFC (MoP) dated October 28, 2021                 | Five years with effect from October 28, 2021 or till the date of his superannuation, or until further orders, whichever is earlier |
| 4.      | Manoj Sharma         | F. No. 24-8/1/2021-PFC (MoP) dated February 24, 2023                | Five years with effect from August 29, 2022 or till the date of his superannuation, or until further orders, whichever is earlier  |
| 5.      | Bhaskar Bhattacharya | F. No.8/1/2012- PFC Desk (Vol.-II) dated November 15 November, 2021 | Three years with effect from December 23, 2021 or until further orders, whichever is earlier                                       |
| 6.      | Usha Sajeew Nair     | F. No.8/1/2012- PFC Desk (Vol.-II) dated November 15 November, 2021 | Three years with effect from December 23, 2021 or until further orders, whichever is earlier                                       |
| 7.      | Prasanna Tantri      | F. No.8/1/2012- PFC Desk (Vol.-II) dated November 15 November, 2021 | Three years with effect from December 23, 2021 or until further orders, whichever is earlier                                       |

#### Remuneration of the Directors

The remuneration of the Executive Director (Finance) and Additional Charge Chairman and Managing Director, and other Executive Directors comprises of remuneration, benefits, allowances and performance linked incentives etc. As on date of this Draft Shelf Prospectus, Ms. Parminder Chopra, Director (Finance) is holding additional charge of Chairman and Managing Director w.e.f. June 1, 2023.

The following table sets forth the details of remuneration paid to the whole-time Directors during the current year and Fiscals 2023, 2022 and 2021:

| Name of Director | (₹ in crore)                     |                 |                 |                 |
|------------------|----------------------------------|-----------------|-----------------|-----------------|
|                  | For Current Year (till May 2023) | For Fiscal 2023 | For Fiscal 2022 | For Fiscal 2021 |
| Parminder Chopra | 0.41                             | 0.86            | 0.74            | 0.38            |
| Rajiv Ranjan Jha | 0.43                             | 0.90            | 0.40            | NA              |
| Manoj Sharma     | 0.36                             | 0.41            | NA              | NA              |
| R S Dhillon*     | 0.97                             | 0.90            | 0.83            | 0.77            |

Note - Salary includes performance related pay

\*\*Ex-CMD of our Company

#### Remuneration of Non-Executive- Government Nominee Director are as below:

Our Government nominee director i.e. Ajay Tewari is not entitled to any remuneration or sitting fee from the Company.

#### Remuneration of Independent Directors

Our Independent Directors are entitled to the sitting fees. The following table sets forth the details of sitting fee recorded by our Company to the Independent Directors during the current year and Fiscals 2023, 2022 and 2021:



(₹ in crore)

| Name of Director     | For Current Year (till May 2023) |              | For Fiscal 2023 |              | For Fiscal 2022 |              | For Fiscal 2021 |              |
|----------------------|----------------------------------|--------------|-----------------|--------------|-----------------|--------------|-----------------|--------------|
|                      | Commission                       | Sitting Fees | Commission      | Sitting Fees | Commission      | Sitting Fees | Commission      | Sitting Fees |
| Bhaskar Bhattacharya | Nil                              | 0.01         | Nil             | 0.14         | Nil             | 0.03         | -               | -            |
| Usha Sajeev Nair     | Nil                              | 0.01         | Nil             | 0.11         | Nil             | 0.04         | -               | -            |
| Prasanna Tantri      | Nil                              | 0.01         | Nil             | 0.11         | Nil             | 0.04         | -               | -            |

### Other understandings and confirmations

None of the Directors of our Company is a director or is otherwise associated in any manner with, any company that appears in the list of the vanishing companies as maintained by the Ministry of Corporate Affairs, wilful defaulter list as categorized by the RBI or Export Credit Guarantee Corporation of India Limited or any other regulatory or governmental authority and/or bank or financial institutions.

None of our Directors were, a director of any company which was delisted from any recognised stock exchange within a period of ten years preceding the date of this Draft Shelf Prospectus, in accordance with Chapter V of the SEBI (Delisting of Equity Shares) Regulations, 2021.

We also confirm that none of our Directors are restrained or prohibited or debarred from accessing the securities market or dealing in securities by SEBI. Further, none of our Directors are a promoter or director of another company which is debarred from accessing the securities market or dealing in securities by SEBI.

None of our Directors have committed any violation of securities laws in the past and no proceedings in such regard by SEBI or RBI are pending against any of our Directors.

None of the Directors of our Company is a fugitive economic offender, as defined in the SEBI NCS Regulations.

We confirm that the PAN of the Directors of the Company has been submitted to the Stock Exchange at the time of filing this Draft Shelf Prospectus.

### Stock Options of the Directors

As on the date of this Draft Shelf Prospectus, the Company does not have any existing ESOP scheme.

### Changes in the Board of Directors during the last three years

The changes in the Board of Directors of our Company in the three years preceding the date of this Draft Shelf Prospectus are as follows:

| Sr. No. | Name of Director        | Designation and DIN                        | Date of Appointment | Date of Cessation | Tenure/ Reason                                |
|---------|-------------------------|--|---------------------|-------------------|---|
| 1.      | R. S. Dhillon           | Director (Projects)                        | June 12, 2019       | May 31, 2020      | Appointment as Chairman and Managing Director |
|         |                         | Chairman and Managing Director<br>00278074 | June 01, 2020       | May 31, 2023      | Superannuation                                |
| 2.      | Mritunjay Kumar Narayan | Government Nominee Director<br>03426753    | August 28, 2019     | November 03, 2020 | Completion of Tenure                          |
| 3.      | Tanmay Kumar            | Government Nominee Director<br>02574098    | November 4, 2020    | September 6, 2021 | Nomination changed by Government              |
| 4.      | Vishal Kapoor           | Government Nominee Director<br>08700132    | September 7, 2021   | June 8, 2022      | Nomination changed by Government              |
| 5.      | Ajay Tewari *           | Government Nominee Director<br>09633300    | June 9, 2022        | -                 | Appointment                                   |
| 6.      | Gauri Chowdhuri         | Independent Director<br>07970522           | November 03, 2017   | November 04, 2020 | Completion of Tenure                          |
| 7.      | R. C. Mishra            | Independent Director<br>02469982           | July 11, 2019       | July 11, 2022     | Completion of Tenure                          |

| Sr. No. | Name of Director     | Designation and DIN   | Date of Appointment | Date of Cessation | Tenure/ Reason   |
|---------|----------------------|---|---------------------|-------------------|--|
| 8.      | Bhaskar Bhattacharya | Independent Director<br>09406292  | December 23, 2021   | -                 | Appointment  |
| 9.      | Usha Sajeev Nair     | Independent Director<br>09408454  | December 23, 2021   | -                 | Appointment  |
| 10.     | Prasanna Tantri      | Independent Director<br>06471864  | December 23, 2021   | -                 | Appointment  |
| 11.     | Parminder Chopra     | Director (Finance) with additional charge of Chairman and Managing Director<br>08530587 | June 1, 2023        | -                 | assumed additional charge of Chairman and Managing Director w.e.f June 1, 2023 |
| 12.     | Praveen Kumar Singh  | Director (Commercial)<br>03548218   | August 10, 2018     | February 01, 2022 | Superannuation   |
| 13.     | Rajiv Ranjan Jha     | Director (Projects)<br>03523954   | October, 28, 2021   | -                 | Appointment  |
| 14.     | Manoj Sharma         | Director (Commercial)<br>06800395   | August 29, 2022     | -                 | Appointment  |

*\*In exercise of powers conferred by the Articles of Association of Power Finance Corporation Limited, the President of India vide Ministry of Power, Government of India, and Order No. 8/1/2007-PFC Desk dated May 30, 2022 has appointed Mr. Ajay Tewari, Additional Joint Secretary, Ministry of Power as Director (Government Nominee) on the Board of Director of Power Finance Corporation Limited with effect from June 09, 2022. In pursuant to relevant section of Companies Act, an agenda for appointment of Mr. Ajay Tewari as Government nominee Director, was placed in Board meeting held on June 29, 2022.*

### Interest of the Directors

All the Directors of the Company, including our independent directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee(s) thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them.

All the Directors of the Company, including independent directors, may also be deemed to be interested to the extent of Equity Shares, if any, held by them or by companies, firms and trusts in which they are interested as directors, partners, members or trustees and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

All the Directors of the Company, including independent directors, may also be deemed to be interested to the extent of debentures of our Company, if any, held by them and also to the extent of any interest/ redemption proceeds paid/payable to them and other distributions in respect of the said debentures.

All the Directors of the Company, including independent directors, may also be deemed to be interested to the extent of being a director (whether executive or non-executive or independent).

Except as stated in the sections titled “Financial Statements” on page 198, “Related Party Transactions” on page 178, and to the extent of compensation/ remuneration or commission if any, and their shareholding in the Company, the Directors do not have any other interest in the business of the Company.

Certain Directors may be interested in the promotion of the Company as on the date of this Draft Shelf Prospectus to the extent of being first directors and/or subscribers to the Memorandum and Articles of Association of our Company.

All the Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by the Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective declarations. Except as otherwise stated in this Draft Shelf Prospectus and statutory registers maintained by the Company in this regard, the Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Shelf Prospectus in which the Directors are interested directly or indirectly and no payments have been made to the Directors in respect of these contracts, agreements or arrangements which are proposed to be made with them, except as disclosed in the chapter “Our Promoter” on page 176.

None of the directors have an interest in any immovable property acquired by the Company in the two years preceding the date of this Draft Shelf Prospectus.

None of our Directors' relatives have been appointed to an office or place of profit of our Company.

None of the directors have an interest in the Company in form of sums paid or agreed to be paid to the director of the Company in cash or shares or otherwise provided by any person either to induce the director to become, or to help the Director qualify as a director, or otherwise for services rendered by the Director or by the Company, in connection with the promotion or formation of the Company.

Except to the extent of NCDs subscribed (if subscribed) by our Directors and/or their relatives and/or by companies, firms and trusts in which they are interested as directors, partners, members or trustees, no contribution has been made by the directors as part of the offer or separately.

Except as disclosed hereinabove and the section titled "Risk Factors" on page 19, the Directors do not have an interest in any venture that is involved in any activities similar to those conducted by the Company.

### Shareholding of Directors

As per the provisions of the Memorandum of Association and Articles of Association, the Directors are not required to hold any qualification shares.

Details of the shareholding of Directors in our Company, as on March 31, 2023 are provided in the table given below:

| Sr. No. | Name of Director     | Number of Equity Shares held | Percentage of the total paid-up capital (%) |
|---------|----------------------|------------------------------|---|
| 1.      | Parminder Chopra     | 2,000                        | Negligible                                  |
| 2.      | Rajiv Ranjan Jha     | 16,004                       | Negligible                                  |
| 3.      | Manoj Sharma         | Nil                          | Nil   |
| 4.      | Ajay Tewari          | Nil                          | Nil   |
| 5.      | Bhaskar Bhattacharya | Nil                          | Nil   |
| 6.      | Usha Sajeew Nair     | Nil                          | Nil   |
| 7.      | Prasanna Tantri      | Nil                          | Nil   |

The Directors do not hold any subordinated debt in the Company as on date of this Draft Shelf Prospectus.

### Debenture holding of Directors as on date of this Draft Shelf Prospectus

The Directors do not hold any debentures in the Company as on date of this Draft Shelf Prospectus.

### Corporate Governance

The guidelines on corporate governance for Central Public Sector Enterprises dated May 14, 2010 issued by the Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises ("DPE Guidelines") lay down certain corporate governance norms to be adhered to by all Central public sector enterprises. The DPE Guidelines require, among other things, that:

- i. The number of functional directors should not exceed 50% of the actual strength of the Board.
- ii. The number of directors nominated by the Government should not be more than two in number.
- iii. In case of Central public sector enterprises listed with the stock exchange and where the board of directors is headed by an executive chairman, the number of independent directors shall be at least 50% of the total strength of the board of directors. In other cases, the number of independent directors shall be at least one third of the total strength of the board of directors.
- iv. None of the directors should be members of more than ten committees or act as chairman of more than five committees across all companies in which they hold directorship.

Our Company has in place processes and systems whereby it complies with the requirements to the corporate governance provided in DPE, Companies Act, 2013, SEBI Listing Regulations and the applicable RBI Guidelines.

Our Company is in compliance with the Companies Act, 2013 and the SEBI Listing Regulations (other than as disclosed elsewhere in this Draft Shelf Prospectus). The Board functions either as a full Board or through various committees constituted to oversee specific operational areas.

Though having processes and systems in place, since all the directors of our Company are appointed by the GoI, and their appointment is beyond the control of our Company, we are not in compliance with certain corporate governance requirements envisaged under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013, each as amended. For details pertaining to non-compliances and exemptions from non-compliances granted to us by Stock Exchange, please see “Risk Factors - *We are in non-compliance with certain corporate governance requirements mentioned under the SEBI Listing Regulations and Companies Act, 2013*” on page 25.

### Committees of Board of Directors

The Board has constituted among others, the following committees of Directors: (i) Audit Committee; (ii) Nomination and Remuneration Committee; (iii) Board Level Risk Management Committee; (iv) Corporate Social Responsibility (CSR) Committee; (v) Stakeholders Relationship Committee (vi) HR Committee; (vii) Investment Committee of Directors; (viii) IT Strategy Committee. The details of these committees are set forth below:

#### a. Audit Committee

The members of the Audit Committee as on date of this Draft Shelf Prospectus are:

| Name of Director or Designation of Director | Designation in the Committee | Nature of Directorship |
|---|------------------------------|------------------------|
| Prasanna Tantri                             | Chairman                     | Independent Director   |
| Bhaskar Bhattacharya                        | Member                       | Independent Director   |
| Parminder Chopra, Director (Finance)        | Member                       | Executive Director     |
| Rajiv Ranjan Jha, Director (Projects)       | Permanent Invitee            | Executive Director     |
| Manoj Sharma, Director (Commercial)         | Permanent Invitee            | Executive Director     |

The terms of reference of the Audit Committee of the Company would be in terms of Section 177 and other applicable provisions of the Act read with rules prescribed thereunder, Regulation 18 of SEBI Listing Regulations read with Part C of Schedule II to SEBI Listing Regulations which, inter-alia, includes:

- i. To oversee the financial reporting process and the disclosure of financial information to ensure that the financial statement is correct, sufficient, and credible.
- ii. To recommend appointment, remuneration and terms of appointment of auditors of the Company.
- iii. To approve payment to statutory auditors for any other services rendered by the statutory auditors.
- iv. To review with the management, the annual financial statements and the auditor’s report thereon before submission to the Board of Directors for approval, with particular reference to:
  - a. matters to be included in Directors’ Responsibility statement to be included in the Board’s Report in terms of Section 13(3)(c) of the Act.
  - b. changes, if any, in the accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. significant adjustments made in the financial statements arising out of audit findings.
  - e. compliance with listing and other legal requirements relating to financial statements.
  - f. disclosure of any related party transactions.
  - g. modified opinion(s) in the draft audit report.
- v. To review with the management, the quarterly financial statements before submission to the Board of Directors for approval.
- vi. To review and monitor the auditors’ independence and performance, and effectiveness of audit process.
- vii. To monitor the statutory auditor’s conflict of interest position in terms of relevant regulatory provisions, standards and best practices.
- viii. Approval or any subsequent modification to transactions of the Company with its related parties.
- ix. Granting of omnibus approval for transactions proposed to be entered with the related parties in accordance with Section 177 of the Act and Regulation 23(3) of SEBI Listing Regulations.

- x. Scrutiny of inter-corporate loans/deposits and investments.
- xi. Valuation of undertakings or assets of the Company, wherever it is necessary.
- xii. Evaluation of internal financial controls and risk management systems.
- xiii. To review with the management performance of statutory and internal auditors, adequacy of the internal control systems.
- xiv. To review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- xv. Discussion with internal auditors of any significant findings and follow up there on.
- xvi. To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board of Directors.
- xvii. Discussion with statutory auditors before audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- xviii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- xix. To review the functioning of whistle blower mechanism.
- xx. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate.
- xxi. To review the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances.
- xxii. To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.
- xxiii. To review management discussion and analysis of financial condition and results of operation.
- xxiv. To review management letters/letters of internal control weaknesses issued by the statutory auditors.
- xxv. To review internal audit reports relating to internal control weaknesses.
- xxvi. To review the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- xxvii. To ensure that any concerns raised by the external auditors are addressed by the management and to bring any unaddressed concerns to the notice of the management.
- xxviii. To perform such other acts as may be delegated by the Board of Directors, from time to time or as required under applicable acts, laws, rules and regulations.

The Audit Committee shall have powers to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.

#### **b. Nomination and Remuneration Committee**

The members of the Nomination and Remuneration Committee as on date of this Draft Shelf Prospectus are:

| <b>Name of Director or Designation of Director</b> | <b>Designation in the Committee</b> | <b>Nature of Directorship</b> |
|--|-------------------------------------|-------------------------------|
| Usha Sajeve Nair                                   | Chairman                            | Independent Director          |
| Bhaskar Bhattacharya                               | Member                              | Independent Director          |
| Prasanna Tantri                                    | Member                              | Independent Director          |
| Parminder Chopra, Director (Finance)               | Permanent Invitee                   | Executive Director            |
| Rajiv Ranjan Jha, Director (Projects)              | Permanent Invitee                   | Executive Director            |
| Manoj Sharma, Director (Commercial)                | Permanent Invitee                   | Executive Director            |

The terms of reference of the Nomination and Remuneration Committee of the Company would be in terms of Section 178 and other applicable provisions of the Act read with rules prescribed thereunder and Regulation 19 of SEBI Listing Regulations read with Para A of Part D of Schedule II to SEBI Listing Regulations which, inter-alia, includes:

- i. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board of Directors a policy relating to the remuneration of the directors, key managerial personnel and other employees.
- ii. To oversee the framing, review and implementation of compensation/remuneration policy of the company
- iii. For every appointment of an independent director, to evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director and the person recommended to the Board of Directors for appointment as an independent director shall have the capabilities identified in such description.
- iv. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates.
- v. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.
- vi. To decide whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- vii. Recommend to the board, all remuneration, in whatever form, payable to senior management.
- viii. Formulation of criteria for evaluation of performance of independent directors and the board of directors
- ix. To specify the manner for effective evaluation of performance of Board, its committees and individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- x. Devising a policy on diversity of board of directors.
- xi. To perform such other acts as may be delegated by the Board of Directors, from time to time or as required under applicable acts, laws, rules and regulations.

**c. Board Level Risk Management Committee**

The members of the Risk Management Committee as on the date of this Draft Shelf Prospectus are:

| <b>Name of Director or Designation of Director</b> | <b>Designation in the Committee</b> | <b>Nature of Directorship</b> |
|--|-------------------------------------|-------------------------------|
| Chairman and Managing Director                     | Chairman                            | Managing Director             |
| Shri Bhaskar Bhattacharya                          | Member                              | Independent Director          |
| Parminder Chopra, Director (Finance)               | Member                              | Executive Director            |
| Rajiv Ranjan Jha, Director (Projects)              | Member                              | Executive Director            |
| Manoj Sharma, Director (Commercial)                | Member                              | Executive Director            |

The terms of reference of the Risk Management Committee of the Company would be in terms of Regulation 21 of SEBI Listing Regulations read with Para C of Part D of Schedule II to SEBI Listing Regulations which, inter-alia, includes:

- i. To formulate a detailed risk management policy which shall include:
  - a. A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks, if applicable), information, cyber security risks or any other risk as may be determined.
  - b. Measures for risk mitigation including systems and processes for internal control of identified risks.
  - c. Business continuity plan.
- ii. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
- iii. To monitor and oversee implementation of the risk management policy including evaluating the adequacy of risk management systems.
- iv. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
- v. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken.
- vi. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
- vii. To perform such other acts as may be delegated by the Board of Directors, from time to time or as required under applicable acts, laws, rules and regulations.

The Risk Management Committee to coordinate its activities with other committees, in instance where there is overlap

with activities of such committees.

The Risk Management Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

**d. Corporate Social Responsibility Committee**

As per the provisions of Section 135 of the Companies Act, 2013, the Company has constituted the Corporate Social Responsibility (CSR) Committee of the Board of Directors. The members of the Corporate Social Responsibility Committee as on the date of this Draft Shelf Prospectus are:

| Name of Director or Designation of Director | Designation in the Committee | Nature of Directorship |
|---|------------------------------|------------------------|
| Prasanna Tantri                             | Chairman                     | Independent Director   |
| Usha Sajeev Nair                            | Member                       | Independent Director   |
| Parminder Chopra, Director (Finance)        | Member                       | Executive Director     |
| Rajiv Ranjan Jha, Director (Projects)       | Member                       | Executive Director     |
| Manoj Sharma, Director (Commercial)         | Member                       | Executive Director     |

The terms of reference of the CSR Committee in terms of Sec.135 and other applicable provisions of the Companies Act 2013 read with the rules framed thereunder, to read along with rules prescribed which, inter-alia, include:

- i. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall include the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013 as amended from time to time;
- ii. Recommend the amount of expenditure to be incurred on the activities referred to in clause (i);
- iii. Monitor the Corporate Social Responsibility Policy of the company from time to time.;
- iv. In case of inability to spend the prescribed CSR amount, provide suitable explanations to the Board and the relevant explanation in the Annual Report of the Company;
- v. Ensure that CSR activities undertaken by the Company are appropriately disclosed in the Annual Report;
- vi. Ensure that any surplus arising out of CSR activities does not form a part of business profits of the Company;
- vii. Review the adequacy of the CSR policy at periodic intervals and review / modify policy on annual basis, if necessary;
- viii. To perform such other acts as may be delegated by the Board of Directors, from time to time or as required under applicable acts, laws, rules and regulations.

**e. Stakeholders' Relationship Committee:**

The members of the Stakeholders Relationship Committee as on date of this Draft Shelf Prospectus are:

| Name of Director or Designation of Director | Designation in the Committee | Nature of Directorship |
|---|------------------------------|------------------------|
| Usha Sajeev Nair                            | Chairman                     | Independent Director   |
| Parminder Chopra, Director (Finance)        | Member                       | Executive Director     |
| Rajiv Ranjan Jha, Director (Projects)       | Member                       | Executive Director     |

The terms of reference of the Stakeholders Relationship Committee of the Company would be in terms of applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations which, inter-alia, includes:

To look into various aspects of interest of shareholders, debenture holders and other security holders including the following:

- i. To oversee, monitor and resolve the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- ii. Review of measures taken for effective exercise of voting rights by shareholders.
- iii. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent.
- iv. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends/interest/principal amount and ensuring timely receipt of interest/redemption amount/dividend warrants/annual reports/statutory notices by the security holders of the company.

- v. To perform such other acts as may be delegated by the Board of Directors, from time to time or as required under applicable acts, laws, rules and regulations.

**f. HR Committee:**

The members of the HR Committee as on date of this Draft Shelf Prospectus are:

| Name of Director or Designation of Director | Designation in the Committee | Nature of Directorship |
|---|------------------------------|------------------------|
| Manoj Sharma                                | Chairman                     | Executive Director     |
| Parminder Chopra                            | Member                       | Executive Director     |
| Rajiv Ranjan Jha                            | Member                       | Executive Director     |

**g. Investment Committee of Directors:**

The members of the Investment Committee of Directors as on date of this Draft Shelf Prospectus are:

| Name of Director or Designation of Director                      | Designation in the Committee | Nature of Directorship |
|--|------------------------------|------------------------|
| Parminder Chopra (in capacity of Chairman and Managing Director) | Chairman                     | Managing Director      |
| All Functional Directors   | Member                       | Executive Director     |
| Usha Sajeev Nair   | Member                       | Independent Director   |

**h. IT Strategy Committee:**

The members of the IT Strategy Committee as on date of this Draft Shelf Prospectus are:

| Name of Director or Designation of Director        | Designation in the Committee | Nature of Directorship |
|--|------------------------------|------------------------|
| Bhaskar Bhattacharya                               | Chairman                     | Independent Director   |
| Chief information Officer/ Chief Technology Office | Member                       | -                      |
| Chief Information Security Officer                 | Member and Convener          | -                      |

Our Chairman and Managing Director is authorized to approve changes/modifications in composition, quorum, terms of reference, roles and responsibilities of the IT strategy committee.

**Key managerial personnel of our Company**

Pursuant to the Companies Act, 2013, our Company has re-designated/appointed the following Key Managerial Personnel, as of the date of this Draft Shelf Prospectus.

Brief profile of our Key Managerial Personnel

- Mrs. Parminder Chopra, Director (Finance), was also designated as our Company's Chief Financial Officer and Key Managerial Personnel and she also hold the Additional charge of Chairman and Managing Director w.e.f. June 1, 2023;
- Mr. Manoj Sharma, our Director (Commercial), was also designated as our Company's Key Managerial Personnel;
- Mr. Manish Kumar Agarwal, our Company Secretary was also designated as our Company's Key Managerial Personnel; and

**Compensation of our Company's Key Managerial Personnel**

(₹ in crore)

| Name of KMP**                 | For Current Year (till May 2023) | For Fiscal 2023 | For Fiscal 2022 | For Fiscal 2021 |
|-------------------------------|----------------------------------|-----------------|-----------------|-----------------|
| Manohar Balwani (#April only) | 0.54                             | 0.74            | 0.55            | 0.52            |
| Manish Agrawal (*May only)    | 0.08                             | -               | -               | -               |

# Superannuated on April 30, 2023

\* taken charge as CS of PFC w.e.f. May 01, 2023



*\*\* The Compensation of other KMPs is as mentioned above is given on page 166.*

### **Interest of Key Managerial Personnel**

Except as stated below, none of our Key Managerial Personnel has been paid any consideration of any nature from our Company:

- Remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Except as stated below, Key Managerial Personnel are not interested in the Company:

- To the extent of the shareholding in the Company, if any held by them or their relatives or held by the companies, firms and trusts in which they are interested as director, member, partner, and/or trustee, and to the extent of benefits arising out of such shareholding and/ or the stock options granted to some of our key managerial personnel.
- To the extent of to the extent of debentures our Company held by them and to the extent of any interest/redemption proceeds paid/payable to him and other distributions in respect of the said debentures.

Except for the letter of appointment issued to our Key Managerial Personnel as an employee of the Company, our Company has not entered into any contracts or arrangement with the Key Managerial Personnel relating to appointment and remuneration or providing for benefits upon termination of employment.

### **Relationship with other Key Managerial Personnel**

None of our Key Managerial Personnel are related to each other.

### **Shareholding of our Company's key managerial personnel**

Except Manish Kumar Agarwal, none of the Key Management Personnel have shareholding in our Company. As on the date of this Draft Shelf Prospectus, the details of the shareholding of the KMP of the Company have been set out below.

| <b>Sr. No.</b> | <b>Particulars</b>   | <b>Designation</b> | <b>No. of shares held</b> | <b>Total shareholding as % of total no. of Equity Shares</b> |
|----------------|----------------------|--------------------|---------------------------|--|
| 1.             | Manish Kumar Agarwal | Company Secretary  | 1,920                     | Negligible   |

## OUR PROMOTER

Our Promoter is the President of India acting through the Ministry of Power, Government of India.

### **Shareholding pattern of our Promoter in our Company as on June 30, 2023:**

For details of the shareholding of our Promoters in our Company as of June 30, 2023, please see “*Capital Structure–Details of Promoter’s shareholding in our Company*” on page 66.

### **Interest of Promoter in our Company**

- Except as stated under the chapter titled “*Related Party Transactions*” beginning on page 178, and to the extent of their shareholding in our Company, our Promoter does not have any other interest in our Company’s business.
- Further as on March 31, 2023, our Promoter has not guaranteed/secured any bank facilities sanctioned to our Company.

### **Interest of our Promoter in immovable property, land and construction**

Our Promoter does not have any interest in any immovable property acquired by our Company within two years preceding the date of filing of this Draft Shelf Prospectus or in any transaction with respect to the acquisition of land, construction of building or supply of machinery, as on the date of this Draft Shelf Prospectus.

### **Details of Equity Shares allotted to our Promoter during the last three Fiscal Years**

Except as disclosed under “*Capital Structure*” on page 64, our Promoter has not been allotted any Equity Shares of our Company during the last three Fiscal Years.

## OUR GROUP COMPANIES

Companies identified by our Company as our Group Companies for the purpose of this Issue are as follows:

1. PTC India Limited
2. Energy Efficiency Services Limited (EESL)
3. Bihar Infrapower Limited
4. Bihar Mega Power Limited
5. Cheyyur Infra Limited
6. Coastal Karnataka Power Limited (upto 30.06.2022)
7. Coastal Tamil Nadu Power Limited
8. Deoghar Infra Limited
9. Deoghar Mega Power Limited
10. Energy Efficiency Services Limited (EESL)
11. Ghogarpalli Integrated Power Company Limited
12. Jharkhand Infrapower Limited
13. Odisha Infrapower Limited
14. Orissa Integrated Power Limited
15. Sakhigopal Integrated Power Company Limited
16. Bikaner-II Bhiwadi Transco Limited
17. Dharamjaigarh Transmission Limited
18. Fatehgarh Bhadla Transco Limited
19. Gadag Transmission Limited
20. Kallam Transmission Limited
21. Karur Transmission Limited
22. Khandukhal Rampura Transmission Limited
23. Khavda II-A Transmission Limited
24. Khavda II-B Transmission Limited
25. Khavda II-C Transmission Limited
26. Khavda-Bhuj Transmission Limited
27. Kishtwar Transmission Limited
28. Koppal- Narendra Transmission Limited
29. KPS1 Transmission Limited
30. KPS2 Transmission Limited
31. KPS3 Transmission Limited
32. Mohanlalganj Transmission Limited
33. MP Power Transmission Package-I Limited
34. MP Power Transmission Package-II Limited
35. Nangalbibra-Bongaigaon Transmission Limited
36. Raipur Pool Dhantari Transmission Limited
37. Ramgarh New Transmission Limited
38. Sikar New Transmission Limited
39. Sikar-II Aligarh Transmission Limited
40. Vapi II North Lakhimpur Transmission Limited

## **RELATED PARTY TRANSACTIONS**

For details of the related party transactions for the Fiscal 2023, Fiscal 2022 and Fiscal 2021 in accordance with the requirements under Ind AS 24 “Related Party Disclosures” notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, see “*Financial Information*” on page 198.

## REGULATIONS AND POLICIES

*The regulations summarized below are not exhaustive and are only intended to provide general information to Investors and are neither designed nor intended to be a substitute for any professional legal advice. Taxation statutes such as the IT Act, GST laws (including CGST, SGST and IGST) and applicable local sales tax statutes, labour regulations such as the Employees State Insurance Act, 1948 and the Employees Provident Fund and Miscellaneous Provisions, Act, 1952, and other miscellaneous regulations such as the Trade Marks Act, 1999 and applicable Shops and Establishments statutes apply to us as they do to any other Indian company and therefore have not been detailed below.*

*The following description is a summary of certain sector specific laws and regulations in India, which are applicable to our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of the Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.*

*Investors shall carefully consider the information described below, together with the information set out in other sections of this Draft Shelf Prospectus including the financial statements before making an investment decision relating to the NCDs, as any changes in the regulations and policies could have a material adverse effect on our Company's business.*

Our Company is a Non-deposit taking systemically important non-banking financial company ("**NBFC-ND-SI**"), and is notified as a public financial institution under section 2(72) of the Companies Act, 2013 (corresponding to the erstwhile Section 4A of the Companies Act, 1956 and also classified as an Infrastructure Finance Company ("IFC") by the RBI vide certificate dated July 28, 2010. The Company is a leading public financial institution in the Indian power infrastructure sector and is engaged in the financing and promotion of transmission, distribution and generation projects throughout India. The business activities of NBFCs and public financial institutions are regulated by various RBI regulations, but as a Government company, the Company has the benefit of certain exemptions as further described below

### **REGULATIONS GOVERNING NBFCs**

#### **The RBI Act**

#### **Principal business criteria and NBFC classification**

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

The RBI Act, further defines a 'financial institution' to mean a non-banking institution which, among other things, includes carrying on the business or as part of its business, among other activities, financing activities, whether by way of making loans or advances or otherwise, of any activity, other than its own or the acquisition of shares/stock/bonds/debentures/securities issued by the Government of India or other local authorities or other marketable securities of like nature.

RBI has clarified through a press release (*Ref. No. 1998-99/1269*) issued in 1999, that in order to identify a particular company as an NBFC, it will consider both the assets and the income pattern as evidenced from the last audited balance sheet of the company to decide a company's principal business. The company will be treated as an NBFC if its financial assets are more than 50 per cent of its total assets (netted off by intangible assets) and income from financial assets should be more than 50 per cent of the gross income. Both these tests are required to be satisfied in order to determine the principal business of a company.

Every NBFC is required to submit to the RBI a certificate, from its statutory auditor within one month from the date of finalisation of the balance sheet and in any case, not later than December 30 of that year, inter-alia stating that it is engaged in the business of non-banking financial institution requiring it to hold a certificate of registration.

Being an NBFC, our Company is inter-alia governed by the RBI Act. In addition to these regulations, NBFCs are also governed by various circulars, notifications, guidelines and directions issued by the RBI from time to time. The major regulations governing our Company are detailed below:

### ***RBI's Scale Based Regulations***

On October 22, 2021 RBI issued Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs (“**SBR Framework**”), whereby NBFCs have been categorised into following four layers based on their size, activity, and perceived riskiness by the RBI:

- i) NBFC- Base Layer (“**NBFC-BL**”);
- ii) NBFC- Middle Layer (“**NBFC-ML**”);
- iii) NBFC- Upper layer (“**NBFC-UL**”); and
- iv) NBFC- Top Layer (“**NBFC-TL**”)

The NBFC- BL comprise of (a) non-deposit taking NBFCs below the asset size of ₹ 1,000 crore and (b) NBFCs undertaking the following activities- (i) NBFC-Peer to Peer Lending Platform (NBFC-P2P), (ii) NBFC-Account Aggregator (NBFC-AA), (iii) Non-Operative Financial Holding Company (NOFHC) and (iv) NBFCs not availing public funds and not having any customer interface.

The NBFC- ML consist of (a) all deposit taking NBFCs (“NBFC-Ds”), irrespective of asset size, (b) non-deposit taking NBFCs with asset size of ₹ 1,000 crore and above and (c) NBFCs undertaking the following activities (i) Standalone Primary Dealers (SPDs)– (ii) Infrastructure Debt Fund - Non-Banking Financial Companies (IDF-NBFCs), (iii) Core Investment Companies (CICs), (iv) Housing Finance Companies (HFCs) and (v) Infrastructure Finance Companies (NBFC-IFCs).

The NBFC-UL comprise of those NBFCs which are specifically identified by RBI as warranting enhanced regulatory requirement based on a set of parameters and scoring methodology as provided in appendix to SBR Framework. The top ten eligible NBFCs in terms of their asset size shall always reside in the upper layer, irrespective of any other factor.

The NBFC-TL will ideally remain empty. This layer can get populated if RBI is of the opinion that there is a substantial increase in the potential systemic risk from specific NBFC-Upper Layer. Such NBFC shall move to the NBFC-Top Layer. The SBR Framework came into effect from October 01, 2022, in a phased manner and provides that from October 01, 2022 references to NBFC-ND shall mean NBFC-BL and all references to NBFC-D and systemically important non-deposit taking non-banking financial company (NBFC-ND-SI) shall mean NBFC-ML or NBFC-UL, as the case may be. SBR Framework clarified that existing NBFC-ND-SIs having asset size of ₹ 500 crore and above but below ₹ 1,000 crore (except those necessarily featuring in NBFC-Middle Layer) will be known as NBFC-BL.

The SBR Framework also states that a decision on including eligible Government NBFCs meeting the specified criteria into the Upper Layer will be taken at a later stage and till that time the guidelines as applicable for NBFC-ML shall apply. Accordingly, as on date of filing of this Draft Shelf Prospectus the Company, being Government owned NBFC, falls under the category of NBFC-ML.

In terms of the SBR Framework, NBFCs-BL shall be subject to regulations as currently applicable to non-deposit taking non-banking financial companies, except for the changes mentioned therein. NBFC-P2P, NBFC-AA, and NOFHC shall be subject to extant regulations governing them. NBFC-ML shall continue to follow regulations as currently applicable for NBFC-ND-SIs, NBFC-Ds, CICs, SPDs and HFCs, as the case may be, except for the changes mentioned in the SBR Framework. Further, NBFC-UL shall be subject to regulations applicable to NBFC-ML in addition to the changes mentioned in the SBR Framework.

### ***Concentration of Credit / Investment Norms***

In respect of Private sector entities, the Company has been following RBI's Credit Concentration Norms. In respect of Central/State Government entities, RBI had exempted the Company from applicability of RBI's Credit Concentration Norms till March 31, 2022. Further, RBI vide its letter dated August 24, 2022 has allowed the existing exposure of Central/State Government entities of the company as on date of letter to run off till maturity without invoking any regulatory violation.

As per RBI's SBR Framework, the credit concentration limits need to be calculated based on Tier I Capital from October 1, 2022 as against owned funds. RBI vide its letter dated March 20, 2023 has, inter-alia, directed the Company to reckon Tier I Capital as on March 31<sup>st</sup> (based on annual results) while computing exposure. However during the year, for the purpose of credit concentration limits, the Company has worked out the owned fund / Tier I Capital based on quarterly financial results till March 21, 2023. As on March 31, 2023, the exposure of the Company to Private / Government Sector

entities are within the RBI's prescribed credit concentration limits.

As prescribed under RBI's SBR Framework, following credit concentrations limits are being followed by our Company:

| <b>Concentration of Credit / Investment Norms Limit</b><br>(as a percentage of Tier I Capital) |     |
|--|-----|
| - Single borrower/ party   | 25% |
| - Single group of borrowers/ parties   | 40% |

In addition to above:

- An NBFC may exceed the concentration of credit/ investment norms, by 5% for any single party and by 10% for a single group of parties, if the additional exposure is on account of infrastructure loan and/or investment.

### ***Rating of NBFCs***

Pursuant to the RBI's Master Directions, all applicable NBFCs are required to furnish information about downgrading / upgrading of assigned rating of any financial product issued by them, within fifteen days of such a change in rating, to the regional office of the RBI under whose jurisdiction their registered office is functioning.

### ***Prudential Norms***

The RBI's Master Directions amongst other requirements prescribe guidelines on NBFC-ND-SI regarding capital requirement, income recognition, asset classification, provisioning requirements, capital adequacy requirements, concentration of credit/ investment, etc.

### ***Provisioning Requirements***

NBFCs that are required to implement Indian Accounting Standards ("**Ind AS**") as per the Companies (Indian Accounting Standards) Rules, 2015 ("**Accounting Standard Rules**") shall prepare their financial statements in accordance with Ind AS notified by the Government of India and shall comply with the regulatory guidance specified in the Master Directions. As per RBI's Master Directions, NBFCs shall hold impairment allowances (provisions) as required by Ind AS. In parallel, NBFCs shall also maintain the asset classification and compute provisions as per extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) including borrower/beneficiary wise classification, provisioning for standard as well as restructured assets, NPA ageing, etc. A comparison (as per the template in Appendix) between provisions required under IRACP and impairment allowances made under Ind AS 109 should be disclosed by NBFCs in the notes to their financial statements to provide a benchmark to their Boards, RBI supervisors and other stakeholders, on the adequacy of provisioning for credit losses.

### ***Capital Adequacy Norms***

In terms of Master Directions, every applicable NBFC is required to maintain, a minimum capital ratio consisting of Tier I and Tier II capital which shall not be less than 15% of its aggregate risk weighted assets on balance sheet and risk adjusted value of off-balance sheet items. The Tier I capital in respect of applicable NBFCs (other than NBFC-MFI and IDF-NBFC), at any point of time, shall not be less than 10 per cent.

"Tier I Capital" means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund; and perpetual debt instruments issued by a non-deposit taking non-banking financial company in each year to the extent it does not exceed 15 per cent of the aggregate Tier I Capital of such company as on March 31 of the previous accounting year.

*Owned Funds* are defined as paid-up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account and capital reserve representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of assets, as reduced by accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.

Tier - II Capital includes the following (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of 55%; (c) general provisions (including that for standard assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any

specific asset and are available to meet unexpected losses, to the extent of one-and-one-fourth percent of risk weighted assets; (d) hybrid debt capital instruments; and (e) subordinated debt; and (f) perpetual debt instrument issued by non-deposit taking non-banking financial company, which is in excess of what qualifies for Tier I Capital, to the extent that the aggregate does not exceed Tier -I Capital.

*Hybrid debt* means, capital instrument, which possess certain characteristics of equity as well as debt.

*Subordinated debt* means an instrument, which is fully paid up, is unsecured and is subordinated to the claims of other creditors and is free from restrictive clauses and is not redeemable at the instance of the holder or without the consent of the supervisory authority of the NBFC. The book value of such instrument is subjected to discounting as prescribed under the Master Directions and to the extent such discounted value does not exceed fifty percent of Tier I capital.

### ***Asset Classification***

NBFCs that are preparing its financial statements as per Ind AS are required to classify their borrowers into various stages on the following basis:

- Stage 1 - A financial asset that is not credit impaired on initial recognition
- Stage 2 – A financial asset where significant increase in credit risk (SICR) is identified
- Stage 3 – A financial asset which is credit impaired

### ***Other stipulations on policies***

Applicable NBFCs are required to frame board approved policies *inter alia* including, (i) a policy for demand and call loan; (ii) liquidity risk management policy; (iii) policy on outsourcing; (iv) fair practice code; (v) policies under the Information Technology Framework for the NBFC Sector; (vi) interest rate model policy; (vii) investment policy; (viii) know you customer/ anti-money laundering policy; (ix) policy for ascertaining the fit and proper criteria of the directors at the time of appointment, and on a continuing basis.

The prudential norms also specifically prohibit NBFCs from lending against its own shares.

### ***Net Owned Fund***

Section 45-IA of the RBI Act provided that to carry on the business of a NBFC, an entity would have to register as an NBFC with the RBI and would be required to have a minimum net owned fund of ₹ 2 crore. However, the net owned fund requirement has been incrementally revised by SBR Framework. SBR Framework stipulates the glided path to minimum net owned fund requirement of ₹ 5 crore by March 31, 2025 and ₹ 10 crore by March 31, 2027 by the NBFCs with customer interface or public funds. It is also clarified that there is no change in the existing regulatory minimum NOF for NBFCs – IFC which is ₹ 300 crore.

### ***Classification of Infrastructure Finance Companies***

All NBFC-NDs with an asset size of ₹ 500 crore or more in accordance with the last audited balance sheet will be considered as an NBFC-ND-SI. An IFC NBFC-ND-SI in addition fulfils the following criteria:

- a. a minimum of 75 per cent. of its total assets deployed in “infrastructure loans”;
- b. net owned funds of ₹ 300 crore or above;
- c. minimum credit rating ‘A’ or equivalent of CRISIL, India Ratings and Research Private Limited, CARE, ICRA, Brickwork Rating India Private Limited (Brickwork) or equivalent rating by any other credit rating agency accredited by RBI; and
- d. CRAR of 15 % (with a minimum Tier I capital of 10 %).

The Company is a Government IFC NBFC-ND-SI and consequently is subject to the lending and investment norms mentioned in “*Concentration of Credit / Investment Norms*” on page 180.

### ***Reserve Bank of India (Know Your Customer (KYC)) Master Directions, 2016 dated February 25, 2016, as amended (“RBI KYC Directions”)***

The RBI KYC Directions have been extended inter-alia to all NBFCs, and in terms of the RBI KYC Directions, every entity regulated thereunder is required to formulate a KYC policy which is duly approved by the board of directors of



such entity or a duly constituted committee thereof. The KYC policy formulated in terms of the RBI KYC Directions is required to include four key elements, being customer acceptance policy, risk management, customer identification procedures and monitoring of transactions. It is advised that all NBFC's adopt the same with suitable modifications depending upon the activity undertaken by them and ensure that a proper policy framework of anti-money laundering measures is put in place, to ensure adherence to RBI KYC Directions.

Further, all NBFCs are required to adhere to provisions of Prevention of Money-Laundering Act, 2002, the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005, and rules, circulars and regulations issued thereunder, as amended from time to time. The NBFCs are required to introduce a system of maintaining proper record of transactions prescribed under Rule 3 of Prevention of Money Laundering (Maintenance of Records) Rules, 2005

#### ***Accounting Standards and Accounting policies***

As prescribed under Ministry of Corporate Affairs ("MCA") roadmap for implementation of Ind AS, NBFCs that are required to implement Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 ("Accounting Standard Rules") shall prepare their financial statements in accordance with Ind AS notified by the Government of India and shall comply with the regulatory guidance specified in the Master Directions. Disclosure requirements for notes to accounts specified in the Master Directions shall continue to apply. Further the detailed Accounting Policies adopted by the Company, which are in accordance with applicable Ind AS and other statutory regulations are disclosed as part of Reformatted Financial Statements.

#### ***Implementation of Indian Accounting Standards: RBI Notification***

The Reserve bank of India vide notification number RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/ 2019-20 dated March 13, 2020 framed regulatory guidance on Ind AS which is applicable on Ind AS implementing NBFCs and Asset Reconstruction Companies (ARCs) for preparation of their financial statements from Fiscal 2020 onwards.

These guidelines focus on the need to ensure consistency in the application of the accounting standards in specific areas, including asset classification and provisioning, and provide clarifications on regulatory capital in the light of Ind AS implementation. Further, with respect to matters not dealt with this circular, NBFCs/ARCs are required to refer to the notified accounting standards, application guidance, educational material and other clarifications issued by the Institute of Chartered Accountants of India (ICAI).

#### ***Master Direction- Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016***

The directions lists down detailed instructions in relation to submission of returns, including their periodicity, reporting time, due date, purpose and the requirement of filing such returns by various categories of NBFCs.

#### ***Implementation of Green Initiative of the Government***

All applicable NBFCs are required to take proactive steps for increasing the use of electronic payment systems, elimination of post-dated cheques and gradual phase-out of cheques in their day to day business transactions which would result in more cost-effective transactions and faster and accurate settlements.

#### ***Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021***

The circular puts in place guidelines like prior approval of RBI before appointment, number of statutory auditors, eligibility criteria of auditors, independence of auditors, tenure and rotation etc. for avoiding conflict of interest in auditor's appointments and to improve the quality and standards of audit in RBI Regulated Entities. However, Office of C&AG will continue to appoint Statutory Auditors of the Government Companies and Government Controlled Other Companies under Section 139 (5) and 139 (7) of the Companies Act, 2013. Such Companies are also subject to supplementary/test audit by the Office of C&AG under Section 143 (6) and (7) of the said Act. Such Entities will be guided by the C&AG Guidelines regarding tenure and rotation policy.

#### ***Master Direction – Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016***

In addition to the report made by the auditor under Section 143 of the Companies Act, 2013 on the accounts of an NBFC, the auditor shall make a separate report to the Board of Directors of the company on *inter alia* examination of validity of certificate of registration obtained from the RBI, whether the NBFC is entitled to continue to hold such certificate of

registration in terms of its Principal Business Criteria (financial asset / income pattern) as on 31<sup>st</sup> March of the applicable year, whether the NBFC is meeting the required net owned fund requirement, whether the board of directors has passed a resolution for non-acceptance of public deposits, whether the company has accepted any public deposits during the applicable year, whether the company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it, whether the capital adequacy ratio as disclosed in the return submitted to the RBI in NBS-7 (DNBS03), has been correctly arrived at and whether such ratio is in compliance with the minimum CRAR prescribed by RBI, whether the company has furnished to RBI the annual statement of capital funds, risk assets/exposures and risk asset ratio within the stipulated period.

Where the statement regarding any of the items referred in the auditor certificate above, is unfavorable or qualified, or in the opinion of the auditor the company has not complied with the regulations issued by RBI, it shall be the obligation of the auditor to make a report containing the details of such unfavorable or qualified statements and/or about the non-compliance, as the case may be, in respect of the company to the concerned Regional Office of the Department of Non-Banking Supervision of the RBI under whose jurisdiction the registered office of the company is located.

### ***Risk-Based Internal Audit (RBIA)***

An independent and effective internal audit function in a financial entity provides vital assurance to the board of directors and its senior management of NBFC regarding the quality and effectiveness of the entity's internal control, risk management and governance framework. The essential requirements for a robust internal audit function include, inter alia, sufficient authority, proper stature, independence, adequate resources and professional competence. RBI *vide* its circular dated February 03, 2021, *inter-alia* mandated all non-deposit taking NBFCs (including Core Investment Companies) with asset size of ₹ 5,000 crore and above to implement the RBIA framework by March 31, 2022. The Guidelines are intended to enhance the efficacy of internal audit systems and processes followed by the NBFCs and UCBs.

### ***Master Direction on Information Technology Framework for the NBFC Sector, 2017***

The NBFC sector has grown in size and complexity over the years. As the NBFC industry matures and achieves scale, its Information Technology /Information Security (IT/IS) framework, Business continuity planning (BCP), Disaster Recovery (DR) Management, IT audit, etc. must be benchmarked to best practices. The focus of this framework is on IT Governance, IT Policy, Information & Cyber Security, IT Operations, IS Audit, Business Continuity Planning and IT Services Outsourcing.

### ***Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016***

RBI has issued Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016 ("Fraud Directions, 2016"). As per Fraud Directions, 2016, NBFCs are required to put in place a reporting system for recording frauds without any delay. NBFCs are required to fix staff accountability in respect of delays in reporting of fraud cases to the RBI. In order to maintain uniformity in reporting frauds, the Fraud Directions, 2016, prescribe the manner of classification of frauds. Such NBFCs are required to report frauds committed to various bodies like the board, the audit committee, the RBI and the police authorities, depending on the amount involved in the fraud. In terms of the Fraud Directions, 2016 such NBFCs shall disclose the amount related to fraud reported by the NBFC for the year in their balance sheet.

### ***Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs***

With a view to put in place necessary safeguards applicable to outsourcing of activities by NBFCs, the RBI has issued directions on managing risks and code of conduct in outsourcing of financial services by NBFCs ("Outsourcing Directions"). The Outsourcing Directions specify that core management functions including internal audit, compliance functions, decision making functions such as determining compliance with KYC norms, according sanction for loans etc. shall not be outsourced by NBFCs. However, for NBFCs in a group/conglomerate, these functions may be outsourced within the group subject to compliance with instructions in the Outsourcing Directions.

### ***Fair practice code***

Applicable NBFCs having customer interface should mandatorily adopt the guidelines on fair practices to be adhered to while conducting business. The guidelines require that all communications to the borrower shall be in the vernacular language or a language as understood by the borrower. Also, loan application forms shall include necessary information which affects the interest of the borrower, so that a meaningful comparison with the terms and conditions offered by other NBFCs can be made and informed decision can be taken by the borrower. Such NBFCs should also give notice to

the borrower in the vernacular language or a language as understood by the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. Such NBFCs shall also ensure that changes in interest rates and charges are effected only prospectively.

In order to regulate charging of excessive interest rates, applicable NBFCs are required to adopt an interest rate model. The rate of interest and the approach for gradations of risk and rationale for charging different rate of interest to different categories of borrowers shall be explicitly disclosed to the borrower. In the matter of recovery of loans, such NBFCs shall not resort to undue harassment methods which include persistently bothering the borrowers at odd hours, use muscle power for recovery of loans etc. Such NBFCs shall also ensure that the staffs are adequately trained to deal with the customers in an appropriate manner.

Also, NBFC-ND-SIs are required to lay down an appropriate grievance redressal mechanism within the organisation.

### ***Ombudsman scheme for customers of NBFCs***

RBI on November 12, 2021 introduced the Reserve Bank - Integrated Ombudsman Scheme, 2021 (the “Scheme”). The Scheme integrated erstwhile three ombudsman schemes of RBI namely, (i) the Banking Ombudsman Scheme, 2006; (ii) the Ombudsman Scheme for Non-Banking Financial Companies, 2018; and (iii) the Ombudsman Scheme for Digital Transactions, 2019. The Scheme makes ‘deficiency in services’ as ground for filing complaints with certain exceptions. The responsibility of representing the NBFC and furnishing information in respect of complaints filed by customers against the NBFC would be that of the principal nodal officer in the rank of a general manager or equivalent. The NBFC will not have the right to appeal in cases where an award is issued by the ombudsman against it on account of non-response or non-furnishing of information sought within stipulated time. A complaint may be lodged online through the portal designed for the purpose (<https://cms.rbi.org.in>). The complaint may also be submitted through electronic or physical mode to the Centralised Receipt and Processing Centre as notified by the RBI. The ombudsman is entitled to call for certified copy of documents from the NBFC and the ombudsman is required to maintain confidentiality in relation to the same. The proceedings before the ombudsman shall be summary in nature. The Ombudsman’s award shall contain, inter alia, the direction, if any, to the NBFC for specific performance of its obligations and in addition to or otherwise, the amount, if any, to be paid by the NBFC to the complainant by way of compensation for any loss suffered by the complainant.

### ***Asset Liability Management***

Under the terms of Master Directions, non-deposit accepting NBFCs having an asset base of ₹ 100 crore or more are required to comply with the RBI Guidelines on Liquidity Risk Management Framework (“LRM Framework”). The RBI has prescribed the Guidelines for asset liability management (“ALM”) system in relation to NBFCs through LRM Framework. The LRM Framework provides that in order to ensure sound and robust liquidity risk management system, the board of directors of the NBFC shall frame a liquidity risk management framework which ensures that it maintains sufficient liquidity, including a cushion of unencumbered, high quality liquid assets to withstand a range of stress events, including those involving the loss or impairment of both unsecured and secured funding sources. The liquidity risk management policy should spell out the entity-level liquidity risk tolerance; funding strategies; prudential limits; system for measuring, assessing and reporting/ reviewing liquidity; framework for stress testing; liquidity planning under alternative scenarios/formal contingent funding plan; nature and frequency of management reporting; periodical review of assumptions used in liquidity projection; etc. A desirable organizational set up for liquidity risk management shall include (a) Board of Directors who shall have the overall responsibility for management of liquidity risk, (b) the risk management committee (“RMC”) consisting of chief executive officer (“CEO”)/ managing director (“MD”) and heads of various risk verticals, who shall be responsible for evaluating the overall risks faced by the NBFC including liquidity risk, (c) asset liability management committee (“ALCO”) consisting of the NBFC’s top management shall be responsible for ensuring adherence to the risk tolerance/limits set by the board of directors as well as implementing the liquidity risk management strategy of the NBFC. The CEO/ MD or the Executive Director (ED) should head the ALCO. The role of the ALCO with respect to liquidity risk should include, *inter alia*, decision on desired maturity profile and mix of incremental assets and liabilities, sale of assets as a source of funding, the structure, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions of all branches, (d) asset liability management support group (“ALM Support Group”) consisting of the operating staff responsible for analysing, monitoring and reporting the liquidity risk profile to the ALCO. The maturity profile as prescribed in the directions could be used for measuring the future cash flows of NBFCs in different time buckets. Within each time bucket, there could be mismatches depending on cash inflows and outflows. While the mismatches up to one year would be relevant since these provide early warning signals of impending liquidity problems, the main focus shall be on the short-term mismatches, viz., 1-30/ 31 days. The net cumulative negative mismatches in the statement of structural liquidity in the maturity buckets 1-7 days, 8-14 days, and 15-30 days shall not exceed 10 percent, 10 percent and 20 percent of the cumulative cash outflows in the respective

time buckets. NBFCs, however, are expected to monitor their cumulative mismatches (running total) across all other time buckets up to 1 year by establishing internal prudential limits with the approval of the board of directors. NBFCs shall also adopt the above cumulative mismatch limits for their structural liquidity statement for consolidated operations. Other than liquidity risk the applicable NBFC has to manage currency risk and interest rate risk under the terms of LRM Framework.

### ***Guidelines on Digital Lending***

RBI on September 2, 2022 issued Guidelines on Digital Lending. The Guidelines on Digital Lending are applicable to all Commercial Banks, Primary (Urban) Co-operative Banks, State Co-operative Banks, District Central Co-operative Banks; and NBFCs. The Guidelines on Digital Lending prescribe guidelines w.r.t. Customer Protection and Conduct, Collection of fees, charges, Disclosures to borrowers, Grievance Redressal, Assessing the borrower's creditworthiness, Cooling off/look-up period, Due diligence and other requirements with respect to lending service providers engaged by the regulated entity, Technology and Data Requirement, Storage of Data, Comprehensive privacy policy, Technology standards, Reporting to Credit Information Companies and Loss sharing arrangement in case of default.

### ***The Recovery of Debts due to Banks and Financial Institutions Act, 1993***

The Recovery of Debts due to Banks and Financial Institutions Act, 1993 (the "DRT Act") provides for establishment of the Debts Recovery Tribunals (the "DRTs") for expeditious adjudication and recovery of debts due to banks and public financial institutions or to a consortium of banks and public financial institutions. Under the DRT Act, the procedures for recovery of debt have been simplified and time frames have been fixed for speedy disposal of cases. The DRT Act lays down the rules for establishment of DRTs, procedure for making application to the DRTs, powers of the DRTs and modes of recovery of debts determined by DRTs. These include attachment and sale of movable and immovable property of the defendant, arrest of the defendant and his detention in prison and appointment of receiver for management of the movable or immovable properties of the defendant.

The DRT Act also provides that a bank or public financial institution having a claim to recover its debt, may join an ongoing proceeding filed by some other bank or public financial institution, against its debtor, at any stage of the proceedings before the final order is passed, by making an application to the DRT.

### ***Directions on the Acquisition of NBFC***

Prior written permission from the RBI is required for:

- (a) the takeover or acquisition of an NBFC, deposit and non-deposit accepting, whether by acquisition of shares or otherwise;
- (b) any change in the shareholding of the applicable NBFCs, including progressive increases over time, which would result in acquisition/transfer of shareholding of 26% or more of the paid up equity capital of the applicable NBFC. Prior approval would, however, not be required in the case of any shareholding going beyond 26% due to buyback of shares/reduction in capital where it has approval of a competent Court. The same is however required to be reported to the RBI not later than one month from its occurrence; and
- (c) any change in the management of the applicable NBFC which results in the change in more than 30% of the directors, excluding independent directors. Prior approval would not be required for those directors who get re-elected on retirement by rotation.

Non-compliance of the directions could lead to adverse regulatory action including cancellation of the certificate of registration of NBFCs.

### ***Opening of Branch, Subsidiary or Representation Office of an NBFC outside India***

Prior approval of the RBI is required for the opening of a branch, subsidiary, joint venture or representative office or for undertaking any investment abroad by an NBFC.

### ***Department of Public Enterprises, Government of India***

We are a Maharatna Central Public Sector Undertaking under the administrative control of the Ministry of Power, Government of India.

The Department for Public Enterprises is the nodal department for all the Central Public Sector Enterprises (“CPSEs”) and formulates policy pertaining to CPSEs. It lays down, in particular, policy guidelines on performance improvement and evaluation, autonomy and financial delegation and personnel management in CPSEs. It furthermore collects and maintains information in the form of a Public Enterprises Survey on several areas in respect of CPSEs. The Department for Public Enterprises formulates policy guidelines pertaining to CPSEs in areas like performance improvements and evaluation, financial management, personnel management, board structures, wage settlement, training, industrial relation, vigilance and performance appraisal.

### ***Anti-Money Laundering***

The RBI has issued a Master Circular dated July 1, 2015 to ensure that a proper policy framework for the Prevention of Money Laundering Act, 2002 (“PMLA”) is put into place. The PMLA seeks to prevent money laundering and provides for confiscation of property derived from or involved in money laundering and for other matters connected therewith or incidental thereto. It extends to all banking companies, financial institutions, including NBFCs and intermediaries. Pursuant to the provisions of PMLA and the RBI guidelines, all NBFCs are advised to appoint a principal officer for internal reporting of suspicious transactions and cash transactions and to maintain a system of proper record (i) for all cash transactions of value of more than ₹ 0.10 crore or its equivalent in foreign currency; (ii) all series of cash transactions integrally connected to each other which have been valued below ₹ 0.10 crore or its equivalent in foreign currency where such series of transactions have taken place within one month and the aggregate value of such transaction exceeds ₹ 0.10 crore or its equivalent in foreign currency. Further, all NBFCs are required to take appropriate steps to evolve a system for proper maintenance and preservation of account information in a manner that allows data to be retrieved easily and quickly whenever required or when requested by the competent authorities. Further, NBFCs are also required to maintain for at least five years from the date of transaction between the NBFCs and the client, all necessary records of transactions, both domestic or international, which will permit reconstruction of individual transactions (including the amounts and types of currency involved if any) so as to provide, if necessary, evidence for prosecution of persons involved in criminal activity.

Additionally, NBFCs should ensure that records pertaining to the identification of their customers and their address are obtained while opening the account and during the course of business relationship, and that the same are properly preserved for at least five years after the business relationship is ended. The identification records and transaction data is to be made available to the competent authorities upon request.

RBI Notification dated December 3, 2015, titled “Anti-Money Laundering (AML)/ Combating of Financing of Terrorism (CFT) – Standards” states that all regulated entities (including NBFCs) are to comply with the updated FATF Public Statement and document ‘Improving Global AML/CFT Compliance: on-going process’ as on October 23, 2015.

### ***The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (“SARFAESI Act”)***

The SARFAESI Act regulates the securitization and reconstruction of financial assets of banks and financial institutions. The RBI has issued guidelines to banks and financial institutions on the process to be followed for sales of financial assets to asset reconstruction companies. These guidelines provide that a bank or a financial institution or an NBFC may sell financial assets to an asset reconstruction company provided the asset is a Non - Performing Asset (“NPA”). Securitisation Companies and Reconstruction Companies (“SCs/RCs”) are required to obtain, for the purpose of enforcement of security interest, the consent of secured creditors holding not less than 60 per cent of the amount outstanding to a borrower as against 75 per cent. While taking recourse to the sale of secured assets in terms of Section 13(4) of the SARFAESI Act, a SC/RC may itself acquire the secured assets, either for its own use or for resale, only if the sale is conducted through a public auction.

As per the SARFAESI Amendment Act of 2004, the constitutional validity of which was upheld in a recent Supreme Court ruling, non-performing assets have been defined as an asset or account of a borrower, which has been classified by a bank or financial institution as sub-standard, doubtful or loss asset in accordance with directions or guidelines issued by the RBI. In case the bank or financial institution is regulated by a statutory body/authority, NPAs must be classified by such bank in accordance with guidelines issued by such regulatory authority. The RBI has issued guidelines on classification of assets as NPAs. Further, these assets are to be sold on a “without recourse” basis only.

The SARFAESI Act provides for the acquisition of financial assets by Securitization Company or Reconstruction Company from any bank or financial institution on such terms and conditions as may be agreed upon between them. A securitization company or reconstruction company having regard to the guidelines framed by the RBI may, for the

purposes of asset reconstruction, provide for measures such as the proper management of the business of the borrower by change in or takeover of the management of the business of the borrower, the sale or lease of a part or whole of the business of the borrower and certain other measures such as rescheduling of payment of debts payable by the borrower; enforcement of security.

Additionally, under the provisions of the SARFAESI Act, any securitisation company or reconstruction company may act as an agent for any bank or financial institution for the purpose of recovering its dues from the borrower on payment of such fee or charges as may be mutually agreed between the parties.

Various provisions of the SARFAESI Act have been amended by the Enforcement of Security Interest and Recovery of Debt Laws and Miscellaneous Provisions (Amendment) Act, 2016 as also the Insolvency and Bankruptcy Code, 2016 (which amended S.13 of SARFAESI). As per this amendment, the Adjudicating Authority under the Insolvency and Bankruptcy Code, 2016 shall by order declare moratorium for prohibiting inter alia any action to foreclose, recover or enforce any security interest created by the corporate debtor in respect of its property including any action under the SARFAESI Act.

Further, in accordance with Ministry of Finance notification no. S.O. 856(E) dated February 24, 2020, the eligibility limit for to enforcement of security interest with respect to secured debt recovery by NBFCs (having assets worth ₹ 100 crore and above) has been reduced from ₹ 1 crore to ₹ 0.20 crore.

### ***Recovery of Debts due to Banks and Financial Institutions Act, 1993 (“DRT Act”)***

Under the DRT Act, the procedures for recovery of debt have been prescribed and time frames have been fixed for speedy disposal of cases. The DRT Act prescribes the rules for establishment of DRTs, procedure for making application to Debt Recovery Tribunals (“DRTs”), powers of DRTs and modes of recovery of debts determined by DRTs, including attachment and sale of movable and immovable properties of defendants, arrest of defendants, defendants’ detention in prison and appointment of receivers for management of the movable or immovable properties of defendants. The DRT Act also provides that a bank or public financial institution, having a claim to recover its debt may join an ongoing proceeding filed by some other bank or public financial institution against its debtor at any stage of the proceedings before the final order is passed by making an application to the DRT. The DRT Act further clarifies that on or after the commencement of the IBC in cases where insolvency and bankruptcy proceedings are pending in respect of secured assets of the borrower, the distribution of proceeds from the sale of secured assets shall be subject to the order of priority as provided therein.

The Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Act, 2016 (“ESIRDA”) which was introduced on August 16, 2016, amended the DRT Act. The amendments to the DRT Act pursuant to ESIRDA include, amongst others, (i) providing further details of procedures that tribunals need to follow in case of debt recovery proceedings; (ii) granting of power to recovery officers to take possession of the property over which security interest is created or any other property of the defendant as well as appoint a receiver and sell the same; (iii) priority being given to secured creditors in payment of debt in cases where insolvency or bankruptcy proceedings are pending in respect of secured assets of a borrower subject to the provisions of the Insolvency and Bankruptcy Code, 2016; and (iv) depositing of 50% of the amount of debt due as determined by the DRTs, for filing an appeal against any order of the recovery officer.

### ***Insolvency and Bankruptcy Code, 2016***

The Insolvency and Bankruptcy Code, 2016 (Bankruptcy Code) was notified on August 5, 2016. The Bankruptcy Code offers a uniform and comprehensive insolvency legislation encompassing all companies, partnerships and individuals (other than financial firms). It allows creditors to assess the viability of a debtor as a business decision and agree upon a plan for its revival or a speedy liquidation. The Bankruptcy Code creates a new institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms, which will facilitate a formal and time-bound insolvency resolution and liquidation process.

RBI vide its circular dated June 7, 2019, laid down the Prudential Framework for Resolution of Stressed Assets whereby prescribing the regulatory approach for resolution of stressed assets inter alia by: (i) early recognition and reporting of default by banks, financial institutions and NBFCs in respect of large borrowers; (ii) Affording complete discretion to lenders with regard to design and implementation of resolution plans, in supersession of earlier resolution schemes (S4A, SDR, 5/25 etc.), subject to the specified timeline and independent credit evaluation; (iii) Laying down a system of disincentives in the form of additional provisioning for delay in implementation of resolution plan or initiation of insolvency proceedings; (iv) Withdrawal of asset classification dispensations on restructuring. Future upgrades to be

contingent on a meaningful demonstration of satisfactory performance for a reasonable period; and (v) Requiring the mandatory signing of an inter-creditor agreement (ICA) by all lenders, which will provide for a majority decision making criteria. MCA vide notification dated November 15, 2019, issued the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 (“FSP Rules”) inter alia governing the corporate insolvency resolution process and liquidation process of Financial Service Providers (FSPs) under the Bankruptcy Code. The issuance of the FSP Rules has made viable and unified resolution process accessible for the FSPs and their creditors with some procedural differences.

### ***Companies Act, 2013***

The Companies Act, 2013 (“Companies Act”) has been notified by the Government of India on August 30, 2013 (the “Notification”).

The Companies Act provides for, among other things, changes to the regulatory framework governing the issue of capital by companies, corporate governance, audit procedures, corporate social responsibility, requirements for independent directors, director’s liability, class action suits, and the inclusion of women directors on the boards of companies. The Companies Act is complemented by a set of rules that set out the procedure for compliance with the substantive provisions of the Companies Act

### ***Shops and Establishments legislations in various states***

The provisions of various Shops and Establishments legislations, as applicable, regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of inter-alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health, termination of services and safety measures and wages for overtime work.

### ***Labour Laws***

India has stringent labour related legislations. The Company is required to comply with certain labour laws, which include the Employees’ Provident Funds and Miscellaneous Provisions Act 1952, Employees’ State Insurance Act, 1948, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, Workmen Compensation Act, 1923, the Payment of Gratuity Act, 1972, Maternity Benefit Act, 1961 and the Payment of Wages Act, 1936, amongst others.

### ***Intellectual Property***

Intellectual Property in India enjoys protection under both common law and statute. Under statute, India provides for patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 and trademark protection under the Trademarks Act, 1999. The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement.

### ***Other Regulations***

Our Company is required to comply with the provisions of the Companies Act, SEBI Listing Regulations, various circulars and notifications issued by SEBI as applicable, labour laws, shops and establishment acts, various tax related legislations and other applicable statutes for its day-to-day operations.

## **LAWS RELATING TO THE POWER SECTOR**

In accordance with the Indian Constitution, the authority to regulate the electricity sector vests with both the State and the Central Governments.

The Ministry of Power (“MoP”) acts as the administrative ministry governing the Central power sector in the country. The MoP is responsible for the administration of the Electricity Act, 2003, as amended from time to time (“**Electricity Act**”), the Energy Conservation Act, 2001 as amended and to undertake such amendments to these Acts, as may be necessary from time to time, in conformity with the government’s policy objectives. The Central Electricity Authority (“CEA”) advises the MoP, *inter alia*, on electricity policies and technical matters.

### ***Electricity Act, 2003***

The Electricity Act is a Central legislation relating to generation, transmission, distribution, trading and use of electricity

that seeks to replace the multiple legislations that govern the power sector. The Electricity Act aims to enable measures to be taken for the development of the electricity industry, promote competition, protect the interest of consumers and supply of electricity to all areas, rationalize the electricity tariff, ensure transparent policies regarding subsidies, promote efficient and environmentally benign policies, constitute the Central Electricity Agency and establish the Appellate Tribunal. The most significant reform initiative under the Electricity Act was the move towards a multi-buyer, multi-seller system as opposed to the existing structure which permitted only a single distributor to purchase power from power generators. In addition, the Electricity Act grants the electricity regulatory commissions freedom in determining tariffs. Under the Electricity Act, no license is required for establishing, expanding, operating or maintaining a generating station, if it complies with the technical standards relating to connectivity with the grid, provided that the generating station has submitted a detailed project report. The Electricity Act was amended in 2007 to exempt captive power generation plants from licensing requirements for supply to any licensee or consumer and further amended in 2010 to provide that any developer of a special economic zone (“SEZ”) notified shall be deemed to be a licensee under the Electricity Act. It was subsequently amended in 2014 to promote competition, efficiency in operations and improvement in quality of supply of electricity in the country resulting in capacity addition and ultimate benefit to the consumers. The Act was further amended in 2020 and 2022 for further development of the power sector.

### ***Licensing Requirements***

Under the Electricity Act, transmission and distribution of, and trading in, electricity require licences from the appropriate Central or State electricity regulatory commissions (respectively, **CERCs** and **SERCs**, and collectively, **ERCs**), unless exempted. CERC has jurisdiction over generating companies owned or controlled by the Government or which have a composite scheme for generation and sale in more than one State. SERCs have jurisdiction over generating stations within State boundaries, except those under CERC’s jurisdiction. The respective ERC determines the tariff for supply of electricity from a generating company to a licensee, transmission, wheeling, and retail sale of electricity. All States in India have ERCs in operation.

### ***Generation***

Currently, any generating company in India can establish, operate and maintain a generating station if it complies with the technical standards relating to connectivity with the grid. Approvals from the Government, the State Government and the techno-economic clearance from the CEA are no longer required, except for hydroelectric projects. Generating companies are permitted to sell electricity to any licensees and where permitted by the respective SERCs, to consumers. The respective ERCs determine the tariff for the supply of electricity from a generating company to any distribution licensee, transmission of electricity, wheeling of electricity and retail sale of electricity. CERC has jurisdiction over generating companies owned or controlled by the Government and those generating companies who have entered into or otherwise have a composite scheme for generation and sale in more than one State. SERCs have jurisdiction over generating stations within State boundaries, except those under CERC’s jurisdiction.

In order to qualify as a captive generating plant, the Electricity Rules, 2005 as amended (the **Electricity Rules**) require that not less than 26 per cent. of the ownership of the plant be held by a captive user and not less than 51 per cent. of the aggregate electricity generated in such plant, determined on an annual basis, be consumed for captive use. If the minimum percentage of captive use is not complied with in any year, the entire electricity generated is treated as supplied by a “generating company” and benefits available to a “captive generating plant” (such as exemption from payment of certain levies and surcharges) will not apply in such year.

### ***Transmission***

Transmission, being a regulated activity, involves the intervention of various players. The Government is responsible for facilitating the transmission and supply of electricity, particularly inter-State, regional and inter- regional transmission. The Electricity Act vests the responsibility of efficient, economical and integrated transmission and supply of electricity with the Government and empowers it to make regional demarcations of the country for the same. In addition, the Government will facilitate voluntary inter-connections and co- ordination of facilities for the inter-State, regional and inter-regional generation and transmission of electricity. The CEA is required to prescribe certain grid standards under the Electricity Act and every transmission licensee must comply with such technical standards of operation and maintenance of transmission lines. In addition, every transmission licensee is required to obtain a licence from the CERC and the SERCs, as the case maybe.

The Electricity Act allows generating companies open access to transmission lines. The transmission licensee is required to comply with the technical standards of operation and maintenance of transmission lines specified by the CEA. The provision of open access is subject to the availability of adequate transmission capacity as determined by the Central



Transmission Utility or the State Transmission Utility. The Electricity Act provides certain principles in accordance with which the appropriate ERC will specify terms and conditions for determination of the tariff. Under the Electricity Act, CERC is vested with the authority to determine the tariffs for inter-State transmission of electricity. A transmission licensee may, with prior intimation to CERC or the SERC, as the case may be, engage in any business for optimum utilisation of its assets, provided that a proportion of its revenues from such business be utilized for reducing its charges for transmission and wheeling.

### ***Trading***

The Electricity Act specifies trading in electricity as a licensed activity. This may involve wholesale supply or retail supply. The licence to engage in electricity trading is required to be obtained from the appropriate ERC. The CERC issued the CERC (Procedure, Terms and Conditions for Grant of Trading Licence and Other Related Matters) Regulations, 2009, as amended (**Trading Licence Regulations**) to regulate the inter-State trading of electricity. The Trading Licence Regulations define inter-State trading as the transfer of electricity from the territory of one State for resale to the territory of another State, and includes electricity imported from any other country for resale in any State of India or exported to any other country subject to compliance with applicable laws and clearance by appropriate authorities. Under the Trading Licence Regulations, any person desirous of undertaking inter-State trading in electricity shall apply to the CERC for the grant of a licence. The Trading Licence Regulations set out various qualifications for the grant of a licence for undertaking electricity trading, including certain technical and professional qualifications, and net worth requirements. Further, a licensee is subject to certain conditions including the extent of trading margin, maintenance of records and submission of auditors' reports. The existing licensees are required to meet the net worth, current ratio and liquidity ratio criteria and are required to pay the licence fee as specified by the CERC, from time to time. The licensees need to submit monthly reports and annual returns on over-the-counter contracts and transaction volumes on a weekly basis.

### ***Tariff Principles***

Under the Electricity Act, the ERCs determine the tariff for the supply of electricity by a generating company (as well as for transmission, wheeling and retail sale of electricity). In case of a shortage of electricity supply, the ERC may fix the minimum and maximum tariff for sale or purchase of electricity, pursuant to an agreement entered into between a generating company and licensee or between licensees, for up to one year. The Electricity Act provides that the ERC shall adopt such tariff that has been determined through a transparent process of bidding in accordance with the guidelines issued by the Government. The MoP has issued detailed guidelines for competitive bidding as well as standard bidding documents for competitive bid projects. Under guidelines issued by the MoP, the determination of the tariff for a particular power project depends on the mode of participation in the project, being (i) the MoU route, based on tariff principles prescribed by CERC (cost plus basis, comprising capacity charge, energy charge, unscheduled interchange charge and incentive payments); or (ii) the competitive bidding route, where the tariff is market-based.

### **Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019**

Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 as amended were applicable for the determination of the tariff between April 1, 2014 and March 31, 2019. Central Electricity Regulatory Commission (CERC) vide its notification dated 7th March, 2019 issued the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (**Tariff Regulations**), which are applicable for the tariff period 2019-24. These regulations are applicable in all cases where tariff for a generating station or a unit thereof and a transmission system or an element thereof is required to be determined by the Commission under section 62 of the Act read with section 79 thereof. Provided that any generating station for which agreement(s) have been executed for supply of electricity to the beneficiaries on or before January 5, 2011 and the financial closure for the said generating station has not been achieved by March 31, 2019, such projects are not eligible for determination of tariff under these regulations unless fresh consent of the beneficiaries is obtained and furnished. Further, these regulations are also not applicable on (a) Generating stations or transmission systems whose tariff has been discovered through tariff based competitive bidding in accordance with the guidelines 3 issued by the Central Government and adopted by the Commission under section 63 of the Act; and (b) Generating stations based on renewable sources of energy whose tariff is determined in accordance with the Central Electricity Regulatory Commission (Terms and Conditions for Tariff determination from Renewable Energy Sources) Regulations, 2020.

Important provisions as notified in these Tariff Regulations include :

- a) Retaining Rate of Return on Equity at 15.50% (for all regulated entities except pump storage hydro projects) and 16.50% (for pump storage hydro projects). However, additional return of 0.5% for timely completion of projects has

been discontinued. Further, addition or reduction in ROE, depending upon ability to achieve ramp rate has been introduced.

- b) For computation of interest on working capital, receivables reduced from 60 days to 45 days, coal stock reduced from 15 days to 10 days for pit head and from 30 days to 20 days for non-pit head stations.
- c) While computing Energy Charge Rate of a coal based generating stations, an additional allowance of 85 kCal/kg on GCV 'as received' on account of variation during storage is allowed.
- d) Provision for supplementary capacity charges for additional capitalization and supplementary energy charges, on account of implementation of revised emission standards in existing generating station or new generating station.
- e) Provision of special single part tariff introduced so that such tariff may be recovered based on actual dispatch in respect of thermal generating station which have completed 25 years of operation from the date of commercial operation, where the generating company and the beneficiary may agree on an arrangement.
- f) Generating Stations which have signed Power Purchase Agreements on or before January 5, 2011, but not achieved financial closure by March 31, 2019, are required to obtain fresh consent from beneficiaries.
- g) Introduction of differential rate regime (to be effective from April 1, 2020) during Peak Hours and Off-Peak Hours for recovery of Capacity Charges, including a High Demand Season of three months (continuous or otherwise) and Low Demand Season of remaining 9 months (to be declared by the concerned RLDCs at least six months in advance).
- h) Provision of incentive for exceeding specified normative plant load factor at the rate of 65 paise/ kWh for ex-bus scheduled energy during Peak Hours and a 50 paise/ kWh for ex-bus scheduled energy during Off-Peak Hours.

In case of Hydro Generating Stations, the energy charge rate for secondary energy revised from ninety paise per kWh to one hundred twenty paise per kWh.

#### ***Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium-Term Open Access in Inter-State Transmission and Related Matters) Regulations, 2009***

The Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium-Term Open Access in Inter-State Transmission and Related Matters) Regulations, 2009 as amended (the **CERC Regulations**) provide various transmission products, standardize procedures, define timelines and ensure a level playing field between market players. They provide the procedures and requirements for obtaining connectivity to inter-State transmission systems, obtaining medium-term open access and obtaining long-term access. There have been amendments to the CERC Regulations in relation to the appointment of a principal generator on behalf of the renewable energy generating stations. The CERC Regulations were amended on February 17, 2017 changing the definition of long-term access and medium-term open access to extend the right to use inter-State transmission systems (**ISTS**) for a period exceeding seven years and a period equal to or exceeding three months but not exceeding five years, respectively.

#### ***Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020***

The Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2020 as amended (the **Inter-State Regulations**) implement a point of connection method of sharing the transmission charges of inter-State transmission systems in India for a five-year period, replacing the earlier system of regional postage stamps. These regulations provide that the yearly transmission charges, revenue requirements on account of foreign exchange rate variations, changes in interest rates, and losses will be shared among the users. All the users will be default signatories to the transmission service agreement, which also requires these users to pay the point-of-connection charge, which covers the revenue of transmission licensees. The point of connection tariffs are based on load flow analysis and capture the utilisation of each network element by the users.

#### ***Central Electricity Regulatory Commission (Standards of Performance of Inter-State Transmission Licensees) Regulations, 2012***

The Central Electricity Regulatory Commission (Standards of Performance of Inter-State Transmission Licensees) Regulations, 2012 as amended (the **Standard of Performance Regulations**) apply to all the inter- State transmission licensees to ensure compliance with performance standards and to provide for an efficient, reliable, coordinated and economic system of electricity transmission. The Standard of Performance Regulations also covers the methodology for

calculating compensation in the case of loss on account of non-adherence.

### ***National Electricity Policy, 2005***

The National Electricity Policy was notified on 10 February 2005. This policy aims at accelerated development of the power sector, focusing on the supply of electricity to all areas and protecting interests of consumers and other stakeholders, keeping in view availability of energy resources technology available to exploit these resources, economics of generation using different resources and energy security issues.

### ***National Tariff Policy, 2016***

In 2016, the Government, under the Electricity Act, notified the revised National Tariff Policy (the **Tariff Policy**) that replaced the tariff policy of 2006. The goals of the Tariff Policy are to ensure availability of electricity to consumers at reasonable and competitive rates, ensure the financial viability of the power sector, attract investment to the power sector, promote regulatory transparency, consistency and predictability across jurisdictions, minimize perceptions of regulatory risks, promote competition, ensure operational efficiency, improve the quality of the power supply, promote generation of electricity from renewable sources, promote hydroelectric power generation including pumped storage projects (**PSP**) to provide adequate peaking reserves, reliable grid operation and integration of variable renewable energy sources, evolve a dynamic and robust electricity infrastructure for better consumer services, facilitate supply of adequate and uninterrupted power to all categories of consumers and ensure the creation of adequate capacity including reserves in generation, transmission and distribution in advance, for the reliability of supply of electricity to consumers. The Tariff Policy mandates that the relevant ERCs must reserve a minimum percentage for the purchase of solar energy equivalent to 8 per cent. of total consumption of energy by March 2022. In order to further encourage renewable sources of energy, the Tariff Policy mandates that no inter-State transmission charges and losses shall be levied until such period as may be notified on transmission of the electricity generated from solar power plants through the inter-State transmission system for sale. For transmission, the Tariff Policy aims to ensure optimal development of the transmission network with adequate margin for reliability, by efficient utilisation of generation and transmission assets and attracting investment providing adequate returns. The benefits of improved efficiency and new technology are passed on to consumers through reduced tariffs. It emphasizes the need for the appropriate regulator to ensure the recovery of all prudent costs when approving the financial restructuring of a transmission company.

The Tariff Policy requires that all future power requirements be procured competitively by distribution licensees except for expansion of pre-existing projects or State Government owned or controlled companies. Regulators must resort to tariffs set by reference to standards of the CERC, provided that the generating capacity expansion by private developers for this purpose is restricted to a one-time addition of not more than 100 per cent. of the existing capacity. Under the Tariff Policy, tariffs for all new generation and transmission projects are decided on a competitive bidding basis.

### ***National Electricity Plan***

#### *National Electricity Plan 2022-2032*

The Central Electricity Authority (“CEA”) has released the National Electricity Plan (“NEP”) for the period of 2022-32. The plan includes a review of the last five years (2017-22), a detailed plan for the next five years (2022-27), and a prospective plan for the following five years (2027-32).

The projected peak electricity demand and energy requirement for India are estimated to be 277.2 GW and 1907.8 BU in 2026-27 and 366.4 GW and 2473.8 BU in 2031-32. These projections consider factors like increased adoption of electric vehicles, solar rooftop installations, production of green hydrogen, and the Saubhagya scheme.

The likely installed capacity for 2026-27 is estimated to be 609,591 MW, including 273,038 MW of conventional capacity (coal, gas, nuclear) and 336,553 MW of renewable-based capacity (hydro, solar, wind, biomass) along with battery energy storage system (BESS) capacity.

For 2031-32, the estimated installed capacity is 900,422 MW, including 304,147 MW of conventional capacity and 596,275 MW of renewable-based capacity, excluding potential hydro-based imports, along with BESS capacity.

The NEP aims to achieve a non-fossil based installed capacity of around 500 GW by 2029-30. It projects the share of non-fossil based capacity to increase to 57.4% by 2026-27 and potentially reach 68.4% by 2031-32, compared to the current level of around 42.5% (as of April 2023).

The average plant load factor (PLF) of coal-based capacity is expected to be about 58.4% in 2026-27 and 58.7% in 2031-32.

The plan identifies a storage capacity requirement of 16.13 GW/82.37 GWh in 2026-27, which increases to 73.93 GW/411.4 GWh by 2031-32. This includes pumped storage plants (PSP) and battery energy storage systems (BESS).

The estimated domestic coal requirement is 866.4 million tons in 2026-27 and 1025.8 million tons in 2031-32, with an additional 28.9 million tons of coal imports for plants designed to run on imported coal.

The total fund requirement for generation capacity addition during the period 2022-2027 is estimated to be ₹ 14,54,188 crores, while for the period 2027-2032, it is estimated to be ₹ 19,06,406 crores.

The average emission factor is expected to reduce to 0.548 kg CO<sub>2</sub>/kWh<sub>net</sub> in 2026-27 and 0.430 kg CO<sub>2</sub>/kWh<sub>net</sub> by 2031-32.

Under the Electricity Act, 2003, the Central Electricity Authority is mandated to prepare and notify the National Electricity Plan in accordance with the National Electricity Policy once every five years.

### ***Government Initiatives and Policies***

- (i) Liquidity Package to Power Sector under Atmanirbhar Bharat Scheme
- (ii) Integrated Power Development Scheme
- (iii) Ultra Mega Power Projects
- (iv) Ujjwal Discom Assurance Yojana
- (v) Independent Transmission Projects

### ***Power for All – “24 x 7 POWER FOR ALL” PROGRAM (A Joint Initiative of Central Government and State Governments)***

The 24 x 7 program is joint initiative of the Government of India which is proposed to include participation of all States and Union Territories to facilitate 24 x 7 power for all, including households, industry, commercial businesses, public needs, agriculture and any other electricity consuming entity by 2019.

#### **Program Objectives:**

- (i) Reliable 24x7 supply to domestic, industrial and other consumers.
- (ii) Adequate power supply to agricultural consumers.
- (iii) To provide access to electricity to all unconnected households in next five years i.e. by Fiscal 2018-19.

To meet the above objectives, a state specific roadmap for ‘Power for All’ has been finalized in consultation with the states in the form of the Power for All (PFA) documents. The PFA document covers:

- (i) **Generation:** To ensure adequate capacity addition planning and tie ups for power from various sources at affordable prices to meet the projected increase in power demand for the future.
- (ii) **Transmission:** Strengthen the transmission (inter-state or intra-state) network to cater to the expected growth in demand of existing as well as new consumers.
- (iii) **Distribution:** Providing access to all households along with the creation of a new distribution network or strengthening of existing infrastructure.
- (iv) **Financial Viability:** Financial measures including optimizing investments and undertaking necessary balance sheet restructuring measures to ensure liquidity in the utility finances. To ensure reduction of aggregate technical and commercial losses as per the agreed loss reduction trajectory.

- (v) **Renewable Energy:** Plan for enhancement of renewable energy sources along with an associated evacuation system (including the green energy corridor which aims at synchronising electricity produced from renewable sources, such as solar and wind, with conventional power stations in the grid).
- (vi) **Energy Efficiency:** Adoption of various energy efficiency measures like replacement with energy efficient agriculture pumps, encouraging use of light-emitting diode bulbs, solar street lights etc.

### **Expectation from the State**

States are required to take the following actions:

- (i) Bring to the notice of the central government such issues that require assistance from any central ministry or need coordination between various ministries.
- (ii) Adopt best practices and emulate other States which have come up with innovative approach in providing electricity to every household.
- (iii) Explore possibilities of using renewable energy sources in providing electricity to remote areas where the extension of grid connection is not viable.
- (iv) Approach the central government for assistance in arranging gap funding requirement, if any.
- (v) Constitute a monitoring team to review progress of the projects regularly.
- (vi) Appoint a dedicated nodal officer for regular coordination with the Central Project Monitoring Unit at the Ministry of Power so that central and state government always remain coordinated in fulfilling the mission of 24X7PFA.

### **Monitoring Mechanism**

States are supposed to implement the following:

- (i) Paperless monitoring of the “24x7 Power For All” mission.
- (ii) A Central Programme Monitoring Unit under the chairmanship of the Joint Secretary (Distribution) with the Executive Director (T&D). The Company as convener has been constituted with officials from REC, PFC, NHPC and CEA.
- (iii) Each State to appoint a nodal officer for monitoring of the PFA programme.
- (iv) Monitoring of the PFA Programme is being performed entirely through a dedicated web portal.

### ***National Solar Mission***

The Ministry of New and Renewable Energy (**MNRE**) has approved a policy on the development of solar energy in India by the Jawaharlal Nehru National Solar Mission (**Mission**). The Mission has set the ambitious target of deploying 20,000 MW of grid connected solar power by 2022 and is aimed at reducing the cost of solar power generation in the country through: (i) long term policy; (ii) large scale deployment goals; (iii) aggressive research and development; and (iv) domestic production of critical raw materials, components and products, as a result to achieve grid tariff parity by 2022. The mission will create an enabling policy framework to achieve this objective and make India a global leader in solar energy. The Government has revised the target of grid connected solar power projects from 20,000 MW by the year 2021-22 to 100,000 MW by the year 2021-22 under the Mission.

### **ENVIRONMENTAL LAWS**

The three major statutes in India which seek to regulate and protect the environment against pollution related activities in India are the Water (Prevention and Control of Pollution) Act 1974 as amended, the Air (Prevention and Control of Pollution) Act, 1981 as amended and the Environment Protection Act, 1986 as amended (the **EPA**). The Pollution Control

Boards (**PCBs**), which are vested with diverse powers to deal with water and air pollution, have been set up in each State to control and prevent pollution. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking investigations to ensure that industries are functioning in compliance with the standards prescribed. All industries and factories are required to obtain consent orders from the PCBs, and these orders are required to be renewed annually.

The Ministry of Environment, Forest and Climate Change (“**MoEF**”), through its notification dated September 14, 2006, issued the environmental impact assessment notification (the **EIA Notification**) (which supersedes the notification dated January 27, 1994 – except in respect of acts done/omitted to be done before such supersession) pursuant to the provisions of the EPA. Projects and activities have been classified into two categories, category A and category B, based on the spatial extent of potential impacts and potential impacts on human health and natural and man- made resources.

An amendment has been proposed to the EPA by way of the Environmental Laws (Amendment) Bill, 2015. Currently, the maximum fine that can be imposed on a polluting industry or other entities is ₹ one lakh and a jail sentence of up to five years. Even this requires the Government agencies to first file a complaint with a magistrate at the district level and secure a favourable order against the polluter. It is proposed in the amendment that the amount of fines for a polluting industry will be increased from ₹ one lakh to ₹ one crore and the fine is to be imposed without going through a judicial process prescribed in the current law. A designated officer is the final authority to decide. The amendment also envisages to make pollution a civil offence for which the Government can demand costs from polluters without taking recourse to courts.

#### ***Water (Prevention and Control of Pollution) Act, 1974***

The Water (Prevention and Control of Pollution) Act, 1974 as amended (the **Water Act**) aims to prevent and control water pollution and to maintain or restore wholesomeness of water. The Water Act provides for a Central Pollution Control Board and for various State Pollution Control Boards to be constituted to implement its provisions. The Water Act debars any person from establishing any industry, operation or process or any treatment and disposal system likely to discharge sewage or trade effluents into a water body, without prior consent of the State Pollution Control Board (the **SPCB**). In addition, the Water (Prevention and Control of Pollution) Cess Act, 1977 requires a person carrying on any industry to pay a cess in this regard.

#### ***Air (Prevention and Control of Pollution) Act, 1981***

The Air (Prevention and Control of Pollution) Act, 1981 as amended (the **Air Act**) under which any individual, industry or institution responsible for emitting smoke or gases by way of use of fuel or chemical reactions must obtain consent from the SPCB prior to commencing any mining activity. The consent may contain conditions relating to specifications of pollution control equipment to be installed.

#### ***Hazardous Wastes (Management and Handling) Rules, 1989***

The Hazardous Wastes (Management and Handling) Rules, 1989 as amended fixes the responsibility of the occupier and the operator of the facility that treats hazardous wastes to properly collect, treat, store or dispose the hazardous wastes without adverse effects on the environment. Moreover, they must take steps to ensure that persons working on the site are given adequate training and equipment for performing their work. When an accident occurs in a hazardous site or during transportation of hazardous wastes, then the SPCB has to be immediately alerted and the occupier will have to pay for remedial and restoration expenses.

### **TAX LAWS**

#### ***Income Tax Act, 1961***

Income Tax Act is applicable to every domestic and foreign company whose income is taxable depending upon its ‘residential status’ and ‘type of income’ involved.

#### ***Goods and Services Tax (“GST”)***

The Government brought about significant transformation in Indian indirect tax regime by introducing GST, which came into force from 1 July 2017. Under the GST, unified structures have been introduced to expand the tax base, rationalise the input tax credit and harmonise the current multiple indirect taxation laws in India. GST has replaced the indirect taxes previously levied by the Central and state Governments on goods and services, such as, central excise duty, service tax,

customs duty, central sales tax, state VAT, and other cesses and surcharges applicable to supply of goods and services. All these erstwhile taxes have been subsumed in a single indirect tax called GST, which is levied on supply of goods and/or services at each stage of the supply chain.

**SECTION V – FINANCIAL STATEMENTS**

**FINANCIAL INFORMATION**

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## INDEPENDENT AUDITOR'S EXAMINATION REPORT ON THE REFORMATTED CONSOLIDATED FINANCIAL INFORMATION

July 6, 2023

To,

The Board of Directors

**Power Finance Corporation Limited**

Urjanidhi, 1, Barakhamba Lane,

Connaught Place,

New Delhi 110 001.

(the "**Company**")

1. We have examined the attached Reformatted Consolidated Financial Information of Power Finance Corporation Limited (the "**Issuer**" or "**Company**") as at and for the years ended March 31, 2023, March 31, 2022 and March 31, 2021, comprising the Reformatted Consolidated Balance Sheet as at March 31, 2023, March 31, 2022 and March 31, 2021, the Reformatted Consolidated Statement of Profit and Loss (including other comprehensive income), the Reformatted Consolidated Statement of Cash Flows for the years ended March 31, 2023, March 31, 2022 and March 31, 2021, the Reformatted Consolidated Statement of Changes in Equity and notes to the Reformatted Consolidated Financial Information, including a summary of significant accounting policies and other explanatory information (the "**Reformatted Consolidated Financial Information**"). The Reformatted Consolidated Financial Information have been prepared by the Management of the Company on the basis of Note 1A Basis of Preparation to the Reformatted Consolidated Financial Information and approved by the Management of the Company, for the purpose of inclusion in the Draft Shelf Prospectus ("**DSP**") and preparation by the Company of the Shelf Prospectus ("**SP**") and any relevant Tranche Prospectus(es) ("**TP**") (collectively referred to as "**Offer Documents**") in connection with its proposed public issue of secured, redeemable, Non-Convertible Debentures of face value ₹ 1,000 each for an amount aggregating to ₹ 10,000 crore (the "**Issue**"), by taking into consideration the requirements of:
  - a. the Sub-section (1) of Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "**Act**");
  - b. the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended (the "**SEBI NCS Regulations**") in pursuance of the Securities and Exchange Board of India Act, 1992 (the "**SEBI Act**"); and
  - c. the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (the "**ICAI**"), as amended from time to time (the "**Guidance Note**").

### **Management's Responsibilities for the Reformatted Consolidated Financial Information**

2. The Board of Directors of the Company is responsible for the preparation of the Reformatted Consolidated Financial Information for the purpose of inclusion in the DSP to be submitted to the Securities and Exchange Board of India ("**SEBI**") for record purposes and to be filed with BSE Limited ("**Stock Exchange**") in connection with the proposed Issue and SP and relevant TP to be filed with Registrar of Companies, NCT of Delhi and Haryana ("**RoC**"), Stock Exchanges and to be submitted with SEBI for record purposes in connection with the proposed Issue. The Reformatted Consolidated Financial Information have been prepared by the management of the Company on the basis of preparation stated in Note 1A Basis of Preparation to the Reformatted Consolidated Financial Information.

The Board of Directors of the Company is also responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Reformatted Consolidated Financial Information. The Board of Directors of the Company is also responsible for identifying and ensuring that the Company complies with the Act, the SEBI NCS Regulations and the Guidance Note.

### **Auditor's Responsibilities**

3. We have examined the Reformatted Consolidated Financial Information taking into consideration:
  - a. the terms of reference and terms of our engagement agreed with the Company *vide* our engagement letter dated June 20, 2023, in connection with the issue;
  - b. the Guidance Note, which also requires that we comply with the ethical requirements as stated in the Code of Ethics issued by the ICAI;
  - c. the concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Reformatted Consolidated Financial Information; and
  - d. the requirements of Section 26 of the Act and the SEBI NCS Regulations.
  - e. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the SEBI NCS Regulations and the Guidance Note in connection with the Issue.
4. The Reformatted Consolidated Financial Information have been compiled by the Management from the audited financial statements of the Company as at and for the years ended March 31, 2023, March 31, 2022, March 31, 2021 prepared in accordance with Indian Accounting Standards (referred to as "**Ind AS**") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Management of the Company.
5. For the purpose of our examination, we have relied on:
  - a. The Auditor's report issued by us dated May 27, 2023 and May 25, 2022 on the financial statements of the Company as at and for the year ended March 31, 2023 and March 31, 2022 respectively as referred in paragraph 4 above, on which we expressed an unmodified opinion;
  - b. The Auditor's report issued by Gandhi Minocha & Co, Chartered Accountants, one of the previous statutory auditors of the Company and Dass Gupta & Associates, Chartered Accountants, one of the current statutory auditors of the Company ("**Previous Auditor**") dated June 15, 2021, on the financial statements of the Company as at and for the year ended March 31, 2021, as referred in paragraph 4 above.
  - c. The audit reports on the financial statements issued by us and the Previous Auditor included the following explanatory paragraphs, which have been reproduced below:
    - i. Emphasis of matter paragraph:

A. As at and for the year ended March 31, 2023:

We draw attention to Note 46.1.2 of the Consolidated Financial Statements regarding the provision of impairment allowance in respect of loan assets, undisbursed letter of comfort and guarantee. The

Company and one of its subsidiaries has recognized expected credit loss in respect of loan assets, undisbursed letter of comfort and guarantee as required under Ind AS 109, on the basis of documents provided by independent expert agency appointed by them. Since the calculation parameters require certain technical and professional expertise, we have relied upon the basis of determination of impairment allowance in so far as it relates to technical aspects/parameters considered by the said independent expert agency and management's judgement on the same.

Our opinion is not modified in respect of the above said matter.

B. As at and for the year ended March 31, 2022:

(i) We draw attention to Note 46.1.2 of the Consolidated Financial Statements regarding the provision of impairment allowance in respect of loan assets, undisbursed letter of comfort and guarantee. The Company and one of its subsidiaries has recognized expected credit loss in respect of loan assets, undisbursed letter of comfort and guarantee as required under Ind AS 109, on the basis of documents provided by independent expert agency appointed by them. Since the calculation parameters require certain technical and professional expertise, we have relied upon the basis of determination of impairment allowance in so far as it relates to technical aspects/parameters considered by the said independent expert agency and management's judgment on the same.

(ii) We draw attention to Note 57 of the Consolidated Financial Statements regarding the impact of COVID-19 pandemic on the Group. Management is of the view that there are no reasons to believe that the pandemic will have any significant impact on the ability of the Group to continue as a going concern. Nevertheless, the impact in sight of evolution of pandemic in future period is uncertain and could impact the impairment allowance in future years.

Our opinion is not modified in respect of the above said matters.

C. As at and for the year ended March 31, 2021:

We draw attention to Note 57 of the Consolidated Ind AS Financial Statements regarding the impact of COVID-19 pandemic on the Group. Management is of the view that there are no reasons to believe that the pandemic will have any significant impact on the ability of the Group to continue as a going concern. Nevertheless, the impact in sight of evolution of pandemic in future period is uncertain and could impact the impairment allowance in future years.

Our opinion is not modified in respect of the matter.

ii. Other matter paragraph:

A. As at and for the year ended March 31, 2023:

a. We did not audit the Financial Statements / financial information of two subsidiaries whose Financial Statements / financial information reflect total assets of ₹ 4,65,779.72 crore as at 31<sup>st</sup> March, 2023, total revenues of ₹ 39,614.51 crore and net cash flows amounting to ₹ (175.47) crore for the year ended on that date, as considered in the consolidated Financial Statements. These Financial Statements / financial information have been audited by other auditors whose report has been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

- b. We did not audit the Financial Statements / financial information of one subsidiary, whose unaudited Financial Statements/financial information reflect total assets of ₹ 1.31 crore as at 31<sup>st</sup> March, 2023, total revenues ₹ NIL and net cash flows amounting to ₹ NIL for the year ended on that date, as considered in the consolidated Financial Statements. The consolidated Financial Statements also include unaudited financial Statements / other financial information in respect eleven associates, whose Financial Statements reflect Group's share of net profit of ₹ 0.01 crore for the year ended 31<sup>st</sup> March, 2023 as considered in the consolidated Financial Statements.

These Financial Statements / financial information are unaudited and have been furnished to us by the Management, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid associates and jointly controlled entity, is based solely on such unaudited Financial Statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these Ind AS Financial Statements / financial information are not material to the Group.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done by expert agency, the reports of the other auditors and the Financial Statements / financial information certified by the Management.

B. As at and for the year ended March 31, 2022:

- a. We did not audit the Financial Statements / financial information of two subsidiaries whose Financial Statements / financial information reflect total assets of ₹ 4,11,090.61 crore as at 31<sup>st</sup> March, 2022, total revenues of ₹ 39,083.73 crore and net cash flows amounting to ₹ (1,016.94) crore for the year ended on that date, as considered in the consolidated Financial Statements. These Financial Statements / financial information have been audited by other auditors whose report has been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.
- b. The consolidated Financial Statements also include unaudited financial Statements / other financial information in respect of one jointly controlled entity and fifteen associates (including three associates which are under process of striking off), whose Financial Statements reflect Group's share of net profit of ₹ (22.40) crore for the year ended 31<sup>st</sup> March, 2022 (upto date of cessation of joint control for Joint venture entity), as considered in the consolidated Financial Statements.

These Financial Statements / financial information are unaudited and have been furnished to us by the Management, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid associates and jointly controlled entity, is based solely on such unaudited Financial Statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these Ind AS Financial Statements / financial information are not material to the Group.

- c. The Consolidated financial information of the Company for the year ended 31<sup>st</sup> March, 2021 included in the Consolidated Financial Statements, were audited by joint statutory auditors of the Company, one of whom was predecessor audit firm, and they had expressed an unmodified opinion on Consolidated Financial Statements vide their report dated 15<sup>th</sup> June, 2021.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance

on the work done by expert agency, the reports of the other auditors and the Financial Statements / financial information certified by the Management.

C. As at and for the year ended March 31, 2021:

- a. We did not audit the Ind AS financial statements / financial information of one subsidiary whose financial statements / financial information reflect total assets of ₹ 4,00,866.87 crore as at 31st March, 2021, total revenues of ₹ 35,003.07 crore and net cash flows amounting to ₹ (538.47) crore for the year ended on that date, as considered in the consolidated Ind AS financial statements. These Ind AS financial statements / financial information have been audited by other auditors whose report has been furnished to us by the Management and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.
- b. We did not audit the Ind AS financial statements / financial information of one subsidiary, whose unaudited Ind AS financial statements / financial information reflect total assets of ₹ 131.53 crore as at 31st March, 2021, total revenues of ₹ 74.90 crore and net cash flows amounting to ₹ 25.90 crore for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS Financial Statements also include unaudited financial Statements / other financial information in respect of one jointly controlled entity and fifteen associates, whose financial statements reflect Group's share of net profit of ₹ 6.24 crore for the year ended 31st March, 2021, as considered in the consolidated Ind AS financial statements.

These financial statements / financial information are unaudited and have been furnished to us by the Management, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, associates and jointly controlled entity, is based solely on such unaudited Ind AS financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these Ind AS financial statements / financial information are not material to the Group.

- c. The Group has recognized expected credit loss in respect of loan assets and undisbursed letter of comfort as required under Ind AS 109, on the basis of documents provided by independent expert agencies appointed by the Holding Company and its subsidiary. Since the calculation parameters require certain technical and professional expertise, we and auditors of the subsidiary have relied on the expected credit loss calculation as provided by the said independent expert agencies.

Our opinion on the Consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done by expert agency, the reports of the other auditors and the Ind AS financial statements / financial information certified by the Management.

### **Opinion**

6. Based on our examination and according to the information and explanations given to us, we report that the Reformatted Consolidated Financial Information have been prepared by the Company, in all material aspects, on the basis described in Note 1A Basis of Preparation to the Reformatted Consolidated Financial Information taking into consideration the requirements of the Act and SEBI NCS Regulations.

### **Other Matters**

7. We have not audited or reviewed any financial statements of the Company as of or for the years ended March

31, 2021. Accordingly, we express no opinion on the financial position, profit and loss (including other comprehensive income) or cash flows of the Company as of and for the year March 31, 2021.

8. The Reformatted Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned in paragraph 4 above.
9. This examination report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or by the Previous Auditor, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
10. We have no responsibility to update our examination report for events and circumstances occurring after the date of this report.
11. Our examination report is intended solely for use of the Board of Directors for inclusion in the DSP to be filed with SEBI and the Stock Exchanges, and the SP and relevant TP to be filed with RoC, SEBI and the Stock Exchange in connection with the proposed Issue. Our report should not be used, referred to or distributed for any other purpose without prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

**Dass Gupta & Associates**  
*Chartered Accountants*  
**FRN: 000112N**

**Prem Gupta & Company**  
*Chartered Accountants*  
**FRN: 000425N**

**CA Naresh Kumar**  
*Partner*  
Membership No. 082069

**CA Shakun Gupta**  
*Partner*  
Membership No. 506838

Place: New Delhi  
Date: July 06, 2023  
UDIN: 23082069BGZGVT4324

Place: New Delhi  
Date: July 6, 2023  
UDIN: 23506838BGYZLX2068

| <b>Power Finance Corporation Limited</b>      |   |          |                     |                     |                     |
|---|---|----------|---------------------|---------------------|---------------------|
| <b>Reformatted Consolidated Balance Sheet</b> |   |          |                     |                     |                     |
| (₹ in crore)                                  |   |          |                     |                     |                     |
| Sr. No.                                       | Particulars   | Note No. | As at<br>31.03.2023 | As at<br>31.03.2022 | As at<br>31.03.2021 |
|   | <b>ASSETS</b>   |          |                     |                     |                     |
| <b>1</b>                                      | <b>Financial Assets</b>   |          |                     |                     |                     |
| (a)   | Cash and Cash Equivalents   | 8        | 127.59              | 914.24              | 4,927.74            |
| (b)   | Bank Balance other than included in Cash and Cash Equivalents                           | 9        | 3,973.43            | 5,770.26            | 3,274.82            |
| (c)   | Derivative Financial Instruments  | 10       | 13,785.01           | 8,590.73            | 3,562.67            |
| (d)   | Trade Receivables   | 11       | 171.17              | 125.63              | 167.61              |
| (e)   | Loans   | 12       | 8,32,903.36         | 7,32,850.76         | 7,22,386.84         |
| (f)   | Investments (Other than accounted for using equity method)                              | 13A      | 5,972.89            | 3,773.51            | 2,950.48            |
| (g)   | Other Financial Assets  | 14       | 29,832.08           | 29,820.35           | 29,779.87           |
|   | <b>Total Financial Assets (1)</b>   |          | <b>8,86,765.53</b>  | <b>7,81,845.48</b>  | <b>7,67,050.03</b>  |
| <b>2</b>                                      | <b>Non- Financial Assets</b>  |          |                     |                     |                     |
| (a)   | Current Tax Assets (Net)  | 15       | 543.08              | 495.25              | 525.32              |
| (b)   | Deferred Tax Assets (Net)   | 16       | 7,340.03            | 7,315.37            | 6,461.03            |
| (c)   | Investment Property   |          | -                   | -                   | 0.01                |
| (d)   | Property, Plant and Equipment   | 17       | 737.66              | 668.94              | 297.75              |
| (e)   | Capital Work-in-Progress  | 17       | 10.66               | 53.36               | 335.67              |
| (f)   | Intangible Assets under development   | 17       | 11.20               | -                   | 0.77                |
| (g)   | Other Intangible Assets   | 17       | 1.67                | 4.41                | 6.39                |
| (h)   | Right of Use Assets   | 18       | 42.97               | 45.83               | 37.17               |
| (i)   | Other Non-Financial Assets  | 19       | 641.14              | 551.68              | 411.43              |
| (j)   | Investments accounted for using equity method   | 13B      | 0.51                | 0.50                | 548.35              |
|   | <b>Total Non- Financial Assets (2)</b>  |          | <b>9,328.92</b>     | <b>9,135.34</b>     | <b>8,623.89</b>     |
| <b>3</b>                                      | Assets Classified as held for sale  | 20       | 17.41               | 19.45               | 33.16               |
|   | <b>Total Assets (1+2+3)</b>   |          | <b>8,96,111.86</b>  | <b>7,91,000.27</b>  | <b>7,75,707.08</b>  |
|   | <b>LIABILITIES AND EQUITY</b>   |          |                     |                     |                     |
|   | <b>Liabilities</b>  |          |                     |                     |                     |
| <b>1</b>                                      | <b>Financial Liabilities</b>  |          |                     |                     |                     |
| (a)   | Derivative Financial Instruments  | 10       | 1,001.27            | 656.39              | 1,340.35            |
| (b)   | Trade Payables  | 21       |                     |                     |                     |
|   | (i) Total outstanding dues of Micro, Small and Medium                                   |          | 0.67                | 1.11                | 0.01                |
|   | (ii) Total outstanding dues of creditors other than Micro, Small and Medium Enterprises |          | 50.19               | 48.64               | 70.76               |
| (c)   | Debt Securities   | 22       | 4,96,729.38         | 4,49,731.56         | 4,80,080.65         |
| (d)   | Borrowings (other than Debt Securities)   | 23       | 2,38,343.00         | 1,94,616.98         | 1,63,344.42         |
| (e)   | Subordinated Liabilities  | 24       | 16,085.14           | 16,127.74           | 16,257.09           |
| (f)   | Other Financial Liabilities   | 25       | 30,964.67           | 32,598.98           | 32,065.25           |
|   | <b>Total Financial Liabilities (1)</b>  |          | <b>7,83,174.32</b>  | <b>6,93,781.40</b>  | <b>6,93,158.53</b>  |
| <b>2</b>                                      | <b>Non- Financial Liabilities</b>   |          |                     |                     |                     |
| (a)   | Current Tax Liabilities (Net)   | 15       | 133.34              | 219.15              | 140.68              |
| (b)   | Provisions  | 26       | 438.11              | 356.55              | 272.28              |
| (c)   | Other Non-Financial Liabilities   | 27       | 384.79              | 368.01              | 345.26              |
|   | <b>Total Non- Financial Liabilities (2)</b>   |          | <b>956.24</b>       | <b>943.71</b>       | <b>758.22</b>       |
| <b>3</b>                                      | Liabilities directly associated with assets classified as held for                      | 20       | 0.02                | 0.01                | 0.08                |
|   | <b>Total Liabilities (1+2+3)</b>  |          | <b>7,84,130.58</b>  | <b>6,94,725.12</b>  | <b>6,93,916.83</b>  |
| <b>4</b>                                      | <b>Equity</b>   |          |                     |                     |                     |
| (a)   | Equity Share Capital  | 28       | 2,640.08            | 2,640.08            | 2,640.08            |
| (b)   | Other Equity  | 29       | 81,518.41           | 69,036.16           | 58,127.40           |
|   | <b>Equity attributable to owners of the Company (a+b)</b>                               |          | <b>84,158.49</b>    | <b>71,676.24</b>    | <b>60,767.48</b>    |
| (c)   | Non-Controlling Interest  | 30       | 27,822.79           | 24,598.91           | 21,022.77           |
|   | <b>Total Equity (4)</b>   |          | <b>1,11,981.28</b>  | <b>96,275.15</b>    | <b>81,790.25</b>    |
|   | <b>Total Liabilities and Equity (1+2+3+4)</b>   |          | <b>8,96,111.86</b>  | <b>7,91,000.27</b>  | <b>7,75,707.08</b>  |

The accompanying notes 1 to 63 form integral part of Reformatted Consolidated Financial Statements.

| Power Finance Corporation Limited                     |   |          |                          |                          |                          |
|---|---|----------|--------------------------|--------------------------|--------------------------|
| Reformatted Consolidated Statement of Profit and Loss |   |          |                          |                          |                          |
| (₹ in crore)  |   |          |                          |                          |                          |
| Sr. No.   | Particulars   | Note No. | Year ended<br>31.03.2023 | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|   | <b>Revenue from Operations</b>  |          |                          |                          |                          |
| (i)   | Interest Income   | 31       | 76,495.93                | 74,887.12                | 70,845.58                |
| (ii)  | Dividend Income   | 32       | 103.00                   | 68.86                    | 88.74                    |
| (iii)   | Fees and Commission Income  | 33       | 548.79                   | 1,069.58                 | 490.36                   |
| (iv)  | Other Operating Income  | 34       | 420.58                   | 236.10                   | 231.42                   |
| <b>I.</b>   | <b>Total Revenue from Operations</b>  |          | <b>77,568.30</b>         | <b>76,261.66</b>         | <b>71,656.10</b>         |
| <b>II.</b>  | Other Income  | 35       | 56.89                    | 83.26                    | 44.57                    |
| <b>III.</b>   | <b>Total Income (I+II)</b>  |          | <b>77,625.19</b>         | <b>76,344.92</b>         | <b>71,700.67</b>         |
|   | <b>Expenses</b>   |          |                          |                          |                          |
| (i)   | Finance Costs   | 36       | 47,016.78                | 44,708.78                | 44,683.52                |
| (ii)  | Net Translation / Transaction Exchange Loss / (Gain)  | 37       | 3,089.27                 | 1,704.63                 | 166.20                   |
| (iii)   | Fees and Commission Expense   | 38       | 28.35                    | 26.91                    | 24.23                    |
| (iv)  | Net Loss / (Gain) on Fair Value changes   | 39       | (115.87)                 | (356.00)                 | (53.39)                  |
| (v)   | Impairment on Financial Instruments   | 40       | (153.55)                 | 5,695.07                 | 5,942.29                 |
| (vi)  | Cost of Services Rendered   |          | 73.69                    | 76.83                    | 101.39                   |
| (vii)   | Employee Benefit Expenses   | 41       | 438.88                   | 407.32                   | 370.82                   |
| (viii)  | Depreciation, Amortisation and Impairment   | 17/18    | 51.80                    | 34.77                    | 25.46                    |
| (ix)  | Corporate Social Responsibility Expenses  |          | 430.34                   | 388.76                   | 370.22                   |
| (x)   | Other Expenses  | 42       | 269.44                   | 253.23                   | 185.44                   |
| <b>IV.</b>  | <b>Total Expenses</b>   |          | <b>51,129.13</b>         | <b>52,940.30</b>         | <b>51,816.18</b>         |
| <b>V.</b>   | Share of Profit / (Loss) in Joint Venture and Associates  |          | 0.01                     | (22.40)                  | 6.24                     |
| <b>VI.</b>  | <b>Profit/(Loss) Before Exceptional Items and Tax (III-IV+V)</b>                                  |          | <b>26,496.07</b>         | <b>23,382.22</b>         | <b>19,890.73</b>         |
| <b>VII.</b>   | Exceptional Items   |          | -                        | -                        | -                        |
| <b>VIII.</b>  | <b>Profit/(Loss) Before Tax (V-VI)</b>  |          | <b>26,496.07</b>         | <b>23,382.22</b>         | <b>19,890.73</b>         |
|   | <b>Tax Expense:</b>   | 43       |                          |                          |                          |
|   | <b>(1) Current Tax</b>  |          |                          |                          |                          |
|   | - Current Year  |          | 5,119.10                 | 5,501.89                 | 5,321.55                 |
|   | - Earlier Years   |          | (198.44)                 | (40.01)                  | 401.96                   |
|   | <b>(2) Deferred Tax Expense / (Income)</b>  |          | 396.82                   | (847.87)                 | (1,548.98)               |
| <b>IX.</b>  | <b>Total Tax Expense</b>  |          | <b>5,317.48</b>          | <b>4,614.01</b>          | <b>4,174.53</b>          |
| <b>X.</b>   | <b>Profit/(Loss) for the year from Continuing Operations</b>                                      |          | <b>21,178.59</b>         | <b>18,768.21</b>         | <b>15,716.20</b>         |
| <b>XI.</b>  | Profit/(Loss) From Discontinued Operations (After Tax)  |          | -                        | -                        | -                        |
| <b>XII.</b>   | <b>Profit/(Loss) for the year (from continuing and discontinued operations) (X+XI)</b>            |          | <b>21,178.59</b>         | <b>18,768.21</b>         | <b>15,716.20</b>         |
| <b>XIII.</b>  | <b>Other Comprehensive Income</b>   |          |                          |                          |                          |
| <b>(A)</b>  | (i) Items that will not be reclassified to Profit or Loss   |          |                          |                          |                          |
|   | - Re-measurement of Defined Benefit Plans   |          | (9.61)                   | (13.40)                  | (18.52)                  |
|   | - Net Gain / (Loss) on Fair Value of Equity Instruments   |          | 87.58                    | 174.13                   | 303.78                   |
|   | - Share of Other Comprehensive Income / (Loss) in Joint Venture accounted for using equity method |          | -                        | (0.02)                   | (0.12)                   |
|   | (ii) Income Tax relating to items that will not be reclassified to Profit or Loss                 |          |                          |                          |                          |
|   | - Re-measurement of Defined Benefit Plans   |          | 2.45                     | 3.47                     | 4.72                     |
|   | - Net Gain / (Loss) on Fair Value of Equity Instruments   |          | 9.84                     | (7.03)                   | (6.01)                   |
|   | <b>Sub-Total (A)</b>  |          | <b>90.26</b>             | <b>157.15</b>            | <b>283.85</b>            |
| <b>(B)</b>  | (i) Items that will be reclassified to Profit or Loss   |          |                          |                          |                          |
|   | - Effective Portion of Gains and (Loss) in Cash Flow Hedge  |          | 932.35                   | 900.02                   | 53.17                    |
|   | - Cost of Hedging Reserve   |          | (2,563.96)               | (947.33)                 | 297.94                   |
|   | - Share of Other Comprehensive Income/ (loss) of Joint Venture accounted for using equity method  |          | -                        | (0.17)                   | 1.29                     |
|   | (ii) Income Tax relating to items that will be reclassified to Profit or Loss                     |          |                          |                          |                          |
|   | - Effective Portion of Gains and (Loss) in Cash Flow Hedge  |          | (234.65)                 | (226.52)                 | (13.38)                  |
|   | - Cost of Hedging Reserve   |          | 645.29                   | 238.42                   | (74.98)                  |
|   | <b>Sub-Total (B)</b>  |          | <b>(1,220.97)</b>        | <b>(35.58)</b>           | <b>264.04</b>            |
|   | <b>Other Comprehensive Income (A+B)</b>   |          | <b>(1,130.71)</b>        | <b>121.57</b>            | <b>547.89</b>            |
| <b>XIV.</b>   | <b>Total Comprehensive Income for the year (XII+XIII)</b>   |          | <b>20,047.88</b>         | <b>18,889.78</b>         | <b>16,264.09</b>         |
|   | <b>Profit for the year attributable to:</b>   |          |                          |                          |                          |
|   | - Owners of the Company   |          | 15,889.33                | 14,014.79                | 11,747.83                |
|   | - Non-Controlling Interest  |          | 5,289.26                 | 4,753.42                 | 3,968.37                 |
|   |   |          | <b>21,178.59</b>         | <b>18,768.21</b>         | <b>15,716.20</b>         |
|   | <b>Other Comprehensive Income for the year</b>  |          |                          |                          |                          |
|   | - Owners of the Company   |          | (670.78)                 | 148.99                   | 331.07                   |
|   | - Non-Controlling Interest  |          | (459.93)                 | (27.42)                  | 216.82                   |
|   |   |          | <b>(1,130.71)</b>        | <b>121.57</b>            | <b>547.89</b>            |
|   | <b>Total Comprehensive Income for the year</b>  |          |                          |                          |                          |
|   | - Owners of the Company   |          | 15,218.55                | 14,163.78                | 12,078.90                |
|   | - Non-Controlling Interest  |          | 4,829.33                 | 4,726.00                 | 4,185.19                 |
|   |   |          | <b>20,047.88</b>         | <b>18,889.78</b>         | <b>16,264.09</b>         |
| <b>XV.</b>  | Basic and Diluted Earnings Per Equity Share (Face Value ` 10/- each):                             | 44       |                          |                          |                          |
|   | (1) For continuing operations (in `)  |          | 60.19                    | 53.08                    | 44.50                    |
|   | (2) For discontinued operations (in `)  |          | -                        | -                        | -                        |
|   | (3) For continuing and discontinued operations (in `)   |          | 60.19                    | 53.08                    | 44.50                    |

The accompanying notes 1 to 63 form integral part of Reformatted Consolidated Financial Statements.



**Power Finance Corporation Limited**  
**Reformatted Consolidated Statement of Cash Flows**

(₹ in crore)

| Sr. No.     | Description   | Year ended<br>31.03.2023 | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|-------------|---|--------------------------|--------------------------|--------------------------|
| <b>I.</b>   | <b>Cash Flow from Operating Activities :</b>  |                          |                          |                          |
|             | <b>Profit before Tax</b>  | <b>26,496.07</b>         | <b>23,382.22</b>         | <b>19,890.73</b>         |
|             | <b>Adjustments for:</b>   |                          |                          |                          |
|             | Loss/ (Gain) on derecognition of Property, Plant and Equipment  | 9.67                     | 3.91                     | 5.81                     |
|             | Loss/ (Gain) on derecognition of Assets held for sale (net)   | (4.08)                   | (30.25)                  |                          |
|             | Loss/ (Gain) on Fair value changes (Net)  | (114.32)                 | (348.00)                 | (29.40)                  |
|             | Unrealised Foreign Exchange Translation Loss / (Gain)   | 5,063.45                 | 2,286.31                 | 819.96                   |
|             | Depreciation and Amortisation   | 51.78                    | 34.78                    | 25.45                    |
|             | Impairment on Financial Instruments   | (153.84)                 | 5,695.07                 | 5,943.36                 |
|             | Impairment Allowance on Assets Classified as Held for Sale  | 0.03                     | 9.71                     |                          |
|             | Effective Interest Rate in respect of Loan assets and borrowings/<br>debt securities                  | (37.98)                  | (80.03)                  | 246.96                   |
|             | Interest expense on Zero Coupon Bonds and Commercial Papers   | 42.06                    | 107.55                   | 126.31                   |
|             | Other interest expense  | 2.44                     | 3.04                     |                          |
|             | Interest accrued on investments   | (45.47)                  | (73.88)                  |                          |
|             | Provision created during the period   | 163.02                   | 167.36                   |                          |
|             | Interest on Interest Subsidy Fund   |                          |                          | 1.41                     |
|             | Provision for interest under Income Tax Act, 1961   |                          |                          | 24.90                    |
|             | Interest on Income Tax Refund   |                          |                          | (9.67)                   |
|             | Provision for Retirement Benefits etc.  |                          |                          | 50.16                    |
|             | Excess Liabilities written back   | (0.15)                   | (2.40)                   | (0.15)                   |
|             | Share of Profit/Loss of Joint Venture accounted for using equity method                               | (0.01)                   | 22.40                    | (6.24)                   |
|             | <b>Operating profit before Working Capital Changes:</b>   | <b>31,472.67</b>         | <b>31,177.79</b>         | <b>27,089.59</b>         |
|             | <b>Increase / Decrease :</b>  |                          |                          |                          |
|             | Loans (Net)   | (1,00,606.60)            | (12,804.48)              | (83,336.45)              |
|             | Other Financial and Non-Financial Assets  | 1,773.21                 | (2,620.84)               | (3,015.58)               |
|             | Derivative  | (1,306.20)               | (4,634.69)               | 615.91                   |
|             | Other Financial & Non-Financial Liabilities and Provisions  | (933.06)                 | (872.00)                 | 4,579.10                 |
|             | <b>Cash Flow before Exceptional Items</b>   | <b>(69,599.98)</b>       | <b>10,245.78</b>         | <b>(54,067.43)</b>       |
|             | Exceptional Items   | -                        | -                        | -                        |
|             | <b>Cash Flow from Operations Before Tax</b>   | <b>(69,599.98)</b>       | <b>10,245.78</b>         | <b>(54,067.43)</b>       |
|             | Income Tax paid   | (5,256.63)               | (5,364.56)               | (5,381.03)               |
|             | Income Tax Refund   | 157.68                   | 23.26                    | 305.85                   |
|             | <b>Net Cash Inflow/(Outflow) from Operating Activities</b>  | <b>(74,698.93)</b>       | <b>4,904.48</b>          | <b>(59,142.61)</b>       |
| <b>II.</b>  | <b>Cash Flow From Investing Activities :</b>  |                          |                          |                          |
|             | Proceeds from disposal of Property, Plant and Equipment   | 0.32                     | 0.48                     | 0.97                     |
|             | Purchase of Property, Plant and Equipment & Intangible Assets<br>(including CWIP and Capital Advance) | (122.77)                 | (301.01)                 | (92.78)                  |
|             | Finance Cost Capitalised  | (0.03)                   | (5.10)                   | (22.04)                  |
|             | Increase / (Decrease) in Other Investments  | (1,575.70)               | (273.00)                 | 1,854.91                 |
|             | Sale of assets held for sale  | 4.60                     | 31.24                    |                          |
|             | <b>Net Cash Inflow/(Outflow) from Investing Activities</b>  | <b>(1,693.58)</b>        | <b>(547.39)</b>          | <b>1,741.06</b>          |
| <b>III.</b> | <b>Cash Flow From Financing Activities :</b>  |                          |                          |                          |
|             | Raising of Bonds (including premium) (Net of Redemptions)   | 41,226.83                | (33,428.48)              | 29,233.11                |
|             | Raising of Long Term Loans/WCDL/OD/CC/ Line of credit (Net<br>of Repayments)                          | 22,619.60                | 15,603.25                | 19,838.32                |
|             | Raising of Foreign Currency Loans (Net of Repayments)   | 15,856.34                | 26,432.96                | 5,533.01                 |
|             | Raising of Subordinated Liabilities (Net of Redemptions)  |                          |                          | 1,999.50                 |
|             | Raising of Commercial paper (Net of Repayments)   | -                        | (3,134.76)               | 195.00                   |
|             | Raising of Working Capital Demand Loan / OD / CC / Line of<br>Credit (Net of Repayments)              | -                        | (9,230.04)               | 6,076.34                 |
|             | Issue of Perpetual Debt Instruments entirely equity in nature (Net of<br>Issue Exp)                   | (44.50)                  | (45.60)                  | 557.46                   |
|             | Unclaimed Bonds (Net)   | (18.47)                  | (58.28)                  | 133.76                   |
|             | Unclaimed Dividend (Net)  | 0.17                     | 1.56                     | 0.42                     |
|             | Payment of Lease Liability  | (2.94)                   | (2.95)                   | (0.73)                   |
|             | Ltd.  | (0.71)                   | -                        |                          |
|             | Payment of Dividend   | (4,118.05)               | (4,508.25)               | (3,142.11)               |
|             | <b>Net Cash Inflow/(Outflow) from Financing Activities</b>  | <b>75,518.27</b>         | <b>(8,370.59)</b>        | <b>60,424.08</b>         |
|             | <b>Net Increase / Decrease in Cash and Cash Equivalents</b>   | <b>(874.24)</b>          | <b>(4,013.50)</b>        | <b>3,022.53</b>          |
|             | Add : Cash and Cash Equivalents at beginning of the financial year                                    | <b>914.24</b>            | <b>4,927.74</b>          | <b>1,905.21</b>          |
|             | <b>Cash and Cash Equivalents at the end of the year</b>   | <b>40.00</b>             | <b>914.24</b>            | <b>4,927.74</b>          |
|             | <b>Details of Cash and Cash Equivalents at the end of the year:</b>                                   |                          |                          |                          |
|             | i) Balances with Banks (of the nature of cash and cash equivalents)                                   |                          |                          |                          |
|             | In current accounts   | 63.17                    | 148.22                   | 970.90                   |
|             | In Term Deposit Accounts (original maturity up to 3 months)   | 64.42                    | 766.00                   | 3,956.72                 |
|             | ii) Cheques, Drafts on hand including postage and Imprest   | 0.00                     | -                        | 0.02                     |
|             | iii) Investment in Mutual Funds (original maturity up to 3 months)                                    | -                        | -                        | -                        |
|             | iv) Bank overdraft  | (87.59)                  | -                        | -                        |
|             | <b>Total Cash and Cash Equivalents at the end of the year</b>   | <b>40.00</b>             | <b>914.24</b>            | <b>4,927.74</b>          |

The above statement of cash flows has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'.

During the year, the Group has spent an amount of ₹ 331.53 crores (previous year ₹ 291.27 crores, ₹ 412.31 crores in FY 2021-22) towards Corporate Social Responsibility.

**Reconciliation of liabilities (principal o/s) arising from financing activities**

(₹ in crore)

| Sr. No. | Particulars                             | Bonds / Debenture <sup>e</sup> | WCDL/Rupee Term Loans** | Foreign Currency Loans | Commercial Paper | Subordinated Debts | Total              |
|---------|---|--------------------------------|-------------------------|------------------------|------------------|--------------------|--------------------|
|         | <b>Opening Balance as at 01.04.2021</b> | <b>4,05,247.18</b>             | <b>1,17,707.12</b>      | <b>1,02,651.33</b>     | <b>3,080.23</b>  | <b>15,862.20</b>   | <b>6,44,548.08</b> |
|         | Cash Flow During the Year               | (33,444.88)                    | 6,373.21                | 29,540.53              | (3,134.76)       | -                  | (665.92)           |
|         | <u>Non-Cash Changes due to:</u>         |                                |                         |                        |                  |                    |                    |
|         | Adjustments                             | 69.42                          | 2,999.99                | (42.45)                | 54.53            | -                  | 3,081.49           |
|         | Variation in Exchange Rates             |                                |                         | (48.67)                |                  |                    | (48.67)            |
|         | <b>Closing Balance as at 31.03.2022</b> | <b>3,71,871.72</b>             | <b>1,27,080.32</b>      | <b>1,32,100.74</b>     | <b>(0.00)</b>    | <b>15,862.20</b>   | <b>6,46,914.98</b> |
|         | Cash Flow During the Year               | 41,226.83                      | 22,619.60               | 15,856.34              | -                | -                  | 79,702.77          |
|         | <u>Non-Cash Changes due to:</u>         |                                |                         |                        |                  |                    |                    |
|         | Adjustments                             | 41.78                          | 87.59                   | 191.64                 | -                | -                  | 321.01             |
|         | Variation in Exchange Rates             |                                |                         | 10,270.04              |                  |                    | 10,270.04          |
|         | <b>Closing Balance as at 31.03.2023</b> | <b>4,13,140.33</b>             | <b>1,49,787.51</b>      | <b>1,58,418.76</b>     | <b>(0.00)</b>    | <b>15,862.20</b>   | <b>7,37,208.80</b> |

<sup>e</sup>Foreign Currency Notes form part of Foreign Currency Loans in Statement of Cash Flows.

<sup>\*\*</sup>Foreign Currency loans and syndicated foreign currency loans form part of foreign currency loan in Statement of Cash Flows.

The accompanying notes 1 to 63 form integral part of Consolidated Financial Statements.

**Reconciliation of liabilities (principal o/s) arising from financing activities**

(₹ in crore)

| Sr. No. | Particulars                             | Bonds / Debenture <sup>e</sup> | WCDL/Rupee Term Loans** | Foreign Currency Loans | Commercial Paper | Subordinated Debts | Total              |
|---------|---|--------------------------------|-------------------------|------------------------|------------------|--------------------|--------------------|
|         | <b>Opening Balance as at 31.03.2020</b> | <b>3,75,883.33</b>             | <b>91,791.97</b>        | <b>99,052.48</b>       | <b>2,925.00</b>  | <b>13,862.70</b>   | <b>5,83,515.50</b> |
|         | Cash Flow During the Year               | 29,233.11                      | 25,914.66               | 5,533.01               | 195.00           | 1,999.50           | 62,875.28          |
|         | <u>Non-Cash Changes due to:</u>         |                                |                         |                        |                  |                    |                    |
|         | Adjustments                             | 130.74                         | 0.49                    | 164.55                 | (39.77)          | -                  | 256.01             |
|         | Variation in Exchange Rates             |                                |                         | (2,098.71)             |                  |                    | (2,098.71)         |
|         | <b>Closing Balance as at 31.03.2021</b> | <b>4,05,247.18</b>             | <b>1,17,707.12</b>      | <b>1,02,651.33</b>     | <b>3,080.23</b>  | <b>15,862.20</b>   | <b>6,44,548.08</b> |

<sup>e</sup>Foreign Currency Notes form part of Foreign Currency Loans in Statement of Cash Flows.

<sup>\*\*</sup>Foreign Currency loans and syndicated foreign currency loans form part of foreign currency loan in Statement of Cash Flows.

**Power Finance Corporation Limited**  
**Reformatted Consolidated Statement of Changes in Equity**

**A. Equity Share Capital**

| Particulars                           | (₹ in crore)    |                 |
|---------------------------------------|-----------------|-----------------|
|                                       | Opening Balance | Closing Balance |
| Issued, Subscribed and fully paid up: |                 |                 |
| Year ended March 31, 2021             | 2,640.08        | 2,640.08        |
| Year ended March 31, 2022             | 2,640.08        | 2,640.08        |
| Year ended March 31, 2023             | 2,640.08        | 2,640.08        |

**B. Reformatted Other Equity**

| Particulars   | Reserves and surplus             |   |   |  |   |  |                    |   |  |                  |                    |                   |   | Other Comprehensive Income                        |                          |   |                                      | Non-Controlling Interest     |   | Total              |
|---|----------------------------------|---|---|--|---|--|--------------------|---|--|------------------|--------------------|-------------------|---|---|--------------------------|---|--------------------------------------|------------------------------|---|--------------------|
|   | Capital Reserve - Common Control | Capital Reserve - Change in shareholding in Joint Venture | Special Reserve created as 45-SC of Reserve Bank of India Act, 1934 | Reserve for Bad & doubtful debts as 36(1)(vi)(a) of Income-Tax Act, 1961 | Special Reserve created as 36(1)(vi)(b) of Income-Tax Act, 1961 upto Financial Year 1996-97 | Special Reserve created and maintained as 36(1)(vi)(b) of Income-Tax Act, 1961 from Financial Year 1997-98 | Securities Premium | Foreign Currency Monetary Item Translation Difference Account | Interest Differential Reserve - KFW Loan | General Reserve  | Impairment Reserve | Retained Earnings | Equity Instruments through Other comprehensive Income | Effective portion of Gain/(Loss) Cash Flow Hedges | Costs of Hedging Reserve | Share of other Comprehensive Income of Joint Venture and associates accounted using equity method | Attributable to owners of the parent | Non-Controlling Interest     |   |                    |
|   |                                  |   |   |  |   |  |                    |   |  |                  |                    |                   |   |   |                          |   |                                      | towards Equity Share Holders | towards Instruments Entirely Equity in Nature |                    |
| <b>Balance as at 31.03.2022</b>   | <b>(13,461.00)</b>               | -   | <b>9,298.33</b>   | <b>680.04</b>  | <b>599.85</b>   | <b>35,878.11</b>   | <b>3,953.74</b>    | <b>(806.97)</b>   | <b>64.07</b>                             | <b>20,346.81</b> | -                  | <b>12,757.10</b>  | <b>(74.23)</b>  | <b>302.56</b>                                     | <b>(503.16)</b>          | -   | <b>69,036.16</b>                     | <b>24,040.51</b>             | <b>558.40</b>                                 | <b>93,635.07</b>   |
| Changes in Accounting Policy / Prior Period Errors                                    | -                                | -   | -   | -  | -   | -  | -                  | -   | -  | -                | -                  | (0.82)            | -   | -   | -                        | -   | (0.82)                               | -                            | -   | (0.82)             |
| Profit for the period   | -                                | -   | -   | -  | -   | -  | -                  | -   | -  | -                | -                  | 15,889.33         | -   | -   | -                        | -   | 15,889.33                            | 5,289.26                     | -   | 21,178.59          |
| Re-measurement of Defined Benefit Plans   | -                                | -   | -   | -  | -   | -  | -                  | -   | -  | -                | -                  | -                 | -   | -   | -                        | -   | (5.04)                               | (2.12)                       | -   | (7.16)             |
| Reclassification of gain / (loss) on sale / extinguishment of FVOCI equity instrument | -                                | -   | -   | -  | -   | -  | -                  | -   | -  | -                | -                  | (5.04)            | -   | -   | -                        | -   | -                                    | -                            | -   | -                  |
| Other Comprehensive Income / (Expense)  | -                                | -   | -   | -  | -   | -  | -                  | -   | -  | -                | (0.00)             | 125.12            | 505.47  | (1,296.33)  | -                        | -   | (665.74)                             | (457.81)                     | -   | (1,123.55)         |
| <b>Total Comprehensive Income</b>   | -                                | -   | -   | -  | -   | -  | -                  | -   | -  | -                | <b>15,883.47</b>   | <b>125.12</b>     | <b>505.47</b>   | <b>(1,296.33)</b>                                 | -                        | -   | <b>15,217.73</b>                     | <b>4,829.33</b>              | -   | <b>20,047.06</b>   |
| Dividends   | -                                | -   | -   | -  | -   | -  | -                  | -   | -  | -                | -                  | (2,640.08)        | -   | -   | -                        | -   | (2,640.08)                           | (1,477.97)                   | -   | (4,118.05)         |
| Dividends Distribution Tax  | -                                | -   | -   | -  | -   | -  | -                  | -   | -  | -                | -                  | -                 | -   | -   | -                        | -   | -                                    | -                            | -   | -                  |
| Transfer to / from Retained Earnings  | -                                | -   | 3,484.93  | 590.10   | -   | 3,771.43   | -                  | -   | -  | -                | (7,346.46)         | -                 | -   | -   | -                        | -   | -                                    | -                            | -   | (0.00)             |
| Transfer to / from General Reserve  | -                                | -   | -   | -  | -   | -  | -                  | -   | -  | -                | -                  | -                 | -   | -   | -                        | -   | -                                    | -                            | -   | -                  |
| Utilisation of reserve against bad debts written off                                  | -                                | -   | -   | (680.04)   | -   | -  | -                  | -   | -  | 680.04           | -                  | -                 | -   | -   | -                        | -   | -                                    | -                            | -   | -                  |
| Additions / Deletion during the period (net)  | -                                | -   | -   | (60.71)  | -   | 8.84   | -                  | (77.54)   | 0.90                                     | -                | 50.97              | -                 | -   | -   | -                        | -   | (77.54)                              | (111.38)                     | -   | (188.92)           |
| Gain on increase in share in EESL   | -                                | -   | -   | -  | -   | -  | -                  | -   | -  | -                | -                  | -                 | -   | -   | -                        | -   | -                                    | -                            | -   | -                  |
| Reclassification of gain / loss on sale of equity instrument measured at OCI          | -                                | -   | -   | -  | -   | -  | -                  | -   | -  | -                | 48.77              | (48.77)           | -   | -   | -                        | -   | -                                    | -                            | -   | -                  |
| Adjustment related to Bonus issue of REC  | 346.50                           | -   | -   | -  | -   | -  | (346.87)           | -   | -  | -                | -                  | -                 | -   | -   | -                        | -   | -                                    | (0.37)                       | (0.34)  | (0.71)             |
| Issue of Perpetual Debt Instruments   | -                                | -   | -   | -  | -   | -  | -                  | -   | -  | -                | -                  | -                 | -   | -   | -                        | -   | -                                    | -                            | -   | -                  |
| Coupon Payment on Perpetual Debt Instruments  | -                                | -   | -   | -  | -   | -  | -                  | -   | -  | -                | (17.53)            | -                 | -   | -   | -                        | -   | (17.53)                              | (15.77)                      | -   | (33.30)            |
| Other Adjustments   | -                                | -   | -   | -  | -   | -  | -                  | -   | -  | -                | 0.05               | -                 | -   | -   | -                        | -   | 0.05                                 | -                            | -   | 0.05               |
| <b>Balance as at 31.03.2023</b>   | <b>(13,114.50)</b>               | -   | <b>12,783.26</b>  | <b>529.39</b>  | <b>599.85</b>   | <b>39,658.38</b>   | <b>3,666.87</b>    | <b>(883.61)</b>   | <b>64.97</b>                             | <b>21,026.85</b> | -                  | <b>18,236.28</b>  | <b>2.12</b>   | <b>888.03</b>                                     | <b>(1,799.49)</b>        | -   | <b>81,518.41</b>                     | <b>27,264.39</b>             | <b>558.40</b>                                 | <b>1,09,341.20</b> |
| <b>Balance as at 31.03.2021</b>   | <b>(13,461.00)</b>               | 2.47  | <b>6,235.99</b>   | <b>1,407.54</b>  | <b>599.85</b>   | <b>31,833.14</b>   | <b>3,953.74</b>    | <b>(936.01)</b>   | <b>62.65</b>                             | <b>19,040.40</b> | -                  | <b>9,760.52</b>   | <b>(170.71)</b>                                       | <b>(200.50)</b>                                   | <b>(1.42)</b>            | 0.73  | <b>58,127.40</b>                     | <b>20,464.36</b>             | <b>558.40</b>                                 | <b>79,150.16</b>   |
| Changes in Accounting Policy / Prior Period Errors                                    | -                                | -   | -   | -  | -   | -  | -                  | -   | -  | -                | -                  | -                 | -   | -   | -                        | -   | -                                    | -                            | -   | -                  |
| Profit for the period   | -                                | -   | -   | -  | -   | -  | -                  | -   | -  | -                | -                  | 14,014.79         | -   | -   | -                        | -   | 14,014.79                            | 4,753.42                     | -   | 18,768.21          |
| Re-measurement of Defined Benefit Plans   | -                                | -   | -   | -  | -   | -  | -                  | -   | -  | -                | -                  | (6.98)            | -   | -   | -                        | -   | (6.98)                               | (2.95)                       | -   | (9.93)             |
| Other Comprehensive Income / (Expense)  | -                                | -   | -   | -  | -   | -  | -                  | -   | -  | -                | -                  | 0.00              | 155.38  | 503.06  | (501.74)                 | (0.73)  | 155.97                               | (24.47)                      | -   | 131.50             |
| <b>Total Comprehensive Income</b>   | -                                | -   | -   | -  | -   | -  | -                  | -   | -  | -                | <b>14,007.81</b>   | <b>155.38</b>     | <b>503.06</b>   | <b>(501.74)</b>                                   | <b>(0.73)</b>            | -   | <b>14,163.78</b>                     | <b>4,726.00</b>              | -   | <b>18,889.78</b>   |
| Dividends   | -                                | -   | -   | -  | -   | -  | -                  | -   | -  | -                | (3,366.10)         | -                 | -   | -   | -                        | -   | (3,366.10)                           | (1,142.15)                   | -   | (4,508.25)         |
| Transfer to / from Retained Earnings  | -                                | -   | 3,062.34  | 576.44   | -   | 4,044.97   | -                  | -   | -  | -                | (7,683.75)         | -                 | -   | -   | -                        | -   | (0.00)                               | -                            | -   | (0.00)             |
| Transfer to / from General Reserve  | -                                | (2.47)  | -   | -  | -   | -  | -                  | -   | -  | 2.47             | -                  | -                 | -   | -   | -                        | -   | -                                    | -                            | -   | -                  |
| Utilisation of reserve against bad debts written off                                  | -                                | -   | -   | (1,303.94)   | -   | -  | -                  | -   | -  | 1,303.94         | -                  | -                 | -   | -   | -                        | -   | -                                    | -                            | -   | -                  |
| Additions / Deletion during the period (net)  | -                                | -   | -   | -  | -   | -  | -                  | 129.94  | 1.42                                     | -                | (1.42)             | -                 | -   | -   | -                        | -   | 129.94                               | 8.46                         | -   | 138.40             |
| Reclassification of gain / loss on sale of equity instrument measured at OCI          | -                                | -   | -   | -  | -   | -  | -                  | -   | -  | -                | 58.90              | (58.90)           | -   | -   | -                        | -   | -                                    | -                            | -   | -                  |
| Issue of Perpetual Debt Instruments   | -                                | -   | -   | -  | -   | -  | -                  | -   | -  | -                | -                  | -                 | -   | -   | -                        | -   | -                                    | -                            | -   | -                  |
| Issue expenses on Perpetual Debt Instruments  | -                                | -   | -   | -  | -   | -  | -                  | -   | -  | -                | (17.96)            | -                 | -   | -   | -                        | -   | (17.96)                              | (16.16)                      | -   | (34.12)            |
| Other Adjustments   | -                                | -   | -   | -  | -   | -  | -                  | -   | -  | -                | (0.90)             | -                 | -   | -   | -                        | -   | (0.90)                               | -                            | -   | (0.90)             |
| <b>Balance as at 31.03.2022</b>   | <b>(13,461.00)</b>               | -   | <b>9,298.33</b>   | <b>680.04</b>  | <b>599.85</b>   | <b>35,878.11</b>   | <b>3,953.74</b>    | <b>(806.97)</b>   | <b>64.07</b>                             | <b>20,346.81</b> | -                  | <b>12,757.10</b>  | <b>(74.23)</b>  | <b>302.56</b>                                     | <b>(503.16)</b>          | -   | <b>69,036.16</b>                     | <b>24,040.51</b>             | <b>558.40</b>                                 | <b>93,635.07</b>   |

B. Reformatting Other Equity

| Particulars  | Reserves and surplus             |   |  |   |   |  |                    |   |  |                  |                    |                   |   | Other Comprehensive                               |                          |   |                                      | Non-Controlling Interest     |   |                  | (₹ in crore) |
|--|----------------------------------|---|--|---|---|--|--------------------|---|--|------------------|--------------------|-------------------|---|---|--------------------------|---|--------------------------------------|------------------------------|---|------------------|--------------|
|  | Capital Reserve - Common Control | Capital Reserve - Change in shareholding in Joint Venture | Special Reserve created u/s 45-IC of Reserve Bank of India Act, 1934 | Reserve for Bad & doubtful debts u/s 35(1)(vi)(c) of Income-Tax Act, 1961 | Special Reserve created u/s 36(1)(viii) of Income Tax Act, 1961 upto Financial Year 1996-97 | Special Reserve created and maintained u/s 36(1)(viii) of Income Tax Act, 1961 from Financial Year 1997-98 | Securities Premium | Foreign Currency Monetary Item Translation Difference Account | Interest Differential Reserve - RPN Loan | General Reserve  | Impairment Reserve | Retained Earnings | Equity Instruments through Other comprehensive Income | Effective portion of Gain/(Loss) Cash Flow Hedges | Costs of Hedging Reserve | Share of other Comprehensive Income of Joint Venture and associates accounted using equity method | Attributable to owners of the parent | towards Equity Share Holders | towards Instruments Entirely Equity in Nature | Total            |              |
|  |                                  |   |  |   |   |  |                    |   |  |                  |                    |                   |   |   |                          |   |                                      |                              |   |                  |              |
| Balance as at 31.03.2020   | (13,461.80)                      | 2.47  | 3,666.61   | 4,089.44  | 599.85  | 27,616.89  | 3,953.74           | (2,346.18)  | 61.40                                    | 14,655.76        | 417.85             | 8,080.18          | (257.72)  | (211.65)  | (107.77)                 | 0.15  | 46,799.72                            | 16,765.57                    | -   | 63,525.29        |              |
| Changes in Accounting Policy / Prior Period Errors                           | -                                | -   | -  | -   | -   | -  | -                  | -   | -  | -                | -                  | -                 | -   | -   | -                        | -   | -                                    | -                            | -   | -                |              |
| Profit for the period  | -                                | -   | -  | -   | -   | -  | -                  | -   | -  | -                | -                  | 11,747.83         | -   | -   | -                        | -   | -                                    | 11,747.83                    | 3,968.37                                      | -                | 15,716.20    |
| Re-measurement of Defined Benefit Plans                                      | -                                | -   | -  | -   | -   | -  | -                  | -   | -  | -                | -                  | (8.75)            | -   | -   | -                        | -   | -                                    | (8.75)                       | (5.05)  | -                | (13.80)      |
| Other Comprehensive Income / (Expense)                                       | -                                | -   | -  | -   | -   | -  | -                  | -   | -  | -                | -                  | 221.74            | 11.15   | 106.35  | 0.58                     | -   | -                                    | 339.82                       | 221.87  | -                | 561.69       |
| <b>Total Comprehensive Income</b>  | -                                | -   | -  | -   | -   | -  | -                  | -   | -  | -                | -                  | 11,739.08         | 221.74  | 11.15   | 106.35                   | 0.58  | -                                    | 12,078.90                    | 4,185.19                                      | -                | 16,264.09    |
| Dividends  | -                                | -   | -  | -   | -   | -  | -                  | -   | -  | -                | -                  | (2,122.07)        | -   | -   | -                        | -   | -                                    | (2,122.07)                   | (1,028.97)                                    | -                | (3,141.04)   |
| Transfer to / from Retained Earnings   | -                                | -   | 2,509.38   | 761.49  | -   | 3,883.87   | -                  | -   | 516.40                                   | -                | (7,731.14)         | -                 | -   | -   | -                        | -   | -                                    | -                            | -   | -                | -            |
| Transfer to / from General Reserve   | -                                | -   | -  | -   | -   | -  | -                  | -   | -  | -                | -                  | -                 | -   | -   | -                        | -   | -                                    | -                            | -   | -                | -            |
| Utilisation of reserve against bad debts written off                         | -                                | -   | -  | (3,450.69)  | -   | -  | -                  | -   | 3,868.24                                 | (417.55)         | -                  | -                 | -   | -   | -                        | -   | -                                    | -                            | -   | -                | -            |
| Additions / Deletion during the period (net)                                 | -                                | -   | -  | 7.30  | -   | 332.38   | -                  | 1,410.17  | 1.25                                     | -                | (340.93)           | -                 | -   | -   | -                        | -   | -                                    | 1,410.18                     | 542.90  | -                | 1,953.08     |
| Reclassification of gain / loss on sale of equity instrument measured at OCI | -                                | -   | -  | -   | -   | -  | -                  | -   | -  | -                | 134.73             | (134.73)          | -   | -   | -                        | -   | -                                    | -                            | -   | -                | -            |
| Issue of Perpetual Debt Instruments  | -                                | -   | -  | -   | -   | -  | -                  | -   | -  | -                | -                  | -                 | -   | -   | -                        | -   | -                                    | -                            | -   | 558.40           | 558.40       |
| Issue expenses on Perpetual Debt Instruments                                 | -                                | -   | -  | -   | -   | -  | -                  | -   | -  | -                | (0.37)             | -                 | -   | -   | -                        | -   | -                                    | (0.37)                       | (0.33)  | -                | (0.70)       |
| Other Adjustments  | -                                | -   | -  | -   | -   | -  | -                  | -   | -  | -                | (8.96)             | -                 | -   | -   | -                        | -   | -                                    | (8.96)                       | -   | -                | (8.96)       |
| <b>Balance as at 31.03.2021</b>  | <b>(13,461.80)</b>               | <b>2.47</b>   | <b>6,235.99</b>  | <b>1,407.54</b>   | <b>599.85</b>   | <b>31,833.14</b>   | <b>3,953.74</b>    | <b>(936.01)</b>   | <b>62.65</b>                             | <b>19,840.40</b> | <b>-</b>           | <b>9,760.52</b>   | <b>(170.71)</b>                                       | <b>(200.50)</b>                                   | <b>(1.42)</b>            | <b>0.73</b>   | <b>58,127.40</b>                     | <b>20,464.37</b>             | <b>558.40</b>                                 | <b>79,150.16</b> |              |

## Notes to the Reformatted Consolidated Financial Statements

### 1. Group Information

Power Finance Corporation Limited (“PFC” or “the Company”) was incorporated in India in the year 1986. PFC is domiciled in India and is limited by shares, having its registered office at ‘Urjanidhi’, 1, Barakhamba Lane, Connaught Place, New Delhi – 110001 and conferred with ‘Maharatna’ Status by the Govt. of India.

PFC is a Government company engaged in extending financial assistance to power, logistics and infrastructure sector and is a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI) registered with Reserve Bank of India (RBI) as an Infrastructure Finance Company (IFC). The Company being a Government owned NBFC is placed in Middle layer under framework for Scale Based Regulation for NBFCs issued by RBI.

Equity shares of PFC are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited. Further, various debt securities of PFC are also listed on the Stock Exchanges.

These Consolidated Financial Statements comprise the financial statements of PFC & its subsidiaries (referred to collectively as the ‘Group’), and its associates, as listed at Note 5. The Group is primarily engaged in extending financial assistance to power, logistics and infrastructure sector. Other businesses include providing consultancy services to power sector and facilitation of development of Ultra Mega Power Projects (UMPPs) and Independent Transmission Projects (ITPs) as per mandate from Government of India (Gol).

#### 1A. Basis of Preparation

The Group has prepared the Reformatted Consolidated Balance Sheet as at March 31, 2023, March 31, 2022 and March 31, 2021 and Reformatted Consolidated Statement of Profit and Loss and the Reformatted Consolidated Statement of Cash Flows for the years ended March 31, 2023, March 31, 2022 and March 31, 2021 and Reformatted Consolidated Statement of Changes in Equity for the years ended March 31, 2023, March 31, 2022 and March 31, 2021 and the significant accounting policies and other explanatory information (together comprising the “Reformatted Consolidated Financial Statements”). Accordingly these Reformatted Consolidated Financial Statements will be included in the Offer Document (collectively “Draft Shelf Prospectus, Shelf Prospectus, Tranche Prospectus (es) and any other issue material”) proposed to be filed by the Company with the National Stock Exchange of India Limited, BSE Limited, Securities and Exchange Board of India (the “SEBI”) and the Registrar of Companies –NCT of Delhi & Haryana (the “Prospectus”) in connection with the proposed issue by the Company.

The Reformatted Consolidated Financial Statements are based on and have been extracted by the Management of the Company from the Audited Consolidated Financial Statements of the Group for the years ended March 31, 2023, March 31, 2022 and March 31, 2021. The Reformatted Consolidated Financial Statements as at and for the years ended March 31, 2021 has been regrouped / reclassified wherever necessary to correspond with the presentation / disclosure in line with the Audited Consolidated Financial Statements for the year ended March 31, 2023 to comply with requirements of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2021, as amended from time to time (the “SEBI (NCS) Regulations”) issued by the Securities and Exchange Board of India (the “SEBI”).

### 2. Statement of Compliance

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Act applicable for Non-Banking Finance Companies (“NBFC”). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 “Statement of Cash Flows”. The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the consolidated Financial Statements along with the other notes required to be disclosed under the notified Accounting Standards and regulations issued by the RBI

3. The Consolidated Financial Statements for FY 2022-23, FY 2021-22 and FY 2020-21 have been approved for issue by Board of Directors (BoD) of PFC on 27.05.2023, 25.05.2022 and 15.06.2021 respectively.

#### 4. Standards/ Amendments issued but not yet effective

The Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2023 on 31.03.2023, whereby amendments to various Indian Accounting Standards has been made applicable w.e.f from 01.04.2023.

The Group has evaluated the amendments made vide the aforesaid notification dated 31.03.2023 and there will be no impact of the same on the Consolidated Financial Statements as and when these are made applicable.

#### 5. The Consolidated Financial Statements represent consolidation of accounts of the Company, its Subsidiaries, and Associates as detailed below:

| Sr. No.              | Name of the company   | Country of incorporation / Principal place of Business | Proportion of ownership interest as at |            |            | Status of Audit  |
|----------------------|---|--|--|------------|------------|--|
|                      |   |  | 31.03.2023                             | 31.03.2022 | 31.03.2021 |  |
| <b>Subsidiaries:</b> |   |  |  |            |            |  |
| 1                    | REC Limited (RECL) *  | India  | 52.63%                                 | 52.63%     | 52.63%     | Audited  |
| 2                    | PFC Consulting Ltd. (PFCL)*   | India  | 100%                                   | 100%       | 100%       | 31.03.2023 and 31.03.2022 – Audited<br>31.03.2021- Unaudited |
| 3                    | PFC Projects Limited - (formerly known as Coastal Karnataka Power Limited ) (refer note no.5.1) | India  | 100%                                   | -          | -          | Unaudited  |
| <b>Associates:</b>   |   |  |  |            |            |  |
| 1                    | Coastal Maharashtra Mega Power Limited #  | India  | -                                      | 100%       | 100%       | Unaudited  |
| 2                    | Orissa Integrated Power Limited   | India  | 100%                                   | 100%       | 100%       | Unaudited  |
| 3                    | Coastal Karnataka Power Limited (refer note no.5.1)   | India  | -                                      | 100%       | 100%       | Unaudited  |
| 4                    | Coastal Tamil Nadu Power Limited  | India  | 100%                                   | 100%       | 100%       | Unaudited  |
| 5                    | Chhattisgarh Surguja Power Limited #  | India  | -                                      | 100%       | 100%       | Unaudited  |
| 6                    | Sakhigopal Integrated Company Limited   | India  | 100%                                   | 100%       | 100%       | Unaudited  |
| 7                    | Ghogarpalli Integrated Company Limited  | India  | 100%                                   | 100%       | 100%       | Unaudited  |
| 8                    | Tatiya Andhra Mega Power  | India  | -                                      | 100%       | 100%       | Unaudited  |

|    | Limited #                    |       |      |      |      |           |
|----|------------------------------|-------|------|------|------|-----------|
| 9  | Deoghar Mega Power Limited   | India | 100% | 100% | 100% | Unaudited |
| 10 | Cheyur Infra Limited         | India | 100% | 100% | 100% | Unaudited |
| 11 | Odisha Infrapower Limited    | India | 100% | 100% | 100% | Unaudited |
| 12 | Deoghar Infra Limited        | India | 100% | 100% | 100% | Unaudited |
| 13 | Bihar Infrapower Limited     | India | 100% | 100% | 100% | Unaudited |
| 14 | Bihar Mega Power Limited     | India | 100% | 100% | 100% | Unaudited |
| 15 | Jharkhand Infrapower Limited | India | 100% | 100% | 100% | Unaudited |

\*Consolidated Financial Statements of these subsidiaries (which incorporates financial statements of their subsidiaries, JVs and associates) have been used for preparation of Reformatted Consolidated Financial Statements of PFC.

# struck off during the year by the Registrar of Companies.

**5.1** Coastal Karnataka Power Limited (CKPL), a wholly owned company of PFC Ltd was set up for managing the UMPPs as per the mandate from GoI and was considered as associate over PFC had significant influence. During FY 2022-23, CKPL's MoA has been amended to be used for bidding lenders' backed resolution plan by PFC and it has been renamed as PFC Projects Limited (PPL). Accordingly, the ability to direct activities of said Company now vests with PFC Ltd and the same is now considered as a subsidiary.

**5.2** Wherever unaudited financial statements of subsidiaries, JV & associates are used for preparation of Consolidated Financial Statements, the audited financial statements of those companies are obtained subsequently and necessary adjustment is made in Consolidated Financial Statements of subsequent year and is presented under 'Other adjustments' line item in Statement of changes in equity.

## **6. Group's Significant Accounting Policies**

The Group's significant accounting policies applied in preparation of the Consolidated Financial Statements are as given below:

### **6.1 Basis of Preparation and Measurement**

These Consolidated Financial Statements have been prepared on going concern basis following accrual system of accounting. The assets and liabilities have been measured at historical cost or at amortised cost or at fair value as applicable at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

Fair value measurements are categorised into Level 1, 2 or 3 as per Ind AS requirement, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

### **6.2 Basis of Consolidation**

The Consolidated Financial Statements incorporate the financial statements of the Company and its subsidiaries (collectively referred as the "Group"). The Group has investment in joint venture entity and associates which are accounted using equity method (except when the investment is classified as held for sale) in these Consolidated Financial Statements.

The financial statements of Subsidiaries, Joint Venture and Associates are drawn up to the same reporting date as of the Company for the purpose of Consolidation.

#### **(i) Subsidiaries:**

A subsidiary is an entity over which the Company has control. The Company controls an entity when the Company

is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which the Company obtains the control (except for Business Combinations under Common Control).

The Company combines the financial statements of its subsidiaries on a line by line basis, adding together like items of assets, liabilities, equity, income and expenses. The carrying amount of the Company's investment in each subsidiary and the Company's portion of equity of each subsidiary are eliminated. Intercompany transactions, balances, unrealised gains on transactions between the Company and subsidiaries are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Non-controlling interests (NCI) represent the proportion of income, other comprehensive income and net assets in subsidiaries that is not attributable to the Company's shareholders. Non-controlling interests are initially measured at the proportionate share of the recognised amounts of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of the interest at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

The Consolidated Financial Statements are prepared using uniform accounting policies consistently for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's Standalone Financial Statements except as otherwise stated. When necessary, adjustments are made to the financial statements to bring their accounting policies in line with the Group's Significant Accounting Policies.

If the Company loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognized in Consolidated Statement of Profit and Loss.

#### **(ii) Joint Venture and Associates:**

A Joint Venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

An Associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of Joint Venture or Associates are incorporated in these Consolidated Financial Statements using the equity method of accounting, except when the investment or a portion thereof, is classified as held for sale, in which case it is measured at lower of their carrying amount and fair value less cost to sell. Under the equity method, an investment in a Joint Venture or Associate is initially recognised in the Consolidated Balance Sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the Joint Venture or Associate. Distributions received from a joint venture/associate reduce the carrying amount of the investment.

Upon loss of joint control over the Joint Venture or significant influence over the Associate, the Company measures and recognises any retained investment at its fair value. Any difference between a) the carrying amount of the Joint Venture or Associate upon loss of joint control or significant influence respectively and b) the fair value of the retained investment and proceeds from disposal is recognised in Consolidated Statement of Profit and Loss.

### **6.3 Cash and Cash Equivalents**

Cash comprises cash on hand and demand deposits. The Group considers cash equivalents as all short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.



## 6.4 Derivative Financial Instruments

- (i) The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks.
- (ii) Under hedge accounting, an entity can designate derivative contracts either as cashflow hedge or fair value hedge.
- (iii) To qualify for hedge accounting, the hedging relationship must meet all of the following requirements:
  - there is an economic relationship between the hedged item and the hedging instrument.
  - the effect of credit risk does not dominate the value changes that result from that economic relationship.
  - the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Company actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge that quantity of hedged item.

### (iv) Cash flow hedge

The hedging instruments which meets the qualifying criteria for hedge accounting are designated as cash flow hedge. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in Other Comprehensive Income. The change in intrinsic value of hedging instruments is recognized in 'Effective Portion of Cash Flow Hedges'. The amounts recognized in such reserve are reclassified to the Consolidated Statement of Profit or Loss when the hedged item affects profit or loss. Further, the change in fair value of the time value of a hedging instruments is recognized in 'Cost of Hedging Reserve'. The amounts recognized in such reserve are amortized to the Consolidated Statement of Profit and Loss on a systematic basis. The gain or loss relating to ineffective portion is recognized immediately in Consolidated Statement of Profit and Loss.

### (v) Fair Value Hedge

In line with the recognition of change in the fair value of the hedging instruments in the Consolidated Statement of Profit & Loss, the change in the fair value of the hedged item attributable to the risk hedged is recognised in the Consolidated Statement of Profit and Loss. Such changes are made to the carrying amount of the hedged item and are adjusted in Effective Interest Rate in the period when the hedging instrument ceases to exist. If the hedged item is derecognised, the unamortised fair value is recognised immediately in Consolidated Statement of Profit and Loss.

- (vi) Hedge accounting is discontinued when the hedging instrument expires, or terminated, or exercised, or when it no longer qualifies for hedge accounting.
- (vii) Derivatives, other than those designated under hedge relationship, are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Consolidated Statement of Profit and Loss.

## 6.5 Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instruments.

On initial recognition, financial assets and financial liabilities are recognised at fair value plus/ minus transaction cost that is attributable to the acquisition or issue of financial assets and financial liabilities. In case of financial assets and financial liabilities which are recognised at fair value through profit and loss (FVTPL), its transaction costs are recognised in Consolidated Statement of Profit and Loss.

### 6.5.1 Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognized on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

After initial recognition, financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

## **(i) Classification and Measurement of Financial Assets (other than Equity instruments)**

### **a. Financial Assets at Amortised Cost:**

Financial assets that meet the following conditions are subsequently measured at amortised cost using Effective Interest Rate method (EIR):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

### **Effective Interest Rate (EIR) method**

The effective interest rate method is a method of calculating the amortised cost of financial asset and of allocating interest income over the expected life. The Group while applying EIR method, generally amortises any fees, transaction costs and other premiums or discount that are integral part of the effective interest rate of a financial instrument.

Income is recognised in the Consolidated Statement of Profit and Loss on an effective interest rate basis for financial assets other than those classified as at FVTPL.

EIR is determined at the initial recognition of the financial asset. EIR is subsequently updated at every reset, in accordance with the terms of the respective contract.

Once the terms of financial assets are renegotiated, other than market driven interest rate movement, any gain / loss measured using the previous EIR as calculated before the modification, is recognised in the Consolidated Statement of Profit and Loss in period during which such renegotiations occur.

### **b. Financial Assets at Fair Value Through Other Comprehensive Income (FVTOCI)**

A financial asset is measured at FVTOCI if both the following conditions are met:

- the objective of the business model is achieved both by collecting contractual cash flows and selling the financial asset; and
- the contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

All fair value changes are recognised in Other Comprehensive Income (OCI) and accumulated in Reserve.

### **c. Financial Assets at Fair Value Through Profit or Loss (FVTPL)**

A financial asset is measured at FVTPL unless it is measured at amortised cost or FVTOCI, with all changes in fair value recognised in Consolidated Statement of Profit and Loss.

#### **Business Model**

An assessment of business model for managing financial assets is fundamental to the classification of a financial asset. The Group determines the business model at a level that reflects how financial assets are managed together

to achieve a particular business objective of generating cash flows. The Group's business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The Group is primarily in the business of lending loans across power sector value chain and such loans are managed to realize the contractual cash flows over the tenure of the loan. Further, other financial assets may also be held by the Group to collect the contractual cash flows.

## **(ii) Classification, Measurement and Derecognition of Equity Instruments**

All equity investments other than in subsidiaries, joint ventures and associates are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group at

initial recognition makes an irrevocable election to classify it as either FVTOCI or FVTPL. The Group makes such election on an instrument by instrument basis.

An equity investment classified as FVTOCI is initially measured at fair value plus transaction costs. Subsequently, it is measured at fair value and, all fair value changes are recognised in Consolidated Other Comprehensive Income (OCI) and accumulated in Consolidated Reserve. There is no recycling of the amounts from Consolidated OCI to Consolidated Statement of Profit and Loss, even on sale of investment. However, the Group transfers the cumulative gain/loss within consolidated equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Consolidated Statement of Profit and Loss.

### **(iii) Impairment of Financial Assets**

Subsequent to initial recognition, the Group recognises expected credit loss (ECL) on financial assets measured at amortised cost as required under Ind AS 109 'Financial Instruments'. The Group presents the ECL charge or reversal (where the net amount is a negative balance for a particular period) in the Consolidated Statement of Profit and Loss as "Impairment on financial instruments" and as a cumulative deduction from gross carrying amount in the Consolidated Balance Sheet, wherever applicable.

The impairment requirements for the recognition and measurement of ECL are equally applied to financial asset measured at FVTOCI except that ECL is recognised in Other Comprehensive Income and is not reduced from the carrying amount in the Consolidated Balance Sheet.

#### **a) Impairment of Loan Assets and commitments under Letter of Comfort (LoC):**

The Group measures ECL on loan assets at an amount equal to the lifetime ECL if there is credit impairment or there has been significant increase in credit risk (SICR) since initial recognition. If there is no SICR as compared to initial recognition, the Group measures ECL at an amount equal to 12-month ECL. When making the assessment of whether there has been a SICR since initial recognition, the Group considers reasonable and supportable information, that is available without undue cost or effort. If the Group measured loss allowance as lifetime ECL in the previous period, but determines in a subsequent period that there has been no SICR since initial recognition due to improvement in credit quality, the Group again measures the loss allowance based on 12-month ECL.

ECL is measured on individual basis for credit impaired loan assets, and on other loan assets it is generally measured on collective basis using homogenous groups.

The Group measures impairment on commitments under LoC on similar basis as in case of Loan assets.

#### **b) Impairment of financial assets, other than loan assets:**

ECL on financial assets, other than loan assets, is measured at an amount equal to life time expected losses.

#### **c) Financial assets are written off by RECL either partially or in their entirety only when it has stopped pursuing the recovery.**

### **(iv) De-recognition of Financial Assets**

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset along with all the substantial risks and rewards of ownership of the asset to another party. The renegotiation or modification of the contractual cash flows of a financial asset can also lead to derecognition of the existing financial asset.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received & receivable, and the cumulative gain or loss that had been recognised in Consolidated Other Comprehensive Income and accumulated in Consolidated Equity, is recognised in Consolidated Statement of Profit and Loss if such gain or loss would have otherwise been recognised in Consolidated Statement of Profit and Loss on disposal of that financial asset.

### **6.5.2 Financial Liabilities**

(i) All financial liabilities other than derivatives and financial guarantee contracts are subsequently measured at amortised cost using the effective interest rate (EIR) method.

EIR is determined at the initial recognition of the financial liability. EIR is subsequently updated for financial liabilities having floating interest rate, at the respective reset date, in accordance with the terms of the respective contract.

(ii) Financial Guarantee

A financial guarantee issued by the Group is initially measured at fair value and, if not designated as at FVTPL, is subsequently measured at the higher of:

- the best estimate of expenditure required to settle any financial obligation arising as a result of the guarantee; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in the Consolidated Statement of Profit and Loss.

(iii) De-recognition of Financial Liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid & payable is recognised in Consolidated Statement of Profit and Loss.

### **6.5.3 Offsetting of Financial Assets and Financial Liabilities**

Financial Assets and Financial Liabilities are offset and the net amount is reported in the Balance Sheet when currently there is legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### **6.5.4 Embedded Derivatives**

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative cause some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, foreign exchange rate, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract.

Derivatives embedded in all host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts or if the embedded derivative feature leverages the exposure and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

## **6.6 Property, Plant and Equipment (PPE) and Depreciation**

- (i) Items of PPE are initially recognised at cost. Subsequent measurement is done at cost less accumulated depreciation and accumulated impairment losses, if any, except for freehold land which is not depreciated. An item of PPE retired from active use and held for disposal is stated at lower of its book value or net realizable value.
- (ii) The expenditure incurred on improvement of leasehold premises is recognised at cost and is shown as "Leasehold Improvements" under PPE.
- (iii) In case of assets put to use, capitalisation is done on the basis of bills approved or estimated value of work done as per contracts where final bill(s) is/are yet to be received / approved subject to necessary adjustment in the year of final settlement.
- (iv) Cost of replacing part of an item of PPE is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. Maintenance or servicing costs of PPE are recognized in Consolidated Statement of Profit and Loss as incurred.
- (v) Under-construction PPE is carried at cost, less any recognised impairment loss. Such PPE items are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as of other assets, commences when the assets are ready for their intended use.
- (vi) Depreciation is recognised so as to write-off the cost of assets less their residual values<sup>#</sup> as per written down value method\*, over the estimated useful lives that are similar to as prescribed in Schedule II to the Companies Act, 2013, except following:

| Nature of PPE                         | Life of PPE  |
|---------------------------------------|--|
| Cell phones                           | 2 years (in case of PFC & PFCCL)   |
| Lease hold improvement <sup>(1)</sup> | Lease period or their useful lives whichever is shorter (in case of PFCCL) |

<sup>#</sup> Residual value is estimated as 5% of the original cost of PPE.

\* Depreciation is provided using Straight line method by RECL

<sup>(1)</sup> Leasehold Improvements are amortised on straight line basis

- (vii) Depreciation on additions to/deductions from PPE during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed.
- (viii) An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the de-recognition of an item of PPE is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Consolidated Statement of Profit and Loss.
- (ix) Capital expenditure directly attributable for Smart metering project are initially shown in 'Capital work-in-progress' (net of contribution from client) and capitalised as PPE when it is ready for use. Depreciation on items of PPE in smart metering project is recognised on pro-rata basis on Straight Line Method over the useful life of assets not exceeding project implementation period of 99 months.
- (x) Items of PPE costing up to ₹ 5000/- each are fully depreciated, in the year of purchase.
- (xi) The cost of PPE under construction at the reporting date is disclosed as 'Capital work-in-progress'. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Advances paid for the acquisition/ construction of PPE which are outstanding at the Balance Sheet date are classified under 'Capital Advances.'

## 6.7 Intangible Assets and Amortisation

- (i) Intangible assets with finite useful lives that are acquired separately are recognised at cost. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use. Subsequent measurement is done at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives.

- (ii) Expenditure incurred which are eligible for capitalisation under intangible assets is carried as Intangible Assets under Development till they are ready for their intended use. Advances paid for the acquisition/ development of intangible assets which are outstanding at the balance sheet date are classified under 'Capital Advances'.
- (iii) Estimated useful life of intangible assets with finite useful lives has been estimated by the Group as 5 years. In case of PFCCCL, life is estimated as 36 months.
- (iv) An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised.

## **6.8 Assets/ Disposal Groups held for sale**

Non-current Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and the sale is highly probable. A sale is considered as highly probable when such assets have been decided to be sold by the Group; are available for immediate sale in their present condition; are being actively marketed for sale at a price and the sale has been agreed or is expected to be concluded within one year of the date of classification. Such non-current assets are measured at lower of carrying amount or fair value less cost to sell.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Non-current assets held for sale are presented separately from other assets in the Consolidated Balance Sheet.

Where the Group is committed to a sale plan involving loss of control of an entity, it classifies investment in the entity (i.e. all the assets and liabilities of that entity) as held for sale.

## **6.9 Provisions, Contingent Liabilities and Contingent Assets**

- (i) Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, if it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
- (ii) The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.
- (iii) When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.
- (iv) Where it is not probable that an outflow of economic benefits will be required or the amount cannot be estimated reliably, the obligation is disclosed as contingent liability in notes to accounts, unless the probability of outflow of economic benefits is remote.
- (v) Contingent assets are not recognised in the Consolidated Financial Statements. However, contingent assets are disclosed in the Consolidated Financial Statements when inflow of economic benefits is probable.

## **6.10 Recognition of Income and Expenditure**

- (i) Interest income on financial assets subsequently measured at amortized cost, is recognized using the Effective Interest Rate (EIR) method. The Effective Interest Rate (EIR) is the rate that exactly discounts estimated future cash receipts through expected life of the financial asset to that asset's net carrying amount on initial recognition.

- (ii) Unless otherwise specified, the recoveries from the borrowers of RECL are appropriated in the order of (i) costs and expenses of RECL (ii) delayed and penal interest including interest tax, if any (iii) overdue interest including interest tax, if any and (iv) repayment of principal; the oldest being adjusted first, except for credit impaired loans and recalled loans, where principal amount is appropriated only after the complete recovery of other costs, expenses, delayed and penal interest and overdue interest including interest tax, if any. The recoveries under One Time Settlement (OTS)/ Insolvency and Bankruptcy Code (IBC) proceedings are appropriated first towards the principal outstanding and remaining recovery thereafter, towards interest and other charges, if any.
- (iii) Interest on financial assets subsequently measured at fair value through profit and loss (FVTPL), is recognized on accrual basis in accordance with the terms of the respective contract and is disclosed separately under the head 'Interest Income'.
- (iv) Rebate on account of timely payment of dues by borrowers is recognized on receipt of entire dues in time, in accordance with the terms of the respective contract and is netted against the corresponding interest income.
- (v) The Group uses the principles laid down by Ind AS 115 to determine that how much and when revenue is recognized, what is the nature, amount, timing and uncertainty of revenues etc. In accordance with the same, revenue is recognised through a five-step approach:
  - a. Identify the contract(s) with customer;
  - b. Identify separate performance obligations in the contract;
  - c. Determine the transaction price;
  - d. Allocate the transaction price to the performance obligations; and
  - e. Recognise revenue when a performance obligation is satisfied.

Revenues are measured at the fair value of the consideration received or receivable, net of discounts and other indirect taxes.

In Cost Plus Contracts - Revenue is recognised by including eligible contractual items of expenditures plus proportionate margin as per contract;

In Fixed Price Contracts – Revenue is recognised on the basis of stage of completion of the contract. The Group has assessed that the stage of completion is determined as the proportion of the total time expected to complete the performance obligation to that has lapsed at the end of the reporting period, which is an appropriate measure of progress towards complete satisfaction of these performance obligations under Ind AS 115.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

- (vi) Revenue from consulting services, in connection with development of Independent Transmission Projects (ITP) and Ultra Mega Power Projects (UMPP) taken up as per the directions from the Ministry of Power, Government of India, is recognized on completed contract method basis i.e. when the ITP /UMPP created for the project is transferred to a successful bidder evidenced by share purchase agreement. The expenses incurred on development of these projects which are not recovered as direct costs are recovered through billing manpower charges at agreed charge out rates decided by the management.
- (vii) Income from Smart Metering services of PFCL are recognised when bills for meter rent is raised to the clients and right to receive such income is established. Income from project development management agency charges (PDMA) during project implementation period is recognized over the period of contract.
- (viii) The sale proceeds from Request for qualification (Rfq) documents for Independent Transmission Projects (ITPs) and Ultra Mega Power Project (UMPPs) are accounted for when received.
- (ix) Income from short /medium term bidding of power and Coal Flexibility Scheme is recognised when letter of

award (LOA) is issued to the successful bidder.

- (x) Dividend income from investments including those measured at FVTPL, is recognized in Consolidated Statement of Profit and Loss under the head 'Dividend Income' when the Group's right to receive dividend is established and the amount of dividend can be measured reliably.
- (xi) Interest expense on financial liabilities subsequently measured at amortized cost is recognized using Effective Interest Rate (EIR) method.
- (xii) Other income and expenses are accounted on accrual basis, in accordance with terms of the respective contract.
- (xiii) A Prepaid expense up to ₹ 1,00,000/- is recognized as expense upon initial recognition in the Consolidated Statement of Profit and Loss.

#### **6.11 Expenditure on issue of Shares**

Expenditure on issue of shares is charged to the securities premium account.

#### **6.12 Borrowing Costs**

Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition and/ or construction of a qualifying asset, till the time such a qualifying asset becomes ready for its intended use, are capitalized. A qualifying asset is one that necessarily takes a substantial period to get ready for its intended use.

All other borrowing costs are charged to the Consolidated Statement of Profit and Loss on an accrual basis as per the effective interest rate method.

#### **6.13 Employee Benefits**

##### **(i) Defined Contribution Plan**

Group's contribution paid / payable during the reporting period towards provident fund and pension are charged in the Consolidated Statement of Profit and Loss when employees have rendered service entitling them to the contributions.

##### **(ii) Defined Benefit Plan**

The Group's obligation towards gratuity to employees and post-retirement benefits such as medical benefit, economic rehabilitation benefit and settlement allowance after retirement are determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Actuarial gain / loss on re-measurement of gratuity and other post-employment defined benefit plans is recognized in Other Comprehensive Income (OCI). Past service cost is recognized in the Consolidated Statement of Profit and Loss in the period of a plan amendment.

##### **(iii) Other long term employee benefits**

The Group's obligation towards leave encashment, service award scheme is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These obligations are recognized in the Consolidated Statement of Profit and Loss.

##### **(iv) Short term employee benefits**

Short term employee benefits such as salaries and wages are recognised in the Consolidated Statement of Profit and Loss, in the period in which the related service is rendered at the undiscounted amount of the benefits



expected to be paid in exchange for that service.

(v) Loan to employees at concessional rate

Loans given to employees at concessional rate are initially recognized at fair value and subsequently measured at amortised cost. The difference between the initial fair value of such loans and transaction value is recognised as deferred employee cost upon issuance of Loan, which is amortised on a straight-line basis over the expected remaining period of the loan. In case of change in expected remaining period of the loan, the unamortised deferred employee cost on the date of change is amortised over the updated expected remaining period of the loan on a prospective basis.

#### 6.14 Income Taxes

Income Tax expense comprises of current and deferred tax. It is recognised in Consolidated Statement of Profit and Loss, except when it relates to an item that is recognised in Consolidated Other Comprehensive Income (OCI) or directly in equity, in which case, tax is also recognised in OCI or directly in equity.

(i) Current Tax

Current tax is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustments to tax payable in respect of earlier years.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and liability on a net basis.

(ii) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Consolidated Financial Statements and the corresponding tax bases used in the computation of taxable income. Deferred tax is measured at the tax rates based on the laws that have been enacted or substantively enacted by the reporting date, based on the expected manner of realisation or settlement of the carrying amount of assets / liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against liabilities, and they relate to income taxes levied by the same tax authority.

A deferred tax liability is recognised for all taxable temporary differences. A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

#### 6.15 Leases

For recognition, measurement and presentation of lease contracts, the Group applies the principles of Ind AS 116 'Leases'.

(i) The Group as a lessee

The Group at inception of a contract assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether (a) the Group has substantially all of the economic benefits from use of the asset through the period of the lease, and (b) the Group has the right to direct the use of the identified asset.

The Group at inception of a lease contract recognizes a Right-of-Use (RoU) asset at cost and a corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets which are recognised as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. RoU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use (RoU) assets are initially recognized at cost, which comprise the initial amount of the lease liability adjusted for any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. They are subsequently measured at cost less any accumulated depreciation and accumulated impairment losses. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

The lease liability is initially measured at amortised cost at the present value of future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the Group's incremental borrowing rates in the country of domicile of the leases.

Lease liabilities are re-measured with a corresponding adjustment to the related right-of-use (RoU) asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and RoU asset is separately presented in the Balance Sheet. Interest expense on lease liability is presented separately from depreciation on right of use asset as a component of finance cost in the Consolidated Statement of Profit and Loss. Lease payments for the principal portion are classified as Cash flow used in financing activities and lease payments for the interest portion are classified as Cash flow used in operating activities.

## **(ii) The Group as a lessor**

Leases for which the Group is a lessor is classified as a finance or operating lease. Contracts in which all the risks and rewards of the lease are substantially transferred to the lessee are classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

Amount due from lessee under finance leases is recognised as receivable at an amount equal to the net investment of the Group in the lease. Finance income on the lease is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of lease at the reporting date.

## **6.16 Foreign Currency Transactions and Translations**

The functional currency of the Group is Indian Rupees. Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction.

At the end of each reporting period, monetary items denominated in foreign currency are translated using exchange rates prevailing on the last day of the reporting period. Exchange differences on monetary items are recognised in the Consolidated Statement of Profit and Loss in the period in which they arise. However, for the long-term monetary items recognised in the consolidated financial statements before April 1 2018, such exchange differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortized over the balance period of such long term monetary item.

## **6.17 Business Combination under Common Control**

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and that control is not transitory.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values, or recognize new assets or liabilities. Adjustments are made only to harmonize significant accounting policies.
- The financial information in the Consolidated Financial Statements in respect of prior periods is restated as if the business combination has occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

The balance of the retained earnings appearing in the Consolidated Financial Statements of the transferor is

aggregated with the corresponding balance appearing in the financial statements of the transferee. The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee.

The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

#### **6.18 Material Prior Period Errors**

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

#### **6.19 Dividends and Other Payments to holders of Instruments classified as Equity**

Final dividends are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Board of Directors of the respective company in the Group.

Liability for the payments to the holders of instruments classified as equity are recognized in the period when such payments are authorized for payment by the respective company in the Group.

#### **6.20 Earnings per Share**

Basic earnings per equity share are calculated by dividing the net profit or loss attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the financial year.

To calculate diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### **7. Use of Estimates and Management Judgement**

In preparation of the Consolidated Financial Statements, the Management is required to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and the related disclosures. The estimates and underlying assumptions are based on historical experience & other relevant factors and are reviewed on an ongoing basis. Actual results may differ from these estimates.

Changes in accounting estimates, if any, are recognized prospectively in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if it affects both current and future periods.

#### **7.1 Significant Management Judgements**

In order to enhance understanding of the Consolidated Financial Statements, information about significant areas of critical judgments, apart from those involving estimation (Note no. 7.2), in applying accounting policies that have the most significant effect on the amounts recognised in the Consolidated Financial Statements, are as under:

(i) **Deferred Tax Liability on Special Reserve**

The Company and its subsidiary RECL have obtained resolution from their respective Board of Directors that there is no intention to make withdrawal from the Special Reserve created and maintained under section 36(1)(viii) of the Income Tax Act, 1961 and the same is not capable of being withdrawn. Accordingly, no deferred tax liability has been created on the said reserve.

(ii) **Non recognition of income on Credit Impaired Loan Assets**

As a matter of prudence, income on credit impaired loan assets is recognised as and when received or on accrual basis either on resolutions of stressed assets or when expected realization is higher than the loan

amount outstanding.

(iii) Amortisation of transaction cost on Credit Impaired Loans Assets

Outstanding amount of unamortised transaction cost is credited to Consolidated Statement of Profit and Loss on classification of loan asset as credit impaired.

(iv) Classification of Investments

In order to classify an investment in a company as investment in subsidiary or joint venture (JV) or associate, judgement is required to assess the level of control depending upon the facts and circumstances of each case.

- a) Energy Efficiency Services Limited (EESL) was incorporated in 2009 as a Joint Venture (JV) of NTPC Ltd., Power Grid Corporation of India Ltd. (PGCIL), RECL Ltd. (RECL) and PFC Ltd. During FY 2021-22, amendments in the JV agreement were made vide Supplementary Agreement dated 01.09.2021, where by the substantive participative rights and privileges previously enjoyed by all the joint venture partners, through their right to affirmative vote on certain reserved matters stands withdrawn. Therefore, in absence of any joint control, EESL ceases to be a Joint Venture Company for the purpose of consolidation of financial statements.

The Company along with its subsidiary RECL is holding 33.33 % stake in equity share capital of Energy Efficiency Services Limited (EESL). However, in the absence of any practical ability to direct the relevant activities as per the requirements of Ind AS 28 'Investment in Associates and Joint Ventures', the Company does not have any significant influence, accordingly EESL has not been considered as an associate company for the purpose of consolidation of financial statements.

- b) Ultra-Mega Power Projects (UMPPs), RECL's transmission projects (SPV) and PFCCL's ITPs are managed as per the mandate from Government of India (GoI) and the Group does not have the practical ability to direct their relevant activities unilaterally. The Group therefore, considers its investment in respective UMPPs, ITPs and SPVs as associates having significant influence despite the respective Companies holding 100% of their paid-up equity share capital.
- c) By virtue of holding Board position or equity stake in borrower companies, the rights exercised by PFC in such companies are protective in nature. Thus, the borrower companies are not considered as associates.

(v) Low value leases

An assessment is required, if lessee opts not to apply the recognition and measurement requirements of Ind AS 116 'Leases' to leases where the underlying asset is of low value. For the purpose of determining low value, the Group has considered nature of assets and concept of materiality as defined in Ind AS 1 'Presentation of Financial Statements' and the conceptual framework of Ind AS which involve significant judgement.

(vi) Sundry Liabilities- Interest Capitalisation

Unrealised income on credit impaired loans, represented by Funded Interest Term Loan (FITL) / debt / equity instruments acquired under resolution, is transferred to a separate account titled 'Sundry Liabilities Account (Interest Capitalisation)' and is recognised in Consolidated Statement of Profit and Loss on repayment of FITL or sale / redemption of debt / equity instruments.

(vii) Evaluation of indicators for impairment loss allowance of financial assets

The evaluation of the applicability of indicators for computation of impairment loss allowance of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the Assets. The Group makes significant judgement in identifying the default, and significant increase in credit risk (SICR) as well as grouping of similar financial assets based on available information

(viii) Deferred tax liability / deferred tax asset in respect of undistributed profits/losses of subsidiaries, branches, investments in associates and joint ventures

Judgement is required in accounting for deferred tax liability / deferred tax asset in respect of Group's investments in respect of undistributed profits/losses of subsidiaries, investments in associates and joint ventures. In respect of undistributed profits/losses of subsidiaries, investments in joint ventures, the Company

is able to control the timing of the reversal of the temporary differences and the temporary differences will not be reversed in the foreseeable future. Accordingly, the Group does not recognise a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries, and interests in joint ventures.

## 7.2 Assumptions and Key Sources of Estimation Uncertainty

Information about estimates and assumptions that have the significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below:

(i) Defined benefit obligation (DBO)

The Group's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses as detailed at Note –50.

(ii) Impairment test of Financial Assets (Expected Credit Loss)

The measurement of impairment loss allowance for financial assets which includes loan LoCs and guarantees measured at amortised cost requires use of statistical models, expected future economic conditions, estimated cash flows and credit behaviour (e.g., inputs and weights used for credit risk scoring, likelihood of borrowers defaulting and resulting losses). In estimating the cash flows expected to be recovered from credit impaired loans, the borrower's financial situation, current status of the project, net realisable value of securities/collateral etc. are assessed.

As these estimates are based on various assumptions, actual results may vary. Refer Note 46.1 for further details.

(iii) Fair value measurement

Fair value of financial instruments is required to be estimated for financial reporting purposes. The Group applies appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Group uses quoted prices and market-observable data to the extent it is available. In case of non-availability of the same, unobservable inputs are used for calculation of fair value of the assets/liabilities. The information about the valuation techniques, inputs used in determination of fair value of various assets & liabilities and other details are disclosed at Note 48.

(iv) Income Taxes

Estimates are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions and also in respect of expected future profitability to assess deferred tax asset. Refer Note 43 and 16 for details.

(v) Useful life of Property, Plant & Equipment (PPE) and Intangible Assets

The Group reviews its estimate of the useful lives of depreciable/amortisable assets at the end of each financial year, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets. Refer Note 17 for details on useful lives and carrying values of PPE and Intangible assets.

**8 Reformatted Cash and Cash Equivalents**

(₹ in crore)

| Sr. No. | Particulars   | As at<br>31.03.2023 | As at<br>31.03.2022 | As at<br>31.03.2021 |
|---------|---|---------------------|---------------------|---------------------|
| (i)     | <b>Balances with Banks (of the nature of cash and cash equivalents)</b> |                     |                     |                     |
|         | - In Current Accounts   | 63.17               | 148.22              | 970.90              |
|         | - In Term Deposit Accounts (original maturity upto 3 months)            | 64.42               | 766.00              | 3,956.72            |
| (ii)    | Cheques, Drafts on hand including Postage & Imprest                     | 0.00                | 0.02                | 0.12                |
|         | <b>Total Cash and Cash Equivalents</b>                                  | <b>127.59</b>       | <b>914.24</b>       | <b>4,927.74</b>     |

**9 Reformatted Bank Balance other than included in Cash and Cash Equivalents**

(₹ in crore)

| Sr. No. | Particulars  | As at<br>31.03.2023 | As at<br>31.03.2022 | As at<br>31.03.2021 |
|---------|--|---------------------|---------------------|---------------------|
| (i)     | <b>Earmarked Balances and Term Deposits with Banks for:</b>          |                     |                     |                     |
|         | - Term Deposits Accounts - LAD ( Refer Note 9.1)                     | -                   | 245.84              | 683.32              |
|         | - Term Deposits Accounts - HQLA ( Refer Note 9.2 )                   | 1,473.26            | 2,398.99            | -                   |
|         | - Unpaid Dividend  | 12.42               | 11.85               | 9.69                |
|         | - Unpaid - Bonds / Interest on Bonds etc.                            | 72.70               | 91.19               | 146.36              |
|         | - Amount received under GoI scheme                                   | 172.41              | 1,379.42            | 1,534.55            |
|         | - Fixed Deposits with Banks - for Redemption of Debentures           | 196.35              | 225.33              | -                   |
|         | - Held as Margin money / against security deposits                   | -                   | 0.27                | 0.25                |
| (ii)    | Deposit in compliance of Court                                       | 0.62                | 0.59                | 0.56                |
| (iii)   | Balance with Bank not available for use pending allotment of         | 1,720.36            | 1,291.54            | 856.62              |
| (iv)    | Term Deposits with Banks- More than 3 months but less than 12 months | 30.56               | 10.99               | 6.66                |
| (v)     | Other Term Deposits  | 252.16              | 114.25              | 36.81               |
| (vi)    | Current Accounts with Banks - Unspent CSR Purposes                   | 42.59               | -                   | -                   |
|         | <b>Total Bank Balance other than included in Cash and Cash Equ</b>   | <b>3,973.43</b>     | <b>5,770.26</b>     | <b>3,274.82</b>     |

9.1 The Group has availed Loan against these Term Deposits (LAD) and is presented in Note 23.2

9.2 Term Deposits held for maintenance of High Quality Liquid Assets ( HQLA ) as per RBI.

**10 Reformatted Derivative Financial Instruments**

The Company and its Subsidiary REC Ltd., enters into derivatives for hedging Currency and Interest Rate risk. Derivatives held for risk management purposes include hedges that are either designated as effective hedges under the hedge accounting requirements or hedges that are economic hedges. The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

**Part - I** (₹ in crore)

| Sr. No. | Particulars  | As at 31.03.2023   |                   |                        | As at 31.03.2022   |                   |                        | As at 31.03.2021 |                   |                        |
|---------|--|--------------------|-------------------|------------------------|--------------------|-------------------|------------------------|------------------|-------------------|------------------------|
|         |  | Notional Amounts   | Fair value Assets | Fair value Liabilities | Notional amounts   | Fair value Assets | Fair value Liabilities | Notional Amounts | Fair value Assets | Fair value Liabilities |
| (i)     | <b>Currency Derivatives:</b>                                       |                    |                   |                        |                    |                   |                        |                  |                   |                        |
|         | - Spot and Forwards  | 1,014.18           | 20.40             | 21.06                  | -                  | -                 | -                      | 2,417.38         | 5.33              | 40.53                  |
|         | - Currency Swaps   | 7,605.06           | 507.62            | 58.13                  | 14,979.27          | 1,112.54          | 48.37                  | 14,615.29        | 980.06            | 121.08                 |
|         | - Options  | 1,30,438.82        | 12,107.19         | 91.15                  | 75,384.97          | 6,468.82          | 21.55                  | 32,463.34        | 1,928.55          | 95.17                  |
|         | <b>Total Currency Derivatives:</b>                                 | <b>1,39,058.06</b> | <b>12,635.21</b>  | <b>170.34</b>          | <b>90,364.24</b>   | <b>7,581.36</b>   | <b>69.92</b>           | <b>49,496.01</b> | <b>2,913.94</b>   | <b>256.78</b>          |
| (ii)    | <b>Interest Rate Derivatives</b>                                   |                    |                   |                        |                    |                   |                        |                  |                   |                        |
|         | - Forward Rate Agreements and Interest Rate Swaps                  | 56,827.39          | 1,149.80          | 300.82                 | 51,171.39          | 1,009.37          | 255.22                 | 43,621.27        | 648.73            | 805.24                 |
|         | <b>Total Interest Rate Derivatives</b>                             | <b>56,827.39</b>   | <b>1,149.80</b>   | <b>300.82</b>          | <b>51,171.39</b>   | <b>1,009.37</b>   | <b>255.22</b>          | <b>43,621.27</b> | <b>648.73</b>     | <b>805.24</b>          |
| (iii)   | <b>Other Derivatives</b>   |                    |                   |                        |                    |                   |                        |                  |                   |                        |
|         | - Reverse cross currency swaps                                     | 4,947.00           | -                 | 530.11                 | 4,747.00           | -                 | 331.25                 | 4,547.00         | -                 | 278.33                 |
|         | <b>Total Other Derivatives</b>                                     | <b>4,947.00</b>    | <b>-</b>          | <b>530.11</b>          | <b>4,747.00</b>    | <b>-</b>          | <b>331.25</b>          | <b>4,547.00</b>  | <b>-</b>          | <b>278.33</b>          |
|         | <b>Total Derivative Financial Instruments [(i) + (ii) + (iii)]</b> | <b>2,00,832.45</b> | <b>13,785.01</b>  | <b>1,001.27</b>        | <b>1,46,282.63</b> | <b>8,590.73</b>   | <b>656.39</b>          | <b>97,664.28</b> | <b>3,562.67</b>   | <b>1,340.35</b>        |

**Part - II: Included in above (Part I) are Derivatives held for hedging and risk management purposes as follows:**

(₹ in crore)

| Sr. No. | Particulars  | As at 31.03.2023   |                   |                        | As at 31.03.2022   |                   |                        | As at 31.03.2021 |                   |                        |
|---------|--|--------------------|-------------------|------------------------|--------------------|-------------------|------------------------|------------------|-------------------|------------------------|
|         |  | Notional Amounts   | Fair value Assets | Fair value Liabilities | Notional amounts   | Fair value Assets | Fair value Liabilities | Notional Amounts | Fair value Assets | Fair value Liabilities |
| (i)     | <b>Fair Value Hedging (Designated)</b>                             |                    |                   |                        |                    |                   |                        |                  |                   |                        |
|         | - Interest Rate Derivatives  | -                  | -                 | -                      | -                  | -                 | -                      | -                | -                 | -                      |
|         | - Forward Rate Agreements and Interest Rate Swaps                  | 15,950.70          | 10.32             | 289.34                 | 11,850.70          | 19.76             | 112.00                 | -                | -                 | -                      |
|         | <b>Total Fair Value Hedging (Designated)</b>                       | <b>15,950.70</b>   | <b>10.32</b>      | <b>289.34</b>          | <b>11,850.70</b>   | <b>19.76</b>      | <b>112.00</b>          | <b>-</b>         | <b>-</b>          | <b>-</b>               |
| (ii)    | <b>Cash Flow Hedging (Designated):</b>                             |                    |                   |                        |                    |                   |                        |                  |                   |                        |
|         | - Currency Derivatives   | 1,33,405.31        | 12,212.17         | 89.02                  | 84,292.31          | 6,746.43          | 69.92                  | 38,765.58        | 1,957.56          | 216.25                 |
|         | - Interest Rate Derivatives  | 31,027.09          | 701.80            | 11.48                  | 22,031.03          | 313.96            | 84.42                  | 21,508.88        | 4.10              | 496.50                 |
|         | <b>Total Cash Flow Hedging (Designated)</b>                        | <b>1,64,432.40</b> | <b>12,913.97</b>  | <b>100.50</b>          | <b>1,06,323.34</b> | <b>7,060.39</b>   | <b>154.34</b>          | <b>60,274.46</b> | <b>1,961.66</b>   | <b>712.75</b>          |
| (iii)   | <b>Undesignated Derivatives</b>                                    |                    |                   |                        |                    |                   |                        |                  |                   |                        |
|         | - Undesignated Derivatives   | 20,449.35          | 860.72            | 611.43                 | 28,108.59          | 1,510.58          | 390.05                 | 37,389.82        | 1,601.01          | 627.60                 |
|         | <b>Total Undesignated Derivatives</b>                              | <b>20,449.35</b>   | <b>860.72</b>     | <b>611.43</b>          | <b>28,108.59</b>   | <b>1,510.58</b>   | <b>390.05</b>          | <b>37,389.82</b> | <b>1,601.01</b>   | <b>627.60</b>          |
|         | <b>Total Derivative Financial Instruments [(i) + (ii) + (iii)]</b> | <b>2,00,832.45</b> | <b>13,785.01</b>  | <b>1,001.27</b>        | <b>1,46,282.63</b> | <b>8,590.73</b>   | <b>656.39</b>          | <b>97,664.28</b> | <b>3,562.67</b>   | <b>1,340.35</b>        |

10.1 Details of Forward Rate Agreements / Interest Rate Swaps:

(₹ in crore)

| Sr. No. | Description  | As at<br>31.03.2023             | As at<br>31.03.2022 | As at<br>31.03.2021 |
|---------|--|---------------------------------|---------------------|---------------------|
| (i)     | Notional principal of swap agreements  | 56,827.39                       | 51,171.39           | 43,621.27           |
| (ii)    | Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements | 1,149.80                        | 1,009.37            | 648.73              |
| (iii)   | Collateral required by NBFC upon entering into swaps   | -                               | -                   | -                   |
| (iv)    | Concentration of credit risk arising from swaps  | Refer note <sup>(a)</sup> below |                     |                     |
| (v)     | Fair value of swap book (obtained from counterparty banks)   | 848.98                          | 754.15              | (156.51)            |

<sup>(a)</sup>The Group has entered into swap agreements with Category-I Authorized Dealer Banks only, in accordance with the RBI guidelines.

10.2 The Group does not hold any exchange traded derivatives as at 31.03.2023 (Nil as at 31.03.2022 and 31.03.2021).

10.3 Quantitative Disclosures on Risk Exposure in Derivatives:

(₹ in crore)

| Sr. No. | Particulars                             | As at 31.03.2023     |                           |   | As at 31.03.2022     |                           |  |                      |                           |  |
|---------|---|----------------------|---------------------------|---|----------------------|---------------------------|--|----------------------|---------------------------|--|
|         |   | Currency Derivatives | Interest Rate Derivatives | Other Derivatives (Reverse cross currency swaps) <sup>(a)</sup> | Currency Derivatives | Interest Rate Derivatives | Other Derivatives (Reverse cross currency swaps) (a) | Currency Derivatives | Interest Rate Derivatives | Other Derivatives (Reverse cross currency swaps) |
| (i)     | Derivatives (Notional Principal Amount) |                      |                           |   |                      |                           |  |                      |                           |  |
|         | For hedging                             | 139,058.06           | 56,827.39 <sup>(b)</sup>  | 4,947.00  | 90,364.24            | 51,171.39(b)              | 4,747.00   | 49,496.01            | 43,621.27                 | 4,547.00   |
| (ii)    | Marked to Market Positions (MTM)        |                      |                           |   |                      |                           |  |                      |                           |  |
|         | a) Asset (+MTM)                         | 12,635.21            | 1,149.80                  | -   | 7,581.36             | 1,009.37                  | -  | 2,913.94             | 648.73                    | -  |
|         | b) Liability (-MTM)                     | 170.34               | 300.82                    | 530.11  | 69.92                | 255.22                    | 331.25   | 256.78               | 805.24                    | 278.33   |
| (iii)   | Credit Exposure                         | 14,561.03            | 1,134.87                  | 692.05  | 10,218.30            | 1,075.98                  | 662.05   | 7,792.89             | 1,064.50                  | 632.05   |
| (iv)    | Unhedged foreign currency Exposures     | 32,142.27            | 8,758.90                  | -   | 41,736.51            | 2,319.39                  | -  | 54,470.11            | 3,444.15                  | -  |

<sup>(a)</sup> as a strategy of cost reduction

<sup>(b)</sup> Interest rate derivatives include derivatives on Rupee liabilities and also those held as strategy of cost reduction

10.4 Refer Note 46.3 and 46.4 for Foreign Currency Risk Management and Interest Rate Risk Management respectively and Note 47 for disclosures related to hedge accounting.



11 Reformatted Trade Receivables

| Sr. No. | Particulars  | As at<br>31.03.2023 | As at<br>31.03.2022 | As at<br>31.03.2021 |
|---------|--|---------------------|---------------------|---------------------|
|         | <b>Trade Receivables</b>                           |                     |                     |                     |
| (i)     | - considered good - Secured (Gross)                | -                   | 31.08               | 27.54               |
| (ii)    | - considered good - Unsecured (Gross)              | 185.69              | 91.94               | 124.45              |
| (iii)   | less: Impairment loss allowance                    | (25.67)             | (12.48)             | (19.12)             |
| (iv)    | (Gross)  | 37.62               | 30.97               | 55.32               |
| (v)     | less: Impairment loss allowance                    | (28.07)             | (15.88)             | (20.58)             |
| (vi)    | - credit Impaired (Gross)                          | 66.81               | 63.32               | 54.26               |
| (vii)   | less: Impairment loss allowance on Credit Impaired | (65.21)             | (63.32)             | (54.26)             |
|         | <b>Total Trade Receivables</b>                     | <b>171.17</b>       | <b>125.63</b>       | <b>167.61</b>       |

11.1 For details of impairment loss allowance on Trade Receivables Refer Note 46.1.13

11.2 Reformatted Trade Receivables ageing schedule

(₹ in Crore)

| Particulars                                      | As at 31st March 2023 |                  |              |              |                   |               |
|--|-----------------------|------------------|--------------|--------------|-------------------|---------------|
|  | Less than 6 months    | 6 months- 1 year | 1-2 years    | 2-3 years    | More than 3 years | Total         |
| <b>(i) - Undisputed Trade receivables</b>        |                       |                  |              |              |                   |               |
| - considered good                                | 135.28                | 36.93            | 0.45         | 3.09         | 9.93              | 185.68        |
| - which have significant increase in credit risk | -                     | -                | 21.32        | 16.31        | -                 | 37.63         |
| - credit impaired                                | -                     | -                | 2.42         | 0.57         | 63.81             | 66.81         |
| <b>Sub- total (i)</b>                            | <b>135.28</b>         | <b>36.93</b>     | <b>24.19</b> | <b>19.98</b> | <b>73.74</b>      | <b>290.12</b> |
| <b>(ii) - Disputed Trade receivables</b>         |                       |                  |              |              |                   |               |
| - considered good                                | -                     | -                | -            | -            | -                 | -             |
| - which have significant increase in credit risk | -                     | -                | -            | -            | -                 | -             |
| - credit impaired                                | -                     | -                | -            | -            | -                 | -             |
| <b>Sub- total (ii)</b>                           | <b>-</b>              | <b>-</b>         | <b>-</b>     | <b>-</b>     | <b>-</b>          | <b>-</b>      |
| <b>Total (i+ii)</b>                              | <b>135.28</b>         | <b>36.93</b>     | <b>24.19</b> | <b>19.98</b> | <b>73.74</b>      | <b>290.12</b> |

(₹ in Crore)

| Particulars                                      | As at 31st March 2022 |                  |              |              |                   |               |
|--|-----------------------|------------------|--------------|--------------|-------------------|---------------|
|  | Less than 6 months    | 6 months- 1 year | 1-2 years    | 2-3 years    | More than 3 years | Total         |
| <b>(i) - Undisputed Trade receivables</b>        |                       |                  |              |              |                   |               |
| - considered good                                | 78.37                 | 27.46            | 4.19         | 3.19         | 6.81              | 120.02        |
| - which have significant increase in credit risk | -                     | -                | 19.35        | 14.56        | -                 | 33.91         |
| - credit impaired                                | -                     | -                | 1.10         | 1.27         | 61.01             | 63.38         |
| <b>Sub- total (i)</b>                            | <b>78.37</b>          | <b>27.46</b>     | <b>24.64</b> | <b>19.02</b> | <b>67.82</b>      | <b>217.31</b> |
| <b>(ii) - Disputed Trade receivables</b>         |                       |                  |              |              |                   |               |
| - considered good                                | -                     | -                | -            | -            | -                 | -             |
| - which have significant increase in credit risk | -                     | -                | -            | -            | -                 | -             |
| - credit impaired                                | -                     | -                | -            | -            | -                 | -             |
| <b>Sub- total (ii)</b>                           | <b>-</b>              | <b>-</b>         | <b>-</b>     | <b>-</b>     | <b>-</b>          | <b>-</b>      |
| <b>Total (i+ii)</b>                              | <b>78.37</b>          | <b>27.46</b>     | <b>24.64</b> | <b>19.02</b> | <b>67.82</b>      | <b>217.31</b> |

(₹ in Crore)

| Particulars   | Outstanding as at 31st March 2021 |                  |              |              |                   |               |
|---|-----------------------------------|------------------|--------------|--------------|-------------------|---------------|
|   | Less than 6 months                | 6 months- 1 year | 1-2 years    | 2-3 years    | More than 3 years | Total         |
| <b>(i) - Undisputed Trade receivables</b>                               |                                   |                  |              |              |                   |               |
| - considered good   | 111.74                            | 29.30            | 0.85         | 3.19         | 6.81              | 151.89        |
| - which have significant increase in credit risk                        | -                                 | -                | 22.85        | 32.47        | -                 | 55.32         |
| - credit impaired   | -                                 | -                | 0.87         | 0.97         | 52.42             | 54.26         |
| <b>Sub- total (i)</b>   | <b>111.74</b>                     | <b>29.30</b>     | <b>24.57</b> | <b>36.63</b> | <b>59.23</b>      | <b>261.47</b> |
| <b>(ii) - Disputed Trade receivables</b>                                |                                   |                  |              |              |                   |               |
| - considered good   | -                                 | -                | -            | -            | -                 | -             |
| - which have significant increase in credit risk                        | -                                 | -                | -            | -            | -                 | -             |
| - credit impaired   | -                                 | -                | -            | -            | -                 | -             |
| <b>Sub- total (ii)</b>  | <b>-</b>                          | <b>-</b>         | <b>-</b>     | <b>-</b>     | <b>-</b>          | <b>-</b>      |
| <b>(iii) Adjustment for PFCCCL's audited &amp; unaudited Financials</b> |                                   |                  |              |              |                   | 0.10          |
| <b>Total (i+ii+iii)</b>   | <b>111.74</b>                     | <b>29.30</b>     | <b>24.57</b> | <b>36.63</b> | <b>59.23</b>      | <b>261.57</b> |

## 12 Reformatted Loans

The Company and its Subsidiary REC Ltd., have categorised all loans at amortised cost in accordance with the requirements of Ind AS 109 'Financial Instruments'.

| Sr. No.       | Particulars  | As at<br>31.03.2023 | As at<br>31.03.2022 | As at<br>31.03.2021 |
|---------------|--|---------------------|---------------------|---------------------|
| <b>(A)</b>    | <b>Loans to Borrowers*</b>                                     |                     |                     |                     |
| (i)           | Rupee Term Loans (RTLs)  | 8,07,013.69         | 7,52,573.06         | 7,38,012.54         |
| (ii)          | Buyer's Line of Credit   | 2,086.95            | 2,495.83            | 2,185.02            |
| (iii)         | Working Capital Loans  | 47,621.75           | 2,658.59            | 4,038.98            |
| (iv)          | Others   | 777.61              | 768.87              | 952.6               |
| <b>(v)</b>    | <b>Principal Outstanding (i to iv)</b>                         | <b>8,57,500.00</b>  | <b>7,58,496.35</b>  | <b>7,45,189.14</b>  |
| (vi)          | Interest accrued but not due on Loans                          | 5,513.99            | 5,467.27            | 5,876.97            |
| (vii)         | Interest accrued & due on Loans                                | 478.37              | 1,070.52            | 1,240.75            |
| (viii)        | Unamortised Fee on Loans                                       | (300.58)            | (207.42)            | (174.23)            |
|               | <b>Gross Carrying Amount (v to viii)</b>                       | <b>8,63,191.78</b>  | <b>7,64,826.72</b>  | <b>7,52,132.63</b>  |
|               | Less: Impairment loss allowance                                | (30,288.42)         | (31,975.96)         | (29,745.79)         |
|               | <b>Net Carrying Amount</b>                                     | <b>8,32,903.36</b>  | <b>7,32,850.76</b>  | <b>7,22,386.84</b>  |
| <b>(B)</b>    | <b>Security-wise classification</b>                            |                     |                     |                     |
| (i)           | Secured by Tangible Assets                                     | 4,38,196.92         | 4,14,821.03         | 4,52,447.33         |
| (ii)          | Secured by Intangible Assets                                   | -                   | -                   | -                   |
| (iii)         | Covered by Bank/Government Guarantees                          | 3,41,748.33         | 2,74,293.60         | 2,15,707.48         |
| (iv)          | Unsecured  | 83,246.53           | 75,712.09           | 83,977.82           |
|               | <b>Gross Security-wise classification</b>                      | <b>8,63,191.78</b>  | <b>7,64,826.72</b>  | <b>7,52,132.63</b>  |
|               | Less: Impairment loss allowance                                | (30,288.42)         | (31,975.96)         | (29,745.79)         |
|               | <b>Net Security-wise classification</b>                        | <b>8,32,903.36</b>  | <b>7,32,850.76</b>  | <b>7,22,386.84</b>  |
| <b>(C) I</b>  | <b>Loans in India</b>  |                     |                     |                     |
| (i)           | Public Sector  | 7,48,503.38         | 6,70,548.18         | 6,53,770.87         |
| (ii)          | Private Sector   | 1,14,688.40         | 94,278.54           | 98,361.76           |
|               | <b>Gross Carrying Amount of Loans in India</b>                 | <b>8,63,191.78</b>  | <b>7,64,826.72</b>  | <b>7,52,132.63</b>  |
|               | Less: Impairment loss allowance                                | (30,288.42)         | (31,975.96)         | (29,745.79)         |
|               | <b>Net Carrying Amount of Loans in India</b>                   | <b>8,32,903.36</b>  | <b>7,32,850.76</b>  | <b>7,22,386.84</b>  |
| <b>(C) II</b> | <b>Loans Outside India</b>                                     |                     |                     |                     |
|               | Less: Impairment loss allowance                                | -                   | -                   | -                   |
|               | <b>Net Carrying Amount of Loans Outside India</b>              | <b>-</b>            | <b>-</b>            | <b>-</b>            |
|               | <b>Net Carrying Amount of Loans in India and Outside India</b> | <b>8,32,903.36</b>  | <b>7,32,850.76</b>  | <b>7,22,386.84</b>  |

\*For details of Loans pledged as security refer Note 22.10 to 22.20 and 23.12.

## 12.1 Balance Confirmation from Borrowers

PFC and REC Ltd. have sent letters to borrowers, seeking confirmation of balances as at Balance Sheet dates except where loans have been recalled or pending before court/NCLT.

For FY 2022-23:- Confirmations for 99.76% of the said balances have been received. Out of the remaining loans amounting to ₹ 967.94 crore for which balance confirmations have not been received, 0.94% are secured by way of Government Guarantee/ Loans to Government and 99.06% are unsecured loans. In respect of RECL, loan balance confirmations for 93% of total loan assets have been received from the borrowers. Out of the remaining 7% loan assets amounting to ₹ 28,832.15 crore for which balance confirmations have not been received, 54% loans are secured by way of hypothecation of assets, 25% by way of Government Guarantee/ Loans to Government and 21% are unsecured loans.

For FY 2021-22:- Confirmations for 98.03% of the said balances have been received. Out of the remaining loans amounting to ₹ 7,076.02 crore for which balance confirmations have not been received, 62.74% are secured by way of tangible securities, 29.95% by way of Government Guarantee/ Loans to Government and 7.31% are unsecured loans. In respect of RECL, loan balance confirmations for 93% of total loan assets have been received from the borrowers. Out of the remaining 7% loan assets amounting to ₹ 28,447.81 crore for which balance confirmations have not been received, 45% loans are secured by way of hypothecation of assets, 33% by way of Government Guarantee/ Loans to Government and 22% are unsecured loans.

For FY 2020-21:- Confirmations for 98.94% of the said balances have been received. Out of the remaining loans amounting to ₹ 3,752.05 crore for which balance confirmations have not been received, 20.99% are secured by way of tangible securities, 78.24% by way of Government Guarantee/ Loans to Government and 0.77% are unsecured loans. In respect of RECL, loan balance confirmations for 92% of total loan assets have been received from the borrowers. Out of the remaining 8% loan assets amounting to ₹ 29,124.35 crore for which balance confirmations have not been received, 71% loans are secured by way of hypothecation of assets, 10% by way of Government Guarantee/ Loans to Government and 19% are unsecured loans.

## 12.2 The details of resolution plans implemented during the year by PFC and subsidiary RECL:

(₹ in crore)

| S. No.            | Name of Borrower                                 | Details of Resolution Plan                       | Principal O/s prior to date of Resolution | Impairment allowance provided till date of Resolution | Amount written off (including impairment on investment) | Instruments received by the Group under Resolution Plan*   |
|-------------------|--|--|---|---|---|--|
| <b>FY 2022-23</b> |  |  |   |   |   |  |
| 1                 | Suzlon Energy Ltd                                | One Time Settlement                              | 239.04                                    | 1.07  | 56.66   | Entire Loan Principal is realized. Loan stands settled as at 31.03.2023.<br><br>Further, Optionally convertible debentures (OCDs) and Compulsorily convertible preference shares (CCPS) held were converted into equity shares of the borrower Company & of the borrower's group Company respectively. |
| 2                 | South-East UP Power Transmission Company Limited | Resolution with change in ownership through NCLT | 3,185.00                                  | 1,592.47  | -   | Besides realization of full loan principal, interest/delayed interest income of ₹ 431.68 crore has been received.<br><br>Loan stands settled as at 31.03.2023  |
| 3                 | Jhabua Power Limited                             | Resolution with change in ownership through NCLT | 1,085.37                                  | 666.22  | 10.41   | Resolution proceeds / Non-convertible Debentures / Equity Shares of the borrower Company received resulting in realization of full loan principal and Interest/delayed interest income of ₹ 4.13 crore.<br><br>Loan stands settled as at   |

|   |                                     |  |                 |                 |                 |  |
|---|-------------------------------------|--|-----------------|-----------------|-----------------|--|
|   |                                     |  |                 |                 |                 | 31.03.2023.  |
| 4 | Ind Barath Energy Utkal Ltd (IBUEL) | Resolution with change in ownership through NCLT | 2,144.91        | 1,722.57        | 1,437.41        | Resolution proceeds and Equity Shares of the borrower Company received/allotted under resolution.<br><br>Loan stands settled as at 31.03.2023. |
| 5 | ATN International Limited           | One Time Settlement                              | 9.45            | 3.45            | 3.45            | Total recoveries of ₹ 6.00 crores appropriated, of which ₹ 4.15 crores to be received in FY 2023-24.   |
| 6 | Silicon Valley Infotech Limited     | One Time Settlement                              | 2.91            | 1.06            | 1.06            | Total recoveries of ₹ 1.85 crores appropriated, of which ₹ 1.35 crores to be received in FY 2023-24.   |
|   | <b>Total</b>                        |  | <b>6,666.68</b> | <b>3,986.84</b> | <b>1,508.99</b> |  |

(₹ in crore)

| FY 2021-22 |  |   |                 |                 |                 |  |
|------------|--|---|-----------------|-----------------|-----------------|--|
| 1          | Krishna Godavari Power Utilities Ltd.    | Restructuring with change in ownership through NCLT | 76.63           | 76.63           | 64.23           | Loan stands settled as at 31.03.2022.  |
| 2          | GVK Ratle Hydro Electric Project Pvt Ltd | One time settlement                                 | 1,116.65        | 851.93          | 462.65          | Loan amount representing arbitration award of ₹ 304.00 crore with 100% impairment provisioning is appearing in Books as at 31.03.2022. |
| 3          | Essar Power MP Ltd                       | Restructuring with change in ownership through NCLT | 2,689.55        | 1,462.78        | 1,455.17        | Sustainable Loan amounting to ₹ 938.14 crore is continuing in books as at 31.03.2022.  |
| 4          | Astonfield Solar (Gujarat) Pvt.Ltd       | Restructuring with change in ownership through NCLT | 25.85           | 23.47           | 15.78           | Sustainable Loan amounting to ₹ 4.11 crore is continuing in books as at 31.03.2022.  |
| 5          | RS India Wind Energy Private Limited     | One time settlement                                 | 223.77          | 134.48          | 122.70          | Loan stands settled as at 31.03.2022.  |
| 6          | VS Lignite Power Private Limited         | Resolution Plan approved under IBC proceedings      | 54.24           | 40.69           | 39.45           | Loan amounting to ₹ 12.54 crore is appearing in books as at 31.03.2022.  |
| 7          | Lanco Babandh Power Limited              | Liquidation order passed under IBC proceedings      | 1,200.55        | 1,146.53        | 1,160.16        | Loan stands settled as at 31.03.2022.  |
| 8          | Amrit Jal Ventures Private Limited       | Resolution Plan approved under IBC proceedings      | 4.35            | 2.10            | -               | Loan stands settled as at 31.03.2022.  |
|            | <b>Total</b>                             |   | <b>5,391.59</b> | <b>3,738.61</b> | <b>3,320.14</b> |  |

| S. No.            | Name of Borrower                   | Details of Resolution Plan                              | Principal O/s prior to date of Resolution | Impairment allowance provided till date of Resolution | Amount written off (including impairment on investment) | Instruments received by the Group under Resolution Plan*  |
|-------------------|------------------------------------|---|---|---|---|---|
| <b>FY 2020-21</b> |                                    |   |   |   |   |   |
| 1                 | Essar Power Transmission Corp. Ltd | Restructuring without change in ownership               | 1,483.01                                  | 117.63  | 122.88  | Optionally Convertible Debentures (OCDs) of the borrower company post restructuring.  |
| 2                 | Suzlon Energy Limited              | Restructuring without change in ownership               | 915.11                                    | 518.62  | 448.23  | Equity shares, Optionally Convertible Debentures (OCDs) of the borrower company and Compulsorily Convertible Preference Shares (CCPS) of the borrower's group company post restructuring. |
| 3                 | RKM Powergen Pvt Ltd               | Restructuring without change in ownership               | 7,406.74                                  | 3,077.92  | 2,907.20  | Equity shares and Optionally Convertible Debentures (OCDs) of the borrower company post restructuring.  |
| 4                 | Ratnagiri Gas & Power Pvt. Ltd.    | Composite Resolution Plan including One time settlement | 207.05                                    | 66.59   | 66.59   | Nil   |
| 5                 | Jal Power Corporation Ltd.         | One time settlement                                     | 386.23                                    | 287.99  | 286.39  | Nil   |
| 6                 | Facor Power Ltd                    | Settled through NCLT proceeding under IBC               | 510.98                                    | 198.93  | 181.86  | NCDs were received as per approved resolution plan under IBC.   |
|                   | <b>Total</b>                       |   | <b>10,909.12</b>                          | <b>4,267.68</b>                                       | <b>4,013.15</b>   |   |

\* For more details of instruments received under resolution plan refer Note 13A

**12.3** The Companies in the Group has not advanced or loaned or invested any funds which are material either individually or in the aggregate (either from borrowed funds or share premium or any other sources or kind of funds) to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

**12.4** For details of credit risk exposure and management by the Group refer Note 46.1.

## 13A Reformatted Investments (Other than accounted for using equity method)

|         |   | (₹ in crore)          |                                |               |                         |               |                      |
|---------|---|-----------------------|--------------------------------|---------------|-------------------------|---------------|----------------------|
| Sr. No. | Particulars   | As at 31.03.2023      |                                |               |                         |               | Total<br>(1)+(4)+(5) |
|         |   | Amortised Cost<br>(1) | Designated at<br>FVTOCI<br>(2) | FVTPL<br>(3)  | Subtotal<br>(4)=(2)+(3) | Others<br>(5) |                      |
| (i)     | Government Securities   | 1,957.99              | -                              | -             | -                       | -             | 1,957.99             |
| (ii)    | Debt securities   | 1,189.14              | -                              | 612.34        | 612.34                  | -             | 1,801.48             |
| (iii)   | Equity Instruments  | -                     | 2,103.92                       | 96.67         | 2,200.59                | -             | 2,200.59             |
| (iv)    | Preference Shares   | 114.50                | -                              | -             | -                       | -             | 114.50               |
| (v)     | Others  | -                     | -                              | -             | -                       | -             | -                    |
|         | <b>Total Investments (Other than accounted for using equity method)</b> | <b>3,261.63</b>       | <b>2,103.92</b>                | <b>709.01</b> | <b>2,812.93</b>         | -             | <b>6,074.56</b>      |
|         | <b>Geography wise investment</b>  |                       |                                |               |                         |               |                      |
| (i)     | Investments Outside India   | -                     | -                              | -             | -                       | -             | -                    |
| (ii)    | Investments in India  | 3,261.63              | 2,103.92                       | 709.01        | 2,812.93                | -             | 6,074.56             |
|         | <b>Gross Geography wise investment</b>                                  | <b>3,261.63</b>       | <b>2,103.92</b>                | <b>709.01</b> | <b>2,812.93</b>         | -             | <b>6,074.56</b>      |
|         | Less: Impairment loss allowance   | (101.67)              | -                              | -             | -                       | -             | (101.67)             |
|         | <b>Net Geography wise investment</b>                                    | <b>3,159.96</b>       | <b>2,103.92</b>                | <b>709.01</b> | <b>2,812.93</b>         | -             | <b>5,972.89</b>      |

|         |  | (₹ in crore)          |                                |               |                         |               |                      |
|---------|--|-----------------------|--------------------------------|---------------|-------------------------|---------------|----------------------|
| Sr. No. | Particulars                            | As at 31.03.2022      |                                |               |                         |               | Total<br>(1)+(4)+(5) |
|         |  | Amortised Cost<br>(1) | Designated at<br>FVTOCI<br>(2) | FVTPL<br>(3)  | Subtotal<br>(4)=(2)+(3) | Others<br>(5) |                      |
| (i)     | Government Securities                  | 1,473.20              | -                              | -             | -                       | -             | 1,473.20             |
| (ii)    | Debt securities                        | 365.60                | -                              | 288.27        | 288.27                  | -             | 653.87               |
| (iii)   | Equity Instruments                     | -                     | 1,459.61                       | 175.31        | 1,634.92                | -             | 1,634.92             |
| (iv)    | Preference Shares                      | 113.19                | -                              | -             | -                       | -             | 113.19               |
| (v)     | Others                                 | -                     | -                              | -             | -                       | -             | -                    |
|         | <b>Total</b>                           | <b>1,951.99</b>       | <b>1,459.61</b>                | <b>463.58</b> | <b>1,923.19</b>         | -             | <b>3,875.18</b>      |
|         | <b>Geography wise investment</b>       |                       |                                |               |                         |               |                      |
| (i)     | Investments Outside India              | -                     | -                              | -             | -                       | -             | -                    |
| (ii)    | Investments in India                   | 1,951.99              | 1,459.61                       | 463.58        | 1,923.19                | -             | 3,875.18             |
|         | <b>Gross Geography wise investment</b> | <b>1,951.99</b>       | <b>1,459.61</b>                | <b>463.58</b> | <b>1,923.19</b>         | -             | <b>3,875.18</b>      |
|         | Less: Impairment loss allowance        | (101.67)              | -                              | -             | -                       | -             | (101.67)             |
|         | <b>Net Geography wise investment</b>   | <b>1,850.32</b>       | <b>1,459.61</b>                | <b>463.58</b> | <b>1,923.19</b>         | -             | <b>3,773.51</b>      |

FVTOCI - Fair Value through Other Comprehensive Income, FVTPL - Fair Value through Profit or Loss

|         |   | (₹ in crore)          |                                |               |                         |               |                      |
|---------|---|-----------------------|--------------------------------|---------------|-------------------------|---------------|----------------------|
| Sr. No. | Particulars   | As at 31.03.2021      |                                |               |                         |               | Total<br>(1)+(4)+(5) |
|         |   | Amortised Cost<br>(1) | Designated at<br>FVTOCI<br>(2) | FVTPL<br>(3)  | Subtotal<br>(4)=(2)+(3) | Others<br>(5) |                      |
| (i)     | Debt securities   | 408.73                | -                              | 294.69        | 294.69                  | -             | 703.42               |
| (ii)    | Equity Instruments  | -                     | 1,272.16                       | 83.56         | 1,355.72                | -             | 1,355.72             |
| (iii)   | Preference Shares   | 103.08                | -                              | 139.18        | 139.18                  | -             | 242.26               |
| (v)     | Govt. Securities  | 649.08                | -                              | -             | -                       | -             | 649.08               |
| (vi)    | Others  | -                     | -                              | -             | -                       | -             | -                    |
|         | <b>Total Investments (Other than accounted for using equity method)</b> | <b>1,160.89</b>       | <b>1,272.16</b>                | <b>517.43</b> | <b>1,789.59</b>         | -             | <b>2,950.48</b>      |
|         | <b>Geography wise investment</b>  |                       |                                |               |                         |               |                      |
| (i)     | Investments Outside India   | -                     | -                              | -             | -                       | -             | -                    |
| (ii)    | Investments in India  | 1,160.89              | 1,272.16                       | 517.43        | 1,789.59                | -             | 2,950.48             |
|         | <b>Gross Geography wise investment</b>                                  | <b>1,160.89</b>       | <b>1,272.16</b>                | <b>517.43</b> | <b>1,789.59</b>         | -             | <b>2,950.48</b>      |
|         | Less: Impairment loss allowance   | -                     | -                              | -             | -                       | -             | -                    |
|         | <b>Net Geography wise investment</b>                                    | <b>1,160.89</b>       | <b>1,272.16</b>                | <b>517.43</b> | <b>1,789.59</b>         | -             | <b>2,950.48</b>      |

## Reformatted Details of Investments

(₹ in crore)

| Sr. No. | Particulars *   | Measured at         | As at 31.03.2021 |                 | As at 31.03.2022 |              | As at 31.03.2021 |                 | As at 31.03.2022 |                 |                 |
|---------|---|---------------------|------------------|-----------------|------------------|--------------|------------------|-----------------|------------------|-----------------|-----------------|
|         |   |                     | Number           | Amount          | Number           | Amount       | Number           | Amount          | Number           | Amount          |                 |
|         |   |                     |                  |                 |                  |              |                  |                 |                  |                 |                 |
| (i)     | <b>Government Securities</b>  | Amortised Cost      | 18,79,32,800     | 100             | 1,957.99         | 14,39,32,800 | 100              | 1,473.20        | 6,25,00,000      | 100             | 649.08          |
| (ii)    | <b>Debt Securities (HQLAs)</b>  | Amortised Cost      | 3,21,940         | 1000 to 1000000 | 961.24           | 3,14,940     | 1000 to 1000000  | 259.39          | 3,14,940         | 1000 to 1000000 | 259.63          |
|         | <b>Debt Securities (Other than HQLAs)</b>                               |                     |                  |                 |                  |              |                  |                 |                  |                 |                 |
|         | - Essar Power Transmission Company Ltd. - Series A3 - OCD               | FVTPL               | 23,32,01,910     | 10              | 122.49           | 26,86,36,304 | 10               | 129.83          | 31,86,17,853     | 10              | 140.21          |
|         | - Essar Power Transmission Company Ltd. - Series B3 - OCD               | FVTPL               | 10,01,29,332     | 10              | 52.59            | 11,48,94,246 | 10               | 55.75           | 13,69,00,996     | 10              | 60.20           |
|         | - Essar Power Transmission Company Ltd. - Series C - OCD                | FVTPL               | 2,55,14,666      | 10              | 0.00             | 2,55,14,666  | 10               | 0.00            | 2,55,14,666      | 10              | -               |
|         | - Suzlon Energy Limited - OCD   | FVTPL               | -                | -               | -                | 34,791       | 1,00,000         | 102.69          | 34,791           | 1,00,000        | 94.28           |
|         | - RKM Powergen Pvt. Ltd. - OCD Series A                                 | FVTPL               | 63,31,99,420     | 100             | 0.00             | 63,31,99,420 | 100              | 0.00            | 63,31,99,420     | 100             | -               |
|         | - RKM Powergen Pvt. Ltd. - OCD Series B                                 | FVTPL               | 1,97,74,516      | 100             | 0.00             | 1,97,74,516  | 100              | 0.00            | 1,97,74,516      | 100             | -               |
|         | - RKM Powergen Pvt. Ltd. - OCD Series A1                                | FVTPL               | 3,37,46,560      | 100             | 0.00             | 3,37,46,560  | 100              | 0.00            | 3,37,46,560      | 100             | -               |
|         | - Ferro Alloys Corporation Limited - NCD                                | Amortised Cost      | 2,55,19,173      | 1,00,000        | 56.40            | 2,54,95,144  | 1,00,000         | 106.21          | 2,52,91,783      | 1,00,000        | 149.10          |
|         | - Jhabua Power Limited-NCD  | Amortised Cost      | 1,74,14,830      | 100             | 171.50           | -            | -                | -               | -                | -               | -               |
|         | - 7.99% Perpetual bonds - Canara Bank                                   | FVTPL               | 200              | 1,00,00,000     | 208.47           | -            | -                | -               | -                | -               | -               |
|         | - 9.50% Perpetual Bonds of UCO Bank                                     | FVTPL               | 228              | 1,00,00,000     | 228.79           | -            | -                | -               | -                | -               | -               |
|         | <b>Total Debt Securities</b>  |                     |                  |                 | <b>1,801.48</b>  |              |                  | <b>653.87</b>   |                  |                 | <b>703.42</b>   |
| (iii)   | <b>Equity Instruments</b>   |                     |                  |                 |                  |              |                  |                 |                  |                 |                 |
|         | - PTC India Limited   | Designated - FVTOCI | 1,20,00,000      | 10              | 102.06           | 1,20,00,000  | 10               | 98.70           | 1,20,00,000      | 10              | 93.30           |
|         | - Coal India Limited  | Designated - FVTOCI | 1,39,64,530      | 10              | 298.35           | 1,39,64,530  | 10               | 255.62          | 1,39,64,530      | 10              | 182.03          |
|         | - NHPC Limited (Refer Note 13.4)  | Designated - FVTOCI | 17,16,75,750     | 10              | 690.13           | 20,51,30,167 | 10               | 570.26          | 38,97,75,446     | 10              | 953.00          |
|         | - Power Exchange India Limited  | Designated - FVTOCI | 32,20,000        | 10              | 3.59             | 32,20,000    | 10               | -               | 32,20,000        | 10              | -               |
|         | - Energy Efficiency Services Limited                                    | Designated - FVTOCI | 46,36,00,000     | 10              | 298.51           | 46,36,00,000 | 10               | 456.47          | -                | -               | -               |
|         | - Suzlon Energy Limited   | Designated - FVTOCI | 13,31,04,997     | 2               | 105.15           | 8,46,15,798  | 2                | 77.42           | 8,46,15,798      | 2               | 42.31           |
|         | - Housing and Urban Development Corporation, Ltd                        | Designated - FVTOCI | 3,47,429         | 10              | 1.50             | 3,47,429     | 10               | 1.14            | 3,47,429         | 10              | 1.52            |
|         | - Universal Commodity Exchange Ltd.                                     | Designated - FVTOCI | 1,60,00,000      | 10              | -                | 1,60,00,000  | 10               | -               | 1,60,00,000      | 10              | -               |
|         | - Ind Bharth Energy Utikal Limited - Unquoted                           | Designated - FVTOCI | 9,69,30,666      | 10              | 602.82           | -            | -                | -               | -                | -               | -               |
|         | - RattanIndia Power Limited   | FVTPL               | 32,76,95,820     | 10              | 96.67            | 32,76,95,820 | 10               | 175.31          | 32,76,95,820     | 10              | 83.56           |
|         | - RKM PowerGen Pvt. Ltd   | FVTPL               | 58,57,06,587     | 10              | -                | 58,57,06,587 | 10               | -               | 58,57,06,587     | 10              | -               |
|         | <b>Total Equity Instruments</b>   |                     |                  |                 | <b>2,200.59</b>  |              |                  | <b>1,634.92</b> |                  |                 | <b>1,355.72</b> |
| (iv)    | <b>Preference Shares</b>  |                     |                  |                 |                  |              |                  |                 |                  |                 |                 |
|         | - Raipur Energen Limited - RPS  | Amortised Cost      | 59,82,371        | 100             | 12.83            | 59,82,371    | 100              | 11.52           | 59,82,371        | 100             | 10.35           |
|         | - RattanIndia Power Limited - RPS                                       | Amortised Cost      | 10,16,70,764     | 10              | 101.67           | 10,16,70,764 | 10               | 101.67          | 10,16,70,764     | 10              | 92.73           |
|         | - RattanIndia Power Limited - OCCRPS                                    | FVTPL               | 15,32,97,013     | 10              | -                | 15,32,97,013 | 10               | -               | 15,32,97,013     | 10              | 139.18          |
|         | - Suzlon Global Services Limited - CCPS                                 | FVTPL               | -                | -               | -                | 38,161       | 1,00,000         | -               | 38,161           | 1,00,000        | -               |
|         | <b>Total Preference Shares</b>  |                     |                  |                 | <b>114.50</b>    |              |                  | <b>113.19</b>   |                  |                 | <b>242.26</b>   |
| (v)     | <b>Others</b>   |                     |                  |                 |                  |              |                  |                 |                  |                 |                 |
|         | - Units of "Small is Beautiful" Fund                                    | Designated - FVTOCI | -                | -               | -                | -            | -                | -               | 1,23,04,700      | 10              | -               |
|         | <b>Total - Units of "Small is Beautiful" Fund</b>                       |                     |                  |                 |                  |              |                  |                 |                  |                 |                 |
|         | <b>Total Investments (Other than accounted for using equity method)</b> |                     |                  |                 | <b>6,074.56</b>  |              |                  | <b>3,875.18</b> |                  |                 | <b>2,950.48</b> |
|         | <b>Less: Impairment Loss Allowance</b>                                  |                     |                  |                 | <b>(101.67)</b>  |              |                  | <b>(101.67)</b> |                  |                 | <b>-</b>        |
|         | <b>Net Investments (Other than accounted for using equity method)</b>   |                     |                  |                 | <b>5,972.89</b>  |              |                  | <b>3,773.51</b> |                  |                 | <b>2,950.48</b> |

RPS - Redeemable Preference Shares, OCCRPS - Optionally Convertible Cumulative Redeemable Preference Shares, CCPS - Compulsorily Convertible Preference Shares, OCD - Optionally Convertible Debenture, NCD - Non-Convertible Debentures

\* Refer Note 48 for fair value of instruments measured at FVTPL or FVTOCI

13B Reformatted Investments accounted for using equity method

| Sr. No. | Particulars  | (₹ in crore)        |                     |                     |
|---------|--|---------------------|---------------------|---------------------|
|         |  | As at<br>31.03.2022 | As at<br>31.03.2022 | As at<br>31.03.2021 |
| (i)     | <b>Associates (Refer Note 13.2)</b>  | 0.51                | 0.50                | 0.50                |
|         | - Ultramega Power Projects / Independent Transmission Projects   |                     |                     |                     |
|         | <b>Joint Venture</b>   |                     |                     |                     |
|         | - Energy Efficiency Services Limited<br>[46,36,00,000 equity shares of ₹ 10 each; previous year 46,36,00,000 equity shares of ₹ 10 each] |                     |                     | 547.85              |
|         | <b>Total Investments accounted for using equity method</b>   | <b>0.51</b>         | <b>0.50</b>         | <b>548.35</b>       |



### 13.1 Movement of impairment loss allowance on investments

(₹ in crore)

| Particulars  | FY 2022-23    | FY 2021-22    | FY 2020-21 |
|--|---------------|---------------|------------|
| Opening Balance  | 101.67        | -             | -          |
| Add: Impairment loss allowance recognised during the year          | -             | 101.67*       | -          |
| Less: Reversal of excess impairment loss allowance during the year | -             | -             | -          |
| <b>Closing Balance</b>   | <b>101.67</b> | <b>101.67</b> | -          |

\* Impairment loss allowance on Redeemable preference shares of Rattan India Power Ltd.

### 13.2 Carrying Value of Investment in Associates accounted for using equity method:

These associates are companies incorporated as SPVs under mandate from GoI for development of Ultra Mega Power Projects (UMPPs) (Sr. no.(i)-(xv) below) with the intention to hand over the same to successful bidders on completion of the bidding process and Special Purpose Vehicle in respect of Independent Transmission Project (ITPs) (Sr.no.(xvi)-(xviii) below) incorporated by PFCCCL, being the bid process coordinator for transmission schemes.

(₹ in crore)

| Sr. No. | Name of investee company                                      | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2021 |
|---------|---|------------------|------------------|------------------|
| (i)     | Chhattisgarh Surguja Power Limited <sup>(1)</sup>             | -                | -                | -                |
| (ii)    | Coastal Karnataka Power Limited (refer note 13.3)             | -                | -                | -                |
| (iii)   | Coastal Maharashtra Mega Power Limited <sup>(1)</sup>         | -                | -                | -                |
| (iv)    | Orissa Integrated Power Limited                               | -                | -                | -                |
| (v)     | Coastal Tamil Nadu Power Limited                              | 0.08             | 0.08             | 0.08             |
| (vi)    | Sakhigopal Integrated Power Limited                           | 0.05             | 0.05             | 0.05             |
| (vii)   | Ghogarpalli Integrated Power Company Limited                  | 0.05             | 0.05             | 0.05             |
| (viii)  | Tatiya Andhra Mega Power Limited <sup>(1)</sup>               | -                | -                | -                |
| (ix)    | Deoghar Mega Power Limited                                    | 0.05             | 0.04             | 0.04             |
| (x)     | Cheyyur Infra Limited   | 0.05             | 0.05             | 0.05             |
| (xi)    | Odisha Infrapower Limited                                     | 0.04             | 0.04             | 0.04             |
| (xii)   | Deoghar Infra Limited   | 0.05             | 0.05             | 0.05             |
| (xiii)  | Bihar Infrapower Limited                                      | 0.05             | 0.05             | 0.05             |
| (xiv)   | Bihar Mega Power Limited                                      | 0.05             | 0.05             | 0.05             |
| (xv)    | Jharkhand Infrapower Limited                                  | 0.04             | 0.04             | 0.04             |
| (xvi)   | Tanda Transmission Company Limited <sup>(1)</sup>             | -                | -                | -                |
| (xvii)  | Shongtong Karcham-Wangtoo Transmission Limited <sup>(1)</sup> | -                | -                | -                |
| (xviii) | Bijawar-Vidarbha Transmission Limited <sup>(2)</sup>          | -                | -                | -                |
|         | <b>Total Carrying Value</b>                                   | <b>0.51</b>      | <b>0.50</b>      | <b>0.50</b>      |

(1) Associates struck off during the year by the Registrar of Companies

(2) under process of striking off

**13.3** Coastal Karnataka Power Limited (CKPL), a wholly owned company of PFC Ltd was set up for managing the UMPPs as per the mandate from GoI and was considered as associate over which PFC had significant influence. During FY 2022-23, CKPL's MoA has been amended to be used for bidding lenders' backed resolution plan by PFC and it has been renamed as PFC Projects Limited (PPL). Accordingly, the ability to direct activities of said Company now vests with PFC Ltd and the same is now considered as a subsidiary.

**13.4** At initial recognition, companies in the Group made an irrevocable election to present subsequent changes in the fair value of certain equity instruments in other comprehensive income. The Group's main operation is to extend financial assistance to power, logistics and infrastructure sector. Thus, in order to insulate the Consolidated Statement of Profit and Loss from price fluctuations of these instruments, the Management of the respective companies believes that FVTOCI classification provides a more meaningful presentation, rather than classifying them at FVTPL.

Details of FVTOCI instruments derecognised during the year:

(₹ in crore)

| Details of investment                         | No. of shares/<br>units<br>derecognised | Fair Value as on<br>date of de-<br>recognition | Cumulative gain/ (loss)<br>on de-recognition |
|---|---|--|--|
| <b>FY 2022-23</b>                             |   |  |  |
| NHPC Limited <sup>(1)</sup>                   | 3,34,54,417                             | 123.70   | 50.83  |
| <b>Total</b>                                  |   |  | <b>50.83</b>                                 |
| <b>FY 2021-22</b>                             |   |  |  |
| NHPC Limited <sup>(1)</sup>                   | 18,46,45,279                            | 510.44   | 108.28                                       |
| 'Small is Beautiful' Fund <sup>(2)</sup>      | 1,23,04,400                             | 1.50   | (10.80)                                      |
| <b>Total</b>                                  |   |  | <b>97.48</b>                                 |
| <b>FY 2020-21</b>                             |   |  |  |
| NHPC Limited <sup>(1)</sup>                   | 2,00,00,000                             | 50.54  | 6.98   |
| Indian Energy Exchange Limited <sup>(3)</sup> | 1,22,71,211                             | 249.92   | 248.69                                       |
| <b>Total</b>                                  |   |  | <b>255.67</b>                                |

<sup>(1)</sup>These equity shares were sold in tranches in the respective financial year considering the market scenario. The fair value and gain has been computed based on the price as on the respective date of de-recognition and has been presented above on aggregate basis in the respective financial year.

<sup>(2)</sup>Pursuant to the completion of liquidation proceedings of 'Small is Beautiful' Fund; 1,23,04,400 units of the 'Small is Beautiful' Fund held by PFC and RECL have been derecognised from the books.

<sup>(3)</sup>During the respective financial year, RECL has sold 1,22,71,211 equity shares of Indian Energy Exchange Limited considering the market scenario for a consideration of ₹ 249.92 crore through stock exchange.

Subsequent to de-recognition of such investments, the Group has transferred the cumulative gain/(loss) on such shares within Equity (from Reserve for Equity instruments through OCI to Retained Earnings) during the year. Refer Consolidated Statement of Changes in Equity for further details.

**13.5** Refer Note 48 for details of fair valuation of investments.

**14 Reformatted Other Financial Assets**

The Group has categorised other financial assets at amortised cost in accordance with the requirements of Ind AS 109 'Financial Instruments'.

(₹ in crore)

| Sr. No. | Particulars  | As at<br>31.03.2023 | As at<br>31.03.2022 | As at<br>31.03.2021 |
|---------|--|---------------------|---------------------|---------------------|
| (i)     | Recoverable on account of Government of India Serviced Bonds | 29,356.50           | 29,356.50           | 29,352.69           |
| (ii)    | Advances to Associates                                       | 197.46              | 181.81              | 166.18              |
| (iii)   | Advances to Employees  | 1.52                | 1.24                | 0.92                |
| (iv)    | Loans to Employees   | 166.42              | 152.59              | 139.23              |
| (v)     | Others   | 223.77              | 244.18              | 232.22              |
|         | Less: Impairment loss allowance on Others                    | (113.59)            | (115.97)            | (111.37)            |
|         | <b>Total Other Financial Assets</b>                          | <b>29,832.08</b>    | <b>29,820.35</b>    | <b>29,779.87</b>    |

**14.1 Detail of Reformatted Loans & Advances to KMPs (Included in Note 14 (iii) & (iv) above):**

(₹ in crore)

| Sr. No. | Particulars   | As at<br>31.03.2023 | As at<br>31.03.2022 | As at<br>31.03.2021 |
|---------|---|---------------------|---------------------|---------------------|
| (i)     | Loans & Advances to KMPs (including interest accrued) | 0.53                | 0.66                | 0.85                |

**14.2 Movement of Reformatted Impairment on Other Financial Assets**

(₹ in crore)

| Sr. No. | Particulars                    | FY 2022-23 | FY 2021-22 | FY 2020-21 |
|---------|--------------------------------|------------|------------|------------|
| (i)     | Opening balance                | 115.97     | 111.37     | 51.64      |
| (ii)    | Add : Creation during the year | 16.04      | 14.24      | 69.27      |
| (iii)   | Less : Reversal during year    | (18.42)    | (9.64)     | (9.54)     |
|         | Closing balance                | 113.59     | 115.97     | 111.37     |

**15 Reformatted Current Tax Assets / Liabilities (Net)**

(₹ in crore)

| Sr. No. | Particulars                                       | As at<br>31.03.2023 | As at<br>31.03.2022 | As at<br>31.03.2021 |
|---------|---|---------------------|---------------------|---------------------|
| (i)     | Advance income tax and TDS net of Provision       | 461.37              | 413.54              | 456.62              |
| (ii)    | Tax Deposited on income tax demands under contest | 81.71               | 81.71               | 68.70               |
|         | <b>Total Current Tax Assets (Net)</b>             | <b>543.08</b>       | <b>495.25</b>       | <b>525.32</b>       |
| (i)     | Provision for income tax net of Advance Tax       | 133.09              | 218.90              | 140.43              |
| (ii)    | Provision for income tax for demand under contest | 0.25                | 0.25                | 0.25                |
|         | <b>Total Current Tax Liabilities (Net)</b>        | <b>133.34</b>       | <b>219.15</b>       | <b>140.68</b>       |

16. Movement in Deferred Tax balances

(₹ in crore)

| FY 2022-23  | Net balance at 01.04.2022        | Adjustment (PFCCL)        | Recognised in Profit or Loss        | Recognised in OCI        | Net balance at 31.03.2023        |
|---|----------------------------------|---------------------------|-------------------------------------|--------------------------|----------------------------------|
| <b>(A) Deferred Tax Asset</b>   |                                  |                           |                                     |                          |                                  |
| (i) Provision for expenses deductible on payment basis under Income Tax Act | 52.94                            | -                         | 5.89                                | 0.68                     | 59.51                            |
| (ii) Unamortised income on loans to borrowers                               | (1.42)                           | -                         | 20.09                               | -                        | 18.67                            |
| (iii) Impairment loss allowance on Financial instruments in excess of RBDD  | 7,708.73                         | -                         | (414.85)                            | -                        | 7,293.88                         |
| (iv) Depreciation and amortisation  | (8.93)                           | -                         | (16.32)                             | -                        | (25.24)                          |
| (v) Fair value of derivatives (Net)   | 81.61                            | -                         | 123.83                              | 410.64                   | 616.08                           |
| (vi) Others   | 26.39                            | -                         | 13.04                               | 10.16                    | 49.59                            |
| <b>(B) (Deferred Tax Liabilities)</b>                                       |                                  |                           |                                     |                          |                                  |
| (i) Unamortized exchange loss (Net)   | (280.92)                         | -                         | (55.64)                             | -                        | (336.56)                         |
| (ii) Unamortised expenditure on loan liabilities                            | (235.36)                         | -                         | (35.85)                             | -                        | (271.21)                         |
| (iii) Fair valuation of Debt securities                                     | (28.17)                          | -                         | (37.01)                             | -                        | (65.19)                          |
| (iii) Others  | 0.50                             | -                         | -                                   | -                        | 0.50                             |
| <b>Net Deferred Tax (Liabilities) /Assets</b>                               | <b>7,315.37</b>                  | <b>-</b>                  | <b>(396.82)</b>                     | <b>421.48</b>            | <b>7,340.03</b>                  |
|   |                                  |                           |                                     |                          |                                  |
| <b>FY 2021-22</b>   | <b>Net balance at 01.04.2021</b> | <b>Adjustment (PFCCL)</b> | <b>Recognised in Profit or Loss</b> | <b>Recognised in OCI</b> | <b>Net balance at 31.03.2022</b> |
| <b>(A) Deferred Tax Asset</b>   |                                  |                           |                                     |                          |                                  |
| (i) Provision for expenses deductible on payment basis under Income Tax Act | 40.52                            | (0.07)                    | 8.22                                | 4.27                     | 52.94                            |
| (ii) Unamortised income on loans to borrowers                               | (5.32)                           | -                         | 3.90                                | -                        | (1.42)                           |
| (iii) Impairment loss allowance on Financial instruments in excess of RBDD  | 6,875.84                         | -                         | 832.89                              | -                        | 7,708.73                         |
| (iv) Depreciation and amortisation  | 1.46                             | (0.05)                    | (10.34)                             | -                        | (8.93)                           |
| (v) Fair value of derivatives (Net)   | 46.47                            | -                         | 23.24                               | 11.90                    | 81.61                            |
| (vi) Others   | 24.38                            | -                         | 11.59                               | (9.58)                   | 26.39                            |
| <b>(B) (Deferred Tax Liabilities)</b>                                       |                                  |                           |                                     |                          |                                  |
| (i) Unamortized exchange loss (Net)   | (313.72)                         | -                         | 32.80                               | -                        | (280.92)                         |
| (ii) Unamortised expenditure on loan liabilities                            | (209.10)                         | -                         | (26.26)                             | -                        | (235.36)                         |
| (iii) Fair valuation of Debt securities                                     | -                                | -                         | (28.17)                             | -                        | (28.17)                          |
| (iii) Others  | 0.50                             | -                         | -                                   | -                        | 0.50                             |
| <b>Net Deferred Tax (Liabilities) /Assets</b>                               | <b>6,461.03</b>                  | <b>(0.12)</b>             | <b>847.87</b>                       | <b>6.59</b>              | <b>7,315.37</b>                  |

| FY 2020-21                               | Net balance at 01.04.2020 | Recognised in Profit or Loss | Recognised in OCI | Net balance at 31.03.2021 |
|--|---------------------------|------------------------------|-------------------|---------------------------|
| <b>(A) Deferred Tax Asset</b>            |                           |                              |                   |                           |
| (i) Provision for expenses deductible on | 41.54                     | 3.86                         | (4.88)            | 40.52                     |

|  |                 |                 |                |                 |
|--|-----------------|-----------------|----------------|-----------------|
| payment basis under Income Tax Act   |                 |                 |                |                 |
| (ii) Unamortised income on loans to borrowers                              | (12.04)         | 6.72            | -              | (5.32)          |
| (iii) Impairment loss allowance on Financial instruments in excess of RBDD | 5681.92         | 1,193.92        | -              | 6,875.84        |
| (iv) Depreciation and amortisation   | 0.58            | 0.88            | -              | 1.46            |
| (v) Fair value of derivatives (Net)  | 450.53          | (315.69)        | (88.37)        | 46.47           |
| (vi) Others  | 20.64           | 3.74            | -              | 24.38           |
| <b>(B) (Deferred Tax Liabilities)</b>                                      |                 |                 |                |                 |
| (i) Lease income   | (47.99)         | 47.99           | -              | -               |
| (ii) Unamortized exchange loss (Net)                                       | (814.02)        | 500.30          | -              | (313.72)        |
| (iii) Financial assets and liabilities measured at amortised cost          | (253.46)        | 44.36           | -              | (209.10)        |
| (iv) Others  | (62.39)         | 62.89           | -              | 0.50            |
| <b>Net Deferred Tax (Liabilities) /Assets</b>                              | <b>5,005.31</b> | <b>1,548.98</b> | <b>(93.25)</b> | <b>6,461.03</b> |

17 Reformatted Property, Plant and Equipment, Capital Work-in-Progress (CWIP), Intangible assets under development and Other Intangible assets

(₹ in crore)

| Particulars                                    | Property, Plant and Equipment |           |                   |               |                  |               |          |                        |         | Capital Work-in-Progress | Intangible assets under development | Other Intangible assets |
|--|-------------------------------|-----------|-------------------|---------------|------------------|---------------|----------|------------------------|---------|--------------------------|-------------------------------------|-------------------------|
|  | Freehold Land                 | Buildings | Plant & Equipment | EDP Equipment | Office Equipment | Furniture and | Vehicles | Leasehold Improvements | Total   | Immovable property       | Computer Software                   | Computer Software       |
| <b>Gross Carrying Amount</b>                   |                               |           |                   |               |                  |               |          |                        |         |                          |                                     |                         |
| <b>Opening Balance as at 01.04.2021</b>        | 113.77                        | 155.32    | -                 | 48.17         | 44.90            | 39.29         | 0.52     | 1.66                   | 403.63  | 335.67                   | 0.77                                | 24.49                   |
| Additions / Adjustments                        | -                             | 303.73    | 19.90             | 11.62         | 18.14            | 52.90         | 0.10     | -                      | 406.39  | 79.64                    | -                                   | 1.02                    |
| Borrowing Cost Capitalised                     | -                             | -         | -                 | -             | -                | -             | -        | -                      | -       | 5.10                     | -                                   | -                       |
| Less :Deductions / Adjustments                 | -                             | (3.30)    | -                 | (3.63)        | (8.63)           | (4.47)        | (0.09)   | -                      | (20.12) | (367.05)                 | (0.77)                              | (0.33)                  |
| <b>Closing Balance as at 31.03.2022</b>        | 113.77                        | 455.75    | 19.90             | 56.16         | 54.41            | 87.72         | 0.53     | 1.66                   | 789.90  | 53.36                    | -                                   | 25.18                   |
| Additions / Adjustments                        | -                             | 26.07     | 59.44             | 13.47         | 18.22            | 7.49          | 0.15     | -                      | 124.84  | 42.76                    | 11.20                               | 0.01                    |
| Borrowing Cost Capitalised                     | -                             | -         | -                 | -             | -                | -             | -        | -                      | -       | 0.03                     | -                                   | -                       |
| Less :Deductions / Adjustments                 | -                             | -         | (0.04)            | (9.38)        | (12.41)          | (6.80)        | -        | 0.00                   | (28.63) | (85.49)                  | -                                   | (0.10)                  |
| <b>Closing Balance as at 31.03.2023</b>        | 113.77                        | 481.82    | 79.30             | 60.25         | 60.22            | 88.41         | 0.68     | 1.66                   | 886.11  | 10.66                    | 11.20                               | 25.09                   |
| <b>Accumulated Depreciation / Amortization</b> |                               |           |                   |               |                  |               |          |                        |         |                          |                                     |                         |
| <b>Opening Balance as at 01.04.2021</b>        | -                             | 22.86     | -                 | 32.55         | 29.37            | 19.13         | 0.44     | 1.53                   | 105.88  | -                        | -                                   | 18.10                   |
| For the period                                 | -                             | 5.49      | 0.95              | 8.88          | 7.76             | 5.63          | 0.07     | 0.12                   | 28.90   | -                        | -                                   | 3.00                    |
| Less :Reversal on Assets Sold/Written off fr   | -                             | (1.27)    | -                 | (2.89)        | (6.92)           | (2.65)        | (0.09)   | -                      | (13.82) | -                        | -                                   | (0.33)                  |
| <b>Closing Balance as at 31.03.2022</b>        | -                             | 27.08     | 0.95              | 38.54         | 30.21            | 22.11         | 0.42     | 1.65                   | 120.96  | -                        | -                                   | 20.77                   |
| For the period                                 | -                             | 7.70      | 6.44              | 11.48         | 11.95            | 8.57          | 0.05     | -                      | 46.19   | -                        | -                                   | 2.75                    |
| Less :Reversal on Assets Sold/Written off fr   | -                             | -         | -                 | (7.11)        | (8.66)           | (2.93)        | (0.01)   | 0.01                   | (18.70) | -                        | -                                   | (0.10)                  |
| <b>Closing Balance as at 31.03.2023</b>        | -                             | 34.78     | 7.39              | 42.91         | 33.50            | 27.75         | 0.46     | 1.66                   | 148.45  | -                        | -                                   | 23.42                   |
| <b>Net Carrying Amount</b>                     |                               |           |                   |               |                  |               |          |                        |         |                          |                                     |                         |
| <b>As at 31.03.2022</b>                        | 113.77                        | 428.67    | 18.95             | 17.62         | 24.20            | 65.61         | 0.11     | 0.01                   | 668.94  | 53.36                    | -                                   | 4.41                    |
| <b>As at 31.03.2023</b>                        | 113.77                        | 447.04    | 71.91             | 17.34         | 26.72            | 60.66         | 0.22     | -                      | 737.66  | 10.66                    | 11.20                               | 1.67                    |

(₹ in crore)

| Particulars                                    | Property, Plant and Equipment |                 |           |               |                  |               |          |                        |        | Capital Work-in-Progress | Intangible assets under development | Other Intangible assets |
|--|-------------------------------|-----------------|-----------|---------------|------------------|---------------|----------|------------------------|--------|--------------------------|-------------------------------------|-------------------------|
|  | Freehold Land                 | Leasehold Land* | Buildings | EDP Equipment | Office Equipment | Furniture and | Vehicles | Leasehold Improvements | Total  | Immovable Property       | Computer Software                   | Computer Software       |
| <b>Opening Balance as at 31.03.2020</b>        | 113.77                        | -               | 56.66     | 42.12         | 43.07            | 27.72         | 0.52     | 4.14                   | 288.00 | 287.62                   | 0.77                                | 24.33                   |
| Additions / Adjustments                        | -                             | -               | 98.66     | 12.71         | 12.25            | 13.05         | -        | -                      | 136.67 | 131.70                   | -                                   | 0.17                    |
| Borrowing Cost Capitalised                     | -                             | -               | -         | -             | -                | -             | -        | -                      | -      | 22.04                    | -                                   | -                       |
| Deductions / Adjustments                       | -                             | -               | -         | 6.66          | 10.42            | 1.48          | -        | 2.48                   | 21.04  | 105.69                   | -                                   | 0.01                    |
| <b>Closing Balance as at 31.03.2021</b>        | 113.77                        | -               | 155.32    | 48.17         | 44.90            | 39.29         | 0.52     | 1.66                   | 403.63 | 335.67                   | 0.77                                | 24.49                   |
| <b>Accumulated Depreciation / Amortization</b> |                               |                 |           |               |                  |               |          |                        |        |                          |                                     |                         |
| <b>Opening Balance as at 31.03.2020</b>        | -                             | -               | 21.50     | 31.34         | 28.83            | 16.62         | 0.41     | 2.51                   | 101.21 | -                        | -                                   | 15.10                   |
| For the period                                 | -                             | -               | 1.36      | 6.52          | 7.35             | 2.91          | 0.03     | 0.72                   | 18.89  | -                        | -                                   | 3.01                    |
| Reversal on Assets Sold/Written off from bo    | -                             | -               | -         | 5.31          | 6.81             | 0.40          | -        | 1.70                   | 14.22  | -                        | -                                   | 0.01                    |
| <b>Closing Balance as at 31.03.2021</b>        | -                             | -               | 22.86     | 32.55         | 29.37            | 19.13         | 0.44     | 1.53                   | 105.88 | -                        | -                                   | 18.10                   |
| <b>Net Carrying Amount</b>                     |                               |                 |           |               |                  |               |          |                        |        |                          |                                     |                         |
| <b>As at 31.03.2020</b>                        | 113.77                        | -               | 35.16     | 10.78         | 14.24            | 11.10         | 0.11     | 1.63                   | 186.79 | 287.62                   | 0.77                                | 9.23                    |
| <b>As at 31.03.2021</b>                        | 113.77                        | -               | 132.46    | 15.62         | 15.53            | 20.16         | 0.08     | 0.13                   | 297.75 | 335.67                   | 0.77                                | 6.39                    |

\*Pursuant to adoption of Ind AS 116, reclassified as Right of Use asset w.e.f. 01.04.2019.

17.1 The estimated useful lives and depreciation on property, plant and equipment (PPE) is in line with the Accounting Policy contained in Note 6.6 (vi).

17.2 In the opinion of management of Companies in the group, there is no impairment on the Property, Plant & Equipment and Intangible Assets of the Company in terms of Ind AS 36. Accordingly, no provision for impairment loss as required under Ind AS 36 'Impairment of Assets' has been made.

17.3 In case of PFC Ltd. details of assets pledged as security are as under:

| Particulars          | (₹ in crore)        |                     |                     |
|----------------------|---------------------|---------------------|---------------------|
|                      | As at<br>31.03.2023 | As at<br>31.03.2022 | As at<br>31.03.2021 |
| Gross Carrying Value | 4.12                | 4.12                | 4.12                |
| Net Carrying Value   | 3.40                | 3.43                | 3.45                |

For details of borrowings against which above assets are pledged as security refer note 22.10 and 22.11

In case of PFC's Subsidiary REC Ltd. details of assets pledged as security are as under:

| Particulars          | (₹ in crore)        |                     |                     |
|----------------------|---------------------|---------------------|---------------------|
|                      | As at<br>31.03.2023 | As at<br>31.03.2022 | As at<br>31.03.2021 |
| Gross Carrying Value | 3.48                | 3.48                | 3.30                |
| Net Carrying Value   | 2.36                | 2.41                | 2.31                |

17.4 In case of PFC's Subsidiary REC Ltd., As on 31st March 2023, the formalities regarding registration of conveyance deed in respect of certain immovable properties acquired by REC Ltd. are yet to be executed. The details are as below:

| Particulars          | (₹ in crore)     |          |                  |          |                  |          |
|----------------------|------------------|----------|------------------|----------|------------------|----------|
|                      | As at 31.03.2023 |          | As at 31.03.2022 |          | As at 31.03.2021 |          |
|                      | Land             | Building | Land             | Building | Land             | Building |
| Gross Carrying Value | -                | 4.59     | -                | 4.59     | -                | 4.59     |
| Net Carrying Value   | -                | 1.95     | -                | 2.01     | -                | 2.07     |

17.5 While PFC's subsidiary REC Ltd. has not made any specific borrowings for construction of a qualifying asset, REC Ltd. has capitalised an amount of ₹ 0.03 crores (previous year ₹ 5.10 crores) on account of general borrowings at an average rate of borrowings of 7.00% (previous year 7.94%) for the REC Ltd in terms of Ind AS 23 'Borrowing Costs'.

17.6 There has been no revaluation of PPE and Intangible assets during the year.

17.7 Intangible assets under development ageing schedule:

| Intangible assets under development | Amount in intangible assets for a period of |           |           |                   | Total        |
|-------------------------------------|---|-----------|-----------|-------------------|--------------|
|                                     | year  | 1-2 years | 2-3 years | More than 3 years |              |
| <b>As at 31.03.2023</b>             |   |           |           |                   |              |
| Projects in progress                | 11.20                                       | -         | -         | -                 | 11.20        |
| Projects temporarily suspended      | -   | -         | -         | -                 | -            |
| <b>Total</b>                        | <b>11.20</b>                                | <b>-</b>  | <b>-</b>  | <b>-</b>          | <b>11.20</b> |
| <b>As at 31.03.2022</b>             |   |           |           |                   |              |
| Projects in progress                | -   | -         | -         | -                 | -            |
| Projects temporarily suspended      | -   | -         | -         | -                 | -            |
| <b>Total</b>                        | <b>-</b>                                    | <b>-</b>  | <b>-</b>  | <b>-</b>          | <b>-</b>     |

## 17.8 CWIP ageing schedule

(₹ in crore)

| Capital Work in Progress       | Amount in CWIP for a period of |           |           |                   | Total        |
|--------------------------------|--------------------------------|-----------|-----------|-------------------|--------------|
|                                | year                           | 1-2 years | 2-3 years | More than 3 years |              |
| <b>As at 31.03.2023</b>        |                                |           |           |                   |              |
| Projects in progress           | 9.18                           | 0.08      | -         | 1.40              | <b>10.66</b> |
| Projects temporarily suspended | -                              | -         | -         | -                 | -            |
| <b>As at 31.03.2022</b>        |                                |           |           |                   |              |
| Projects in progress           | 51.96                          | -         | 1.40      | -                 | <b>53.36</b> |
| Projects temporarily suspended | -                              | -         | -         | -                 | -            |

## 17.9 In respect of Company's subsidiary REC Ltd., CWIP completion schedule

(₹ in crore)

| Capital Work in Progress       | To be completed in |           |           | Total |                   |
|--------------------------------|--------------------|-----------|-----------|-------|-------------------|
|                                | year               | 1-2 years | 2-3 years |       | More than 3 years |
| <b>As at 31.03.2023</b>        |                    |           |           |       |                   |
| Projects in progress           | -                  | -         | 2.72      | -     | <b>2.72</b>       |
| Projects temporarily suspended | -                  | -         | -         | -     | -                 |
| <b>As at 31.03.2022</b>        |                    |           |           |       |                   |
| Projects in progress           | 4.59               | -         | -         | 1.48  | <b>6.07</b>       |
| Projects temporarily suspended | -                  | -         | -         | -     | -                 |

17.10 The Group's Subsidiary REC Ltd. is holding the above investment property for capital appreciation purposes and does not earn any rental income on it.

## 17.11 Fair value of investment property:

(₹ in crore)

| Particulars    | As at      | As at      | As at      |
|----------------|------------|------------|------------|
|                | 31.03.2023 | 31.03.2022 | 31.03.2021 |
| Carrying Value | -          | -          | 0.01       |
| Fair value     | -          | -          | 0.90       |

The Group's Subsidiary REC Ltd. obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, information from variety of sources is considered which includes:

- current prices in an active market of similar properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.
- current circle rates in the jurisdiction where the investment property is located.

In case of Group's Subsidiary REC Ltd., fair values of investment property has been determined by an independent valuer and the main inputs used are circle rates and current prices of similar properties. All resulting fair value estimates for investment property are included in Level 3.



17.12 Details of useful life of Property Plant and Equipment and Intangible Assets are as under:

| Category                                      | Useful Life | Residual value as a % of original Cost |
|---|-------------|--|
|   | in Years    |  |
| Building                                      | 60          | 5%                                     |
| EDP Equipment :                               |             |  |
| - Servers and networks                        | 6           | 5%                                     |
| -End user devices i.e. desktops, laptops etc. | 3           | 5%                                     |
| Office Equipment                              | 5           | 5%                                     |
| Cell Phone                                    | 2           | 5%                                     |
| Furniture and Fixture                         | 10          | 5%                                     |
| Vehicles                                      | 8           | 5%                                     |
| Plant & equipment                             | 15          | 5%                                     |
| Intangible Assets                             | 5           | -                                      |

17.16 In the opinion of management of the Company and its Subsidiary REC Ltd., there is no impairment of the assets of the Company in terms of Ind AS 36. Accordingly, no provision for impairment loss as required under Ind AS 36 'Impairment of Assets' has been made.

17.17 While the Group's subsidiary REC Ltd., has not made any specific borrowings for construction of a qualifying asset, it has capitalised certain borrowing costs on account of general borrowings at an average rate of borrowings in terms of Ind AS 23 'Borrowing Costs'.

17.18 The Details of pledged as security are as under:

In case of the Company details of assets pledged as security refer note 20.8.20.9.

In case of Group's Subsidiary REC Ltd. details assets pledged as security are as under:

(₹ in Crores)

| Particulars        | As at 31.03.2023     | As at 31.03.2022 | As at 31.03.2021 |
|--------------------|----------------------|------------------|------------------|
|                    | Gross Carrying Value | 3.48             | 3.48             |
| Net Carrying Value | 2.36                 | 2.41             | 2.31             |

17.19 In case of Group's Subsidiary REC Ltd., As on 31st March 2013, the formalities regarding registration of conveyance deed in respect of certain immovable properties acquired by the Company are yet to be executed. The details are as below:

(₹ in Crores)

| Particulars          | As at 31.03.2023 |          | As at 31.03.2022 |          | As at 31.03.2021 |          |
|----------------------|------------------|----------|------------------|----------|------------------|----------|
|                      | Land             | Building | Land             | Building | Land             | Building |
| Gross Carrying Value | -                | 4.59     | -                | 4.59     | -                | 4.59     |
| Net Carrying Value   | -                | 1.95     | -                | 2.01     | -                | 2.07     |

17.20 Lease hold land was accounted as a part of fixed assets under previous GAAP. The same has been classified as operating lease under Ind-AS. For details Refer Note 53.3 (c).

**18 Reformatted Right-of-use Assets**

(₹ in crore)

| Sr. No. | Particulars                              | As at<br>31.03.2023 | As at<br>31.03.2022 | As at<br>31.03.2021 |
|---------|--|---------------------|---------------------|---------------------|
| (i)     | <b>Opening Balance of Leasehold Land</b> | 45.83               | 37.17               | 42.07               |
| (ii)    | Additions                                | -                   | 11.95               | 0.24                |
| (iii)   | Less: Disposal / Adjustment              | -                   | (0.42)              | (1.58)              |
| (iv)    | Less: Depreciation*                      | (2.86)              | (2.87)              | (3.56)              |
|         | <b>Closing Balance of Leasehold Land</b> | <b>42.97</b>        | <b>45.83</b>        | <b>37.17</b>        |

\*As required by Ind AS 116 'Leases', Depreciation expense on Right-of-Use assets is included under Depreciation and Amortization expenses in the Consolidated Statement of Profit and Loss.

**19 Reformatted Other Non-Financial Assets**

(₹ in crore)

| Sr. No. | Particulars                             | As at<br>31.03.2023 | As at<br>31.03.2022 | As at<br>31.03.2021 |
|---------|---|---------------------|---------------------|---------------------|
| (i)     | Prepaid Expenses                        | 19.10               | 7.33                | 9.79                |
| (ii)    | Deferred Employee Costs                 | 59.52               | 58.63               | 61.50               |
| (iii)   | Capital Advances                        | 389.96              | 339.18              | 158.97              |
| (iv)    | Excess Spent - CSR Expenses             | 7.70                | 0.48                | 43.42               |
| (v)     | Other assets                            | 164.86              | 146.06              | 137.75              |
|         | <b>Total Other Non-Financial Assets</b> | <b>641.14</b>       | <b>551.68</b>       | <b>411.43</b>       |

**20 Reformatted Assets Classified as held for sale\***

(₹ in crore)

| Sr. No.    | Particulars  | As at<br>31.03.2023 | As at<br>31.03.2022 | As at<br>31.03.2021 |
|------------|--|---------------------|---------------------|---------------------|
| <b>(A)</b> | <b>Assets classified as held for sale</b>  |                     |                     |                     |
| (i)        | Investment in associates (Refer Note 20.1)                                       | 0.73                | 0.46                | 0.66                |
| (ii)       | Loan to associates (Refer Note 20.2)   | 26.07               | 27.84               | 32.50               |
| (iii)      | Provision for impairment on assets classified as held for sale (Refer Note 20.4) | (9.73)              | (9.71)              | -                   |
|            | <b>Sub Total ( i+ii+iii)</b>   | <b>17.07</b>        | <b>18.59</b>        | <b>33.16</b>        |
| <b>(B)</b> | <b>Asset Classified as Held for Sale - Building</b>                              | <b>0.34</b>         | <b>0.86</b>         | <b>-</b>            |
|            | <b>Total (A+B)</b>   | <b>17.41</b>        | <b>19.45</b>        |                     |
| <b>(C)</b> | <b>Liabilities directly associated with assets classified as held for sale</b>   |                     |                     |                     |
| (i)        | Less : Payable to associates (Refer Note 20.3)                                   | (0.02)              | (0.01)              | 0.08                |
|            | <b>Total (C)</b>   | <b>(0.02)</b>       | <b>(0.01)</b>       | <b>0.08</b>         |
|            | <b>Disposal Group - Net assets (A+B+C)</b>                                       | <b>17.39</b>        | <b>19.44</b>        | <b>33.08</b>        |

\*Pertains to PFC's Subsidiaries - REC Ltd. and PFC Consulting Ltd.

20.1 Reformatted Investment in associates

(₹ in crore)

| Sr. No. | Particulars  | As at<br>31.03.2023 | As at<br>31.03.2022 | As at<br>31.03.2021 |
|---------|--|---------------------|---------------------|---------------------|
|         | <b>Investments in Equity Instruments of associates (fully paid up equity shares of ₹</b> |                     |                     |                     |
|         | <b><u>In case of PFC's Subsidiary REC Ltd.</u></b>                                       |                     |                     |                     |
| (i)     | Chandil Transmission Ltd.  | 0.05                | 0.05                | 0.05                |
| (ii)    | Dumka Transmission Ltd.  | 0.05                | 0.05                | 0.05                |
| (iii)   | Koderma Transmission Ltd.  | 0.05                | 0.05                | 0.05                |
| (iv)    | Mandar Transmission Ltd.   | 0.05                | 0.05                | 0.05                |
| (v)     | Bidar Transmission Limited   | 0.05                | 0.05                | 0.05                |
| (vi)    | MP Power Transmission Package I Limited  | -                   | 0.05                | 0.05                |
| (vii)   | Rajgarh Transmission Limited   | -                   | 0.05                | 0.05                |
| (viii)  | ER NER Transmission Limited  | -                   | 0.05                | -                   |
| (ix)    | Beawar Transmission Limited  | 0.05                | -                   | -                   |
| (x)     | Khavda II-D Transmission Limited   | 0.05                | -                   | -                   |
| (xi)    | KPS1 Transmission Limited  | 0.05                | -                   | -                   |
| (xii)   | Ramgarh II Transmission Limited  | 0.05                | -                   | -                   |
| (xiii)  | Sikar Khetri Transmission Limited  | 0.05                | -                   | 0.01                |
| (xiv)   | Luhri Power Transmission Limited   | 0.05                | -                   | -                   |
| (xv)    | Meerut Shamli Power TL   | 0.05                | -                   | -                   |
| (xvi)   | Sikar Transmission Limited   | -                   | -                   | 0.05                |
| (xvii)  | Fatehgarh Badla Transco Limited  | -                   | -                   | 0.05                |
| (xviii) | Gadag Transmission Limited   | -                   | -                   | 0.05                |
| (xix)   | Kallam Transmission Limited  | -                   | -                   | 0.05                |
| (xx)    | MP Power Transmission Package II Limited   | -                   | -                   | 0.05                |
|         | <b><u>In case of PFC's Subsidiary PFC Consulting Limited</u></b>                         |                     |                     | -                   |
| (i)     | NERES XVI Power Transmission Limited   | 0.05                | -                   | -                   |
| (ii)    | Khatri-Narela Transmission Limited   | -                   | 0.01                | 0.01                |
| (iii)   | Ananthpuram Kurnool Transmission Limited   | 0.01                | 0.01                | 0.01                |
| (iv)    | Bhadla Sikar Transmission Limited  | -                   | 0.01                | 0.01                |
| (v)     | Chhatarpur Transmission Limited  | 0.01                | 0.01                | -                   |
| (vi)    | Mohanlalganj Transmission Limited  | -                   | 0.01                | -                   |
| (vii)   | Kishtwar Transmission Limited  | -                   | 0.01                | -                   |
| (viii)  | Beawar Dausa Transmission Limited  | 0.01                | -                   | -                   |
| (ix)    | Bhadla III Transmission Limited  | 0.01                | -                   | -                   |
| (x)     | Fatehgarh IV Transmission Limited  | 0.01                | -                   | -                   |
| (xi)    | Fatehgarh III Transmission Limited   | 0.01                | -                   | -                   |
| (xii)   | Fatehgarh-III Beawar Transmission Limited  | 0.01                | -                   | -                   |
| (xiii)  | SIOT Transmission Limited  | 0.01                | -                   | -                   |
| (xiv)   | Koppal Narendra Transmission Ltd.  |                     |                     | 0.01                |
| (xv)    | Karur Transmission Ltd.  |                     |                     | 0.01                |
|         | <b>Total</b>   | <b>0.73</b>         | <b>0.46</b>         | <b>0.66</b>         |

20.2 Reformatted Loan to Associates

(₹ in crore)

| Sr. No.  | Particulars  | As at<br>31.03.2023 | As at<br>31.03.2022 | As at<br>31.03.2021 |
|----------|--|---------------------|---------------------|---------------------|
|          | <b><u>In case of PFC's Subsidiary REC Ltd.</u></b>               |                     |                     |                     |
| (i)      | Chandil Transmission Ltd.  | 2.54                | 2.54                | 2.53                |
| (ii)     | Dumka Transmission Ltd.  | 2.48                | 2.48                | 2.47                |
| (iii)    | Mandar Transmission Ltd.   | 2.23                | 2.22                | 2.21                |
| (iv)     | Koderma Transmission Ltd.  | 2.28                | 2.28                | 2.27                |
| (v)      | MP Power Transmission Package I Limited                          | -                   | 1.99                | 1.07                |
| (vi)     | Rajgarh Transmission Limited                                     | -                   | 0.28                | -                   |
| (vii)    | ER NER Transmission Limited                                      | -                   | 0.28                | -                   |
| (viii)   | Receivable from SPV- Yet to Incorporate                          | -                   | 0.76                | -                   |
| (ix)     | Bidar Transmission Limited                                       | 0.10                | -                   | -                   |
| (x)      | Sikar Khetri Transmission Limited                                | 0.67                | -                   | -                   |
| (xi)     | KPS1 Transmission Limited  | 0.58                | -                   | -                   |
| (xii)    | Ramgarh II Transmission Limited                                  | 0.70                | -                   | -                   |
| (xiii)   | Beawar Transmission Limited                                      | 0.71                | -                   | -                   |
| (xiv)    | Luhri Stage-I HEP  | 0.48                | -                   | -                   |
| (xv)     | Meerut Shamli Power Transmission Limited                         | 0.43                | -                   | -                   |
| (xvi)    | NERES XVI Power Transmission Limited                             | 0.19                | -                   | -                   |
|          | <b><u>In case of PFC's Subsidiary PFC Consulting Limited</u></b> |                     |                     |                     |
| (xvii)   | Khatri-Narela Transmission Limited                               | -                   | 4.42                | 2.68                |
| (xviii)  | Ananthpuram Kurnool Transmission Limited                         | 1.32                | 0.82                | 0.71                |
| (xix)    | Bhadla Sikar Transmission Limited                                | -                   | 4.36                | 3.93                |
| (xx)     | Kishtwar Transmission Limited                                    | -                   | 1.15                | -                   |
| (xxi)    | Mohanlalganj Transmission Limited                                | -                   | 2.95                | -                   |
| (xxii)   | Chhatarpur Transmission Limited                                  | 1.31                | 0.28                | -                   |
| (xxiii)  | SIOT Transmission Limited  | 1.98                | -                   | -                   |
| (xxiv)   | Fatehgarh-III Beawar Transmission Limited                        | 1.47                | -                   | -                   |
| (xxv)    | Beawar Dausa Transmission Limited                                | 2.16                | -                   | -                   |
| (xxvi)   | Bhadla III Transmission Limited                                  | 1.45                | -                   | -                   |
| (xxvii)  | Fatehgarh IV Transmission Limited                                | 1.20                | -                   | -                   |
| (xxviii) | Fatehgarh III Transmission Limited                               | 1.27                | -                   | -                   |
| (xxix)   | MP Power Transmission Package II Limited                         | -                   | -                   | 1.09                |
| (xxx)    | Fatehgarh Bhadla Transco Limited                                 | -                   | -                   | 0.91                |
| (xxxi)   | Kallam Transmission Limited                                      | -                   | -                   | 0.11                |
| (xxxii)  | Sikar New Transmission Limited                                   | -                   | -                   | 0.77                |
| (xxxiii) | Gadag Transmission Limited                                       | -                   | -                   | 0.02                |
| (xxxiv)  | Koppal Narendra Transmission Ltd.                                | -                   | -                   | 4.27                |
| (xxxv)   | Karur Transmission Ltd.  | -                   | -                   | 3.08                |
| (xxxvi)  | Sikar-II Aligarh Transmission Ltd.                               | -                   | -                   | 4.38                |

|           | <b>Incorporation</b>   |              |              |              |
|-----------|--|--------------|--------------|--------------|
|           | ITP47- Transmission system for evacuation of power from REZ in Rajasthan (20 GW) under phase III Part A1 | -            | -            | -            |
| (xxxvii)  | ITP48- Transmission system for evacuation of power from REZ in Rajasthan (20GW) under Phase-III Part A3  | -            | 0.09         | -            |
| (xxxviii) | ITP49- Transmission system for evacuation of power from REZ in Rajasthan (20GW) under Phase-III Part B1  | -            | 0.09         | -            |
| (xxxix)   | ITP50- Transmission system for evacuation of power from REZ in Rajasthan (20GW) under Phase-III Part G   | -            | 0.14         | -            |
| (xl)      | ITP51- Transmission system for evacuation of power from REZ in Rajasthan (20GW) under Phase-III Part H   | -            | 0.26         | -            |
| (xli)     | ITP52- Creation of 400/220 kV, 2x315 MVA S/S at Siot, Jammu & Kashmir                                    | -            | 0.17         | -            |
| (xlii)    | ITP53- 400 kV Khandukhal (Srinagar) ?  | -            | 0.25         | -            |
| (xliii)   | Rampura (Kashipur) D/c line  | -            | 0.02         | -            |
| (xliv)    | ITP 56 - Shamli- Aligarh Transmission Limited  | 0.17         | -            | -            |
| (xliv)    | ITP 57 - Joda/Barbil Transmission Line   | 0.01         | -            | -            |
| (xlvi)    | ITP 58 - Rajasthan REZ Phase-IV (Part-1A)  | 0.09         | -            | -            |
| (xlvii)   | ITP 59 - Rajasthan REZ Phase-IV (Part-1B)  | 0.09         | -            | -            |
| (xlviii)  | ITP 60 - Rajasthan REZ Phase-IV (Part-1C)  | 0.08         | -            | -            |
| (xlix)    | ITP 61 - Rajasthan REZ Phase-IV (Part-1D)  | 0.08         | -            | -            |
|           | <b>Total</b>   | <b>26.07</b> | <b>27.84</b> | <b>32.50</b> |

**20.3 Reformatted Liabilities directly associated with assets classified as held for sale**

(₹ in crore)

| Sr. No. | Particulars  | As at<br>31.03.2023 | As at<br>31.03.2022 | As at<br>31.03.2021 |
|---------|--|---------------------|---------------------|---------------------|
| (i)     | Bidar Transmission Limited                                       | -                   | 0.01                | 0.03                |
| (ii)    | Khavda II-D Transmission Limited<br>Rajgarh Transmission Limited | 0.02                | -                   | 0.05                |
|         | <b>Total</b>   | <b>0.02</b>         | <b>0.01</b>         | <b>0.08</b>         |

**20.4 Reformatted Provision for impairment on assets classified as held for sale**

(₹ in crore)

| Sr. No. | Particulars                  | As at<br>31.03.2023 | As at<br>31.03.2022 | As at<br>31.03.2021 |
|---------|------------------------------|---------------------|---------------------|---------------------|
| (i)     | Chandil Transmission Limited | 2.59                | 2.59                | -                   |
| (ii)    | Dumka Transmission Limited   | 2.53                | 2.53                | -                   |
| (iii)   | Mandar Transmission Limited  | 2.28                | 2.27                | -                   |
| (iv)    | Koderma Transmission Limited | 2.33                | 2.33                | -                   |
|         | <b>Total</b>                 | <b>9.73</b>         | <b>9.71</b>         | <b>-</b>            |

**20.5** In respect of PFC's subsidiaries, REC Ltd. and PFC Consulting Ltd., their management had incorporated these entities with a view to sell them off as per the guidelines of Ministry of Power, through the bid process prescribed by Ministry of Power. There is no possibility that management will have benefits from these entities other than selling them off, hence all these investments (along with the related assets and liabilities) have been classified as 'held for sale'.

**20.6** Jharkhand Urja Sancharan Nigam Limited (JUSNL) has cancelled RFQ and RFP of transmission projects in State of Jharkhand. These projects have been kept in abeyance w.e.f. 01.10.2020. RECPDCL vide letters dated 14.10.2020, 06.11.2020 and 28.07.2021 has communicated JUSNL regarding recovery of expenses incurred on these SPVs. However, no communication has been received from JUSNL in this regard. As the bidding process of these SPVs has been cancelled and there is less probability of recovery of expenses already incurred, hence as an accounting prudence provision for impairment loss of ₹ 0.02 crore (previous year ₹ 9.71 crore) has been created.

**20.7** With a view to monetise its idle assets, during the year the Company's subsidiary RECL has disposed certain residential building units through e-auction process, with carrying value ₹ 0.52 crores (previous year ₹ 1.18 crores), classified under "Assets classified as held for sale" as required under Ind-AS 105. Such sale has resulted in gain of ₹ 4.08 crores during the current year (previous year ₹ 30.19 crores) Further, residential building units with carrying value ₹ 0.34 crores (previous year ₹ 0.86 crores) classified under "Assets classified as held for sale" are pending for disposal as at 31st March 2023. The process for their disposal is expected to be completed during the year 2023-24 through e-auction process.

21 Reformatted Trade Payables

(₹ in crore)

| Sr. No. | Particulars  | As at<br>31.03.2023 | As at<br>31.03.2022 | As at<br>31.03.2021 |
|---------|--|---------------------|---------------------|---------------------|
|         | <b>Trade Payables</b>  |                     |                     |                     |
| (i)     | Total outstanding dues of Micro, Small and Medium Enterprises                      | 0.67                | 1.11                | 0.01                |
| (ii)    | Total outstanding dues of creditors other than Micro, Small and Medium Enterprises | 50.19               | 48.64               | 70.76               |
|         | <b>Total Trade Payables</b>  | <b>50.86</b>        | <b>49.75</b>        | <b>70.77</b>        |

21.1 Trade Payables ageing schedule

(₹ in Crore)

|     | Particulars            | As at 31st March 2023 |              |             |                      |              |
|-----|------------------------|-----------------------|--------------|-------------|----------------------|--------------|
|     |                        | Less than<br>1 year   | 1-2 years    | 2-3 years   | More than<br>3 years | Total        |
| (i) | <b>MSME</b>            |                       |              |             |                      |              |
|     | - Disputed             | -                     | -            | -           | -                    | -            |
|     | - Others               | 0.67                  | -            | -           | -                    | 0.67         |
|     | <b>Sub-total (i)</b>   | <b>0.67</b>           | <b>-</b>     | <b>-</b>    | <b>-</b>             | <b>0.67</b>  |
| (i) | <b>Other than MSME</b> |                       |              |             |                      |              |
|     | - Disputed             | -                     | -            | -           | -                    | -            |
|     | - Others               | 23.31                 | 14.02        | 0.34        | 12.52                | 50.19        |
|     | <b>Sub-total (ii)</b>  | <b>23.31</b>          | <b>14.02</b> | <b>0.34</b> | <b>12.52</b>         | <b>50.19</b> |
|     | <b>Total (i+ii)</b>    | <b>23.97</b>          | <b>14.02</b> | <b>0.34</b> | <b>12.52</b>         | <b>50.86</b> |

(₹ in Crore)

|     | Particulars            | As at 31st March 2022 |             |              |                      |              |
|-----|------------------------|-----------------------|-------------|--------------|----------------------|--------------|
|     |                        | Less than<br>1 year   | 1-2 years   | 2-3 years    | More than<br>3 years | Total        |
| (i) | <b>MSME</b>            |                       |             |              |                      |              |
|     | - Disputed             | -                     | -           | -            | -                    | -            |
|     | - Others               | 1.11                  | -           | -            | -                    | 1.11         |
|     | <b>Sub-total (i)</b>   | <b>1.11</b>           | <b>-</b>    | <b>-</b>     | <b>-</b>             | <b>1.11</b>  |
| (i) | <b>Other than MSME</b> |                       |             |              |                      |              |
|     | - Disputed             | -                     | -           | -            | -                    | -            |
|     | - Others               | 27.11                 | 8.40        | 11.35        | 1.78                 | 48.64        |
|     | <b>Sub-total (ii)</b>  | <b>27.11</b>          | <b>8.40</b> | <b>11.35</b> | <b>1.78</b>          | <b>48.64</b> |
|     | <b>Total (i+ii)</b>    | <b>28.22</b>          | <b>8.40</b> | <b>11.35</b> | <b>1.78</b>          | <b>49.75</b> |

(₹ in Crore)

|       | Particulars   | As at 31st March 2021 |              |              |                         |              |
|-------|---|-----------------------|--------------|--------------|-------------------------|--------------|
|       |   | Less than<br>1 year   | 1-2 years    | 2-3 years    | more<br>than 3<br>years | Total        |
| (i)   | <b>MSME</b>   |                       |              |              |                         |              |
|       | - Disputed  | -                     | -            | -            | -                       | -            |
|       | - Others  | 0.22                  | -            | -            | -                       | 0.22         |
|       | <b>Sub-total (i)</b>                                  | <b>0.22</b>           | <b>-</b>     | <b>-</b>     | <b>-</b>                | <b>0.22</b>  |
| (ii)  | <b>Other than MSME</b>                                |                       |              |              |                         |              |
|       | - Disputed  | -                     | -            | -            | -                       | -            |
|       | - Others  | 45.53                 | 14.40        | 10.33        | 1.77                    | 72.03        |
|       | <b>Sub-total (ii)</b>                                 | <b>45.53</b>          | <b>14.40</b> | <b>10.33</b> | <b>1.77</b>             | <b>72.03</b> |
| (iii) | Adjustment for PFCCL's audited & unaudited Financials | -                     | -            | -            | -                       | (1.48)       |
|       | <b>Total (i+ii)</b>                                   | <b>45.75</b>          | <b>14.40</b> | <b>10.33</b> | <b>1.77</b>             | <b>70.77</b> |

## 22 Debt Securities

The Company and its Subsidiary REC Ltd., have categorised Debt Securities at amortised cost in accordance with the requirements of Ind AS 109 'Financial Instruments'.

(₹ in crore)

| Sr. No. | Particulars  | As at<br>31.03.2023 | As at<br>31.03.2022 | As at<br>31.03.2021 |
|---------|--|---------------------|---------------------|---------------------|
| (i)     | <b>Secured Bonds / Debenture</b>                             |                     |                     |                     |
|         | - Infrastructure Bonds (Refer note 22.1)                     | 38.51               | 38.51               | 119.56              |
|         | - Tax Free Bonds (Refer note 22.2)                           | 18,520.76           | 20,746.33           | 24,878.08           |
|         | - 54EC Capital Gain Tax Exemption Bonds (Refer note 22.3)    | 42,466.24           | 28,144.95           | 19,829.15           |
|         | - Taxable Bonds (Refer note 22.4)                            | 6,383.99            | 6,383.99            | 3,470.00            |
|         | - Bond Application Money (Refer note 22.5)                   | 1,720.36            | 1,291.54            | 856.62              |
|         | <b>Sub-Total (i)</b>   | <b>69,129.86</b>    | <b>56,605.32</b>    | <b>56,605.32</b>    |
| (ii)    | <b>Unsecured Bonds / Debenture</b>                           |                     |                     |                     |
|         | - Infrastructure Bonds (Refer note 22.6)                     | 3.96                | 3.96                | 11.07               |
|         | - Taxable Bonds (Refer note 22.7)                            | 3,44,006.50         | 3,15,262.44         | 3,56,082.70         |
|         | - Foreign Currency Notes (Refer note 22.8 & 22.9)            | 70,106.11           | 64,701.63           | 57,333.68           |
|         | Commercial Paper (Refer Note 22.6)                           | -                   | -                   | 3,080.23            |
|         | <b>Sub-Total (ii)</b>  | <b>4,14,116.57</b>  | <b>3,79,968.03</b>  | <b>3,79,968.03</b>  |
| (iii)   | <b>Total Principal Outstanding of Debt Securities (i+ii)</b> | <b>4,83,246.43</b>  | <b>4,36,573.35</b>  | <b>4,36,573.35</b>  |
| (iv)    | Interest accrued but not due on above                        | 14,414.63           | 14,027.33           | 14,027.33           |
| (v)     | Unamortised Transaction Cost on above                        | (931.68)            | (869.12)            | (869.12)            |
|         | <b>Total Debt Securities (iii to v)</b>                      | <b>4,96,729.38</b>  | <b>4,49,731.56</b>  | <b>4,49,731.56</b>  |
|         | <b>Geography wise Debt Securities</b>                        |                     |                     |                     |
| (i)     | Debt Securities in India                                     | 4,26,580.42         | 3,85,129.26         | 3,85,129.26         |
| (ii)    | Debt Securities outside India                                | 70,148.96           | 64,602.30           | 64,602.30           |
|         | <b>Total Geography wise Debt Securities</b>                  | <b>4,96,729.38</b>  | <b>4,49,731.56</b>  | <b>4,49,731.56</b>  |



22.1 Details of Reformatted Infrastructure Bonds outstanding are as follows:

| Sr. No.               | Bond Series                                      | Coupon Rate (p.a.) | Principal Amount (₹ in crore) outstanding as at |              |               | Date of Redemption | For Security, Refer Note | Redemption details   |
|-----------------------|--|--------------------|---|--------------|---------------|--------------------|--------------------------|--|
|                       |  |                    | 31.03.2023                                      | 31.03.2022   | 31.03.2021    |                    |                          |  |
| <b>In case of PFC</b> |  |                    |   |              |               |                    |                          |  |
| 1                     | Infrastructure Bonds (2010-11) - Series III      | 8.50%              | 5.27  | 5.27         | 5.27          | 31.03.2026         | 22.10                    | Redeemable at par on a date falling Fifteen years from the date of allotment   |
| 2                     | Infrastructure Bonds (2010-11) - Series IV       | 8.50%              | 19.33   | 19.33        | 19.33         | 31.03.2026         |                          | Redeemable at par with cumulative interest compounded annually, on a date falling fifteen years from the date of allotment |
| 3                     | Infrastructure Bonds (2011-12) - Series III      | 8.75%              | 2.86  | 2.86         | 2.86          | 21.11.2026         | 22.11                    | Redeemable at par on a date falling Fifteen years from the date of allotment   |
| 4                     | Infrastructure Bonds (2011-12) - Series IV       | 8.75%              | 7.77  | 7.77         | 7.77          | 21.11.2026         |                          | Redeemable at par with cumulative interest compounded annually, on a date falling fifteen years from the date of allotment |
| 5                     | Infrastructure Bonds 86 C Series                 | 8.72%              | 0.87  | 0.87         | 0.87          | 30.03.2027         | 22.8                     | Redeemable at par on a date falling Fifteen years from the date of allotment   |
| 6                     | Infrastructure Bonds 86 D Series                 | 8.72%              | 2.40  | 2.40         | 2.40          | 30.03.2027         |                          | Redeemable at par with cumulative interest compounded annually, on a date falling fifteen years from the date of allotment |
| 7                     | Infrastructure Bonds Private Placement Series I  | 8.43%              | -   | -            | 7.39          | 30.03.2022         | 22.8                     | Redeemable at par on a date falling ten years from the date of allotment   |
| 8                     | Infrastructure Bonds Private Placement Series II | 8.43%              | -   | -            | 15.47         | 30.03.2022         |                          | Redeemable at par with cumulative interest compounded annually, on a date falling ten years from the date of allotment     |
| 9                     | Infrastructure Bonds (2011-12) - Series I        | 8.50%              | -   | -            | 21.85         | 21.11.2021         |                          | Redeemable at par on a date falling ten years from the date of allotment   |
| 10                    | Infrastructure Bonds (2011-12) - Series II       | 8.50%              | -   | -            | 36.35         | 21.11.2021         |                          | Redeemable at par with cumulative interest compounded annually, on a date falling ten years from the date of allotment     |
| <b>Total</b>          |  |                    | <b>38.51</b>                                    | <b>38.51</b> | <b>119.56</b> |                    |                          |  |

22.2 Details of Reformatted Tax Free Bonds outstanding are as follows:

| Sr. No.                                     | Bond Series                               | Coupon Rate (p.a.) | Principal Amount (₹ in crore) outstanding as at |                  |                  | Date of Redemption | For Security, Refer Note  | Redemption details            |       |  |
|---|---|--------------------|---|------------------|------------------|--------------------|---|-------------------------------|-------|--|
|   |   |                    | 31.03.2023                                      | 31.03.2022       | 31.03.2021       |                    |   |                               |       |  |
| <b>In case of PFC</b>                       |   |                    |   |                  |                  |                    |   |                               |       |  |
| 1   | Tax Free Bond Series 94A                  | 7.21%              | -   | 255.00           | 255.00           |                    | 22.12   | Repaid in FY 2022-23          |       |  |
| 2   | Tax Free Bonds Series 95A                 | 7.22%              | -   | 30.00            | 30.00            |                    |   |                               |       |  |
| 3   | Tax Free Bonds (2012-13) Tranche I Series | 7.69%              | -   | 140.23           | 197.09           |                    |   |                               |       |  |
| 4   | Tax Free Bonds (2012-13) Tranche I Series | 7.19%              | -   | 202.52           | 145.66           |                    |   |                               |       |  |
| 5   | Tax Free Bonds (2012-13) Tranche II       | 7.38%              | -   | 41.43            | 52.90            |                    |   |                               |       |  |
| 6   | Tax Free Bonds (2012-13) Tranche II       | 6.88%              | -   | 54.72            | 43.25            |                    |   |                               |       |  |
| 7   | Tax Free Bonds Series 107A                | 8.01%              | 113.00  | 113.00           | 113.00           | 30.08.2023         | 22.12   | Redeemable at par on maturity |       |  |
| 8   | Tax Free Bonds Series 107B                | 8.43%              | 335.47  | 335.47           | 335.47           | 16.11.2023         |   |                               |       |  |
| 9   | Tax Free Bonds Series 1A                  | 8.18%              | 325.07  | 325.07           | 325.07           | 16.11.2023         |   |                               |       |  |
| 10  | Tax Free Bonds Series 136                 | 7.16%              | 300.00  | 300.00           | 300.00           | 17.07.2025         |   |                               |       |  |
| 11  | Tax Free Bonds (2015-16) Series 1B        | 7.36%              | 79.35   | 79.35            | 79.35            | 17.10.2025         |   |                               |       |  |
| 12  | Tax Free Bonds (2015-16) Series 1A        | 7.11%              | 75.09   | 75.09            | 75.09            | 17.10.2025         |   |                               |       |  |
| 13  | Tax Free Bond Series 79-B                 | 7.75%              | 217.99  | 217.99           | 217.99           | 15.10.2026         |   |                               |       |  |
| 14  | Tax Free Bond Series 80-B                 | 8.16%              | 209.34  | 209.34           | 209.34           | 25.11.2026         |   |                               |       |  |
| 15  | Tax Free Bonds (2011-12) Public Issue     | 8.30%              | 1,280.58  | 1,280.58         | 1,280.58         | 01.02.2027         |   |                               |       |  |
| 16  | Tax Free Bond Series 94B                  | 7.38%              | 25.00   | 25.00            | 25.00            | 22.11.2027         |   |                               |       |  |
| 17  | Tax Free Bonds Series 95B                 | 7.38%              | 100.00  | 100.00           | 100.00           | 29.11.2027         |   |                               |       |  |
| 18  | Tax Free Bonds (2012-13) Tranche-I Series | 7.86%              | 180.78  | 185.78           | 194.28           | 04.01.2028         |   |                               |       |  |
| 19  | Tax Free Bonds (2012-13) Tranche-I Series | 7.36%              | 176.21  | 171.22           | 162.72           | 04.01.2028         |   |                               |       |  |
| 20  | Tax Free Bonds (2012-13) Tranche II       | 7.54%              | 55.85   | 56.97            | 58.96            | 28.03.2028         |   |                               |       |  |
| 21  | Tax Free Bonds (2012-13) Tranche II       | 7.04%              | 13.35   | 12.24            | 10.25            | 28.03.2028         |   |                               |       |  |
| 22  | Tax Free Bonds Series 107-B               | 8.46%              | 1,011.10  | 1,011.10         | 1,011.10         | 30.08.2028         |   |                               |       |  |
| 23  | Tax Free Bonds Series 2-A                 | 8.79%              | 353.32  | 353.32           | 353.32           | 16.11.2028         |   |                               |       |  |
| 24  | Tax Free Bonds Series 2-A                 | 8.54%              | 932.70  | 932.70           | 932.70           | 16.11.2028         |   |                               |       |  |
| 25  | Tax Free Bonds (2015-16) Series 2-B       | 7.52%              | 45.18   | 45.18            | 45.18            | 17.10.2030         |   |                               |       |  |
| 26  | Tax Free Bonds (2015-16) Series 2-A       | 7.27%              | 131.33  | 131.33           | 131.33           | 17.10.2030         |   |                               |       |  |
| 27  | Tax Free Bonds Series 3-B                 | 8.92%              | 861.96  | 861.96           | 861.96           | 16.11.2033         |   |                               |       |  |
| 28  | Tax Free Bonds Series 3-A                 | 8.67%              | 1,067.38  | 1,067.38         | 1,067.38         | 16.11.2033         |   |                               |       |  |
| 29  | Tax Free Bonds (2015-16) Series 3-B       | 7.60%              | 155.48  | 155.48           | 155.48           | 17.10.2035         |   |                               |       |  |
| 30  | Tax Free Bonds (2015-16) Series 3-A       | 7.35%              | 213.58  | 213.58           | 213.57           | 17.10.2035         |   |                               |       |  |
| 31  | Tax Free Bonds (2011-12) Public Issue     | 8.20%              | -   | -                | 2,752.55         | 01.02.2022         |   |                               |       |  |
| 32  | Tax Free Bond Series 80A                  | 8.09%              | -   | -                | 334.31           | 25.11.2021         |   |                               |       |  |
| 33  | Tax Free Bonds Series 79A                 | 7.51%              | -   | -                | 205.23           | 15.10.2021         |   |                               |       |  |
| <b>Sub - Total (A)</b>                      |   |                    | <b>8,259.12</b>                                 | <b>8,983.03</b>  | <b>12,275.11</b> |                    |   |                               |       |  |
| <b>In case of PFC's Subsidiary REC Ltd.</b> |   |                    |   |                  |                  |                    |   |                               |       |  |
| 1   | Series 2013-14 Series 3A & 3B             | 8.01% to 8.46%     | 1,350.00  | 1,350.00         | 1,350.00         | 29.08.2023         |   |                               | 22.12 | Redeemable at par. Bonds amounting to ₹ 209.00 crores are redeemable on 29.08.2023 and ₹ 1,141.00 crores are redeemable on 29.08.2028  |
| 2   | Series 2013-14 Tranche 1                  | 8.01% to 8.71%     | 3,410.60  | 3,410.60         | 3,410.60         | 25.09.2023         |   |                               |       | Redeemable at par. Bonds amounting to ₹ 575.06 crores are redeemable on 25.09.2023, ₹ 2,810.26 crores are redeemable on 25.09.2028 and ₹ 55.28 crores are redeemable on 26.09.2033 |
| 3   | Series 2013-14 Series 4A & 4B             | 8.18% to 8.54%     | 150.00  | 150.00           | 150.00           | 11.10.2023         |   |                               |       | Redeemable at par. Bonds amounting to ₹ 105.00 crores are redeemable on 11.10.2023 and ₹ 45.00 crores are redeemable on 11.10.2028   |
| 4   | Series 2013-14 Tranche 2                  | 8.19% to 8.88%     | 1,057.40  | 1,057.40         | 1,057.40         | 24.03.2024         |   |                               |       | Redeemable at par. Bonds amounting to ₹ 419.32 crores are redeemable on 22.03.2024, ₹ 530.42 crores are redeemable on 23.03.2029 and ₹ 109.66 crores are redeemable on 24.03.2034  |
| 5   | Series 2015-16 Series 5A                  | 7.17%              | 300.00  | 300.00           | 300.00           | 23.07.2025         | Redeemable at par on maturity   |                               |       |  |
| 6   | Series 2015-16 Tranche 1                  | 6.89% to 7.43%     | 696.56  | 696.56           | 696.56           | 05.11.2025         | Redeemable at par. Bonds amounting to ₹ 105.93 crores are redeemable on 05.11.2025, ₹ 172.90 crores are redeemable on 05.11.2030 and ₹ 421.17 crores are redeemable on 05.11.2035 |                               |       |  |
| 7   | Series 2011-12                            | 8.12% to 8.32%     | 2,160.33  | 2,160.33         | 3,000.00         | 27.03.2027         | Redeemable at par on maturity   |                               |       |  |
| 8   | Series 2012-13 Series 2A & 2B             | 7.38%              | 245.00  | 500.00           | 500.00           | 22.11.2027         | Redeemable at par on maturity   |                               |       |  |
| 9   | Series 2012-13 Tranche 1                  | 7.38% to 7.88%     | 842.04  | 2,007.35         | 2,007.35         | 20.12.2027         | Redeemable at par on maturity   |                               |       |  |
| 10  | Series 2012-13 Tranche 2                  | 7.04 to 7.54%      | 49.71   | 131.06           | 131.06           | 27.03.2028         | Redeemable at par on maturity   |                               |       |  |
| <b>Sub - Total (B)</b>                      |   |                    | <b>10,261.64</b>                                | <b>11,763.30</b> | <b>12,602.97</b> |                    |   |                               |       |  |
| <b>Total (A+B)</b>                          |   |                    | <b>18,520.76</b>                                | <b>20,746.33</b> | <b>24,878.08</b> |                    |   |                               |       |  |

22.3 Details of Reformatted 54 EC Capital Gain Tax Exemption Bonds outstanding are as follows:

| Sr. No.               | Bond Series             | Coupon Rate (p.a.) | Principal Amount (₹ in crore) outstanding as at |            |            | Date of Redemption | For Security, Refer Note | Redemption details                  |
|-----------------------|-------------------------|--------------------|---|------------|------------|--------------------|--------------------------|-------------------------------------|
|                       |                         |                    | 31.03.2023                                      | 31.03.2022 | 31.03.2021 |                    |                          |                                     |
| <b>In case of PFC</b> |                         |                    |   |            |            |                    |                          |                                     |
| 1                     | Series II (FY 2018-19)  | 5.75%              | 491.95  | 491.95     | 491.95     |                    | 22.12                    | Redeemable at par during FY 2023-24 |
| 2                     | Series III (FY 2019-20) | 5.75%              | 1,134.44  | 1,134.44   | 1,134.44   |                    |                          | Redeemable at par during FY 2024-25 |

|   |                        |              |                  |                  |                  |  |                                     |
|---|------------------------|--------------|------------------|------------------|------------------|--|-------------------------------------|
| 3   | Series IV (FY 2020-21) | 5.75%        | 252.38           | 252.38           | 252.38           |  |                                     |
| 4   | Series IV (FY 2020-21) | 5.00%        | 685.41           | 685.41           | 685.41           |  |                                     |
| 5   | Series IV (FY 2021-22) | 5.00%        | 1,434.64         | 1,434.64         | -                |  |                                     |
| 6   | Series VI (FY 2022-23) | 5.00%        | 2,600.87         | -                | -                |  |                                     |
|   | <b>Sub - Total (A)</b> |              | <b>6,599.69</b>  | <b>3,998.82</b>  | <b>2,564.18</b>  |  |                                     |
| <b>In case of PFC's Subsidiary REC Ltd.</b> |                        |              |                  |                  |                  |  |                                     |
| 1   | Series XII (2018-19)   | 5.75%        | 6,651.31         | 6,651.77         | 6,651.77         |  | Redeemable at par during FY 2023-24 |
| 2   | Series XIII (2019-20)  | 5.75%        | 6,157.82         | 6,157.72         | 6,157.72         |  | Redeemable at par during FY 2024-25 |
| 3   | Series XIV (2020-21)   | 5.75% and 5% | 5,312.07         | 5,312.07         | 4,455.48         |  | Redeemable at par during FY 2025-26 |
| 4   | Series XV (2021-22)    | 5.00%        | 7,312.80         | 6,024.57         | -                |  | Redeemable at par during FY 2026-27 |
| 5   | Series XVI (2022-23)   | 5.00%        | 10,432.55        | -                | -                |  | Redeemable at par during FY 2027-28 |
|   | <b>Sub - Total (B)</b> |              | <b>35,866.55</b> | <b>24,146.13</b> | <b>17,264.97</b> |  |                                     |

22.12

|  |                    |  |                  |                  |                  |  |
|--|--------------------|--|------------------|------------------|------------------|--|
|  | <b>Total (A+B)</b> |  | <b>42,466.24</b> | <b>28,144.95</b> | <b>19,829.15</b> |  |
|--|--------------------|--|------------------|------------------|------------------|--|

**22.4 The details of Reformatted Taxable Bonds outstanding are as follows:**

| Sr. No.                                     | Bond Series   | Coupon Rate (p.a.) | Principal Amount (₹ in crore) outstanding as at |                 |                 | Date of Redemption | For Security, Refer Note | Redemption details            |
|---|---|--------------------|---|-----------------|-----------------|--------------------|--------------------------|-------------------------------|
|   |   |                    | 31.03.2023                                      | 31.03.2022      | 31.03.2021      |                    |                          |                               |
| <b>In case of PFC</b>                       |   |                    |   |                 |                 |                    |                          |                               |
| 1   | Secured Public Issue (2020-21) tranche I Series I Category III-IV   | 4.80%              | 1.95  | 1.95            | 1.95            | 22.01.2024         | 22.12                    | Redeemable at par on maturity |
| 2   | Secured Public Issue (2020-21) Tranche I Series II Category I-II    | 5.65%              | 27.05   | 27.05           | 27.05           | 22.01.2026         |                          |                               |
| 3   | Secured Public Issue (2020-21) Tranche I Series II Category III-IV  | 5.80%              | 3.50  | 3.50            | 3.50            | 22.01.2026         |                          |                               |
| 4   | Secured Public Issue (2020-21) Tranche I Series V Category III-IV   | 6.83% (10YR GSEC)  | 1,250.73  | 1,250.73        | 1,250.73        | 22.01.2031         |                          |                               |
| 5   | Secured Public Issue (2020-21) Tranche I Series V Category I-II     | 6.58% (10YR GSEC)  | 10.35   | 10.35           | 10.35           | 22.01.2031         |                          |                               |
| 6   | Secured Public Issue (2020-21) Tranche I Series IV Category III-IV  | 7.00%              | 1,635.53  | 1,635.53        | 1,635.53        | 22.01.2031         |                          |                               |
| 7   | Secured Public Issue (2020-21) Tranche I Series IV Category I-II    | 6.80%              | 33.67   | 33.67           | 33.67           | 22.01.2031         |                          |                               |
| 8   | Secured Public Issue (2020-21) Tranche I Series III Category III-IV | 6.82%              | 28.74   | 28.74           | 28.74           | 22.01.2031         |                          |                               |
| 9   | Secured Public Issue (2020-21) Tranche I Series III Category I-II   | 6.63%              | 0.50  | 0.50            | 0.50            | 22.01.2031         |                          |                               |
| 10  | Secured Public Issue (2020-21) Tranche I Series VII Category III-IV | 7.15%              | 1,330.06  | 1,330.06        | 1,330.06        | 22.01.2036         |                          |                               |
| 11  | Secured Public Issue (2020-21) Tranche I Series VII Category I-II   | 6.95%              | 50.05   | 50.05           | 50.05           | 22.01.2036         |                          |                               |
| 12  | Secured Public Issue (2020-21) Tranche I Series VI Category III-IV  | 6.97%              | 53.36   | 53.36           | 53.36           | 22.01.2036         |                          |                               |
| 13  | Secured Public Issue (2020-21) Tranche I Series VI Category I-II    | 6.78%              | 3.50  | 3.50            | 3.50            | 22.01.2036         |                          |                               |
| <b>Sub - Total (A)</b>                      |   |                    | <b>4,428.99</b>                                 | <b>4,428.99</b> | <b>4,428.99</b> |                    |                          |                               |
| <b>In case of PFC's Subsidiary REC Ltd.</b> |   |                    |   |                 |                 |                    |                          |                               |
| 1   | 123-III B Series  | 9.34%              | 1,955.00  | 1,955.00        | 1,955.00        | 23.08.2024         |                          | Redeemable at par on maturity |
| <b>Sub - Total (B)</b>                      |   |                    | <b>1,955.00</b>                                 | <b>1,955.00</b> | <b>1,955.00</b> |                    |                          |                               |
| <b>Total (A+B)</b>                          |   |                    | <b>6,383.99</b>                                 | <b>6,383.99</b> | <b>6,383.99</b> |                    |                          |                               |

**22.5 The details of Reformatted Bond Application Money outstanding are as follows:**

| Sr. No.                                     | Particulars                           | Coupon Rate (p.a.) | Principal Amount (₹ in crore) outstanding as at |                 |               | Date of Redemption | Redemption details  |
|---|---------------------------------------|--------------------|---|-----------------|---------------|--------------------|---|
|   |                                       |                    | 31.03.2023                                      | 31.03.2022      | 31.03.2021    |                    |   |
| <b>In case of PFC's Subsidiary REC Ltd.</b> |                                       |                    |   |                 |               |                    |   |
| 1   | 54EC Capital Gain Tax Exemption Bonds | 5.00%              | 1,720.36  | 1,291.54        | 856.62        |                    | Redeemable at par after 5 years from the deemed date of allotment |
| <b>Total</b>                                |                                       |                    | <b>1,720.36</b>                                 | <b>1,291.54</b> | <b>856.62</b> |                    |   |

**22.6 Details of Reformatted Infrastructure Bonds outstanding are as follows:**

| Sr. No.                                     | Bond Series                    | Coupon Rate (p.a.) | Principal Amount (₹ in crore) outstanding as at |             |              | Date of Redemption | For Security, Refer Note   | Redemption details |
|---|--------------------------------|--------------------|---|-------------|--------------|--------------------|--|--------------------|
|   |                                |                    | 31.03.2023                                      | 31.03.2022  | 31.03.2021   |                    |  |                    |
| <b>In case of PFC's Subsidiary REC Ltd.</b> |                                |                    |   |             |              |                    |  |                    |
| 1   | Series-II (2011-12) Cumulative | 9.15%              | 2.83  | 2.83        | 2.83         | 15.02.2027         | Redeemable on the date falling 15 years from the date of allotment |                    |
| 2   | Series-II (2011-12) Annual     | 9.15%              | 1.13  | 1.13        | 1.13         | 15.02.2027         |  |                    |
| 3   | Series-II (2011-12) Cumulative | 8.95%              | -   | -           | 5.73         | 15.02.2022         | Redeemable on the date falling 10 years from the date of allotment |                    |
| 4   | Series-II (2011-12) Annual     | 8.95%              | -   | -           | 1.38         | 15.02.2022         |  |                    |
| <b>Total</b>                                |                                |                    | <b>3.96</b>                                     | <b>3.96</b> | <b>11.07</b> |                    |  |                    |

**22.7 The details of Reformatted Unsecured Taxable Bonds outstanding are as follows:**

| Sr. No.               | Bond Series   | Coupon Rate (p.a.) | Principal Amount (₹ in crore) outstanding as at |            |            | Date of Redemption | For Security, Refer Note | Redemption details |
|-----------------------|---|--------------------|---|------------|------------|--------------------|--------------------------|--------------------|
|                       |   |                    | 31.03.2023                                      | 31.03.2022 | 31.03.2021 |                    |                          |                    |
| <b>In case of PFC</b> |   |                    |   |            |            |                    |                          |                    |
| 1                     | Series 88 C   | 9.48%              | -   | 184.70     | 184.70     | -                  | Repaid in FY 2022-23     |                    |
| 2                     | Series 187 A  | 8.20%              | -   | 1,605.00   | 1,605.00   | -                  |                          |                    |
| 3                     | Series 168-A  | 7.28%              | -   | 1,950.00   | 1,950.00   | -                  |                          |                    |
| 4                     | Series 169-A  | 7.10%              | -   | 3,395.00   | 3,395.00   | -                  |                          |                    |
| 5                     | Series 181  | 8.45%              | -   | 2,155.00   | 2,155.00   | -                  |                          |                    |
| 6                     | Series 191  | 7.35%              | -   | 3,735.00   | 3,735.00   | -                  |                          |                    |
| 7                     | Series 170-A  | 7.35%              | -   | 800.00     | 800.00     | -                  |                          |                    |
| 8                     | Series 176-B  | 7.99%              | -   | 1,295.00   | 1,295.00   | -                  |                          |                    |
| 9                     | Zero Coupon Unsecured Taxable Bonds 2022-XIX Series | -                  | -   | 707.97     | 654.92     | -                  |                          |                    |
| 10                    | Series 100 B  | 8.84%              | -   | 1,310.00   | 1,310.00   | -                  |                          |                    |
| 11                    | Series 102 A (II)                                   | 8.90%              | -   | 403.00     | 403.00     | -                  |                          |                    |
| 12                    | Series 194  | 7.04%              | 1,400.00  | 1,400.00   | 1,400.00   | 14.04.2023         |                          |                    |
| 13                    | Series 85 D   | 9.26%              | 736.00  | 736.00     | 736.00     | 15.04.2023         |                          |                    |
| 14                    | Series 198  | 6.98%              | 3,160.00  | 3,160.00   | 3,160.00   | 20.04.2023         |                          |                    |
| 15                    | Series 199A   | 6.83%              | 1,970.00  | 1,970.00   | 1,970.00   | 24.04.2023         |                          |                    |
| 16                    | Series 202A   | 6.75%              | 2,145.00  | 2,145.00   | 2,145.00   | 22.05.2023         |                          |                    |
| 17                    | Series 203A   | 6.72%              | 2,206.00  | 2,206.00   | 2,206.00   | 09.06.2023         |                          |                    |
| 18                    | Series 206  | 5.47%              | 3,000.00  | 3,000.00   | 3,000.00   | 19.08.2023         |                          |                    |
| 19                    | Series 188  | 8.10%              | 691.10  | 691.10     | 691.10     | 04.06.2024         |                          |                    |
| 20                    | Series 211 (3M TB Link)                             | 4.38%              | 1,985.00  | 1,985.00   | -          | 02.08.2024         |                          |                    |
| 21                    | Series 57- B  | 8.60%              | 866.50  | 866.50     | 866.50     | 07.08.2024         |                          |                    |
| 22                    | Series 117 Option B                                 | 9.37%              | 855.00  | 855.00     | 855.00     | 19.08.2024         |                          |                    |
| 23                    | Series 118 Option B II                              | 9.39%              | 460.00  | 460.00     | 460.00     | 27.08.2024         |                          |                    |
| 24                    | Series Option 120 B                                 | 8.98%              | 950.00  | 950.00     | 950.00     | 08.10.2024         |                          |                    |
| 25                    | Series 120 Option A                                 | 8.98%              | 961.00  | 961.00     | 961.00     | 08.10.2024         |                          |                    |
| 26                    | Series 192  | 7.42%              | 3,000.00  | 3,000.00   | 3,000.00   | 19.11.2024         |                          |                    |
| 27                    | Series 124 C  | 8.48%              | 1,000.00  | 1,000.00   | 1,000.00   | 09.12.2024         |                          |                    |
| 28                    | Series 61   | 8.50%              | 351.00  | 351.00     | 351.00     | 15.12.2024         |                          |                    |
| 29                    | Series 125  | 8.65%              | 2,826.00  | 2,826.00   | 2,826.00   | 28.12.2024         |                          |                    |
| 30                    | Series 126  | 8.65%              | 5,000.00  | 5,000.00   | 5,000.00   | 04.01.2025         |                          |                    |
| 31                    | Series 62-B   | 8.80%              | 1,172.60  | 1,172.60   | 1,172.60   | 15.01.2025         |                          |                    |
| 32                    | Series 128  | 8.20%              | 1,600.00  | 1,600.00   | 1,600.00   | 10.03.2025         |                          |                    |
| 33                    | Series 63-III                                       | 8.90%              | 184.00  | 184.00     | 184.00     | 15.03.2025         |                          |                    |

|    |                      |       |          |          |          |            |                               |
|----|----------------------|-------|----------|----------|----------|------------|-------------------------------|
| 34 | Series 131-C         | 8.41% | 5,000.00 | 5,000.00 | 5,000.00 | 27.03.2025 |                               |
| 35 | Series 64            | 8.95% | 492.00   | 492.00   | 492.00   | 30.03.2025 |                               |
| 36 | Series 204A          | 5.77% | 900.00   | 900.00   | 900.00   | 11.04.2025 | Redeemable at par on maturity |
| 37 | Series 130-C         | 8.39% | 925.00   | 925.00   | 925.00   | 19.04.2025 |                               |
| 38 | Series 199B          | 7.16% | 1,320.00 | 1,320.00 | 1,320.00 | 24.04.2025 |                               |
| 39 | Series 65 III        | 8.70% | 1,337.50 | 1,337.50 | 1,337.50 | 14.05.2025 |                               |
| 40 | Series 202B          | 7.17% | 810.00   | 810.00   | 810.00   | 22.05.2025 |                               |
| 41 | Series 66-B          | 8.75% | 1,532.00 | 1,532.00 | 1,532.00 | 15.06.2025 |                               |
| 42 | Series 210A - STRPP1 | 6.35% | 405.60   | 405.60   | -        | 30.06.2025 |                               |
| 43 | Series 215           | 7.13% | 2,420.00 | -        | -        | 08.08.2025 |                               |
| 44 | Series 217B STRPP I  | 7.15% | 276.40   | -        | -        | 08.09.2025 |                               |
| 45 | Series 208           | 6.50% | 2,806.00 | 2,806.00 | 2,806.00 | 17.09.2025 |                               |
| 46 | Series 141-B         | 8.40% | 1,000.00 | 1,000.00 | 1,000.00 | 18.09.2025 |                               |
| 47 | Series 218           | 7.59% | 1,450.00 | -        | -        | 03.11.2025 |                               |

|   |                         |       |                    |                    |                    |            |
|---|-------------------------|-------|--------------------|--------------------|--------------------|------------|
| 48  | Series 71               | 9.05% | 192.70             | 192.70             | 192.70             | 15.12.2025 |
| 49  | Series 222              | 7.58% | 2,540.00           | -                  | -                  | 15.01.2026 |
| 50  | Series 147              | 8.03% | 1,000.00           | 1,000.00           | 1,000.00           | 02.05.2026 |
| 51  | Series 210A - STRPP2    | 6.35% | 540.80             | 540.80             | -                  | 30.06.2026 |
| 52  | Series 216              | 7.13% | 3,000.00           | -                  | -                  | 15.07.2026 |
| 53  | Series 225A             | 7.77% | 3,262.70           | -                  | -                  | 15.07.2026 |
| 54  | Series - 76-B           | 9.46% | 1,105.00           | 1,105.00           | 1,105.00           | 01.08.2026 |
| 55  | Series 150-B            | 7.63% | 1,675.00           | 1,675.00           | 1,675.00           | 14.08.2026 |
| 56  | Series 212A             | 6.09% | 2,450.00           | 2,450.00           | -                  | 27.08.2026 |
| 57  | Series - 77-B           | 9.45% | 2,568.00           | 2,568.00           | 2,568.00           | 01.09.2026 |
| 58  | Series 217B STRPP II    | 7.15% | 276.40             | -                  | -                  | 08.09.2026 |
| 59  | Series 227A             | 7.70% | 1,200.00           | -                  | -                  | 15.09.2026 |
| 60  | Series 151-B            | 7.56% | 210.00             | 210.00             | 210.00             | 16.09.2026 |
| 61  | Series 152              | 7.55% | 4,000.00           | 4,000.00           | 4,000.00           | 25.09.2026 |
| 62  | Series 155              | 7.23% | 2,635.00           | 2,635.00           | 2,635.00           | 05.01.2027 |
| 63  | Series 168-B            | 7.44% | 1,540.00           | 1,540.00           | 1,540.00           | 12.06.2027 |
| 64  | Series 210A - STRPP3    | 6.35% | 405.60             | 405.60             | -                  | 30.06.2027 |
| 65  | Series 169-B            | 7.30% | 1,500.00           | 1,500.00           | 1,500.00           | 07.08.2027 |
| 66  | Series 217B STRPP III   | 7.15% | 276.40             | -                  | -                  | 08.09.2027 |
| 67  | Series 170-B            | 7.65% | 2,001.00           | 2,001.00           | 2,001.00           | 22.11.2027 |
| 68  | Series 171              | 7.62% | 5,000.00           | 5,000.00           | 5,000.00           | 15.12.2027 |
| 69  | Series 221B             | 7.59% | 3,500.00           | -                  | -                  | 17.01.2028 |
| 70  | Series 172              | 7.74% | 850.00             | 850.00             | 850.00             | 29.01.2028 |
| 71  | Series 101 B            | 9.00% | 1,370.00           | 1,370.00           | 1,370.00           | 11.03.2028 |
| 72  | Series 102 A (III)      | 8.90% | 403.00             | 403.00             | 403.00             | 18.03.2028 |
| 73  | Series 103              | 8.94% | 2,807.00           | 2,807.00           | 2,807.00           | 25.03.2028 |
| 74  | Series 177              | 7.85% | 3,855.00           | 3,855.00           | 3,855.00           | 03.04.2028 |
| 75  | Series 227B             | 7.77% | 1,390.00           | -                  | -                  | 15.04.2028 |
| 76  | Series 178              | 8.95% | 3,000.00           | 3,000.00           | 3,000.00           | 10.10.2028 |
| 77  | Series 179-A            | 8.67% | 1,007.40           | 1,007.40           | 1,007.40           | 19.11.2028 |
| 78  | Series 187 B            | 8.85% | 1,982.10           | 1,982.10           | 1,982.10           | 27.05.2029 |
| 79  | Series 118 Option B III | 9.39% | 460.00             | 460.00             | 460.00             | 27.08.2029 |
| 80  | Series 193              | 7.93% | 4,710.50           | 4,710.50           | 4,710.50           | 31.12.2029 |
| 81  | Series 196R1            | 7.41% | 1,500.00           | 1,500.00           | 1,500.00           | 25.02.2030 |
| 82  | Series 196              | 7.41% | 2,500.00           | 2,500.00           | 2,500.00           | 25.02.2030 |
| 83  | Series 225B STRPP I     | 7.82% | 625.00             | -                  | -                  | 13.03.2030 |
| 84  | Series 195              | 7.86% | 1,100.00           | 1,100.00           | 1,100.00           | 12.04.2030 |
| 85  | Series 200              | 7.40% | 2,920.00           | 2,920.00           | 2,920.00           | 08.05.2030 |
| 86  | Series 197              | 7.41% | 5,000.00           | 5,000.00           | 5,000.00           | 15.05.2030 |
| 87  | Series 203B             | 7.75% | 3,318.00           | 3,318.00           | 3,318.00           | 11.06.2030 |
| 88  | Series 66-C             | 8.85% | 633.00             | 633.00             | 633.00             | 15.06.2030 |
| 89  | Series 201              | 7.68% | 3,101.30           | 3,101.30           | 3,101.30           | 15.07.2030 |
| 90  | Series 202C             | 7.79% | 1,936.00           | 1,936.00           | 1,936.00           | 22.07.2030 |
| 91  | Series 205A             | 7.05% | 1,610.10           | 1,610.10           | 1,610.10           | 09.08.2030 |
| 92  | Series 71               | 9.05% | 192.70             | 192.70             | 192.70             | 15.12.2030 |
| 93  | Series 207R1            | 7.04% | 2,549.10           | 2,549.10           | 2,549.10           | 16.12.2030 |
| 94  | Series 207              | 7.04% | 1,097.40           | 1,097.40           | 1,097.40           | 16.12.2030 |
| 95  | Series 225B STRPP II    | 7.82% | 625.00             | -                  | -                  | 13.03.2031 |
| 96  | Series 204B             | 6.88% | 1,300.00           | 1,300.00           | 1,300.00           | 11.04.2031 |
| 97  | Series 213              | 6.95% | 1,988.00           | 1,988.00           | -                  | 01.10.2031 |
| 98  | Series 225B STRPP III   | 7.82% | 625.00             | -                  | -                  | 12.03.2032 |
| 99  | Series 214 (BBETF)      | 6.92% | 1,180.00           | 1,180.00           | -                  | 14.04.2032 |
| 100   | Series 217A             | 7.42% | 4,000.00           | -                  | -                  | 08.09.2032 |
| 101   | Series 223              | 7.64% | 3,500.00           | -                  | -                  | 22.02.2033 |
| 102   | Series 225B STRPP IV    | 7.82% | 625.00             | -                  | -                  | 11.03.2033 |
| 103   | Series 220              | 7.58% | 470.00             | -                  | -                  | 15.04.2033 |
| 104   | Series 226A             | 7.66% | 1,200.00           | -                  | -                  | 15.04.2033 |
| 105   | Series 226B             | 7.70% | 583.50             | -                  | -                  | 15.04.2033 |
| 106   | Series 179-B            | 8.64% | 528.40             | 528.40             | 528.40             | 19.11.2033 |
| 107   | Series 180              | 8.75% | 2,654.00           | 2,654.00           | 2,654.00           | 22.02.2034 |
| 108   | Series 186              | 8.79% | 2,578.90           | 2,578.90           | 2,578.90           | 30.04.2034 |
| 109   | Series 189              | 8.15% | 4,035.00           | 4,035.00           | 4,035.00           | 08.08.2034 |
| 110   | Series 190              | 8.25% | 4,016.00           | 4,016.00           | 4,016.00           | 06.09.2034 |
| 111   | Series 205B             | 7.20% | 1,605.70           | 1,605.70           | 1,605.70           | 10.08.2035 |
| 112   | Series 209              | 7.34% | 1,711.00           | 1,711.00           | 1,711.00           | 29.09.2035 |
| 113   | Series 210B             | 7.11% | 1,933.50           | 1,933.50           | -                  | 30.06.2036 |
| 114   | Series 212B             | 7.15% | 2,343.68           | 2,343.68           | -                  | 27.08.2036 |
| 115   | Series 219              | 7.65% | 4,000.00           | -                  | -                  | 13.11.2037 |
| 116   | Series 221A             | 7.72% | 2,782.70           | -                  | -                  | 19.12.2037 |
| 117   | Series 224              | 7.82% | 3,468.50           | -                  | -                  | 06.03.2038 |
| 118   | Series 183              | 8.18% | -                  | -                  | 3,751.20           | 19.03.2022 |
| 119   | Series 154              | 7.27% | -                  | -                  | 1,101.00           | 22.12.2021 |
| 120   | Series 124 B            | 8.55% | -                  | -                  | 1,200.00           | 09.12.2021 |
| 121   | Series 123 C            | 8.66% | -                  | -                  | 200.00             | 27.11.2021 |
| 122   | Series 153              | 7.40% | -                  | -                  | 1,830.00           | 30.09.2021 |
| 123   | Series 151-A            | 7.47% | -                  | -                  | 2,260.00           | 16.09.2021 |
| 124   | Series 150-A            | 7.50% | -                  | -                  | 2,660.00           | 16.08.2021 |
| 125   | Series - 76-A           | 9.36% | -                  | -                  | 2,589.40           | 01.08.2021 |
| 126   | Series 115 III          | 9.20% | -                  | -                  | 700.00             | 07.07.2021 |
| 127   | Series 75-C             | 9.61% | -                  | -                  | 2,084.70           | 29.06.2021 |
| 128   | Series 74               | 9.70% | -                  | -                  | 1,693.20           | 09.06.2021 |
| 129   | Series 28               | 8.85% | -                  | -                  | 600.00             | 31.05.2021 |
| 130   | Series 146              | 8.05% | -                  | -                  | 300.00             | 27.04.2021 |
| 131   | Series 73               | 9.18% | -                  | -                  | 1,000.00           | 15.04.2021 |
| 132   | Series 175              | 7.75% | -                  | -                  | 600.00             | 15.04.2021 |
| 133   | Series 173-B            | 7.73% | -                  | -                  | 1,325.00           | 05.04.2021 |
| <b>Sub - Total (A)</b>                      |                         |       | <b>1,95,743.80</b> | <b>1,71,187.84</b> | <b>1,81,797.12</b> |            |
| <b>In case of PEC's Subsidiary REC Ltd.</b> |                         |       |                    |                    |                    |            |
| 1   | 179th Series            | 8.15% | -                  | 1,000.00           | 1,000.00           |            |
| 2   | 107th Series            | 9.35% | -                  | 2,378.20           | 2,378.20           |            |
| 3   | 186A Series             | 6.90% | -                  | 2,500.00           | 2,500.00           |            |
| 4   | 150th Series            | 7.03% | -                  | 2,670.00           | 2,670.00           |            |
| 5   | 184B Series STRPP-C**   | 7.55% | -                  | 300.00             | 300.00             |            |
| 6   | 152nd Series            | 7.09% | -                  | 1,225.00           | 1,225.00           |            |
| 7   | 111-II Series           | 9.02% | -                  | 2,211.20           | 2,211.20           |            |
| 8   | 155th Series            | 7.45% | -                  | 1,912.00           | 1,912.00           |            |
| 9   | 185th Series            | 7.09% | -                  | 2,759.00           | 2,759.00           |            |
| 10  | 187th Series            | 7.24% | -                  | 2,090.00           | 2,090.00           |            |
| 11  | 159th Series            | 7.99% | -                  | 950.00             | 950.00             |            |
| 12  | 188A Series             | 7.12% | -                  | 1,400.00           | 1,400.00           |            |
| 13  | 114th Series            | 8.82% | 4,300.00           | 4,300.00           | 4,300.00           | 12.04.2023 |
| 14  | 195th Series            | 6.92% | 2,985.00           | 2,985.00           | 2,985.00           | 22.04.2023 |
| 15  | 197th Series            | 6.90% | 3,740.00           | 3,740.00           | 3,740.00           | 11.05.2023 |
| 16  | 191A Series             | 6.80% | 1,100.00           | 1,100.00           | 1,100.00           | 30.06.2023 |
| 17  | 200th Series PP-MLD *   | 5.36% | 500.00             | 500.00             | 500.00             | 30.06.2023 |
| 18  | 184B Series STRPP-D**   | 7.55% | 300.00             | 298.00             | 298.00             | 26.09.2023 |
| 19  | 202B Series             | 5.69% | 2,474.00           | 2,474.00           | 2,474.00           | 30.09.2023 |
| 20  | 205A Series             | 4.99% | 2,135.00           | 2,135.00           | 2,135.00           | 31.01.2024 |
| 21  | 209th Series            | 5.79% | 1,550.00           | 1,550.00           | 1,550.00           | 20.03.2024 |
| 22  | 210th Series            | 5.74% | 4,000.00           | 4,000.00           | -                  | 20.06.2024 |
| 23  | 180A Series             | 8.10% | 1,018.00           | 1,018.00           | 1,018.00           | 25.06.2024 |

Redeemable at par on maturity

Repaid in FY 2022-23

|    |  |       |          |          |          |            |                               |
|----|--|-------|----------|----------|----------|------------|-------------------------------|
| 24 | 191B Series                                | 6.99% | 1,100.00 | 1,100.00 | 1,100.00 | 30.09.2024 |                               |
| 25 | 212th Series - Floating (linked to T-Bill) |       | 2,500.00 | 2,500.00 | -        | 31.10.2024 |                               |
| 26 | 186B Series                                | 7.40% | 1,500.00 | 1,500.00 | 1,500.00 | 26.11.2024 |                               |
| 27 | 128th Series                               | 8.57% | 2,250.00 | 2,250.00 | 2,250.00 | 21.12.2024 |                               |
| 28 | 129th Series                               | 8.23% | 1,925.00 | 1,925.00 | 1,925.00 | 23.01.2025 | Redeemable at par on maturity |
| 29 | 130th Series                               | 8.27% | 2,325.00 | 2,325.00 | 2,325.00 | 06.02.2025 |                               |
| 30 | 131st Series                               | 8.35% | 2,285.00 | 2,285.00 | 2,285.00 | 21.02.2025 |                               |
| 31 | 190A Series                                | 6.88% | 2,500.00 | 2,500.00 | 2,500.00 | 20.03.2025 |                               |
| 32 | 201A Series                                | 5.90% | 900.00   | 900.00   | 900.00   | 31.03.2025 |                               |
| 33 | 133rd Series                               | 8.30% | 2,396.00 | 2,396.00 | 2,396.00 | 10.04.2025 |                               |
| 34 | 94th Series                                | 8.75% | 1,250.00 | 1,250.00 | 1,250.00 | 09.06.2025 |                               |
| 35 | 95-II Series                               | 8.75% | 1,800.00 | 1,800.00 | 1,800.00 | 14.07.2025 |                               |
| 36 | 136th Series                               | 8.11% | 2,585.00 | 2,585.00 | 2,585.00 | 07.10.2025 |                               |

|    |                     |       |                    |                    |                    |            |   |
|----|---------------------|-------|--------------------|--------------------|--------------------|------------|---|
| 37 | 203B Series         | 5.85% | 2,777.00           | 2,777.00           | 2,082.00           | 20.12.2025 |   |
| 38 | 204B Series         | 5.81% | 2,082.00           | 2,082.00           | 2,000.00           | 31.12.2025 |   |
| 39 | 205B Series         | 5.94% | 2,000.00           | 2,000.00           | 2,100.00           | 31.01.2026 |   |
| 40 | 214A Series         | 7.32% | 500.00             | -                  | -                  | 28.02.2026 |   |
| 41 | 219 series          | 7.60% | 3,148.70           | -                  | -                  | 28.02.2026 |   |
| 42 | 220B series         | 7.69% | 1,600.10           | -                  | -                  | 31.03.2026 | Redeemable at par on 31.03.2033 with put option exercisable on 31.03.2026                     |
| 43 | 218A series         | 7.56% | 3,000.00           | -                  | -                  | 30.06.2026 |   |
| 44 | 140th Series        | 7.52% | 2,100.00           | 2,100.00           | 2,100.00           | 07.11.2026 |   |
| 45 | 142nd Series        | 7.54% | 3,000.00           | 3,000.00           | 3,000.00           | 30.12.2026 |   |
| 46 | 147th Series        | 7.95% | 2,745.00           | 2,745.00           | 2,745.00           | 12.03.2027 |   |
| 47 | 156th Series        | 7.70% | 3,533.00           | 3,533.00           | 3,533.00           | 10.12.2027 |   |
| 48 | 216A series         | 7.55% | 1,701.50           | -                  | -                  | 31.03.2028 |   |
| 49 | 220A series         | 7.77% | 2,000.00           | -                  | -                  | 31.03.2028 |   |
| 50 | 162nd Series        | 8.55% | 2,500.00           | 2,500.00           | 2,500.00           | 09.08.2028 |   |
| 51 | 163rd Series        | 8.63% | 2,500.00           | 2,500.00           | 2,500.00           | 25.08.2028 |   |
| 52 | 168th Series        | 8.56% | 2,552.40           | 2,552.40           | 2,552.40           | 29.11.2028 | Redeemable at par on maturity   |
| 53 | 169th Series        | 8.37% | 2,554.00           | 2,554.00           | 2,554.00           | 07.12.2028 |   |
| 54 | 176th Series        | 8.85% | 1,600.70           | 1,600.70           | 1,600.70           | 16.04.2029 |   |
| 55 | 178th Series        | 8.80% | 1,097.00           | 1,097.00           | 1,097.00           | 14.05.2029 |   |
| 56 | 180B Series         | 8.30% | 2,070.90           | 2,070.90           | 2,070.90           | 25.06.2029 |   |
| 57 | 184A Series         | 8.25% | 1,160.80           | 870.60             | 580.40             | 26.09.2029 |   |
| 58 | 192nd Series        | 7.50% | 2,382.00           | 2,382.00           | 2,382.00           | 28.02.2030 |   |
| 59 | 188B Series         | 7.89% | 1,100.00           | 1,100.00           | 1,100.00           | 31.03.2030 |   |
| 60 | 189th Series        | 7.92% | 3,054.90           | 3,054.90           | 3,054.90           | 31.03.2030 |   |
| 61 | 198B Series         | 7.79% | 1,569.00           | 1,569.00           | 1,569.00           | 21.05.2030 |   |
| 62 | 202A Series         | 7.25% | 3,500.00           | 3,500.00           | 3,500.00           | 30.09.2030 |   |
| 63 | 203A Series         | 6.80% | 5,000.00           | 5,000.00           | 5,000.00           | 20.12.2030 | Redeemable at par on maturity   |
| 64 | 204A Series         | 6.90% | 2,500.00           | 2,500.00           | 2,500.00           | 31.01.2031 |   |
| 65 | 201B Series         | 6.90% | 1,300.00           | 1,300.00           | 1,300.00           | 31.03.2031 |   |
| 66 | 211th Series        | 6.23% | 1,200.00           | 1,200.00           | -                  | 31.10.2031 | Redeemable at par on 31.10.2031 with put/call option exercisable on 31.10.2026                |
| 67 | 213th Series        | 6.92% | 1,380.00           | 1,380.00           | -                  | 20.03.2032 |   |
| 68 | 218B series         | 7.69% | 2,004.40           | -                  | -                  | 31.01.2033 | Redeemable at par on maturity   |
| 69 | 214B Series         | 7.50% | 1,947.60           | -                  | -                  | 28.02.2033 |   |
| 70 | 214B (re-issue)     | 7.50% | 3,000.00           | -                  | -                  | 28.02.2033 |   |
| 71 | 217th series        | 7.53% | 500.00             | -                  | -                  | 31.03.2033 |   |
| 72 | 215th series        | 7.65% | 3,889.00           | -                  | -                  | 30.11.2033 | Redeemable in 5 equal tranches on 30.11.2033, 30.11.2034,30.11.2035,30.11.2036 and 30.11.2037 |
| 73 | 182nd Series        | 8.18% | 5,063.00           | 5,063.00           | 5,063.00           | 22.08.2034 |   |
| 74 | 183rd Series        | 8.29% | 3,028.00           | 3,028.00           | 3,028.00           | 16.09.2034 |   |
| 75 | 207th Serie         | 7.02% | 4,589.90           | 4,589.90           | 4,589.90           | 31.01.2036 |   |
| 76 | 208th Series        | 7.40% | 3,613.80           | 3,613.80           | 3,613.80           | 15.03.2036 |   |
| 77 | 216B series         | 7.67% | 2,000.00           | -                  | -                  | 30.11.2037 |   |
| 78 | Series 167          | 8.45% | -                  | -                  | 2,571.80           | 22.03.2022 |   |
| 79 | Series 198 A        | 6.60% | -                  | -                  | 2,596.00           | 21.03.2022 |   |
| 80 | Series 173          | 8.35% | -                  | -                  | 2,500.00           | 11.03.2022 |   |
| 81 | Series 132          | 8.27% | -                  | -                  | 700.00             | 09.03.2022 |   |
| 82 | Series 145          | 7.46% | -                  | -                  | 625.00             | 28.02.2022 |   |
| 83 | Series 165          | 8.83% | -                  | -                  | 2,171.00           | 21.01.2022 |   |
| 84 | Series 193          | 6.99% | -                  | -                  | 1,115.00           | 31.12.2021 |   |
| 85 | Series 190 B        | 6.32% | -                  | -                  | 2,489.40           | 31.12.2021 | Redeemable at par on maturity   |
| 86 | Series 177          | 8.50% | -                  | -                  | 1,245.00           | 20.12.2021 |   |
| 87 | Series 141          | 7.14% | -                  | -                  | 1,020.00           | 09.12.2021 |   |
| 88 | Series 127          | 8.44% | -                  | -                  | 1,550.00           | 04.12.2021 |   |
| 89 | Series 105          | 9.75% | -                  | -                  | 3,922.20           | 11.11.2021 |   |
| 90 | Series 139          | 7.24% | -                  | -                  | 2,500.00           | 21.10.2021 |   |
| 91 | Series 184 B STRP-B | 7.55% | -                  | -                  | 300.00             | 26.09.2021 |   |
| 92 | Series 101-III      | 9.48% | -                  | -                  | 3,171.80           | 10.08.2021 |   |
| 93 | Series 123 I        | 9.40% | -                  | -                  | 1,515.00           | 17.07.2021 |   |
| 94 | Series 100          | 9.63% | -                  | -                  | 1,500.00           | 15.07.2021 |   |
| 95 | Series 174          | 8.15% | -                  | -                  | 2,720.00           | 18.06.2021 |   |
| 96 | Series 161-B        | 7.73% | -                  | -                  | 800.00             | 15.06.2021 |   |
| 97 | Series 154          | 7.18% | -                  | -                  | 600.00             | 21.05.2021 |   |
| 98 | Series 157          | 7.60% | -                  | -                  | 1,055.00           | 17.04.2021 |   |
|    |                     |       | <b>1,48,262.70</b> | <b>1,44,074.60</b> | <b>1,70,694.60</b> |            |   |
|    |                     |       | <b>3,44,006.50</b> | <b>3,15,262.44</b> | <b>3,52,491.72</b> |            |   |

\*PP-MLD- Principal Protected Market Linked Debentures

\*\* STRPP- Separately Transferable Redeemable Principal Parts

22.8 The details of Reformatted Foreign Currency Notes outstanding are as follows:

| Sr. No.                                     | Bond Series                | Coupon Rate (p.a.) | Principal Amount (₹ in crore) outstanding as at |                  |                  | Date of Redemption | Redemption details            |
|---|----------------------------|--------------------|---|------------------|------------------|--------------------|-------------------------------|
|   |                            |                    | 31.03.2023                                      | 31.03.2022       | 31.03.2021       |                    |                               |
| <b>In case of PFC</b>                       |                            |                    |   |                  |                  |                    |                               |
| 1   | 3.75% USD Bonds 2024       | 3.75%              | 3,288.68  | 3,032.28         | 2,940.19         | 18.06.2024         |                               |
| 2   | 3.25% USD Bonds 2024       | 3.25%              | 2,466.51  | 2,274.21         | 2,205.14         | 16.09.2024         |                               |
| 3   | 3.75% USD Green Bonds 2027 | 3.75%              | 3,288.68  | 3,032.28         | 2,940.19         | 06.12.2027         |                               |
| 4   | 5.25% USD Bonds 2028       | 5.25%              | 2,466.51  | 2,274.21         | 2,205.14         | 10.08.2028         |                               |
| 5   | 1.841% EUR Bonds 2028      | 1.84%              | 2,688.23  | 2,539.80         | -                | 21.09.2028         | Redeemable at par on maturity |
| 6   | 6.15% USD Bonds 2028       | 6.15%              | 4,110.85  | 3,790.36         | 3,675.24         | 06.12.2028         |                               |
| 7   | 4.50% USD Bonds 2029       | 4.50%              | 4,933.01  | 4,548.43         | 4,410.28         | 18.06.2029         |                               |
| 8   | 3.90% USD Bonds 2029       | 3.90%              | 3,699.76  | 3,411.32         | 3,307.71         | 16.09.2029         |                               |
| 9   | 3.95% USD Bonds 2030       | 3.95%              | 6,166.27  | 5,685.53         | 5,512.85         | 23.04.2030         |                               |
| 10  | 3.35% USD Bonds 2031       | 3.35%              | 4,110.85  | 3,790.36         | 3,675.23         | 16.05.2031         |                               |
|   | <b>Sub - Total (A)</b>     |                    | <b>37,219.33</b>                                | <b>34,378.78</b> | <b>30,871.97</b> |                    |                               |
| <b>In case of PFC's Subsidiary REC Ltd.</b> |                            |                    |   |                  |                  |                    |                               |
| 1   | US \$500                   | 4.75%              | 4,110.85  | 3,790.36         | 3,675.24         | 19.05.2023         |                               |
| 2   | US \$700                   | 5.25%              | 5,755.18  | 5,306.50         | 5,145.33         | 13.11.2023         |                               |
| 3   | US \$650                   | 3.38%              | 5,344.10  | 4,927.46         | 4,777.81         | 25.07.2024         |                               |
| 4   | US \$500                   | 3.50%              | 4,110.85  | 3,790.36         | 3,675.24         | 12.12.2024         |                               |
| 5   | US \$500                   | 2.25%              | 4,110.85  | 3,790.36         | 3,675.24         | 01.09.2026         | Redeemable at par on maturity |
| 6   | US \$400                   | 2.75%              | 3,288.68  | 3,032.28         | -                | 13.01.2027         |                               |
| 7   | US \$450                   | 3.88%              | 3,699.76  | 3,411.32         | 3,307.71         | 07.07.2027         |                               |
| 8   | US \$300                   | 4.63%              | 2,466.51  | 2,274.21         | 2,205.14         | 22.03.2028         |                               |
|   | <b>Sub - Total (B)</b>     |                    | <b>32,886.78</b>                                | <b>30,322.85</b> | <b>26,461.71</b> |                    |                               |
|   | <b>Total (A+B)</b>         |                    | <b>70,106.11</b>                                | <b>64,701.63</b> | <b>57,333.68</b> |                    |                               |

**22.9 In case of PFC's Subsidiary REC Ltd. , Global Medium Term Note (GMTN) Programme**

The Company has a Global Medium Term Note (GMTN) Programme of USD 7 Billion which is listed on SGX-ST (Singapore Stock Exchange - Securities Trading), LSE-ISM (London Stock Exchange – International Securities Market), Global Securities Market (GSM) of the India INX (India International Exchange) and NSE IFSC (NSE International Exchange). The summary of funds raised under the GMTN Programme is as below:

| Particulars   | For the year ended<br>31-03-2023 | For the year ended<br>31-03-2022 |
|---|----------------------------------|----------------------------------|
| Funds raised during the year under GMTN Programme           | Nil*                             | USD 0.4 Billion                  |
| Cumulative amount raised under GMTN Programme               | USD 4.4 Billion                  | USD 4.4 Billion                  |
| Outstanding amount out of funds raised under GMTN Programme | USD 4.0 Billion                  | USD 4.0 Billion                  |

\* Subsequent to the Balance Sheet date, the Company has raised USD 750 Million through Green Bonds under its GMTN Programme. Consequently, as on the date of signing of the Balance Sheet, the cumulative amount raised under GMTN Programme is USD 5.15 Billion and the outstanding amount out of funds raised under GMTN Programme is USD 4.75 Billion.

**The details of Reformatted Commercial Papers outstanding are as follows:**

| Sr. No.               | Commercial Paper Series             | Coupon Rate (p.a.) | Principal Amount (₹ in crore) outstanding as at |            |                 | Date of Redemption | Redemption details   |
|-----------------------|-------------------------------------|--------------------|---|------------|-----------------|--------------------|----------------------|
|                       |                                     |                    | 31.03.2023                                      | 31.03.2022 | 31.03.2021      |                    |                      |
| <b>In case of PFC</b> |                                     |                    |   |            |                 |                    |                      |
| 1                     | CP - 115                            | 4.03%              | -   | -          | 3,120.00        | -                  | Repaid in FY 2021-22 |
|                       | Less: Unamortised Financial Charges |                    | -   | -          | (39.77)         |                    |                      |
|                       | <b>Sub - Total (A)</b>              |                    | -   | -          | <b>3,080.23</b> |                    |                      |

**In case of PFC details of security are as under**

- 22.10** These bond series are secured by first pari-passu charge on present and future receivables (excluding those receivables which are specifically charged for infrastructure bonds issued during the FY 2010-11, the security details of which is contained at Note 22.11) along with first pari-passu charge on immovable property situated at Guindy, Chennai.
- 22.11** Infrastructure Bonds (2010-11) Series III and IV are secured by charge on specific book debt of ₹ 254.91 crore as on 31.03.2023 ( ₹ 438.71 crore as on 31.03.2022) of the Company along with first charge on immovable property situated at Jangpura, New Delhi.
- 22.12** 54 EC Capital Gain Tax Exemption Bonds, Taxable Secured Public Issue (2020-21) Tranche-I all Series & all category, and all other Tax Free Bonds Series are secured by first pari-passu charge on the total receivables / book debts of the Company (excluding those receivables which are specifically charged for infrastructure bonds issued during the FY 2010-11, the security details of which is contained at Note 22.11), limited to the extent of payment / repayment of the bonds including interest, additional interest, cost and expenses and all other monies whatsoever payable / repayable by the Company to the Bondholders and/or others under / pursuant to the Transaction Documents.

**In case of PFC's Subsidiary REC Ltd. details of security are as under ( For details of outstanding Secured Debt Securities of REC Ltd - Refer Note no 22.2,22.3,22.4,22.5)**

- 22.13** For all the secured bonds issued by the Company and outstanding as at balance sheet date, 100% security cover has been maintained by way of mortgage on certain immovable properties and/or charge on the receivables of the Company.
- 22.14** The Bond Series 123-III B of Institutional Bonds are secured by way of first pari passu charge on the specified immovable property and the loan assets of the Issuer which are charged to other lender / trustee and as may be agreed between the Issuer and the Trustee, pursuant to the terms of the Bond Trust Deed with a minimum security cover of one time of the aggregate face value of amount of bonds outstanding at all times and amount of interest due thereon in favor of IDBI Trusteeship Services Ltd.
- 22.15** Tax Free Bonds issued during FY 2011-12 are secured by first pari passu charge on premises at Shop No. 12, Ground Floor, Block No. 35, Church Road, Mylapore, Chennai and hypothecation of loan assets of ₹ 4,998.66 crores of MSEDCL in favour of Vistra ITCL (India) Ltd. (formerly known as IL&FS Trust Company Ltd.).
- 22.16** Tax Free Bonds issued during FY 2013-14 are secured by first pari passu charge on the loan assets (other than those that are exclusively charged/earmarked to lenders / other Trustees) of the Company in favour of SBICap Trustee Company Ltd.
- 22.17** The Bond Series XII and XIII of 54EC Capital Gain Tax Exemption Bonds and Tax Free Bonds issued during FY 2012-13 & 2015-16 are secured by first pari passu charge on (a) mortgage of premises at Sub Plot No. 8, TPS No 2, FP No. 584P, situated at Village Subhanpura, Distt Vadodara and (b) hypothecation of loan assets (other than those that are exclusively charged/ earmarked to lenders / other Trustees) in favour of SBICap Trustee Company Ltd.
- 22.18** The Bond Series XIV, XV and XVI of 54EC Capital Gain Tax Exemption Bonds are secured by first pari passu charge on hypothecation of loan assets (other than those that are exclusively charged/ earmarked to lenders / other Trustees) in favour of SBICap Trustee Company Ltd.
- 22.19** Refer Note 12 and 17 for the carrying value of receivables and Property, Plant and Equipment (PPE) pledged as security.
- 22.20** No charges or satisfaction are yet to be registered with Registrar of Companies (ROC) beyond the respective statutory date.



### 23 Reformatted Borrowings (other than Debt Securities)

The Company and its Subsidiary REC Ltd., have categorised Borrowings (other than Debt Securities) at amortised cost in accordance with the requirements of Ind AS 109 'Financial Instruments'.

(₹ in crore)

| Sr. No.    | Particulars   | As at<br>31.03.2023    | As at<br>31.03.2022    | As at<br>31.03.2021   |
|------------|---|------------------------|------------------------|-----------------------|
| <b>(A)</b> | <b>Secured Borrowings</b>   |                        |                        |                       |
| (i)        | Term Loans from Banks and Financial Institutions<br>- Rupee Term Loans (Refer note 23.1)  | 13,476.25              | 17,887.50              | 19,975.00             |
| (ii)       | Other Loans from Banks<br>Loan against Term Deposits (Refer note 23.2)  | -                      | 228.59                 | 683.04                |
|            | <b>Sub-Total (A)</b>  | <b>13,476.25</b>       | <b>18,116.09</b>       | <b>20,658.04</b>      |
| <b>(B)</b> | <b>Unsecured Borrowings</b>   |                        |                        |                       |
| (i)        | Term Loans from Banks and Financial Institutions<br>- Foreign Currency Loans (Refer note 23.3)<br>- Syndicated Foreign Currency Loans (Refer note 23.4) | 23,760.24<br>64,552.40 | 11,866.70<br>55,532.41 | 7,088.19<br>38,229.46 |
| (ii)       | - Rupee Term Loans (Refer note 23.6)  | 111,139.85             | 90,053.30              | 69,362.56             |
| (iii)      | Term Loans From other Parties<br>- Rupee Term Loans - NSSF (Refer note 23.7)  | 17,500.00              | 17,500.00              | 17,500.00             |
|            | Other Loans from Banks<br>Working Capital Demand Loan / Overdraft / Cash Credit /<br>Line of Credit ( Refer Note 23.8)                                  | 7,671.42               | 1,410.93               | 10,186.52             |
|            | <b>Sub-Total (B)</b>  | <b>224,623.91</b>      | <b>176,363.34</b>      | <b>142,366.73</b>     |
| <b>(C)</b> | <b>Total Principal Outstanding of Borrowings (other than<br/>Debt Securities) (A+B)</b>   | <b>238,100.16</b>      | <b>194,479.43</b>      | <b>163,024.77</b>     |
| <b>(D)</b> | Interest accrued but not due on above   | 1,063.18               | 725.08                 | 680.87                |
| <b>(E)</b> | Unamortised Transaction Cost on above   | (820.34)               | (587.53)               | (361.22)              |
|            | <b>Total Borrowings (other than Debt Securities) ( C to E )</b>   | <b>238,343.00</b>      | <b>194,616.98</b>      | <b>163,344.42</b>     |
|            | <b>Geography wise Borrowings</b>  |                        |                        |                       |
| (i)        | Borrowings in India   | 165,851.51             | 137,516.63             | 123,631.61            |
| (ii)       | Borrowings outside India  | 72,491.49              | 57,100.35              | 39,712.81             |
|            | <b>Total Geography wise Borrowings</b>  | <b>238,343.00</b>      | <b>194,616.98</b>      | <b>163,344.42</b>     |

23.1 Details of Reformatted Secured Rupee Term Loans outstanding are as follows :

| Sr. No. | Particulars                           | Principal Amount (₹ in crore) outstanding as at |                  |                  | Date of Redemption | Redemption details   |
|---------|---------------------------------------|---|------------------|------------------|--------------------|--|
|         |                                       | 31.03.2023                                      | 31.03.2022       | 31.03.2021       |                    |  |
| 1       | Bank of Baroda                        | -   | 1,225.00         | 1,400.00         | -                  | Repaid in FY 2022-23   |
| 2       | Karnataka Bank                        | -   | 200.00           | 500.00           | -                  | Repaid in FY 2022-23   |
| 3       | State Bank of India                   | 3,570.00  | 5,000.00         | 5,000.00         | 10.07.2023         | The loan is to be repaid in 7 half yearly instalments comprising 6 instalments of ₹ 715 crore each and thereafter final instalment of ₹ 710 crore each starting from 10-Jul-2022 and ending on 10-Jul-2025 |
| 4       | Indian Bank                           | 937.50  | 1,312.50         | 1,500.00         | 28.09.2023         | The loan is to be repaid in 08 half yearly instalments of ₹ 187.50 crore each starting from 28-Mar-22 and ending on 28-Sep-2025  |
| 5       | Indian Bank                           | 1,800.00  | 1,800.00         | 1,800.00         | 29.09.2023         | The loan is to be repaid in 12 quarterly instalments of ₹ 150 crore each starting from 29-Sep-2023 and ending on 29-Jun-2026   |
| 6       | Union Bank of India                   | 200.00  | 300.00           | 600.00           | 30.09.2023         | The loan is to be repaid in 5 annual instalments of ₹ 100 crore each starting from 30-Sep-2020 and ending on 30-Sep-2024   |
| 7       | Punjab National Bank                  | 168.75  | 225.00           | 225.00           | 30.09.2023         | The loan is to be repaid in 04 annual instalments of ₹ 56.25 crore each starting from 30-Sep-22 and ending on 30-Sep-2025  |
| 8       | Union Bank of India                   | 1,350.00  | 1,800.00         | 1,800.00         | 30.09.2023         | The loan is to be repaid in 04 annual instalments of ₹ 450 crore each starting from 30-Sep-22 and ending on 30-Sep-2025  |
| 9       | Punjab National Bank                  | 750.00  | 1,125.00         | 1,500.00         | 25.02.2024         | The loan is to be repaid in 04 annual instalments of ₹ 375 crore each starting from 25-Feb-22 and ending on 25-Feb-2025  |
| 10      | Union Bank of India                   | 200.00  | 400.00           | 400.00           | 15.03.2024         | The loan is to be repaid in 5 annual instalments of ₹ 200 crore each starting from 15-Mar-2020 and ending on 15-Mar-2024   |
| 11      | Canara Bank                           | 1,000.00  | 1,000.00         | 1,000.00         | 20.02.2024         | Bullet Repayment at the end of the tenor   |
| 12      | Bank of India                         | 1,000.00  | 1,000.00         | 1,000.00         | 02.03.2024         | The loan is to be repaid in 2 Annual instalments of ₹ 500 crore each starting from 02-Mar-2024 and ending on 02-Mar-2025   |
| 13      | Indian Bank                           | 500.00  | 500.00           |                  | 02.04.2024         |  |
| 14      | Canara Bank T-1                       | 500.00  | 500.00           | 500.00           | 21.06.2024         |  |
| 15      | Canara Bank T-2                       | 500.00  | 500.00           | 500.00           | 24.06.2024         | Bullet Repayment at the end of the tenor   |
| 16      | Canara Bank                           | 1,000.00  | 1,000.00         | 1,000.00         | 29.06.2024         |  |
|         | Indian Bank                           |   |                  | 500.00           |                    | Bullet repayment at the end of the tenor   |
|         | Bank of Maharashtra                   |   |                  | 750.00           |                    |  |
|         |                                       |   |                  |                  |                    |  |
|         | <b>Total Secured Rupee Term Loans</b> | <b>13,476.25</b>                                | <b>17,887.50</b> | <b>19,975.00</b> |                    |  |

23.2 Details of Reformatted Loan against Term Deposits outstanding are as follows:

| Sr. No.               | Particulars                             |            |               |               | Date of Redemption | Redemption details   |
|-----------------------|---|------------|---------------|---------------|--------------------|----------------------|
|                       |   | 31.03.2023 | 31.03.2022    | 31.03.2021    |                    |                      |
| <b>In case of PFC</b> |   |            |               |               |                    |                      |
| 1                     | Indian Bank                             | -          | 142.50        | 683.04        | -                  | Repaid in FY 2022-23 |
| 2                     | Canara Bank                             | -          | 41.09         | -             | -                  | Repaid in FY 2022-23 |
| 3                     | Canara Bank                             | -          | 45.00         | -             | -                  | Repaid in FY 2022-23 |
|                       | <b>Total Loan against Term Deposits</b> | <b>-</b>   | <b>228.59</b> | <b>683.04</b> |                    |                      |

23.3 Details of Reformatted Unsecured Foreign Currency Loans outstanding are as follows:

| Sr. No.                                     | Particulars   | Principal Amount (₹ in crore) outstanding as at |                  |                 | Date of Redemption | Redemption details   |
|---|---|---|------------------|-----------------|--------------------|--|
|   |   | 31.03.2023                                      | 31.03.2022       | 31.03.2021      |                    |  |
| <b>In case of PFC</b>                       |   |   |                  |                 |                    |  |
| 1   | ADB (Guaranteed by the Government of India)             | 51.35   | 58.20            | 66.96           | 15.04.2023         | Semi Annual Instalments till 15.10.2028  |
| 2   | Credit National (Guaranteed by the Government of India) | 18.86   | 27.05            | 36.90           | 30.06.2023         | Semi Annual Instalments till 30.06.2028  |
| 3   | KfW I (Guaranteed by the Government of India)           | 41.95   | 42.82            | 46.79           | 30.06.2023         | Semi Annual Instalments till 30.12.2035  |
| 4   | KfW EUR 200M 030123                                     | 526.42  | -                | -               | 15.11.2023         | Semi Annual Instalments till 15.11.2025  |
| 5   | 1 FCNR SBI USD 110M 151222                              | 904.39  | -                | -               | 15.12.2023         | Bullet Repayment at the end of the tenor   |
| 6   | 2 FCNR ICICI USD TO EUR                                 | 844.48  | -                | -               | 29.12.2023         |  |
| 8   | 4 FCNR DBS USD TO EUR                                   | 499.53  | -                | -               | 29.12.2023         |  |
| 7   | 3 FCNR SBI USD TO EUR 270323                            | 833.03  | -                | -               | 27.03.2024         |  |
| 9   | 5 FCNR SBI USD TO EUR 280323                            | 828.79  | -                | -               | 28.03.2024         |  |
| 10  | 6 FCNR ICICI USD TO EUR                                 | 831.47  | -                | -               | 29.03.2024         |  |
| 11  | 7 FCNR SBI USD TO EUR 310323                            | 1,235.68  | -                | -               | 31.03.2024         |  |
|   | <b>Sub Total (A)</b>                                    | <b>6,615.95</b>                                 | <b>128.07</b>    | <b>150.65</b>   |                    |  |
| <b>In case of PFC's Subsidiary REC Ltd.</b> |   |   |                  |                 |                    |  |
| 1   | US\$200 Mn  | -   | 1,516.14         | -               | -                  | Repaid in FY 2022-23   |
| 2   | US\$150 Mn  | -   | 1,137.11         | -               | -                  |  |
| 3   | US\$200 Mn  | -   | 1,516.14         | -               | -                  |  |
| 4   | US\$25 Mn   | -   | 189.52           | -               | -                  |  |
| 5   | US\$150 Mn  | -   | 1,137.11         | -               | -                  |  |
| 6   | US\$200 Mn  | -   | 1,516.14         | -               | -                  |  |
| 7   | US\$75 Mn   | -   | 568.55           | -               | -                  |  |
| 8   | US\$200 Mn  | -   | 1,516.14         | -               | -                  |  |
| 9   | US\$100 Mn  | -   | 758.07           | -               | -                  |  |
| 10  | JICA Loan   | -   | 23.47            | 50.06           | -                  |  |
| 11  | KfW-IV Loan   | 1,578.56  | 1,637.43         | 1,241.16        | 15.05.2023         | Repayable in equal half-yearly instalments of €12.00 Mn till 15.11.2030, next instalment falling due on 15.05.2023 |
| 12  | US\$200 Mn  | 1,644.34  | -                | -               | 24.05.2023         | Bullet Repayment at the end of the tenor   |
| 13  | US\$150 Mn  | 1,233.25  | -                | -               | 26.05.2023         |  |
| 14  | US\$200 Mn  | 1,644.34  | -                | -               | 03.06.2023         |  |
| 15  | US\$75 Mn   | 616.63  | -                | -               | 07.06.2023         |  |
| 16  | US\$150 Mn  | 1,233.25  | -                | -               | 21.06.2023         |  |
| 17  | KfW-III Loan  | 141.51  | 222.81           | 317.22          | 30.06.2023         | Repayable in equal half-yearly instalments of €5.26 Mn till 30.03.2024, next instalment falling due on 30.06.2023  |
| 18  | US\$200 Mn  | 1,644.34  | -                | -               | 08.12.2023         | Bullet Repayment at the end of the tenor   |
| 19  | US\$300 Mn  | 2,466.51  | -                | -               | 13.12.2023         |  |
| 20  | US\$75 Mn   | 616.63  | -                | -               | 14.12.2023         |  |
| 21  | US\$100 Mn  | 822.17  | -                | -               | 15.12.2023         |  |
| 22  | US\$200 Mn  | 1,644.34  | -                | -               | 29.12.2023         |  |
| 23  | € 69.77 Mn  | 625.17  | -                | -               | 16.01.2024         |  |
| 24  | US\$150 Mn  | 1,233.25  | -                | -               | 15.02.2024         |  |
| 25  | US\$75 Mn   | -   | -                | 551.29          | -                  |  |
| 26  | US\$75 Mn   | -   | -                | 551.29          | -                  |  |
| 27  | US\$75 Mn   | -   | -                | 551.29          | -                  |  |
| 28  | US\$200 Mn  | -   | -                | 1,470.09        | -                  |  |
| 29  | US\$200 Mn  | -   | -                | 1,470.09        | -                  |  |
| 30  | US\$100 Mn  | -   | -                | 735.05          | -                  |  |
|   | <b>Sub Total (B)</b>                                    | <b>17,144.29</b>                                | <b>11,738.63</b> | <b>6,937.54</b> |                    |  |
|   | <b>Total (A+B)</b>                                      | <b>23,760.24</b>                                | <b>11,866.70</b> | <b>7,088.19</b> |                    |  |

23.4 Details of Reformatted Unsecured Syndicated Foreign Currency Loans outstanding are as follows:

| Sr. No. | Particulars                 | Principal Amount (₹ in crore) outstanding as at |                  |                  | Date of Redemption | Redemption details                       |
|---------|-----------------------------|---|------------------|------------------|--------------------|--|
|         |                             | 31.03.2023                                      | 31.03.2022       | 31.03.2021       |                    |  |
| 1       | SLN 28 USD                  | -   | 1,895.18         | 1,837.62         | 28-06-2022         | Repaid in FY 2022-23                     |
| 2       | SLN 28 JPY                  | -   | 334.13           | 356.30           | 28-06-2022         |  |
|         | SLN 17                      | -   | -                | 1,102.57         | 24.09.2021         |  |
| 3       | SLN 18                      | -   | 905.82           | 1,931.86         | 04.11.2022         |  |
| 4       | SLN 21                      | -   | 2,274.21         | 2,205.14         | 12-12-2022         |  |
| 5       | SLN 22                      | -   | 1,895.18         | 1,837.62         | 28-02-2023         |  |
| 6       | SLN 23                      | -   | 1,895.18         | 1,837.62         | 22-03-2023         |  |
| 7       | SLN 26                      | 2,055.42  | 1,895.18         | 1,837.62         | 26.09.2023         |  |
| 8       | SLN 27                      | 1,014.18  | 1,021.24         | 1,089.02         | 01.02.2024         |  |
| 9       | SLN 29                      | 2,055.42  | 1,895.18         | 1,837.62         | 20.12.2024         |  |
| 10      | SLN 30                      | 822.17  | 758.07           | 735.05           | 13.10.2025         | Bullet Repayment at the end of the tenor |
| 11      | SLN 30                      | 2,466.51  | 2,274.21         | 2,205.14         | 05.11.2025         |  |
| 12      | 31 A FCTL USD 525M 301121   | 4,316.39  | 3,979.87         | -                | 30.11.2026         |  |
| 13      | 31 B FCTL USD 100M 301121   | 822.17  | 758.07           | -                | 30.11.2026         |  |
| 14      | 32 A FCTL JPY 89208M 281222 | 5,513.05  | -                | -                | 28.12.2026         |  |
| 15      | 32 B FCTL JPY 26762M 050123 | 1,653.89  | -                | -                | 05.01.2030         | Bullet Repayment at the end of the tenor |
|         | <b>Sub Total (A)</b>        | <b>20,719.21</b>                                | <b>21,781.52</b> | <b>18,813.18</b> |                    |  |

| In case of PFC's Subsidiary REC Ltd. |                      |                  |                  |                  |            |
|--------------------------------------|----------------------|------------------|------------------|------------------|------------|
| 1                                    | US \$200             | -                | 1,516.14         | 1,470.09         | -          |
| 2                                    | US \$150             | -                | 1,137.11         | 1,102.57         | -          |
| 3                                    | ¥ 10,327             | 638.22           | 642.66           | 685.31           | 08.08.2023 |
| 4                                    | US \$250             | 2,055.42         | 1,895.18         | 1,837.62         | 29.08.2023 |
| 5                                    | US \$250             | 2,055.42         | 1,895.18         | 1,837.62         | 27.03.2024 |
| 6                                    | US \$150             | 1,233.25         | 1,137.11         | 1,102.57         | 29.03.2024 |
| 7                                    | US \$100             | 822.17           | 758.07           | 735.05           | 01.07.2024 |
| 8                                    | SG \$72.0            | 445.48           | 403.21           | 391.79           | 30.03.2025 |
| 9                                    | US \$75 M            | 616.63           | 568.55           | 551.29           | 30.03.2025 |
| 10                                   | ¥ 10,519             | 650.07           | 654.60           | 698.04           | 25.09.2025 |
| 11                                   | US \$170             | 1,397.69         | 1,288.72         | 1,249.58         | 26.03.2025 |
| 12                                   | US \$425             | 3,494.22         | 3,221.80         | 3,123.95         | 16.03.2026 |
| 13                                   | US \$600             | 4,933.01         | 4,548.43         | -                | 25.08.2026 |
| 14                                   | US \$75 M            | 616.63           | 568.55           | -                | 07.10.2026 |
| 15                                   | US \$1175            | 9,660.49         | 8,907.33         | -                | 29.12.2026 |
| 16                                   | ¥ 37,506             | 2,317.91         | 2,334.04         | -                | 03.03.2027 |
| 17                                   | US \$100             | 822.17           | -                | -                | 13.06.2027 |
| 18                                   | US \$200             | 1,644.34         | -                | -                | 28.07.2027 |
| 19                                   | US \$150             | 1,233.25         | -                | -                | 13.09.2027 |
| 20                                   | SGD 213.             | 1,317.80         | -                | -                | 27.10.2027 |
| 21                                   | € 254.19             | 2,277.77         | -                | -                | 31.10.2027 |
| 22                                   | € 349.83             | 3,134.74         | -                | -                | 27.03.2028 |
| 23                                   | US \$300             | 2,466.51         | 2,274.21         | 2,205.14         | 02.06.2030 |
| 24                                   | US \$230 Mn          | -                | -                | 1,690.61         | -          |
| 25                                   | US \$100 Mn          | -                | -                | 735.05           | -          |
|                                      | <b>Sub Total (B)</b> | <b>43,833.19</b> | <b>33,750.89</b> | <b>19,416.28</b> |            |
|                                      | <b>Total (A+B)</b>   | <b>64,552.40</b> | <b>55,532.41</b> | <b>38,229.46</b> |            |

23.5 In case of PFC Ltd. Floating Rate Foreign Currency Loans in above Note No. 23.3 and 23.4 carries an interest rate spread ranging from 5 bps to 150 bps over 6 month USD LIBOR/ ARR (London Inter Bank Offered Rate/Alternative Reference Rate). Except for Foreign Currency Loans from Credit National, KFW-I and FCTL31A & B which are at fixed rate of interest.

In case of PFC's Subsidiary REC Ltd. Foreign Currency Borrowings in Note No. 23.3 and 23.4 have been raised fixed interest rates ranging from 0.65% to 1.86% per annum and variable interest rates ranging from a spread of 13 bps to 210 bps over external benchmarks including 3/6 Months' USD LIBOR (London Inter Bank Offered Rate), 3/6 Months' EURIBOR (Euro Inter Bank Offered Rate), Overnight SOFR (Secured Overnight Financing Rate), 3/6 Months' Term SOFR, SORA (Singapore Overnight Rate Average), TONAR (Tokyo Overnight Average Rate), SOFR (Secured Overnight Financing Rate) and Credit Adjustment Spread (CAS) as applicable on transition of loans to new benchmark rates.

23.6 Details of Reformatted Unecured Rupee Term Loans outstanding are as follows :

| Sr. No. | Particulars          | Date of    |            |            | Redemption details   |
|---------|----------------------|------------|------------|------------|--|
|         |                      | 31.03.2023 | 31.03.2022 | 31.03.2021 |  |
| 1       | Bank of Baroda       | -          | 1,800.00   | 1,900.00   | Repaid in FY 2022-23   |
| 2       | HDFC Bank Ltd.       | -          | 2,000.00   | 2,000.00   |  |
| 3       | UCO Bank             | -          | 500.00     | 500.00     |  |
| 4       | Union Bank of India  | 800.00     | 800.00     | 800.00     | 15.04.2023   |
|         |                      |            |            |            | The loan is to be repaid in 8 quarterly instalments of ₹ 100 crore each starting from 15-Apr-2023 and ending on 15-Jan-2025    |
| 5       | UCO Bank             | 200.00     | 200.00     | 200.00     | 26.05.2023   |
| 6       | HDFC Bank Ltd.       | 1,000.00   | -          | -          | 10.06.2023   |
| 7       | HDFC Bank Ltd.       | 650.00     | -          | -          | 13.06.2023   |
| 8       | Canara Bank          | 875.00     | 1,750.00   | 1,750.00   | 20.06.2023   |
|         |                      |            |            |            | The loan is to be repaid in 8 quarterly instalments of ₹ 218.75 crore each starting from 20-Jun-2022 and ending on 20-Mar-2024 |
| 9       | HDFC Bank Ltd.       | 20.00      | -          | -          | 20.06.2023   |
| 10      | Canara Bank          | 1,400.00   | 1,800.00   | 2,000.00   | 22.06.2023   |
|         |                      |            |            |            | The loan is to be repaid in 20 quarterly instalments of ₹ 100 crore each starting from 22-Dec-2021 and ending on 22-Sep-2026   |
| 11      | HDFC Bank Ltd.       | 7.00       | -          | -          | 22.06.2023   |
| 12      | HDFC Bank Ltd.       | 55.00      | -          | -          | 23.06.2023   |
| 13      | HDFC Bank Ltd.       | 33.00      | -          | -          | 24.06.2023   |
| 14      | HDFC Bank Ltd.       | 235.00     | -          | -          | 27.06.2023   |
| 15      | HDFC Bank Ltd.       | 3,000.00   | 3,000.00   | -          | 29.06.2023   |
| 16      | HDFC Bank Ltd.       | 1,000.00   | -          | 1,000.00   | 30.06.2023   |
| 17      | Bank of India        | 1,000.00   | 1,000.00   | 1,000.00   | 11.09.2023   |
|         |                      |            |            |            | The loan is to be repaid in 4 annual instalments of ₹ 250 crore each starting from 11-Sep-2023 and ending on 11-Sep-2026       |
| 18      | Canara Bank          | 300.00     | 400.00     | 500.00     | 23.09.2023   |
|         |                      |            |            |            | The loan is to be repaid in 10 half-yearly instalments of ₹ 50 crore each starting from 23-Sep-2021 and ending on 23-Mar-2026  |
| 19      | State Bank of India  | 2,999.98   | 2,999.98   | 2,999.98   | 27.09.2023   |
| 20      | HDFC Bank Ltd.       | 1,000.00   | 1,000.00   | -          | 30.09.2023   |
| 21      | HDFC Bank Ltd.       | 750.00     | 750.00     | 750.00     | 05.10.2023   |
| 22      | Punjab National Bank | 995.00     | 995.00     | 995.00     | 24.12.2023   |
| 23      | Canara Bank          | 500.00     | 500.00     | 500.00     | 28.12.2023   |
| 24      | Canara Bank          | 500.00     | 500.00     | 500.00     | 15.01.2024   |
| 25      | Bank of India        | 2,000.00   | 2,000.00   | 2,000.00   | 21.01.2024   |
| 26      | Punjab National Bank | 666.67     | 1,000.00   | 1,000.00   | 20.03.2024   |
|         |                      |            |            |            | The loan is to be repaid in 2 annual instalments of ₹ 333.33 crore each starting from 20-Mar-2023 and ending on 20-Mar-2025    |
| 27      | Union Bank of India  | 1,250.00   | 1,875.00   | 2,500.00   | 23.03.2024   |
|         |                      |            |            |            | The loan is to be repaid in 4 annual instalments of ₹ 625 crore each starting from 23-Mar-2022 and ending on 23-Mar-2025       |
| 28      | KEB Hana Bank        | 100.00     | -          | -          | 31.05.2024   |
|         |                      |            |            |            | The loan is to be repaid in 4 half-yearly instalments of ₹ 25 crore each starting from 31-May-2024 and ending on 30-Nov-2025   |
| 29      | Bank of India        | 500.00     | 500.00     | -          | 18.09.2024   |
|         |                      |            |            |            | The loan is to be repaid in 5 annual instalments of ₹ 100 crore each starting from 18-Sep-2024 and ending on 18-Sep-2028       |
| 30      | State Bank of India  | 3,000.00   | 3,000.00   | 3,000.00   | 19.12.2024   |
| 31      | HDFC Bank Ltd.       | 3,000.00   | 3,000.00   | -          | 30.09.2025   |
| 32      | Bank of Baroda       | 5,000.00   | 2,500.00   | 3,000.00   | 17.05.2026   |
|         |                      |            |            |            | The loan is to be repaid in 8 half yearly instalments of ₹ 625 crore each starting from 17-May-2026 and ending on 17-Nov-2029  |
| 33      | UCO Bank             | 1,000.00   | 1,000.00   | -          | 24.09.2026   |

|    |  |                  |                  |                 |            |   |
|----|--|------------------|------------------|-----------------|------------|---|
| 34 | Punjab National Bank                                       | 500.00           | 500.00           | -               | 27.09.2026 | Bullet Repayment at the end of the tenor  |
| 35 | Punjab National Bank                                       | 5.00             | 5.00             | -               | 29.09.2026 |   |
| 36 | India Infrastructure Finance Company Limited               | 1,000.00         | 1,000.00         | -               | 30.09.2026 |   |
| 37 | Central Bank   | 1,000.00         | 1,000.00         | -               | 31.03.2027 |   |
| 38 | Union Bank   | 3,000.00         | 3,000.00         | -               | 31.03.2027 | The loan is to be repaid in 2 annual instalments of ₹ 1500 crore each starting from 31.03.2027 and ending on 31.03.2028     |
| 39 | Canara Bank  | 2,250.00         | -                | -               | 28.06.2027 | The loan is to be repaid in 2 annually instalments of ₹ 1125 crore each starting from 28-Jun-2027 and ending on 28-Jun-2028 |
| 40 | Canara Bank  | 250.00           | -                | -               | 30.06.2027 | The loan is to be repaid in 2 annually instalments of ₹ 125 crore each starting from 30-Jun-2027 and ending on 30-Jun-2028  |
| 41 | Indian Overseas Bank                                       | 1,000.00         | -                | -               | 30.09.2027 | The loan is to be repaid in 2 yearly instalments of ₹ 500 crore each starting from 30-Sep-2027 and ending on 30-Sep-2028    |
| 42 | Indian Overseas Bank                                       | 500.00           | -                | -               | 30.09.2027 | The loan is to be repaid in 2 yearly instalments of ₹ 250 crore each starting from 30-Mar-2028 and ending on 30-Mar-2029    |
| 43 | UCO Bank   | 1,000.00         | -                | -               | 30.03.2028 | Bullet Repayment at the end of the tenor  |
| 44 | Punjab & Sind Bank   | 1,000.00         | -                | -               | 30.03.2028 | The loan is to be repaid in 2 yearly instalments of ₹ 500 crore each starting from 30-Mar-2028 and ending on 30-Mar-2029    |
| 45 | National Bank for Financing Infrastructure and Development | 3,500.00         | -                | -               | 31.03.2029 | The loan is to be repaid in 10 yearly instalments of ₹ 350 crore each starting from 31-Mar-2029 and ending on 31-Mar-2038   |
| 46 | UCO Bank   | -                | -                | 1,000.00        |            | Repaid in FY 2021-22  |
| 47 | Bank of Maharashtra  | -                | -                | 500.00          |            |   |
| 48 | India Infrastructure Finance Company Limited               | -                | -                | 1,429.00        |            |   |
| 49 | India Infrastructure Finance Company Limited               | -                | -                | 800.00          |            |   |
|    |  | <b>48,841.65</b> | <b>40,374.98</b> | <b>3,729.00</b> |            |   |

**In case of PFC's Subsidiary REC Ltd.**

|   |  |           |           |          |            |  |
|---|--|-----------|-----------|----------|------------|--|
| 1 | JP Morgan Chase Bank                               | -         | 1,500.00  | 1,500.00 | -          | Repaid in FY 2022-23   |
| 2 | Mizuho Bank  | -         | 300.00    | -        | -          |  |
| 3 | HDFC Bank  | 16,350.00 | 12,000.00 | -        | 15.06.2023 | ₹ 2,000 crores repayable on 15.06.2023, ₹ 1,500 crores repayable on 19.06.2023, ₹ 300 crores repayable on 29.09.2023, ₹ 1,500 crores repayable on 30.09.2023, ₹ 350 crores repayable on 11.10.2023, ₹ 350 crores repayable on 05.11.2023, ₹ 500 crores repayable on 15.01.2024, ₹ 850 crores repayable on 17.11.2026, ₹ 2,000 crores repayable on 31.03.2027, ₹ 2,000 crores repayable on 07.09.2027, ₹ 2,500 crores repayable on 29.12.2027 and ₹ 2,500 crores repayable on 27.02.2028. |
| 4 | Punjab National Bank                               | 4,995.97  | 4,996.98  | -        | 27.08.2023 | ₹ 1,996.66 crores repayable in 3 annual instalments with first instalment due on 27.08.2023, and ₹ 1,999.66 crores repayable on 11.11.2026 and ₹ 999.66 crores repayable in 10 semi-annual instalments starting from 29.03.2028 and final instalment due on 29.12.2031   |
| 5 | State Bank of India                                | 10,900.26 | 12,729.30 | -        | 15.10.2023 | ₹ 699.84 crores repayable on 15.10.2023, ₹ 919.44 crores repayable in 2 annual instalments due on 05.09.2023 and 05.03.2024, ₹ 3,569.93 crores repayable in 5 semi-annual instalments starting from 15.07.2023 and last instalment due on 15.07.2025, ₹ 1,711.19 crores repayable on 12.12.2027 and ₹ 3,999.86 crores repayable in structured instalments starting from 29.10.2023 and last instalment on 29.10.2031   |
| 6 | Deutsche Bank                                      | 1,000.00  | 1,000.00  | -        | 18.12.2023 | ₹ 500 crores repayable on 18.12.2023 and ₹ 500 crores repayable on 15.06.2027  |
| 7 | Indian Infrastructure Finance Company Ltd. (IIFCL) | 5,500.00  | 6,800.00  | -        | 23.02.2024 | ₹ 1,500 crores repayable on 23.02.2024, ₹ 500 crores repayable on 14.03.2024, ₹ 1,000 crores repayable on 25.03.2026, ₹ 1,000 crores repayable on 27.03.2026, ₹ 1,000 crores repayable on 09.08.2026 and ₹ 500 crores repayable on 28.07.2027  |
| 8 | Central Bank                                       | 2,399.99  | 500.00    | -        | 26.03.2024 | ₹ 1,499.99 repayable on 26.03.2024, ₹ 400 crores repayable on 17.10.2025 and ₹ 500 crores repayable in 7 annual instalments starting from 28.02.2026 and final instalment due on 29.02.2032  |
| 9 | Indian Bank  | 1,500.00  | -         | -        | 04.08.2024 | ₹ 1,500 crores repayable in 6 equal annual instalments starting from 04.08.2024 and final instalment on 04.08.2029   |

|    |   |                   |                  |                  |            |   |
|----|---|-------------------|------------------|------------------|------------|---|
| 10 | Bank of India   | 1,499.87          | 749.87           | -                | 27.09.2024 | ₹ 749.87 repayable in 5 annual instalments starting from 27.09.2024 and final instalment on 27.09.2028 and ₹ 750 crores repayable on 31.03.2030   |
| 11 | Bank of Baroda  | 5,000.00          | -                | -                | 30.09.2024 | ₹ 5,000 crores repayable in 6 annual instalments starting from 30.09.2024 and final instalment due on 29.09.2029  |
| 12 | Karnataka Bank  | 499.99            | -                | -                | 15.05.2025 | ₹ 499.99 crores repayable on 15.05.2025   |
| 13 | HSBC Bank   | 3,402.49          | 3,402.49         | -                | 19.05.2025 | ₹ 565 crores repayable on 19.05.2025, ₹ 187.49 crores repayable on 18.12.2025, ₹900 crores repayable on 25.03.2026, ₹ 500 crores repayable on 06.07.2026, ₹ 500 crores repayable on 09.07.2026, ₹ 85 crores repayable on 25.03.2030 and ₹ 665 crores repayable on 28.03.2030      |
| 14 | Punjab & Sind Bank  | 700.00            | -                | -                | 09.12.2025 | ₹ 700 crores repayable on 09.12.2025  |
| 15 | Union Bank of India   | 2,999.68          | 1,999.68         | -                | 04.01.2026 | ₹ 1,000 crores repayable on 04.01.2026 and ₹ 1,999.68 crores repayable in 5 annual instalments starting from 31.03.2027 and final instalment on 31.03.2031  |
| 16 | Jammu & Kashmir Bank  | 299.95            | 300.00           | -                | 28.10.2026 | ₹ 299.95 crores repayable on 28.10.2026   |
| 17 | Karur Vysya Bank  | 250.00            | 250.00           | -                | 29.10.2026 | ₹ 250 crores repayable on 29.10.2026  |
| 18 | South Indian Bank   | 500.00            | 300.00           | -                | 08.11.2026 | ₹ 300 crores repayable on 08.11.2026 and ₹ 200 crores repayable on  |
| 19 | National Bank for Financing Infrastructure and Development (NaBFID) | 500.00            | -                | -                | 31.03.2027 | ₹ 500 crores repayable in 7 equal annual instalment starting from 31.03.2027 and last instalment due on 31.03.2033  |
| 20 | ICICI Bank  | 4,000.00          | 2,850.00         | -                | 23.01.2030 | ₹ 4,000 crores repayable on 23.01.2030  |
| 21 | Bank of Baroda  | -                 | -                | 2,000.00         | -          | ₹ 958.50 Crore repayable on 12.12.2021 and ₹ 1041.50 Crore repayable on 12.12.2022  |
| 22 | HDFC Bank Ltd.  | -                 | -                | 4,650.00         | -          | ₹ 1000 Crores repayable on 24.02.2022 and ₹ 650 Crores repayable on 30.09.2022, ₹ 1500 Crores repayable on 19.06.2023, ₹ 300 Crores repayable on 29.09.2023, ₹ 350 Crores repayable on 11.10.2023, ₹ 350 Crores repayable on 05.11.2023 and ₹ 500 Crores repayable on 15.01.2024. |
| 23 | Punjab National Bank  | -                 | -                | 4,396.84         | -          | ₹ 1,999.98 Crores repayable in 3 annual instalments, first instalment due on 15.09.2021, ₹ 399.87 Crores repayable in 8 semi-annual instalments, first instalment due on 01.10.2021 and ₹ 1,996.99 Crores repayable in 3 annual instalments, first instalment due on 27.08.2023.  |
| 24 | State Bank of India   | -                 | -                | 10,839.90        | -          | ₹ 1,839.97 Crores repayable in 4 annual instalments, first instalment due on 05.09.2021, ₹ 3,999.93 Crores repayable in 2 annual instalments, first instalment due on 15.10.2021 and ₹ 5,000 Crores repayable in 7 semi-annual instalments, first instalment due on 14.07.2022.   |
| 25 | Union Bank of India   | -                 | -                | 3,399.34         | -          | ₹ 1,499.70 Crores repayable in 6 semi-annual instalments, first instalment due on 25.06.2022 and ₹ 1,899.64 Crores repayable in 6 semi-annual instalments, first instalment due on 20.02.2023.  |
| 26 | Canara Bank   | -                 | -                | 1,000.00         | -          | ₹ 150 Crores repayable on 28.02.2023, ₹ 425 Crores repayable on 29.02.2024 and ₹ 425 Crores repayable on 28.02.2025   |
| 27 | India Infrastructure Finance Company Limited                        | -                 | -                | 5,800.00         | -          | ₹ 1,000 Crores repayable on 04.06.2022 and ₹ 800 Crores repayable on 25.06.2023, ₹ 1500 Crores repayable on 23.02.2024, ₹ 500 Crores repayable on 15.03.2024, ₹ 1000 Crores repayable on 26.03.2026 and ₹ 1000 Crores   |
| 28 | HSBC Bank   | -                 | -                | 1,652.50         | -          | ₹ 565 Crores repayable on 19.05.2025, ₹ 187.5 Crores repayable on 18.12.2025 and ₹ 900 Crores repayable on 25.03.2026.  |
| 29 | Deutsche Bank   | -                 | -                | 500.00           | -          | ₹ 500 Crore repayable on 18.12.2023   |
| 30 | JP Morgan   | -                 | -                | 1,500.00         | -          | ₹ 1,500 Crore repayable on 26.03.2024   |
|    | <b>Sub Total (B)</b>  | <b>62,298.20</b>  | <b>49,678.32</b> | <b>37,238.58</b> |            |   |
|    | <b>Total (A+B)</b>  | <b>111,139.85</b> | <b>90,053.30</b> | <b>40,967.58</b> |            |   |

23.7 Details of Reformatted Unsecured Rupee term Loan NSSF outstanding are as follows:

| Sr. No.                                     | Particulars  |                  |                  |                  | Date of Redemption | Redemption details                       |
|---|--|------------------|------------------|------------------|--------------------|--|
|   |  | 31.03.2023       | 31.03.2022       | 31.03.2021       |                    |  |
| <b>In case of PFC</b>                       |  |                  |                  |                  |                    |  |
| 1   | National Small Savings Fund Scheme (NSSF) (Coupon rate 8.11% p.a.) | 7,500.00         | 7,500.00         | 7,500.00         | 27.12.2028         | Bullet Repayment at the end of the tenor |
|   | <b>Sub Total (A)</b>   | <b>7,500.00</b>  | <b>7,500.00</b>  | <b>7,500.00</b>  |                    |  |
| <b>In case of PFC's Subsidiary REC Ltd.</b> |  |                  |                  |                  |                    |  |
| 1   | National Small Savings Fund Scheme (NSSF) (Coupon rate 8.29% p.a.) | 5,000.00         | 5,000.00         | 5,000.00         | 13.12.2028         | Bullet Repayment at the end of the tenor |
| 2   | National Small Savings Fund Scheme (NSSF) (Coupon rate 8.16% p.a.) | 5,000.00         | 5,000.00         | 5,000.00         | 04.10.2029         | Bullet Repayment at the end of the tenor |
|   | <b>Sub Total (B)</b>   | <b>10,000.00</b> | <b>10,000.00</b> | <b>10,000.00</b> |                    |  |
|   | <b>Total (A+B)</b>   | <b>17,500.00</b> | <b>17,500.00</b> | <b>17,500.00</b> |                    |  |

**23.8 Details of Reformatted Unsecured WCDL / OD / CC / Line of Credit outstanding are as follows:**

| Sr. No.                                     | Particulars  | Principal Amount<br>(₹ in crore)<br>outstanding as at |                   |                   | Date of<br>Redemption | Redemption details                       |
|---|--|---|-------------------|-------------------|-----------------------|--|
|   |  | <b>31.03.2023</b>                                     | <b>31.03.2022</b> | <b>31.03.2021</b> |                       |  |
| 1   | State Bank of India (WCL)                              | 1,555.28  | -                 | -                 | 10.04.2023            | Bullet Repayment at the end of the tenor |
| 2   | State Bank of India (WCL)                              | 500.00  | -                 | -                 | 15.04.2023            |  |
| 3   | Punjab National Bank (WCDL)                            | 300.00  | -                 | -                 | 15.04.2023            |  |
| 4   | HDFC Bank (WCDL)                                       | 1,628.55  | -                 | -                 | 30.06.2023            |  |
|   | <b>Sub Total (A)</b>                                   | <b>3,983.83</b>                                       |                   |                   |                       |  |
| <b>In case of PFC's Subsidiary REC Ltd.</b> |  |   |                   |                   |                       |  |
| 1   | Short Term Loans/ Loans repayable on demand from Banks | 3,687.59  | 1,410.93          | 10,186.52         | Running facility      | Running facility                         |
|   | <b>Sub Total (B)</b>                                   | <b>3,687.59</b>                                       | <b>1,410.93</b>   | <b>10,186.52</b>  |                       |  |
|   | <b>Total (A+B)</b>                                     | <b>7,671.42</b>                                       | <b>1,410.93</b>   | <b>10,186.52</b>  |                       |  |

**23.9** In case of PFC Ltd. Borrowings as at 31.03.2023 in above Note 23.6 have been raised at respective bank's Benchmark rate plus spread ranging from 100 to 200 bps.

In case of PFC Subsidiary REC Ltd. Term Loans from banks/ financial institutions/ Govt. as mentioned in Note No. 23.6 and 23.7 have been raised at interest rates ranging from 5.38% to 8.29% payable on monthly/quarterly/semi annual rests.

**23.10** None of the borrowings have been guaranteed by Directors.

**23.11** There has been no default in repayment of borrowings and interest during periods presented above.

**23.12** In case of PFC ,Secured rupee term loans are secured by first pari-passu charge in favour of lending banks on the receivables of the Company limited to payment/repayment of the term loan including interest, additional interest, cost and expenses and all other monies whatsoever payable/repayable by the Company to lending bank and/or others under/pursuant to the security document except for those receivables which are already charged in favour of Catalyst Trusteeship Ltd. (formally known as GDA Trusteeship Limited). Refer Note 12 for carrying values of the receivable pledged as security against secured rupee term loans

**23.13** The Companies in the Group have not received any fund which are material either individually or in the aggregate from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**23.14** The Companies in the Group have not borrowed any funds on the specific security of current assets, where there is any requirement of filing of quarterly returns or statements.

**24 Reformatted Subordinated Liabilities**

The Company and its Subsidiary REC Ltd., have categorised Subordinated Liabilities at amortised cost in accordance with the requirements of Ind AS 109 'Financial Instruments'.

| (₹ in crore) |  |                     |                     |                     |
|--------------|--|---------------------|---------------------|---------------------|
| Sr. No.      | Particulars  | As at<br>31.03.2023 | As at<br>31.03.2022 | As at<br>31.03.2021 |
|              | <b>Subordinated Liabilities (Unsecured)</b>                    |                     |                     |                     |
|              | Subordinated Bonds ( Principal Outstanding ) (Refer Note 24.1) | 15,862.20           | 15,862.20           | 15,862.20           |
| (i)          | Interest accrued but not due on above                          | 399.25              | 399.27              | 401.28              |
| (ii)         | Unamortised Transaction Cost on above                          | (176.31)            | (133.73)            | (6.39)              |
|              | <b>Total Subordinated Liabilities</b>                          | <b>16,085.14</b>    | <b>16,127.74</b>    | <b>16,257.09</b>    |
|              | <b>Geography wise Subordinated Liabilities</b>                 |                     |                     |                     |
| (i)          | Subordinated Bonds in India                                    | 16,085.14           | 16,127.74           | 16,257.09           |
| (ii)         | Subordinated Bonds outside India                               | -                   | -                   | -                   |
|              | <b>Total Geography wise Subordinated Liabilities</b>           | <b>16,085.14</b>    | <b>16,127.74</b>    | <b>16,257.09</b>    |

**24.1 Details of Reformatted Subordinated Bonds (Unsecured) are as under :**

| (₹ in crore) |   |                     |                     |                     |
|--------------|---|---------------------|---------------------|---------------------|
| Sr. No.      | Bond Series   | As at<br>31.03.2023 | As at<br>31.03.2022 | As at<br>31.03.2021 |
| 1            | 8.06% Bond Series 115 -Redeemable at par on 31.05.2023 - REC Ltd.   | 2,500.00            | 2,500.00            | 2,500.00            |
| 2            | 8.19% Bond Series 105 - Redeemable at par on 14.06.2023 - PFC Ltd.  | 800.00              | 800.00              | 800.00              |
| 3            | 9.65% Bond Series 111 - Redeemable at par on 13.01.2024 - PFC Ltd.  | 1,000.00            | 1,000.00            | 1,000.00            |
| 4            | 9.70% Bond Series 114 - Redeemable at par on 21.02.2024 - PFC Ltd.  | 2,000.00            | 2,000.00            | 2,000.00            |
| 5            | 9.25% Bond Series 184A -Redeemable at par on 25.09.2024 - PFC Ltd.  | 2,000.00            | 2,000.00            | 2,000.00            |
| 6            | 9.10% Bond Series 184 B -Redeemable at par on 25.03.2029 - PFC Ltd. | 2,411.50            | 2,411.50            | 2,411.50            |
| 7            | 8.98% Bond Series 185 -Redeemable at par on 28.03.2029 - PFC Ltd.   | 1,000.00            | 1,000.00            | 1,000.00            |
| 8            | 8.97% Bond Series 175 - Redeemable at par on 28.03.2029 - REC Ltd.  | 2,151.20            | 2,151.20            | 2,151.20            |
| 9            | 7.96% Bond Series 199 - Redeemable at par on 15.06.2030 - REC Ltd.  | 1,999.50            | 1,999.50            | 1,999.50            |
|              | <b>Total</b>  | <b>15,862.20</b>    | <b>15,862.20</b>    | <b>15,862.20</b>    |

**25 Reformatted Other Financial Liabilities**

The Group has categorised Other Financial Liabilities at amortised cost in accordance with the requirements of Ind AS 109 'Financial Instruments' other than "Lease Liability" presented below, which is measured in accordance with Ind AS 116 'Leases'.

| (₹ in crore) |  |                     |                     |                     |
|--------------|--|---------------------|---------------------|---------------------|
| Sr. No.      | Particulars  | As at<br>31.03.2023 | As at<br>31.03.2022 | As at<br>31.03.2021 |
| (i)          | Payable on account of Unsecured Government of India Serviced Bonds (Refer Note 25.1) | 29,356.50           | 29,356.50           | 29,352.64           |
| (ii)         | Advance received from Associates   | 177.16              | 176.19              | 176.86              |
| (iii)        | Unclaimed Dividends (Refer Note 25.2)  | 12.42               | 11.85               | 9.69                |
| (iv)         | Unpaid - Bonds and Interest Accrued thereon (Refer Note 25.2)                        |                     |                     |                     |
|              | - Unclaimed Bonds  | 26.58               | 24.03               | 50.30               |
|              | - Unclaimed Interest on Bonds  | 82.95               | 95.87               | 167.87              |
| (v)          | Others   |                     |                     |                     |
|              | - Application Money Refundable on Bonds and interest accrued thereon                 | 0.71                | 0.90                | 0.69                |
|              | - Interest Subsidy Fund and other GOI Funds for disbursement                         | 161.35              | 1,391.23            | 1,558.52            |
|              | - Payable under APDRP/IPDS scheme (Refer Note 25.4)                                  |                     |                     |                     |
|              | - Lease Liability & Payable towards funded staff benefits                            | 17.01               | 19.07               | 9.43                |
|              | - Other liabilities  | 1,129.99            | 1,523.34            | 739.25              |
|              | <b>Total Other Financial Liabilities</b>   | <b>30,964.67</b>    | <b>32,598.98</b>    | <b>32,065.25</b>    |

**25.1 Details of Reformatted GoI Serviced Bonds (Unsecured Taxable Bonds) :**

| (₹ in crore) |  |                     |                     |                     |
|--------------|--|---------------------|---------------------|---------------------|
| Sr. No.      | Bond Series  | As at<br>31.03.2023 | As at<br>31.03.2022 | As at<br>31.03.2021 |
| 1            | 7.10% Bond Series 156 -Redeemable at par on 11.01.2027 - PFC Ltd.  | 200.00              | 200.00              | 200.00              |
| 2            | 7.18% Bond Series 158 - Redeemable at par on 20.01.2027 -PFC Ltd.  | 1,335.00            | 1,335.00            | 1,335.00            |
| 3            | 7.60% Bond Series 160 - Redeemable at par on 20.02.2027 - PFC Ltd. | 1,465.00            | 1,465.00            | 1,465.00            |
| 4            | 7.75% Bond Series 164 - Redeemable at par on 22.03.2027 - PFC Ltd. | 2,000.00            | 2,000.00            | 2,000.00            |
| 5            | 8.09 % Go-I Series - Redeemable at par on 21.03.2028 - REC Ltd.    | 1,837.00            | 1,837.00            | 1,837.00            |
| 6            | 8.01% Go-II Series - Redeemable at par on 24.03.2028 - REC Ltd.    | 1,410.00            | 1,410.00            | 1,410.00            |
| 7            | 8.06% Go-III Series - Redeemable at par on 27.03.2028 - REC Ltd.   | 753.00              | 753.00              | 753.00              |
| 8            | 8.70% - Go-IV Series -Redeemable at par on 28.09.2028 - REC Ltd.   | 3,000.00            | 3,000.00            | 3,000.00            |
| 9            | 8.54% Go-V Series - Redeemable at par on 15.11.2028 - REC Ltd.     | 3,600.00            | 3,600.00            | 3,600.00            |
| 10           | 8.80% - Go-VI Series - Redeemable at par on 22.01.2029 - REC Ltd.  | 2,027.00            | 2,027.00            | 2,027.00            |
| 11           | 8.60% Go-VII Series - Redeemable at par on 08.03.2029 - REC Ltd.   | 1,200.00            | 1,200.00            | 1,200.00            |
| 12           | 8.30% Go-VIII Series -Redeemable at par on 25.03.2029 - REC Ltd.   | 4,000.00            | 4,000.00            | 4,000.00            |
| 13           | 7.14% Go-IX Series - Redeemable at par on 02.03.2030 - REC Ltd.    | 1,500.00            | 1,500.00            | 1,500.00            |
| 14           | 8.25% Go-X Series - Redeemable at par on 26.03.2030 - REC Ltd.     | 532.30              | 532.30              | 532.30              |
| 15           | 7.20% Go-XI Series Redeemable at par on 31.03.2030 - REC Ltd.      | 1,750.00            | 1,750.00            | 1,750.00            |
| 16           | 6.45% Go- XII Series - Redeemable at par on 07.01.2031 - REC Ltd.  | 1,000.00            | 1,000.00            | 1,000.00            |
| 17           | 6.63% Go- XIII Series - Redeemable at par on 28.01.2031 - REC Ltd. | 1,000.00            | 1,000.00            | 1,000.00            |
| 18           | 6.50% Go- XIV Series - Redeemable at par on 26.03.2031 - REC Ltd.  | 500.00              | 500.00              | 500.00              |
| 19           | Interest accrued on above  | 247.20              | 247.20              | 243.34              |
|              | <b>Total GoI Serviced Bonds (Unsecured Taxable Bonds)</b>          | <b>29,356.50</b>    | <b>29,356.50</b>    | <b>29,352.64</b>    |

**25.2** Unclaimed dividends, unclaimed bonds and interest thereon include the amounts which have either not been claimed by the investors / holders of the instruments or are on hold pending legal formalities etc. The amount eligible to be transferred to Investor Education and Protection Fund has been transferred within the prescribed time limit.



### 25.3 Amounts payable under GoI Schemes:

- (i) PFC has been designated as Nodal Agency for operationalization and implementation of RDSS Scheme and IPDS (R-APDRP subsumed in it). Role of Nodal Agency *inter-alia* includes pass through of loans/grants to eligible utilities under schemes of GOI. The release of the funds under GoI schemes is ensured through Treasury Single Account (TSA) maintained with RBI, as per office memorandum issued by MoF, GoI dated 09<sup>th</sup> March 2022. This ensures that funds of these schemes are released 'Just in time' from the Consolidated Fund of India (CFI) to the beneficiaries refer Note 55.
- (ii) RECL has been appointed by GOI as a nodal agency for implementation of Deen Dayal Upadhyaya Gram Jyoti Yojna (DDUGJY), Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya) and Revamped Distribution Sector Scheme (RDSS). The funds received for disbursement to various agencies under the scheme are kept in a separate bank accounts. The undisbursed funds for the scheme (including the funds received under erstwhile RGGVY Scheme) including interest earned thereto are classified under the line item 'Interest Subsidy Fund and Other GOI Funds for Disbursement' under 'Other Financial Liabilities' . For further details of GOI schemes, refer Note 55.
- (iii) Subsidy Under Accelerated Generation & Supply Programme (AG&SP)

REC is maintaining an Interest Subsidy Fund Account and was given AG&SP subsidy (for disbursement to the eligible borrowers) by Govt. of India at net present value calculated at indicative rates and year in accordance with GOI's letter vide D.O.No. 32024/17/97-PFC dated 23.09.1997 and O.M.No.32024/23/2001-PFC dated 07.03.2003 irrespective of the actual repayment schedule, moratorium year and duration of repayment of the eligible schemes. The impact of difference between the indicative rate and year considered at the time of drawl and the actual can be ascertained only after the end of the respective schemes.

Net amount of ₹ 0.75 crores as at 31st March 2023 (₹ 0.73 crores as at 31st March 2022, ₹ 0.71 crores as at 31st March 2021) represents the balance amount of interest subsidy fund, which is to be passed on to the borrowers against their interest liability arising in future, under Accelerated Generation & Supply Programme (AG&SP), which comprises of the following:-

| Particulars                                      | (₹ in crores) |            |            |
|--|---------------|------------|------------|
|  | FY 2022-23    | FY 2021-22 | FY 2020-21 |
| Opening Balance of Interest Subsidy Fund         | 0.73          | 0.71       | 0.69       |
| Add: Interest earned during the year             | 0.02          | 0.02       | 0.02       |
| Less: Interest subsidy passed on to the borrower | -             | -          | -          |
| Closing Balance of Interest Subsidy Fund         | 0.75          | 0.73       | 0.71       |

- (iv) The movement in Interest on Subsidy/ Grant of RECL is explained as under:

| Particulars   | (₹ in crores) |            |
|---|---------------|------------|
|   | FY 2022-23    | FY 2021-22 |
| Opening Balance   | 20.87         | 37.84      |
| Add: Interest earned/Adjustment during the year         | 16.65         | 25.40      |
| Less: Amount refunded to Govt./Adjusted during the year | (13.35)       | (42.37)    |
| Closing Balance   | 24.17         | 20.87      |

**26 Reformatted Provisions**

(₹ in crore)

| Sr. No. | Particulars   | As at         | As at         | As at         |
|---------|---|---------------|---------------|---------------|
|         |   | 31.03.2023    | 31.03.2022    | 31.03.2021    |
| (i)     | For Employee Benefits (Refer Note 50):                                      |               |               |               |
|         | - Gratuity  | 3.70          | 0.37          | 3.09          |
|         | - Leave Encashment  | 98.50         | 94.79         | 79.76         |
|         | - Economic Rehabilitation of Employees                                      | 11.99         | 10.91         | 8.66          |
|         | - Provision for Bonus / Incentive   | 79.54         | 73.71         | 86.09         |
|         | - Provision for Staff Welfare Expenses                                      | 28.20         | 23.04         | 28.56         |
| (ii)    | Impairment Loss Allowance - Letter of Comfort & Guarantee (Refer Note 26.1) | 66.80         | 98.11         | 66.12         |
| (iii)   | Provision for Unspent CSR Expense   | 149.38        | 55.62         | -             |
|         | <b>Total Provisions</b>   | <b>438.11</b> | <b>356.55</b> | <b>272.28</b> |

**26.1 Movement of Reformatted Impairment loss allowance on Letter of Comfort & Guarantee**

(₹ in crore)

| Sr. No. | Particulars              | FY 2022-23   | FY 2021-22   | FY 2020-21   |
|---------|--------------------------|--------------|--------------|--------------|
| (i)     | Opening balance          | 98.11        | 66.12        | 188.85       |
| (ii)    | Creation during the year | 5.60         | 76.23        | 13.47        |
| (iii)   | Reversal during the year | (36.91)      | (44.24)      | (136.20)     |
|         | <b>Closing balance</b>   | <b>66.80</b> | <b>98.11</b> | <b>66.12</b> |

**27 Reformatted Other Non-Financial Liabilities**

(₹ in crore)

| Sr. No. | Particulars                                       | As at         | As at         | As at         |
|---------|---|---------------|---------------|---------------|
| (i)     | Unamortised Fee - Undisbursed Loans Assets        | 201.60        | 187.66        | 217.36        |
| (ii)    | Sundry Liabilities (Interest Capitalisation)      | 29.07         | 32.45         | 37.09         |
| (iii)   | Statutory dues payable                            | 67.45         | 93.15         | 87.92         |
| (iv)    | Advance received from Govt. towards Govt. Schemes | 0.10          | 1.00          | 1.17          |
| (v)     | Others  | 86.57         | 53.75         | 1.72          |
|         | <b>Total Other Non-Financial Liabilities</b>      | <b>384.79</b> | <b>368.01</b> | <b>345.26</b> |

**28 Reformatted Equity Share Capital**

| Sr. No. | Particulars   | As at 31.03.2023  |           | As at 31.03.2022  |           | As at 31.03.2021  |           |
|---------|---|-------------------|-----------|-------------------|-----------|-------------------|-----------|
|         |   | Number            |           | Number            |           | Number            |           |
| (A)     | <b>Authorised Capital</b>                           |                   |           |                   |           |                   |           |
|         | Equity Share Capital (Par Value per share ₹ 10)     | 1,10,00,00,00,000 | 11,000.00 | 1,10,00,00,00,000 | 11,000.00 | 1,10,00,00,00,000 | 11,000.00 |
|         | Preference Share Capital (Par Value per share ₹ 10) | 2,00,00,00,00,000 | 200.00    | 2,00,00,00,00,000 | 200.00    | 2,00,00,00,00,000 | 200.00    |
| (B)     | <b>Issued, Subscribed and Fully Paid-up Capital</b> |                   |           |                   |           |                   |           |
|         | Equity Share Capital (Par Value per share ₹ 10)     | 2,64,00,81,408    | 2,640.08  | 2,64,00,81,408    | 2,640.08  | 2,64,00,81,408    | 2,640.08  |
| (C)     | <b>Reconciliation of Equity Share Capital</b>       |                   |           |                   |           |                   |           |
|         | Opening Equity Share Capital                        | 2,64,00,81,408    | 2,640.08  | 2,64,00,81,408    | 2,640.08  | 2,64,00,81,408    | 2,640.08  |
|         | Changes during the period                           | -                 | -         | -                 | -         | -                 | -         |
|         | Closing Equity Share Capital                        | 2,64,00,81,408    | 2,640.08  | 2,64,00,81,408    | 2,640.08  | 2,64,00,81,408    | 2,640.08  |

**28.1 Rights, preferences and restriction attached to equity shares**

The Company had issued equity shares having par value of ₹10 per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their shareholding at the meeting of the shareholders.

**28.2 Shares in the Company held by each shareholder holding more than 5% of the shares**

| Particulars                               | As at 31.03.2023 |                           | As at 31.03.2022 |                           | As at 31.03.2021 |                           |
|---|------------------|---------------------------|------------------|---------------------------|------------------|---------------------------|
|   | Number of Shares | % of Equity Share Capital | Number of Shares | % of Equity Share Capital | Number of Shares | % of Equity Share Capital |
| (i) President of India (Promoters)        | 1,47,82,91,778   | 55.99%                    | 1,47,82,91,778   | 55.99%                    | 1,47,82,91,778   | 55.99%                    |
| (ii) HDFC Trustee Company Ltd             | 16,38,70,959     | 6.21%                     | 22,85,47,160     | 8.66%                     | 23,81,25,247     | 9.02%                     |
| (iii) Life Insurance Corporation of India | 12,37,62,976     | 4.69%                     | 13,21,17,474     | 5.00%                     | 15,75,97,304     | 5.97%                     |

28.3 Shares reserved for issue under options and contract / commitment for the sale of shares or disinvestment, including the terms and amount : Nil

28.4 Terms of any securities convertible into equity shares issued along with the earliest date of conversion in descending order starting from the farthest such date : Nil

28.5 Calls unpaid (showing aggregate value of calls unpaid by directors and officers) : Nil

28.6 Forfeited shares (amount originally paid up) : Nil

28.7 Capital Management : Refer Note 45.

**29 Reformatted Other Equity\***

| Sr. No. | Particulars   | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2021 |
|---------|---|------------------|------------------|------------------|
| (i)     | Capital Reserve - Common Control (Refer Note 29.1 (i))  | (13,114.50)      | (13,461.00)      | (13,461.00)      |
| (ii)    | Capital Reserve - Change in shareholding in JV  | -                | -                | 2.47             |
| (iii)   | Securities Premium (Refer Note 29.1 (ii))   | 3,606.87         | 3,953.74         | 3,953.74         |
| (iv)    | Foreign Currency Monetary Item Translation Difference Account (Refer Note 29.1 (iii))   | (883.61)         | (806.07)         | (936.01)         |
| (v)     | Special Reserve created u/s 45-IC of Reserve Bank of India Act, 1934 (Refer Note 29.1 (iv))                                       | 12,783.26        | 9,298.33         | 6,235.99         |
| (vi)    | Reserve for Bad & doubtful debts u/s 36(1)(viii)(c) of Income-Tax Act, 1961 (Refer Note 29.1 (v))                                 | 529.39           | 680.04           | 1,407.54         |
| (vii)   | Special Reserve created u/s 36(1)(viii) of Income Tax Act, 1961 up to Financial Year 1996-97                                      | 599.85           | 599.85           | 599.85           |
| (viii)  | Special Reserve created and maintained u/s 36(1)(viii) of Income Tax Act, 1961 from Financial Year 1997-98 (Refer Note 29.1 (vi)) | 39,658.38        | 35,878.11        | 31,833.14        |
| (ix)    | Interest Differential Reserve - KFW Loan (Refer Note 29.1 (vii))  | 64.97            | 64.07            | 62.65            |
| (x)     | General Reserve (Refer Note 29.1 (viii))  | 21,026.85        | 20,346.81        | 19,040.40        |
| (xi)    | Retained Earnings (Refer Note 29.1 (ix))  | 18,236.28        | 12,757.10        | 9,760.52         |
| (xii)   | Reserve for Equity Instruments through Other Comprehensive Income (Refer Note 29.1 (x))   | 2.12             | (74.23)          | (170.71)         |
| (xiii)  | Reserve for Effective portion of Cash Flow Hedges (Refer Note 29.1 (xi))  | 808.03           | 302.56           | (200.50)         |
| (xiv)   | Costs of Hedging Reserve (Refer Note 29.1 (xii))  | (1,799.49)       | (503.16)         | (1.42)           |
| (xv)    | Share of Other Comprehensive Income in Joint Venture and Associates   | -                | -                | 0.73             |
|         | <b>Total Other Equity</b>   | <b>81,518.41</b> | <b>69,036.16</b> | <b>58,127.40</b> |

\* For movements during the period refer Consolidated Statement of Changes in Equity.

## 29.1 Nature and purpose of reserve

(i) Capital Reserve - Common Control

Consequent to the acquisition of REC Limited by PFC on 28th March, 2019, the difference between PFC's share in equity share capital of REC Limited of ₹ 1039.50 and the consideration paid (including investment of ₹ 0.50 crore existing on the date of acquisition) of ₹ 14500.50 crore has been recognized as capital reserve-common control.

(ii) Securities Premium

It represents amount of premium received on issue of equity share capital net of expense incurred on issue of equity shares. This amount can be utilised in accordance with the provisions of the Companies Act, 2013.

(iii) Foreign Currency Monetary Item Translation Difference Account

It represents unamortized foreign exchange gain/loss on Long-term Foreign Currency Borrowings (raised up to 31.03.2018) and are amortized over the tenure of the respective borrowings.

(iv) Special Reserve created u/s 45-IC of Reserve Bank of India Act, 1934

It represents transfer from retained earning @ 20 % of net profit after tax for the year as disclosed in profit and loss account and before any dividend is declared. No appropriation is allowed to be made from the reserve fund except for the purpose as may be specified by the Reserve Bank of India (RBI) from time to time and further, any such appropriation is also required to be reported to the RBI within 21 days from the date of such withdrawal.

(v) Reserve for Bad & doubtful debts u/s 36(1)(viii)(c) of Income-Tax Act, 1961

It has been created to enable the PFC and its subsidiary REC Ltd. to avail income tax deduction. The reserve so maintained is primarily utilised for adjustment of actual bad debts or part thereof. As per section 36(1)(viii)(c) of Income Tax Act, 1961, the Company and its subsidiary REC Ltd. is eligible to avail deduction in respect of any provision / reserve made for bad and doubtful debts, not exceeding five percent of the total income as per Income Tax Act.

(vi) Special Reserve created u/s 36(1)(viii) of Income Tax Act, 1961

It is maintained in order to enable PFC and its subsidiary REC Ltd. to avail tax benefits. As per section 36(1)(viii) of the Income Tax Act, 1961, the Company and its subsidiary REC Ltd. is eligible for deduction not exceeding 20% of profit derived from long term finance activity, provided such amount is transferred and maintained in special reserve account.

(vii) Interest Differential Reserve - KFW Loan

It represents difference between the interest due and interest paid on KFW loan as per the loan agreement. Exchange gain/loss upon re-statement of loan balance, in accordance with the terms of the foreign currency borrowing from KFW, is adjusted against this reserve. The Company is not required to repay the unadjusted balance in the reserve after complete repayment of KFW Loan. Any unadjusted balance in the reserve after complete repayment of KFW Loan shall be used for further lending by the Company after consulting with KFW.

(viii) General Reserve

General Reserve includes the amounts appropriated from the profits of the Group before declaration of dividend (as was required under erstwhile Companies Act, 1956). It also includes the amount transferred from Statutory Reserves on utilization / reversal of such Reserves. Further the Group appropriates profit to General Reserve in order to avail full eligible deduction of Special Reserve under section 36(1)(viii) of the Income Tax Act, 1961.

(ix) Retained Earnings

It represent profits and specified items of other comprehensive income recognised directly in retained earnings earned by the Group after transfer to and from other reserves and dividend distributions.

(x) Reserve for Equity Instruments through Other Comprehensive Income

The Companies in the Group elected to recognise changes in the fair value of certain investment in equity instruments through other comprehensive income. It represents cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income. When the asset is derecognized, amounts in the reserve are subsequently transferred to retained earnings and not to consolidated statement of profit and loss. Dividends on such investments are recognized in statement of profit & loss unless the dividend clearly represents a recovery of part of the cost of the investment.

(xi) Reserve for Effective portion of Cash Flow Hedges

The intrinsic value of hedging instruments which meets the qualifying criteria for hedge accounting & are designated and qualify as cash flow hedges is recognized in this reserve. The amounts recognized in such reserve are reclassified to the Statement of Profit or Loss when the hedged item affects profit or loss.

(xii) Cost of Hedging Reserve

The fair value of the time value of a hedging instruments which meets the qualifying criteria for hedge accounting & are designated and qualify as cash flow hedges is recognized in this reserve. The amounts recognized in such reserve are amortized to the Statement of Profit and Loss on a systematic basis.

29.2

| (i) Particulars       | FY 2022-23         |              |                 | FY 2021-22         |              |                 | FY 2020-21         |              |                |
|-----------------------|--------------------|--------------|-----------------|--------------------|--------------|-----------------|--------------------|--------------|----------------|
|                       | % of Share Capital |              |                 | % of Share Capital |              |                 | % of Share Capital |              |                |
| Interim Dividend      | 87.50%             | 8.75         | 2,310.07        | 107.50%            | 10.75        | 2,838.09        | 80.00%             | 8.00         | 2112.06        |
| Final Dividend        | 45.00%             | 4.50         | 1,188.04        | 12.50%             | 1.25         | 330.01          | 20.00%             | 2.00         | 528.02         |
| <b>Total Dividend</b> | <b>132.50%</b>     | <b>13.25</b> | <b>3,498.11</b> | <b>120.00%</b>     | <b>12.00</b> | <b>3,168.10</b> | <b>100.00%</b>     | <b>10.00</b> | <b>2640.08</b> |

(ii) Events occurring after Balance Sheet date:

Board of Directors in its meeting held on 27.05.2023 has recommended final dividend @ 45% on the paid up equity share capital i.e. ₹ 4.50 per equity share of ₹ 10 each for the FY 2022-23 subject to approval of shareholders in ensuing Annual General Meeting.

(iii) The Dividend Paid/Proposed is in compliance with the provisions of section 123 of Companies Act 2013, as applicable.

**30 Reformatted Non-Controlling Interest**

| Sr. No. | Particulars  | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2021 |
|---------|--|------------------|------------------|------------------|
|         | <b>Balance at the beginning of the year</b>                            | <b>24,040.51</b> | <b>20,464.36</b> | <b>16,765.57</b> |
| (i)     | Share of Net Profit for the period                                     | 5,289.26         | 4,753.42         | 3,968.37         |
| (ii)    | Re-measurement of Defined Benefit Plans                                | (2.12)           | (2.95)           | (5.05)           |
| (iii)   | Share of Other Comprehensive Income / (Expense)                        | (457.81)         | (24.47)          | 221.87           |
|         | <b>Share of Total Comprehensive Income</b>                             | <b>4,829.33</b>  | <b>4,726.00</b>  | <b>4,185.19</b>  |
| (i)     | Dividend Declared/ Proposed to Non-Controlling Interest                | (1,477.97)       | (1,142.15)       | (1,028.97)       |
| (ii)    | Others   | (127.49)         | (7.70)           | 542.57           |
|         | <b>Balance at the end of the period - towards Equity Share Holders</b> | <b>27,264.39</b> | <b>24,040.51</b> | <b>20,464.37</b> |
|         | towards Instruments Entirely Equity in Nature (Refer Note 30.2)        | 558.40           | 558.40           | 558.40           |
|         | <b>Total Non - Controlling Interest</b>                                | <b>27,822.79</b> | <b>24,598.91</b> | <b>21,022.77</b> |

30.1 PFC's subsidiary REC Ltd. had issued Perpetual Debt Instruments of face value of ₹ 10 lakhs each, with no maturity and callable only at the option of the Company after 10 years. The claims of the holders of the securities shall be (a) Superior to the claims of the holders of the equity shares issued by the Issuer; and (b) Subordinated to the claims of all other creditors of the Issuer. The instruments carry a step up provision if not called after 10 years. The payment of Coupons may be cancelled or suspended at the discretion of REC Ltd. The coupon of the securities is not cumulative except where the Issuer shall not be liable to pay coupon and may defer the payment of coupon, if (i) The capital to risk assets ratio ("CRAR") of the Issuer is below the minimum regulatory requirement prescribed by RBI; or (ii) the impact of such payment results in CRAR of the Issuer falling below or remaining below the minimum regulatory requirement prescribed by RBI.

As these securities are perpetual in nature and the Group does not have any redemption obligation and discretion on payment of coupon, these have been classified as Equity. Further as such Equity is not attributable, directly or indirectly to the parent viz PFC Limited, the same has been included under Non-Controlling interest. The periodic coupon payments are accordingly adjusted with retained earnings.

30.2 In case of PFC's Subsidiary REC Ltd. details of Instruments Entirely Equity in Nature (Perpetual Debt instruments) are as follows:

| Particulars   | Coupon Rate | Number of Bonds | Date of allotment | (₹ in Crore)     |                  |                  |
|---|-------------|-----------------|-------------------|------------------|------------------|------------------|
|   |             |                 |                   | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2021 |
| Fully paid up Perpetual Debts Instrument entirely equity in nature of ₹ 10 lakhs each | 7.97%       | 5,584.00        | 22-Jan-2021       | 558.40           | 558.40           | 558.40           |

30.3 Instrument holders holding more than 5% of Perpetual Debt Instruments entirely equity in nature as at Balance Sheet date:

| Name of the Shareholder            | As at 31.03.2023 |            | As at 31.03.2022 |            | As at 31.03.2021 |            |
|------------------------------------|------------------|------------|------------------|------------|------------------|------------|
|                                    | Number           | Percentage | Number           | Percentage | Number           | Percentage |
| HVPLN Employees Pension Fund Trust | 665              | 11.91%     | 665              | 11.91%     | 665              | 11.91%     |
| HPGCL Employees Pension Fund Trust | 500              | 8.95%      | 500              | 8.95%      | 500              | 8.95%      |

**31 Reformatted Interest Income**

(₹ in crore)

| Sr. No.  | Particulars  | Year ended<br>31.03.2023 | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|----------|--|--------------------------|--------------------------|--------------------------|
| <b>A</b> | <b>On Financial Assets measured at Amortised Cost</b>                      |                          |                          |                          |
| (i)      | Interest on Loans  | 76,195.15                | 74,731.09                | 70,360.77                |
|          | Less : Rebate for Timely Payment to Borrowers                              | (282.32)                 | (386.75)                 | (331.33)                 |
| (ii)     | Interest on Deposits with Banks  | 292.69                   | 339.15                   | 455.25                   |
| (iii)    | Interest on Investment   | 207.26                   | 118.96                   |                          |
| (iv)     | Other Interest Income  | 36.22                    | 31.47                    | 70.71                    |
| <b>B</b> | <b>On Financial Assets classified at Fair Value Through Profit or Loss</b> |                          |                          |                          |
| (i)      | Interest on Investment   | 40.76                    | 47.82                    | 286.23                   |
| (ii)     | Other Income   | 6.17                     | 5.38                     | 3.95                     |
|          | <b>Total Interest Income (A+B)</b>   | <b>76,495.93</b>         | <b>74,887.12</b>         | <b>70,845.58</b>         |

### 32 Dividend Income

(₹ in crore)

| Sr. No. | Particulars  | Year ended 31.03.2023 | Year ended 31.03.2022 | Year ended 31.03.2021 |
|---------|--|-----------------------|-----------------------|-----------------------|
| (A)     | <b>Dividend on equity investments designated at FVTOCI</b> |                       |                       |                       |
| (i)     | Investments held at the end of the year                    | 102.00                | 67.56                 | 87.76                 |
| (ii)    | Investments derecognized during the year                   | 0.98                  | 1.30                  | 0.98                  |
|         | <b>Sub-Total (i+ii)</b>                                    | <b>102.98</b>         | <b>68.86</b>          | <b>88.74</b>          |
| (B)     | Dividend on preference shares                              | 0.02                  | 0.00                  | -                     |
|         | <b>Total Dividend Income (A+B)</b>                         | <b>103.00</b>         | <b>68.86</b>          | <b>88.74</b>          |

**33 Reformatted Fees and Commission Income**

(₹ in crore)

| Sr. No. | Particulars                             | Year ended<br>31.03.2023 | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|---------|---|--------------------------|--------------------------|--------------------------|
| (i)     | Prepayment Premium on Loans             | 114.19                   | 816.97                   | 365.60                   |
| (ii)    | Fee based Income on Loans               | 240.81                   | 228.78                   | 86.44                    |
| (iii)   | 55)                                     | 193.79                   | 23.83                    | 38.32                    |
|         | <b>Total Fees and Commission Income</b> | <b>548.79</b>            | <b>1,069.58</b>          | <b>490.36</b>            |

**34 Reformatted Other Operating Income**

(₹ in crore)

| Sr. No. | Particulars                         | Year ended<br>31.03.2023 | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|---------|-------------------------------------|--------------------------|--------------------------|--------------------------|
| (i)     | Sale of Services (Refer Note 6.10)  | 420.58                   | 233.29                   | 231.42                   |
| (ii)    | Other                               | -                        | 2.81                     | -                        |
|         | <b>Total Other Operating Income</b> | <b>420.58</b>            | <b>236.10</b>            | <b>231.42</b>            |

**35 Reformatted Other Income**

(₹ in crore)

| Sr. No. | Particulars                     | Year ended<br>31.03.2023 | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|---------|---------------------------------|--------------------------|--------------------------|--------------------------|
| (i)     | Excess Liabilities written back | 1.72                     | 12.49                    | 0.15                     |
| (ii)    | Miscellaneous Income            | 55.17                    | 70.77                    | 44.42                    |
|         | <b>Total Other Income</b>       | <b>56.89</b>             | <b>83.26</b>             | <b>44.57</b>             |

**36 Reformatted Finance Costs**

(₹ in crore)

| Sr. No. | Particulars   | Year ended<br>31.03.2023 | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|---------|---|--------------------------|--------------------------|--------------------------|
|         | <b>On Financial Liabilities Measured At Amortised</b>                           |                          |                          |                          |
| (i)     | <b>Interest on Borrowings</b>   |                          |                          |                          |
|         | - Term Loans and others   | 11,864.45                | 8,438.29                 | 8,236.46                 |
|         | - Interest on Lease Liability (Refer Note 51.1)                                 | 1.65                     | 1.75                     | 1.35                     |
| (ii)    | <b>Interest on Debt Securities</b>  |                          |                          |                          |
|         | - Bonds / Debentures  | 31,125.65                | 32,761.10                | 33,566.78                |
|         | - Commercial Paper  | -                        | 54.73                    | 164.74                   |
| (iii)   | <b>Interest on Subordinated Liabilities</b>                                     | 1,402.49                 | 1,374.10                 | 1,373.79                 |
| (iv)    | <b>Other Interest Expense</b>   |                          |                          |                          |
|         | - Interest on Interest Subsidy Fund   | -                        | 1.13                     | 1.41                     |
|         | - Interest on Application Money - Bonds   | 0.01                     | 0.29                     | 0.04                     |
|         | - Interest on advances received from Subsidiaries                               | 4.66                     | 2.87                     | 2.88                     |
|         | - Interest under Income Tax Act, 1961   | 0.88                     | 2.66                     | 24.90                    |
|         | - Other   | 3.62                     | 5.34                     | 6.68                     |
|         | Less: Finance Cost Capitalised  | (0.03)                   | (5.10)                   | (22.04)                  |
|         | <b>On Financial Liabilities Classified at Fair Value Through Profit or Loss</b> |                          |                          |                          |
| (v)     | <b>Swap Premium ( Net )</b>   | 2,613.40                 | 2,071.62                 | 1,326.53                 |
|         | <b>Total Finance Costs</b>  | <b>47,016.78</b>         | <b>44,708.78</b>         | <b>44,683.52</b>         |



### 37 Net Translation/Transaction Exchange Loss /(Gain)

(₹ in crore)

| Sr. No. | Particulars  | Year ended 31.03.2023 | Year ended 31.03.2022 | Year ended 31.03.2021 |
|---------|--|-----------------------|-----------------------|-----------------------|
|         | <b>Net Translation/Transaction Exchange Loss /(Gain) on account of</b>   |                       |                       |                       |
| (i)     | Translation of Long-term foreign currency monetary item (LTFCMI) recognised on or after 01.04.2018                               | 2,221.75              | 1,078.42              | (1,062.15)            |
| (ii)    | Translation of Long-term foreign currency monetary item (LTFCMI) (including Amortisation of FCMITDA) recognised up to 31.03.2018 | 867.52                | 626.21                | 1,228.35              |
|         | <b>Total Net Translation/Transaction Exchange Loss /(Gain)</b>   | <b>3,089.27</b>       | <b>1,704.63</b>       | <b>166.20</b>         |

37.1 The Group's foreign currency monetary items are translated at prevailing rate at the year-end as below:

| Exchange Rates | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2021 |
|----------------|------------------|------------------|------------------|
| USD / INR      | 82.2169          | 75.8071          | 73.5047          |
| Euro / INR     | 89.6076          | 84.6599          | 86.0990          |
| JPY / INR      | 0.6180           | 0.6223           | 0.6636           |
| SGD / INR      | 61.8074          | 55.9438          | 54.3581          |

**38 Reformatted Fees and Commission Expense**

(₹ in crore)

| Sr. No. | Particulars                              | Year ended<br>31.03.2023 | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|---------|--|--------------------------|--------------------------|--------------------------|
| (i)     | Agency Fees                              | 3.21                     | 3.64                     | 4.29                     |
| (ii)    | Guarantee, Listing and Trusteeship fees  | 5.37                     | 7.54                     | 3.09                     |
| (iii)   | Credit Rating Fees                       | 10.73                    | 12.41                    | 12.69                    |
| (iv)    | Other Finance Charges                    | 9.04                     | 3.32                     | 4.16                     |
|         | <b>Total Fees and Commission Expense</b> | <b>28.35</b>             | <b>26.91</b>             | <b>24.23</b>             |

**39 Reformatted Net Loss / (Gain) on Fair Value changes**

(₹ in crore)

| Sr. No. | Particulars  | Year ended<br>31.03.2023 | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|---------|--|--------------------------|--------------------------|--------------------------|
|         | <b>On financial instruments at Fair value through Profit or Loss:</b>            |                          |                          |                          |
| (i)     | - Change in Fair Value of Derivatives  | (192.57)                 | (391.14)                 | (3.15)                   |
| (ii)    | - Change in Fair Value of Investments  | 81.88                    | 43.13                    | (26.26)                  |
| (iii)   | - Change in Fair Value of Short Term Investment of Surplus Funds in Mutual Funds | (5.18)                   | (7.99)                   | (23.98)                  |
|         | <b>Total Net Loss / (Gain) on Fair Value changes</b>                             | <b>(115.87)</b>          | <b>(356.00)</b>          | <b>(53.39)</b>           |
|         | <b>Fair value changes:</b>   |                          |                          |                          |
| (i)     | - Realised   | (238.88)                 | (151.88)                 | (819.41)                 |
| (ii)    | - Unrealised   | 123.01                   | (204.12)                 | 766.02                   |
|         | <b>Total Net Loss / (Gain) on Fair Value changes</b>                             | <b>(115.87)</b>          | <b>(356.00)</b>          | <b>(53.39)</b>           |

39.1 Fair value changes in this note are other than those arising on account of accrued interest income/expense.

**40 Reformatted Impairment on Financial Instruments**

(₹ in crore)

| Sr. No.  | Particulars  | Year ended<br>31.03.2023 | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|----------|--|--------------------------|--------------------------|--------------------------|
| <b>A</b> | <b>On Financial Assets measured at Amortised Cost:</b> |                          |                          |                          |
| (i)      | Loans  | (219.87)                 | 5,651.97                 | 5,980.05                 |
| (ii)     | Other Financial Assets and Trade Receivables           | 30.91                    | 11.11                    | 85.68                    |
| (iii)    | Letter of Comfort                                      | (21.25)                  | 31.99                    | (123.44)                 |
| <b>B</b> | <b>On Financial Assets measured through P&amp;L</b>    |                          |                          |                          |
| (i)      | Write Offs - investments                               | 56.66                    | -                        | -                        |
|          | <b>Total Impairment on Financial Instruments</b>       | <b>(153.55)</b>          | <b>5,695.07</b>          | <b>5,942.29</b>          |

40.1 Refer Note 46.1 for details of impairment on financial

**41 Reformatted Employee Benefit Expenses**

(₹ in crore)

| Sr. No. | Particulars  | Year ended<br>31.03.2023 | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|---------|--|--------------------------|--------------------------|--------------------------|
| (i)     | Salaries and Wages                                 | 321.84                   | 296.13                   | 271.52                   |
| (ii)    | Contribution to Provident and other Funds/ Schemes | 28.72                    | 30.95                    | 30.55                    |
| (iii)   | Staff Welfare Expenses                             | 74.39                    | 70.01                    | 60.72                    |
| (iv)    | Rent for Residential Accommodation of Employees    | 13.93                    | 10.23                    | 8.03                     |
|         | <b>Total Employee Benefit Expenses</b>             | <b>438.88</b>            | <b>407.32</b>            | <b>370.82</b>            |

41.1 Disclosures as per Ind AS 19 'Employee Benefits' in respect of provision made towards various employee benefits are provided in Note 50.

**42 Reformatted Other Expenses**

(₹ in crore)

| Sr. No. | Particulars   | Year ended<br>31.03.2023 | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|---------|---|--------------------------|--------------------------|--------------------------|
| (i)     | Rent, Taxes and Energy Cost   | 9.23                     | 11.66                    | 21.75                    |
| (ii)    | Repairs and Maintenance   | 28.58                    | 38.11                    | 23.39                    |
| (iii)   | Communication Costs   | 5.08                     | 5.48                     | 5.67                     |
| (iv)    | Printing and Stationery   | 2.90                     | 2.12                     | 1.98                     |
| (v)     | Advertisement and Publicity   | 24.65                    | 13.67                    | 16.73                    |
| (vi)    | Directors Fees, Allowance & Expenses                                | 0.83                     | 0.40                     | 0.21                     |
| (vii)   | Auditor's fees and expenses   | 2.99                     | 3.10                     | 2.78                     |
| (viii)  | Legal & Professional charges  | 35.30                    | 21.48                    | 19.44                    |
| (ix)    | Insurance   | 0.50                     | 0.32                     | 0.37                     |
| (x)     | Travelling and Conveyance   | 39.52                    | 25.37                    | 20.73                    |
| (xi)    | Net Loss / (Gain) on derecognition of Property, Plant and Equipment | 9.66                     | 3.88                     | 5.15                     |
| (xii)   | Govt. scheme monitoring expense*                                    | 19.04                    | 18.49                    | -                        |
| (xiii)  | Conference And Meeting Expenses                                     | 18.12                    | 9.40                     | -                        |
| (xiv)   | Security Expenses   | 3.63                     | 3.69                     | -                        |
| (xv)    | Other Expenditure   | 69.41                    | 96.06                    | 67.24                    |
|         | <b>Total Other Expenses</b>   | <b>269.44</b>            | <b>253.23</b>            | <b>185.44</b>            |

\*includes unreconciled balance from one subsidiary amounting to 3 crore (previous year nil)

### 43. Disclosure related to Income Taxes

#### 43.1 Income tax expense recognised in Consolidated Statement of Profit and Loss:

(₹ in crore)

| Particulars                                       | FY 2022-23      | FY 2021-22      | FY 2020-21        |
|---|-----------------|-----------------|-------------------|
| <b>Current Tax expense:</b>                       |                 |                 |                   |
| Current Year                                      | 5,119.10        | 5,501.89        | 5,321.55          |
| Earlier Years                                     | (198.44)        | (40.01)         | 401.96            |
| <b>(A) Total Current Tax Expense</b>              | <b>4,920.66</b> | <b>5,461.88</b> | <b>5,723.51</b>   |
| <b>Deferred Tax Expense /(Income)</b>             |                 |                 |                   |
| Origination and reversal of temporary differences | 396.82          | (847.87)        | (1,548.98)        |
| <b>(B) Total Deferred Tax Expense/(Income)</b>    | <b>396.82</b>   | <b>(847.87)</b> | <b>(1,548.98)</b> |
| <b>Total Income Tax Expense (A+B)</b>             | <b>5,317.48</b> | <b>4,614.01</b> | <b>4,174.53</b>   |

#### 43.2 Income tax expense recognised in Consolidated Other Comprehensive Income:

(₹ in crore)

| Particulars   | FY 2022-23      | FY 2021-22    | FY 2020-21     |
|---|-----------------|---------------|----------------|
| <b>Current Tax Expense/(Income)</b>   |                 |               |                |
| <b>Items that will not be reclassified to Profit and Loss</b>                   |                 |               |                |
| Re-measurement of Defined Benefit Plans   | (1.45)          | (1.75)        | -              |
| <b>(A) Total Current Tax Expense/(Income)</b>                                   | <b>(1.45)</b>   | <b>(1.75)</b> | <b>-</b>       |
| <b>Deferred Tax Expense/(Income)</b>  |                 |               |                |
| <b>(B) Items that will not be reclassified to Profit or Loss</b>                |                 |               |                |
| Re-measurement of Defined Benefit Plans   | (1.00)          | (1.72)        | 4.72           |
| Net Gain / (Loss) on Fair Value of Equity Instruments                           | (9.84)          | 7.03          | (6.01)         |
| <b>(C) Items that will be reclassified to Profit or Loss</b>                    |                 |               |                |
| Effective portion of Gains and (Loss) on hedging instruments in Cash Flow Hedge | 234.65          | 226.52        | (13.38)        |
| Cost of Hedging Reserve   | (645.29)        | (238.42)      | (74.98)        |
| <b>(D) Total Deferred Tax Expense/(Income) (B+C)</b>                            | <b>(421.48)</b> | <b>(6.59)</b> | <b>(89.65)</b> |
| <b>Total Tax Expense/(Income) recognised in OCI (A+D)</b>                       | <b>(422.93)</b> | <b>(8.34)</b> | <b>(89.65)</b> |

#### 43.3 Reconciliation of tax expense and accounting profit

Reconciliation of tax expenses and product of profit before tax and corporate tax rate:

(₹ in crore)

| Particulars  | FY 2022-23       | FY 2021-22       | FY 2020-21       |
|--|------------------|------------------|------------------|
| <b>Profit before Tax</b>   | <b>26,499.14</b> | <b>23,382.22</b> | <b>19,890.73</b> |
| Applicable Tax Rate  | 25.168%          | 25.168%          | 25.168%          |
| <b>Tax using the applicable tax rate</b>                                   | <b>6,669.30</b>  | <b>5,884.83</b>  | <b>5,006.10</b>  |
| Tax effect of:   |                  |                  |                  |
| Non-deductible tax expenses  | 107.46           | 139.88           | 127.40           |
| Tax exempt income  | (3.00)           | (2.62)           | (8.62)           |
| Deduction u/s 80M of Income Tax act 1961                                   | (439.13)         | (609.93)         | (303.08)         |
| Deduction u/s 36(1)(viii) of Income Tax act 1961                           | (1,268.07)       | (1,114.48)       | (1,283.04)       |
| Others   | 32.93            | 26.31            | (51.63)          |
| Tax expense pertaining to earlier years                                    | (198.44)         | (40.00)          | 401.96           |
| Impact of change in tax rate   | -                | (3.98)           | -                |
| Effect of eliminations   | 416.43           | 334.00           | 285.44           |
| <b>Total tax expenses in the Consolidated Statement of Profit and Loss</b> | <b>5,317.48</b>  | <b>4,614.01</b>  | <b>4,174.53</b>  |

#### 43.4 Deductible temporary differences / unused tax losses / unused tax credits carried forward in respect of PFC

| Particulars   | As at<br>31.03.2023<br>(₹ in crore) | Expiry<br>date | As at<br>31.03.2022<br>(₹ in crore) | Expiry date | As at<br>31.03.2021<br>(₹ in crore) | Expiry date |
|---|-------------------------------------|----------------|-------------------------------------|-------------|-------------------------------------|-------------|
| Deductible temporary differences / unused tax losses / unused tax credits for which no deferred tax asset has been recognised | -                                   | -              | 1.25                                | 31.03.2024  | 1.25                                | 31.03.2024  |
|   | -                                   | -              | 2.54                                | 31.03.2025  | 2.54                                | 31.03.2025  |
|   | -                                   | -              | 0.03                                | 31.03.2028  | 0.03                                | 31.03.2028  |
|   | -                                   | -              | 0.07                                | 31.03.2029  | -                                   | -           |

**44. Disclosure as per Ind AS 33 "Earnings per Share"**

| Sr. No. | Description  | FY 2022-23     | FY 2021-22     | FY 2020-21     |
|---------|--|----------------|----------------|----------------|
| (A)     | Profit for the period used as numerator (basic & diluted) (₹ in crore):        |                |                |                |
|         | (i) from continuing operations   | 15,889.33      | 14,014.79      | 11,747.83      |
|         | (ii) from discontinued operations  | -              | -              | -              |
|         | (iii) from continuing and discontinued operations                              | 15,889.33      | 14,014.79      | 11,747.83      |
| (B)     | Weighted average number of equity shares used as denominator (basic & diluted) | 2,64,00,81,408 | 2,64,00,81,408 | 2,64,00,81,408 |
| (C)     | Earning per equity share (basic & diluted), face value ₹ 10 each (₹):          |                |                |                |
|         | (i) for continuing operations  | 60.19          | 53.08          | 44.50          |
|         | (ii) for discontinued operations   | -              | -              | -              |
|         | (iii) for continuing and discontinued operations                               | 60.19          | 53.08          | 44.50          |

#### 45. Capital Management

The Group maintains a capital base that is adequate to support the Group's risk profile, regulatory and business needs. The Group sources funds from domestic and international financial markets, inter-alia leading to diverse investor base and optimised cost of capital. Refer Note 22, 23 & 24 for details w.r.t. sources of funds and refer Consolidated Statement of Changes in Equity for details w.r.t Equity.

As contained in RBI Master Directions - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time (hereinafter referred to as "RBI Master Directions"), NBFCs are required to maintain a capital ratio consisting of Tier I and Tier II capital not less than 15% of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet items. Out of this, Tier I capital shall not be less than 10%. The Company and its subsidiary RECL are registered with RBI as Non Deposit Systematically Important (NDSI) NBFCs. Both the companies regularly monitor the maintenance of prescribed levels of Capital to Risk Weighted Assets Ratio (CRAR). Further, with regard to capital restructuring, the Company and its subsidiary RECL is also guided, inter alia, by guidelines on "Capital Restructuring of Central Public Sector Enterprises" issued by Department of Investment and Public Asset Management (DIPAM), Ministry of Finance, Department of Public Enterprises in respect of issue of bonus shares, dividend distribution, buy back of equity shares etc.

Capital to Risk Weighted Assets Ratio (CRAR) is as under:

| Particulars            | As at 31.03.2023 |        | As at 31.03.2022 |        | As at 31.03.2021 |        |
|------------------------|------------------|--------|------------------|--------|------------------|--------|
|                        | PFC              | RECL   | PFC              | RECL   | PFC              | RECL   |
| CRAR – Tier I Capital  | 21.61%           | 22.84% | 20.00%           | 19.58% | 15.46%           | 16.31% |
| CRAR – Tier II Capital | 2.76%            | 2.94%  | 3.48%            | 4.03%  | 3.37%            | 3.41%  |
| Total CRAR             | 24.37%           | 25.78% | 23.48%           | 23.61% | 18.83%           | 19.72% |

\* Computed as per applicable RBI guidelines.

#### Dividend Distribution Policy

The companies in the Group have a well-defined dividend distribution policy. Dividend distribution policy focuses on various factors including but not limited to GoI guidelines, RBI circulars / guidelines, future capital expenditure plans, profits earned during the financial year, cost of raising funds from alternate sources, cash flow position and applicable taxes if any, subject to the guidelines as applicable from time to time.

As per the extant guidelines issued by Department of Investment and Public Asset Management (DIPAM), Government of India, an entity is required to pay a minimum annual dividend of 30% of Profit after Tax or 5% of the net-worth, whichever is higher subject to the maximum dividend permitted under extant legal provisions.

Though respective companies' endeavours to declare dividend as per these guidelines, they may propose a lower dividend after analysis of various financial parameters like net-worth, CAPEX/business expansion needs; additional investments in subsidiaries / associates of the respective company; other regulatory requirements etc. For details of dividend paid/proposed during the year, refer Note 29.2(i) and 29.2(ii).

#### 46. Financial Risk Management

The Group is exposed to several risks which are inherent to the environment that it operates in. The Group is primarily into the business of extending financial assistance to power, logistics and infrastructure sector. The principal risks which are inherent with the Group's business model and from its use of financial instruments include credit risk, liquidity risk and market risk (currency risk, interest rate risk and price risk).

The following table broadly explains the sources of risks which the Group is exposed to and how it manages the same and related impact in the consolidated financial statements:

| Note | Risk           | Exposure arising from   | Measurement         | Risk Management  |
|------|----------------|---|---------------------|--|
| 46.1 | Credit Risk    | Loans, financial assets, investments, trade receivables, cash and cash equivalents    | Ageing analysis     | Detailed appraisal process, credit concentration limits, diversification of asset base and collateral including government guarantee |
| 46.2 | Liquidity Risk | Debt securities, borrowings, subordinated liabilities and other financial liabilities | Cash flow forecasts | Availability of committed credit lines and borrowing facilities  |

|      |                                     |  |  |   |
|------|-------------------------------------|--|--|---|
| 46.3 | Market Risk – Foreign Currency Risk | Recognised financial liabilities not denominated in Indian Rupee (INR)                     | Sensitivity Analysis, cash flow forecasting      | Derivative contracts for hedging currency risk  |
| 46.4 | Market Risk – Interest Rate Risk    | Debt securities, borrowings, subordinated liabilities and loans at variable interest rates | Interest rate gap analysis, Sensitivity analysis | Mix of loan arrangements with varied interest rate terms, derivative contract like interest rate swaps etc. |
| 46.5 | Market Risk – Price Risk            | Investments in quoted equity instruments   | Sensitivity Analysis                             | Diversification of portfolio, with focus on strategic investments   |

For managing these risks, the companies in the Group have put in place an integrated enterprise-wide risk management mechanism to ensure that these risks are monitored carefully and managed efficiently. In accordance with the RBI Master Direction in order to augment risk management practices in the respective Company, PFC and its subsidiary RECL has respective Chief Risk Officers (CRO) who are involved in the process of identification, measurement and mitigation of risks. The risk management approach i.e. objectives, policies and processes for identifying, measuring and managing each of above risk is set out in the subsequent paragraphs.

#### 46.1 Credit Risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Group by failing to discharge its obligation. Details of financial assets that expose the Group to credit risk (gross carrying amount) are:

(₹ in crore)

| Particulars   | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2021 |
|---|------------------|------------------|------------------|
| <b>Low Credit Risk</b>  |                  |                  |                  |
| Cash and cash equivalents <sup>(a)</sup>                                      | 127.59           | 914.24           | 4,927.74         |
| Bank balances other than included in cash and cash equivalents <sup>(a)</sup> | 3,973.43         | 5,770.26         | 3,274.82         |
| Loans (Principal outstanding) <sup>(c)</sup>                                  | 7,98,755.96      | 6,57,482.61      | 6,55,373.44      |
| Trade Receivables <sup>(b)</sup>  | 185.69           | 123.02           | 151.99           |
| Investments (Excluding equity investments) <sup>(a)</sup>                     | 3,772.30         | 2,138.59         | 1,594.76         |
| Other financial assets <sup>(b)</sup>   | 29,835.07        | 29,820.35        | 29,779.87        |
| <b>Moderate Credit Risk</b>   |                  |                  |                  |
| Loans (Principal outstanding) <sup>(c)</sup>                                  | 27,350.31        | 62,938.57        | 50,408.61        |
| Trade receivables <sup>(b)</sup>  | 37.62            | 30.97            | 55.32            |
| <b>High Credit Risk</b>   |                  |                  |                  |
| Investments (Excluding equity investments) <sup>(a)</sup>                     | 101.67           | 101.67           | -                |
| Loans (Principal outstanding) <sup>(c)</sup>                                  | 31,393.73        | 38,075.17        | 39,407.09        |
| Other financial assets <sup>(b)</sup>   | 113.59           | 115.97           | 111.37           |
| Trade receivables <sup>(b)</sup>  | 66.81            | 63.32            | 54.26            |

<sup>(a)</sup>Credit risk on cash and cash equivalents and other bank balances is limited as these are held with scheduled commercial public sector banks, high rated private sector banks and mutual fund houses, across the country with diversified deposit base. The Companies in the Group diversify the deposit base by deploying funds in various types of instruments with respective banks/ mutual fund houses.

Exposure to credit risk on investments is managed by diversifying the investment portfolio, periodically monitoring such investments, and applying the appropriate valuation techniques to arrive at the carrying value.

<sup>(b)</sup>Credit risk on trade receivables and other financial assets is mitigated by assessing the credit worthiness of debtors and is managed by monitoring the recoverability of such amounts. The Group carries requisite impairment loss allowance on such trade receivables and other financial assets.

<sup>(c)</sup>The Group is exposed to credit risk primarily through its lending operations. The same is explained in the paragraphs below (Note 46.1.1 – Note 46.1.13).

##### 46.1.1 Credit Risk Management Approach for lending operations

###### A. In respect of PFC

PFC has put in place key policies and processes for managing credit risk, which include formulating credit policies, guiding the PFC's appetite for credit risk exposures, undertaking reviews & objective assessment of credit risk, and monitoring performance and management of portfolios. All the procedures and processes of the Company are ISO 9001:2015 certified.

The credit risk management covers two key areas, i.e., project appraisal & project monitoring. PFC selects the borrowers in accordance with the PFC's approved credit policy, which inter alia, defines factors to be considered for rating of the borrower/ project. PFC's customer selection procedure assesses viability of project along with that of its promoting entity. Rate of interest and maximum admissible exposure is, inter alia, based on internal rating awarded by PFC.

#### **(i) Appraisal of Projects**

PFC follows a systematic, institutional project appraisal process to assess the credit risk before financing any project.

##### **(a) Appraisal for Private Sector Power Projects**

For private sector projects, a two-stage appraisal process is followed. Initially a preliminary appraisal is carried out in order to decide the prima facie preparedness of the project to be taken up for detailed appraisal. Detailed appraisal is carried out for those projects shortlisted by the Competent Authority on the basis of preliminary appraisal.

PFC along with evaluation of project viability also assesses the ability of its promoter(s) to contribute equity and complete the project. PFC follows an integrated rating methodology whereby Integrated Rating (IR) is calculated using the weighted average of the scores of the project grading and promoter grading. Based on the IR of the project, terms and conditions (including security package, interest rate and debt equity ratio) are stipulated.

##### **(b) Appraisal for State Sector Power Projects**

State sector projects are taken up for detailed appraisal to determine, inter-alia, if it is techno economically sound and compatible with integrated power development & expansion plans of the State.

PFC classifies state power generation and transmission utilities into various risk rating grades based on the evaluation of utility's performance against specific parameters covering operational and financial performance. With regards to transmission utilities, PFC adopts the categorisation of its subsidiary RECL as per its policy. With regard to State Power Distribution utilities including integrated utilities, PFC's categorisation policy provides for adoption of Ministry of Power's (MoP's) Integrated Ratings by aligning such ratings/ grading with that of PFC's rating structure.

Such categories/ ratings are used to determine credit exposure limits, security requirements and pricing of loans given to the State Sector Borrowers. PFC also has a mechanism in place for monitoring the exposure to single borrower and exposure within a State.

The detailed project appraisal involves technical and financial appraisal covering various aspects such as project inputs, statutory and non-statutory clearances, contracts, project linkages, financial modelling/ projections, calculation of returns, sensitivity analysis etc.

After detailed analysis indicated above, the overall viability of the project and entity is assessed and various conditions in the form of pre-commitment, pre-disbursement and other conditions are stipulated so as to ensure tying up of funds (debt and equity both), all physical inputs, appropriateness of all the contracts, compliance of conditions precedent in agreements/ contracts/ statutory and non- statutory clearances related to the project etc. and in general to ensure bankability of the project & protection of the interest of PFC as a lender for timely servicing of debt. PFC has an authorisation/ delegation structure for the approval of credit facilities commensurating with the size of the loan.

#### **(ii) Security and Covenants**

PFC stipulates a package of security measures/covenants to mitigate risks during the construction and post COD



(commercial operation date) stage of the project. Based on the risk appetite and appraisal of the project, PFC adopts a combination of the following measures:

- (a) Primary Security -Charge on Project Assets or State Government Guarantees
- (b) Collateral Securities - Corporate guarantee, Personal guarantee of promoters, Pledge of shares, Charge on assets / revenues of group/other companies
- (c) Payment Security Mechanism - Escrow Account / Letter of Credit, Trust and Retention Account (TRA)
- (d) Other covenants - Assignment of all project contracts, documents, insurance policies in favour of the Company, Upfront equity requirement, Debt Service Reserve Account (DSRA), Debt Equity ratio, shareholders' agreements, financial closure, etc.

### **(iii) Project Monitoring**

PFC has comprehensive project/loan monitoring guidelines that captures aspects relating to monitoring, tracking of project construction, implementation, identifies risks where intervention is required to minimize the time/ cost overruns/ consequent slippages in disbursements and including progress of commissioned projects.

For State sector projects, monitoring is carried out based on project progress details obtained regularly from borrowers through progress monitoring reports, site visits, discussions with the borrowers, information/reports available on Central Electricity Authority's (CEA) website etc.

For private sector, where PFC is Lead Financial Institution (FI), PFC engages Lenders' Engineers (LEs) and Lenders' Financial Advisors (LFAs), which are independent agencies to act on behalf of various lenders / consortium members. The LEs conduct periodic site visits, review relevant documents, discusses with the borrowers and submit its reports on progress of the project. LFAs submit the statements of fund flow and utilization of funds in the project periodically. In cases where PFC is not the lead FI, the tasks related to LEs and LFAs services are coordinated with the concerned lead lender. From FY 2022-23 onwards PFC has started empanelling Project Management Agency (PMA), as a single entity, for private sector projects, thereby facilitating better coordination of project monitoring activities.

Also, the consolidated periodic progress report of certain projects is prepared comprising important observations/ issues viz. areas of concern, reasons for delay, issues affecting project construction/implementation etc. and is reviewed by PFC on a regular basis.

PFC continuously monitors delays and/or default of borrowers and their recoverability. On occurrence of default in the borrower's account, PFC initiates necessary steps which may involve action(s) including, but not limited to, Special Mention Account (SMA) reporting to RBI, credit information reporting to Central Repository of Information

on Large Credits (CRILC) etc., regularization of the account by recovering all overdues, invocation of guarantees/ securities to recover the dues, conversion of loan into equity as per loan agreement, restructuring of loan account, formulating resolution plan with the borrower, change in ownership, Corporate Insolvency Resolution Process (CIRP) under IBC -2016, sale of the exposures to other entities/investors, other recovery mechanisms like referring the case for legal action before Debt Recovery Tribunal (DRT), SARFAESI, etc. and other actions as specified under regulatory/legal framework.

### **B. In respect of RECL**

The credit risk is managed at different levels including at appraisal, disbursements and post disbursement monitoring. RECL has "Integrated Rating Guidelines" and "Comprehensive Risk Management Policy". To mitigate credit risk, RECL follows systematic institutional and project appraisal process to assess the credit risk. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. Further, on periodic basis, the loan assets are reviewed and categorized as High/Moderate/Low based on ECL Methodology. The process for Credit Risk Management is as under:

- (i) RECL has "Integrated Rating Guidelines" covering credit assessment, risk grading, collateral requirements, reporting, monitoring of end utilisation of funds etc. Further, independent Lender legal counsels are appointed to ensure effective documentation and mitigation of legal risk.
- (ii) For all existing private sector projects, where RECL is Lead Financial Institution, RECL engages Lender's Independent Engineers (LIE), Lender's Financial Advisors (LFA) and Lender's Insurance Advisors (LIA),

which are independent agencies who act on behalf of various lenders and consortium members. LIE conducts periodic site visits and submits reports on progress status of the project, after discussion with borrower and inspection/ review of relevant documents. LFA submit the statements of fund flow and utilization of funds in the project periodically. In cases where RECL is not the lead Financial Institution, the tasks related to LIE and LFA services are being coordinated with the lead lender.

RECL also endeavours to appoint a separate Project Management Agency (PMA) for new projects being financed, which subsumes the entire works of LIE /Project Management Consultant (PMC), LFA and LIA for better coordination among the agencies. PMA is stationed at project site to closely monitor various day to day project execution activities including monitoring of project progress, review of EPC/non-EPC contracts & invoices, fund utilization and insurance for the project. PMA also verifies the bills of original equipment manufacturer/ supplier, composite works contractor and give its recommendation for disbursement. Initial due diligence is also be performed by PMA taking the sanctity of technical and financial parameters including original project cost & COD.

Concurrent Auditors/Agencies for Specialized monitoring/Cash Flow monitoring agencies are being appointed by REC/Lenders on case to case basis for effective monitoring of Trust & Retention Account (TRA) for stressed projects.

- (iii) RECL has an authorisation structure for the approval and renewal of credit facilities. Authorisation limits have been established commensurating with the size of business proposal at CMD/Executive Committee/Loan Committee/Board of Directors based on the recommendation of Screening Committee, as appropriate.
- (iv) RECL has developed risk grading structure to categorise its exposures according to the degree of risk of default by charging appropriate interest rates and security package.
- (v) Regular reports on the credit quality of loan portfolios are provided to Risk Management Committee and Board, which may require appropriate corrective action to be taken.
- (vi) External agencies are appointed from time to time to review the guidelines, policy and existing practices being followed by business units along with providing the specialist skills to promote best practice throughout RECL for management of credit risk.
- (vii) Individual and Group Credit Exposures are assessed against designated limits, before facilities are committed to borrowers by the business unit concerned. Sanction of additional facilities is also subject to the same review process.
- (viii) RECL continuously monitors delays and/ or default of borrowers & other counterparties and their recoverability. On occurrence of default in the borrower's account, RECL initiates necessary steps to cure the default which may involve action(s) including, but not limited to, Special Mention Account (SMA) reporting to RBI, credit information reporting to Central Repository of Information on Large Credits (CRILC), etc., monitoring of the TRA account, conversion of loan into equity as per loan agreement, restructuring of loan account, formulating resolution plan with the borrower, change in ownership, Corporate Insolvency Resolution Process (CIRP), sale of the exposures to other entities/ investors and other recovery mechanisms including invocation of guarantees/ securities to recover the dues.

#### **46.1.2 Credit Risk Measurement - Impairment Assessment for Lending Operations**

Ind-AS 109 outlines a three staged model for measurement of impairment based on changes in credit risk since initial recognition. For classification of its borrowers into various stages, the Group uses the following basis:

- A financial asset that is not credit impaired on initial recognition is classified in 'Stage 1'.
- If a significant increase in credit risk (SICR) is identified, the financial asset is moved to 'Stage 2'.
- If the financial asset is credit-impaired, it is moved to 'Stage 3' category.

PFC recognises impairment loss allowance in accordance using the expected credit loss (ECL) model for the financial assets which are not categorised at fair value through profit or loss.

- I. **Default:** In accordance with Ind AS 109, PFC considers the rebuttable presumption to define a financial asset as in default, i.e. when the loan account is more than 90 days past due on its contractual payments. Credit impaired financial assets are aligned with the definition of default.
- II. **SICR** - An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting date by considering the change in the risk of default occurring over the remaining life of the financial instrument. In accordance with Ind AS 109, PFC has applied rebuttable presumption that considers more than 30 days past due as a parameter for determining significant increase in credit risk.

In case of Stage 3 financial assets, after implementation of the resolution plan (except for change of ownership and/or resolution through NCLT), the financial asset is upgraded and classified as Stage 2 for two quarters from the date of implementation of resolution plan.

### III. Measurement of Expected Credit Loss (ECL)

PFC recognises impairment loss allowance for the financial assets in accordance with a board-approved expected credit loss (ECL) policy. ECL is measured on either a 12 month or lifetime basis depending on whether there is significant increase in credit risk since initial recognition. ECL is the product of Probability of default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). PFC has appointed an independent agency, CRISIL Ltd., during the financial year for assessment of ECL in accordance with Ind AS 109. The brief methodology of computation of ECL is as follows:

#### (i) Probability of default (PD)

PD is an estimate of the likelihood of default over a given time horizon. It is estimated as at a point in time. For assessing 12 month PD, probability of a loan defaulting in next 12 months is ascertained and similarly for assessing lifetime PD, probability of a loan defaulting in its remaining lifetime is ascertained.

For Stage 1 accounts, 12 months PD is used.

For Stage 2 (significantly increased credit risk accounts), Lifetime PD is used.

For Stage 3 (credit impaired accounts), 100% PD is taken.

12-month PD: In case of State Sector borrowers, for the purpose of PD calculation, the risk rating grades of the utilities are considered. For Gencos/Transcos/Others, PFC's internal rating grades have been considered. For Discoms / Power Department borrowers, PFC has adopted the MoP ratings. The ratings as above has been be mapped with the standard external rating benchmarks. The PD factor associated with the mapped external rating as given in the PD transition matrix published by various Credit Rating Agencies(CRAs) have been used for PD calculation.

In case of Private sector borrowers, the latest external rating as published by various Credit Rating Agencies have been referred to compute PD using the PD transition matrix published by various CRAs. If external rating is not available, the PD has been computed through Proxy Risk Scoring Model on a 10-point scale with 1 suggesting minimum risk and 10 suggesting the highest risk. The said model uses the Quantitative financial ratios like Gearing (Debt/Equity), Return on Capital Employed, Interest Coverage ratio, Debt to EBITDA ratio and qualitative factors like PLF, ACS/ ARR ratio or LAF to arrive at the final Risk score. The financial risk score obtained have been mapped to external rating benchmarks. This mapped rating has been referred to compute PD associated with the rating using the PD transition matrix published by various CRAs.

For Lifetime PD: Markov Chain Model has been used to compute Lifetime PDs of the rating grade.

#### (ii) Loss Given Default (LGD)

LGD is the loss factor which the Company may experience in case the default occurs.

For State sector borrowers, the company considers the credit worthiness of the states on various parameters while estimating the LGD for state utilities. For estimating the credit worthiness of the state, parameters like State GDP per capita, Fiscal deficit/GDP ratio and Proportion on Revenue Expenditure on Energy Sector, etc. are used as key inputs. The state utilities are bifurcated into Low, Medium and High-risk category based on the state category.

In case of Private sector borrowers, LGD has been assessed considering factors related to the project to arrive at realisable value of the plant such as generation capacity, project cost per MW, percentage completion of the plant, and book value of the assets etc. A stress factor was also applied as a haircut to arrive at the realisable value.

For Stage 3 borrowers, LGD has been assessed project wise based on Bid value/resolution plan amount/OTS amount/any other value/ discounted cash flows etc. as applicable.

**(iii) Exposure at Default (EAD)**

Exposure at Default is the outstanding exposure on which ECL is computed. EAD includes outstanding principal and interest accrued (including delayed charges) in respect of the loan. As per Note no.7.1.(ii) , income on credit impaired assets is recognised as and when received or on accrual basis when expected realisation is higher than the loan amount outstanding, therefore, the same is not used in computation of Exposure at default..

**(iv) Key assumptions used in measurement of ECL**

- PFC considers the date of initial recognition as the base date from which significant increase in credit risk is determined.

- Since PFC has a right to cancel any sanctioned but undrawn limits to any of its borrowers, EAD is assumed to be outstanding balance and interest of the loan as on the reporting date.

- (v) The assessment of significant increase in risk and the calculation of ECL both incorporate forward-looking information. Further, the independent agency appointed to assist the Company in ECL assessment also consider the forward-looking information in the determination of the impairment allowance to be assigned to the borrower, by taking into consideration various project operational parameters, project financial ratios, extension of the project completion and also possibility of stressed and favourable economic conditions. Further, the independent agency has also added some additional macroeconomic parameters such as IIP (index of industrial production) electricity y-o-y growth rate, Money supply y-o-y growth rate to arrive at a weighted shock factor to the base PD term structure for ECL computation so as to reflect the right risk assessment of the utilities.

**B. In respect of RECL**

The impairment loss allowance on loan assets is provided as per Ind AS 109 in accordance with a board-approved policy, which measures the credit risk on the basis of key financial and operational parameters to assess improvement/ deterioration in credit quality. Management overlays to the model output, if any, are duly documented and approved by the Audit Committee. The evaluation of Expected Credit Loss (ECL) is undertaken by an independent agency, ICRA Analytics Limited (formerly ICRA Online Limited).

- I. RECL has an internal system of grading for State Governments, Public Sector Undertakings and State Power Utilities. However, for State Distribution Companies (DISCOMs), RECL adopts the ratings by the Ministry of Power as and when they are updated. These ratings are mapped with external rating grades published by various credit rating agencies as part of rating transition matrix. For private borrowers, RECL uses the external rating as published by various credit rating agencies or proxy risk scores in case such rating is not available. The proxy risk score model considers following parameters:

➤ Quantitative factors

- Debt/ EBITDA (30% weightage)
- Return on Capital Employed (15% weightage)
- Interest Coverage (25% weightage)
- Gearing (Debt/Equity) (30% weightage)

➤ Qualitative Factors

- Quarter wise Operational Parameters like PPA, PLF, ACS – ARR Gap, and LAF
- Actual Default dates
- Status of the Project

II. Significant Increase in Credit Risk (SICR)

RECL considers a financial instrument to have experienced a significant increase in credit risk when on any financial instrument if the payment is more than 30 days past due on its contractual payments.

### III. Definition of default and credit-impaired assets

RECL defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when the loan account is more than 90 days past due on its contractual payments or any such period allowed by RECL in line with circular issued by the Reserve Bank of India.

### IV. Measuring ECL - explanation of inputs, assumptions and estimation techniques

Expected credit losses are the product of the probability of default (PD), exposure at default (EAD) and loss given default (LGD), defined as follows:

- PD represents the likelihood of the borrower defaulting on its obligation either over next 12 months or over the remaining lifetime of the instrument.
- EAD represents the amounts, including the principal outstanding, interest accrued and outstanding Letters of Comfort that RECL expects to be owed at the time of default.
- LGD represents RECL's expectation of loss given that a default occurs. LGD is expressed in percentage and it shows the proportion of the amount that will actually be lost post recoveries in case of a default.

### V. Determination of Probability of Default (PD)

RECL has analysed the available annual rating transition matrix published by credit rating agencies to arrive at annual transition matrix based PD. This annual transition matrix was extrapolated to arrive at the lifetime probability of default of various rating grades by loan tenure / maturity profile i.e. lifetime PD. However, for State Distribution Companies (DISCOMs), the Company adopts the ratings by the Ministry of Power as and when they are updated.

### VI. Loss Given Default (LGD) computation model

Based on the historical trend, research and industry benchmarking, RECL has constructed a LGD model. Factors reviewed in the LGD model include Project cost per unit, PPA status, FSA status etc. Based on internal research RECL has benchmarked these factors for Thermal, Renewable in Private Sector. In case of Private sector borrowers, the realizable value of the assets were arrived at using suitable assumptions, including valuation on outcome of the resolution process etc., to arrive at LGD. For State Government and Public sector projects, RECL has factored in the state support and assumed that the State/Central governments would step in to repay debt obligations of the state utilities as witnessed in the past.

### VII. Alignment of LGD in case of Stage 3 Assets

Stage 3 Assets, where RECL and PFC (Group Companies) are in Consortium for Stage-3 Loan accounts, RECL considers LGD on the following basis:

- a) In cases where either RECL or PFC is lead lender, LGD % calculated by the lead lender is adopted
- b) In cases where neither RECL nor PFC is lead lender, higher of the LGD% worked out by RECL and PFC is adopted.

### VIII. Key assumptions used in measurement of ECL

- a) RECL considers the date of initial recognition as the base date from which significant increase in credit risk is determined.
- b) EAD represents the amounts, including the principal outstanding, interest accrued and outstanding Letters of Comfort that RECL expects to be owed at the time of default.

### IX. Collateral and other credit enhancements

RECL employs a range of policies and practices to mitigate credit risk. The most common of these is accepting collateral for funds disbursed. RECL has internal policies on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances are:

- Mortgage of Immovable properties
- Hypothecation of Moveable property
- Assignment of project contract documents

- Pledge of instruments through which promoters' contribution is infused in the project
- Pledge of Promoter Shareholding
- Corporate and personal Guarantee of Promoters

#### 46.1.3 Credit risk analysis for Lending Operations

##### Exposure to credit risk

For loans recognized in the balance sheet, the gross exposure to credit risk equals their carrying amount. Refer Note 12 'Loans' for Group's exposure to credit risk arising from loans.

For financial guarantee issued, the maximum exposure to credit risk is the maximum amount that the Group would have to pay if the guarantees are called upon. For irrevocable loan commitments, the maximum exposure to credit risk is the full amount of the commitment facilities. Refer Note 52 for exposure of Guarantee and Outstanding Disbursement Commitments.

##### A. In case of PFC

The credit quality and maximum exposure (principal outstanding) to credit risk based on days past due and year end stage classification of loans is tabulated below:

(₹ in crore)

| Days past Due (DPD) | As at 31.03.2023   |                     |                  |                    | As at 31.03.2022   |                       |                  |                    |
|---------------------|--------------------|---------------------|------------------|--------------------|--------------------|-----------------------|------------------|--------------------|
|                     | Stage 1            | Stage 2             | Stage 3          | Total              | Stage 1            | Stage 2               | Stage 3          | Total              |
| No overdue          | 3,89,559.28        | 674.51 <sup>#</sup> | -                | 3,90,233.79        | 3,20,384.30        | 594.09 *              | -                | 3,20,978.39        |
| 1-30 days           | 0.07               | -                   | -                | 0.07               | 5,320.69           | -                     | -                | 5,320.69           |
| 31-60 days          | -                  | -                   | -                | -                  | -                  | 2,190.12              | -                | 2,190.12           |
| 61-90 days          | -                  | 15,111.70           | -                | 15,111.70          | -                  | 21,477.77             | -                | 21,477.77          |
| More than 90 days   | -                  | 650.51 <sup>@</sup> | 16,501.65        | 17,152.16          | -                  | 2,252.36 <sup>@</sup> | 20,915.28        | 23,167.64          |
| <b>Total</b>        | <b>3,89,559.35</b> | <b>16,436.72</b>    | <b>16,501.65</b> | <b>4,22,497.73</b> | <b>3,25,704.99</b> | <b>26,514.34</b>      | <b>20,915.28</b> | <b>3,73,134.61</b> |

| Days past Due (DPD) | As at 31.03.2021   |                      |                  |                    |
|---------------------|--------------------|----------------------|------------------|--------------------|
|                     | Stage 1            | Stage 2              | Stage 3          | Total              |
| No overdue          | 3,01,686.14        | 13,178.38 *          | -                | 3,14,864.52        |
| 1-30 days           | 414.13             | -                    | -                | 414.13             |
| 31-60 days          | -                  | 14,261.70            | -                | 14,261.70          |
| 61-90 days          | -                  | 18,313.31            | -                | 18,313.31          |
| More than 90 days   | -                  | 1767.16 <sup>@</sup> | 21,150.16        | 22,917.32          |
| <b>Total</b>        | <b>3,02,100.27</b> | <b>47,520.56</b>     | <b>21,150.16</b> | <b>3,70,770.99</b> |

<sup>#</sup> Pending transfer of ownership, the account has been classified as Stage 2.

\*Since the borrower is in Stage 2 in other loans, these loans (which otherwise would have been categorised in Stage 1) have also been categorised in stage 2.

<sup>@</sup> Refer Note 46.1.10

##### B. In respect of RECL

(₹ in crore)

| Credit Risk Category (Internal/ Mapped Ratings) | As at 31.03.2023   |                  |                  |                    | As at 31.03.2022   |                  |                  |                    |
|---|--------------------|------------------|------------------|--------------------|--------------------|------------------|------------------|--------------------|
|   | Stage 1            | Stage 2          | Stage 3          | Total              | Stage 1            | Stage 2          | Stage 3          | Total              |
| <b>Performing</b>                               |                    |                  |                  |                    |                    |                  |                  |                    |
| Very Good (AAA   AA   A   Government Loan)      | 1,92,836.82        | 276.33           | -                | 1,93,113.15        | 1,81,968.90        | 11,661.35        | -                | 1,93,630.25        |
| Good (BBB   BB   B)                             | 1,47,389.05        | 9,128.03         | -                | 1,56,517.08        | 96,631.68          | 24,762.88        | -                | 1,21,394.57        |
| Average (C )                                    | 70,282.47          | 1,345.98         | -                | 71,628.45          | 54,755.07          | -                | -                | 54,755.07          |
| Fair (D)  | 1,796.13           | 157.74           | -                | 1,953.87           | 2,521.34           | -                | -                | 2,521.34           |
| Non- Performing (D)                             | -                  | 5.50             | 14,892.08        | 14,897.58          | -                  | -                | 17,159.89        | 17,159.89          |
| <b>Gross Exposure</b>                           | <b>4,12,304.47</b> | <b>10,913.58</b> | <b>14,892.08</b> | <b>4,38,110.13</b> | <b>3,35,876.99</b> | <b>36,424.23</b> | <b>17,159.89</b> | <b>3,89,461.12</b> |
| Less: Loss allowance                            | 3,521.81           | 238.30           | 10,519.51        | 14,279.61          | 2,790.22           | 369.61           | 11,565.73        | 14,725.57          |
| <b>Net Exposure</b>                             | <b>4,08,782.66</b> | <b>10,675.28</b> | <b>4,372.57</b>  | <b>4,23,830.51</b> | <b>3,33,086.77</b> | <b>36,054.62</b> | <b>5,594.16</b>  | <b>3,74,735.55</b> |

| Credit Risk Category (Internal/<br>Mapped Ratings) | As at 31.03.2021   |                 |                  |                    |
|--|--------------------|-----------------|------------------|--------------------|
|  | Stage 1            | Stage 2         | Stage 3          | Total              |
| <b>Performing</b>                                  |                    |                 |                  |                    |
| Very Good (AAA   AA   A  <br>Government Loan)      | 2,20,485.16        | 1,421.82        | -                | 2,21,906.98        |
| Good (BBB   BB  <br>B)                             | 1,07,998.93        | 69.68           | -                | 1,08,068.61        |
| Average (C)  | 28,532.47          | -               | -                | 28,532.47          |
| Fair (D)   | 1,874.55           | 1,396.55        | -                | 3,271.10           |
| Non- Performing<br>(D)                             | -                  | -               | 18,256.93        | 18,256.93          |
| <b>Gross Exposure</b>                              | <b>3,58,891.11</b> | <b>2,888.05</b> | <b>18,256.93</b> | <b>3,80,036.09</b> |
| Less: Loss allowance                               | 1,282.46           | 141.43          | 11,791.31        | 13,215.20          |
| <b>Net Exposure</b>                                | <b>3,57,608.65</b> | <b>2,746.62</b> | <b>6,465.62</b>  | <b>3,66,820.89</b> |

#### 46.1.4 Concentration of credit risk

Credit concentration risk refers to risk associated with large credit/investment exposure to a single company or a group of companies based on its ownership, sector, region etc. that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions, with the potential to adversely affect lender's core operations.

The following table sets out an analysis of risk concentration of overall loan portfolio of PFC and its subsidiary, RECL on the basis of similar risk characteristics:

(₹ in crore)

| Particulars   | As at 31.03.2023      |                            | As at 31.03.2022      |                            | As at 31.03.2021      |                            |
|---|-----------------------|----------------------------|-----------------------|----------------------------|-----------------------|----------------------------|
|   | Principal outstanding | Impairment loss allowance* | Principal outstanding | Impairment loss allowance* | Principal outstanding | Impairment loss allowance* |
| <b>Concentration by ownership</b>   |                       |                            |                       |                            |                       |                            |
| Loans to state sector (i.e. entities under the control of state and /or central government) | 7,42,981.50           | 5,828.25                   | 6,64,451.23           | 4,210.05                   | 6,47,197.74           | 2,272.49                   |
| Loans to private sector   | 1,14,518.50           | 24,526.97                  | 94,045.12             | 27,864.03                  | 97,991.40             | 27,539.42                  |
| <b>Total</b>  | <b>8,57,500.00</b>    | <b>30,355.22</b>           | <b>7,58,496.35</b>    | <b>32,074.08</b>           | <b>7,45,189.14</b>    | <b>29,811.91</b>           |

\*including impairment loss allowance on Letter of Comfort (LoC) and Guarantee of ₹ 66.80 Crore. (As at 31.03.2022 ₹ 98.11 Crore and As at 31.03.2021 ₹ 66.12 Crore.)

Loans to state sector are well diversified as these are extended to multiple entities under the control of various State Governments and Central Government. The Companies considers that these loans have a low credit risk in comparison to lending to private sector mainly due to low default / loss history in state sector and availability of government guarantee in certain loans. Presence of Government interest in these projects also lowers the risk of non-recoverability of dues.

Further, the Companies have a lending portfolio comprising of loans to generation, renewable, transmission and distribution power projects spread across diverse geographical areas.

(₹ in crore)

| Particulars                      | As at 31.03.2023      |                            | As at 31.03.2022      |                            | As at 31.03.2021      |                            |
|----------------------------------|-----------------------|----------------------------|-----------------------|----------------------------|-----------------------|----------------------------|
|                                  | Principal outstanding | Impairment loss allowance* | Principal outstanding | Impairment loss allowance* | Principal outstanding | Impairment loss allowance* |
| <b>Concentration by schemes–</b> |                       |                            |                       |                            |                       |                            |
| Generation                       | 3,42,425.28           | 22,913.72                  | 3,28,159.85           | 24,617.30                  | 3,41,944.76           | 24,810.36                  |
| Renewable                        | 77,270.92             | 3,426.45                   | 48,626.18             | 3,059.17                   | 53,976.04             | 2,134.37                   |
| Transmission                     | 79,173.24             | 404.07                     | 95,379.62             | 2,072.49                   | 90,528.86             | 1,697.34                   |
| Distribution                     | 3,40,947.29           | 3,492.22                   | 2,80,113.01           | 2,304.13                   | 2,52,132.27           | 1,130.80                   |
| Others                           | 17,683.27             | 118.76                     | 6,217.69              | 20.98                      | 6,607.21              | 39.04                      |
| <b>Total</b>                     | <b>8,57,500.00</b>    | <b>30,355.22</b>           | <b>7,58,496.35</b>    | <b>32,074.08</b>           | <b>7,45,189.14</b>    | <b>29,811.91</b>           |



\*including impairment loss allowance on Letter of Comfort (LoC) and Guarantee of ₹ 66.80 Crore. (as at 31.03.2022 ₹ 98.11 Crore and As at 31.03.2021 ₹ 66.12 Crore .)

The exposure to various projects and borrowers is constantly monitored in line with the Credit Concentration Norms applicable to the Companies in the Group.

#### 46.1.5 Details of Stage wise Principal outstanding and Impairment loss Allowance in respect of PFC & RECL:

(₹ in crore)

| Particulars  | As at 31.03.2023      |                            |             | As at 31.03.2022      |                            |             |
|--------------|-----------------------|----------------------------|-------------|-----------------------|----------------------------|-------------|
|              | Principal Outstanding | Impairment loss allowance* | %           | Principal Outstanding | Impairment loss allowance* | %           |
| Stage 1      | 7,98,755.96           | 6,415.49                   | 0.80        | 6,57,482.61           | 4,849.04                   | 0.74        |
| Stage 2      | 27,350.31             | 1,420.84                   | 5.19        | 62,938.57             | 1,314.93                   | 2.09        |
| Stage 3      | 31,393.73             | 22,518.89                  | 71.73       | 38,075.17             | 25,910.11                  | 68.05       |
| <b>Total</b> | <b>8,57,500.00</b>    | <b>30,355.22</b>           | <b>3.54</b> | <b>7,58,496.35</b>    | <b>32,074.08</b>           | <b>4.23</b> |
| Particulars  | As at 31.03.2021      |                            |             |                       |                            |             |
|              | Principal Outstanding | Impairment loss allowance* | %           |                       |                            |             |
| Stage 1      | 6,55,373.44           | 2,517.57                   | 0.38        |                       |                            |             |
| Stage 2      | 50,408.61             | 2,086.67                   | 4.14        |                       |                            |             |
| Stage 3      | 39,407.09             | 25,207.67                  | 63.97       |                       |                            |             |
| <b>Total</b> | <b>7,45,189.14</b>    | <b>29,811.91</b>           | <b>4.00</b> |                       |                            |             |

\*including impairment loss allowance on Letter of Comfort (LoC) and Guarantee of ₹ 66.80 Crore. (as at 31.03.2022 ₹ 98.11 Crore and As at 31.03.2021 ₹ 66.12 Crore.)

#### 46.1.6 Details of Stage wise movement of Principal outstanding and Impairment loss Allowance:

The following tables explain the changes in the loans and the corresponding impairment loss allowance (including impairment loss allowance on Letter of Comfort and Guarantees) in respect of PFC & RECL between the beginning and the end of the reporting period:

(₹ in crore)

| FY 2022-23  | Stage 1               |                           | Stage 2               |                           | Stage 3               |                           | Total                 |                           |
|---|-----------------------|---------------------------|-----------------------|---------------------------|-----------------------|---------------------------|-----------------------|---------------------------|
|   | Principal Outstanding | Impairment loss allowance | Principal Outstanding | Impairment loss allowance | Principal Outstanding | Impairment loss allowance | Principal Outstanding | Impairment loss allowance |
| <b>Opening Balance</b>  | <b>6,57,482.61</b>    | <b>4,849.04</b>           | <b>62,938.57</b>      | <b>1,314.93</b>           | <b>38,075.17</b>      | <b>25,910.11</b>          | <b>7,58,496.35</b>    | <b>32,074.08</b>          |
| Transfer to Stage 1   | 43,615.34             | (4.88)                    | (43,615.34)           | 4.88                      | -                     | -                         | -                     | -                         |
| Transfer to Stage 2   | (2,798.11)            | (11.28)                   | 2,988.10              | 83.95                     | (189.99)              | (72.67)                   | -                     | -                         |
| Transfer to Stage 3   | (24.64)               | (2.52)                    | (13.67)               | (3.36)                    | 38.31                 | 5.88                      | -                     | -                         |
| Net change in Principal/ECL during the year                           | (8,952.62)            | 1,084.47                  | (708.96)              | (84.46)                   | (55.53)               | (25.59)                   | (9,717.11)            | 974.42                    |
| New financial assets originated                                       | 158,315.69            | 1,085.17                  | 6,338.03              | 118.42                    | -                     | -                         | 164,653.72            | 1,203.59                  |
| Financial Assets derecognised (loans repaid/pre-payment)              | (48,882.31)           | (584.51)                  | (576.43)              | (13.52)                   | (4,443.25)            | (1,564.15)                | (53,901.99)           | (2,162.18)                |
| Financial Assets derecognised (Write Off)                             | -                     | -                         | -                     | -                         | (1,452.33)            | (1,452.33)                | (1,452.33)            | (1,452.33)                |
| Financial Assets derecognised during the period (Investment Received) | -                     | -                         | -                     | -                         | (578.64)              | (282.36)                  | (578.64)              | (282.36)                  |
| <b>Closing Balance</b>  | <b>798,755.96</b>     | <b>6,415.49</b>           | <b>27,350.31</b>      | <b>1,420.84</b>           | <b>31,393.73</b>      | <b>22,518.89</b>          | <b>857,500.00</b>     | <b>30,355.22</b>          |

(₹ in crore)

| FY 2021-22  | Stage 1               |                           | Stage 2               |                           | Stage 3               |                           | Total                 |                           |
|---|-----------------------|---------------------------|-----------------------|---------------------------|-----------------------|---------------------------|-----------------------|---------------------------|
|   | Principal Outstanding | Impairment loss allowance | Principal Outstanding | Impairment loss allowance | Principal Outstanding | Impairment loss allowance | Principal Outstanding | Impairment loss allowance |
| <b>Opening Balance</b>  | <b>6,55,373.44</b>    | <b>2,517.58</b>           | <b>50,408.61</b>      | <b>2,086.67</b>           | <b>39,407.09</b>      | <b>25,207.67</b>          | <b>7,48,189.14</b>    | <b>29,812.99</b>          |
| Transfer to Stage 1   | 21,109.54             | 1,250.50                  | (19,103.75)           | (514.18)                  | (2,005.79)            | (736.33)                  | -                     | -                         |
| Transfer to Stage 2   | (36,173.14)           | (44.11)                   | 36,189.77             | 48.20                     | (16.63)               | (4.09)                    | -                     | -                         |
| Transfer to Stage 3   | (2,657.15)            | (329.49)                  | (1,120.58)            | (852.23)                  | 3,777.73              | 1,181.73                  | -                     | -                         |
| Net change in Principal/ECL during the year                           | 13,582.41             | 1,681.06                  | (1,394.26)            | 516.66                    | 5.91                  | 2,760.71                  | 12,194.05             | 4,958.53                  |
| New financial assets originated                                       | 74,969.67             | 690.62                    | 3,957.10              | 40.29                     | -                     | -                         | 78,926.77             | 730.91                    |
| Financial Assets derecognised (loans repaid/pre-payment)              | (68,722.16)           | (917.12)                  | (5,535.67)            | 537.45                    | (235.65)              | 295.65                    | (77,493.48)           | (85.19)                   |
| Financial Assets derecognised (Write Off)                             | -                     | -                         | (462.65)              | (547.93)                  | (2,857.49)            | (2,795.23)                | (3,320.14)            | (3,343.16)                |
| Financial Assets derecognised during the period (Investment Received) | -                     | -                         | -                     | -                         | -                     | -                         | -                     | -                         |
| <b>Closing Balance</b>  | <b>6,57,482.61</b>    | <b>4,849.04</b>           | <b>62,938.57</b>      | <b>1,314.93</b>           | <b>38,075.17</b>      | <b>25,910.11</b>          | <b>7,58,496.35</b>    | <b>32,074.08</b>          |

| FY 2020-21  | Stage I            |                           | Stage II         |                           | Stage III        |                           | Total              |                           |
|---|--------------------|---------------------------|------------------|---------------------------|------------------|---------------------------|--------------------|---------------------------|
|   | Principal          | Impairment loss allowance | Principal        | Impairment loss allowance | Principal        | Impairment loss allowance | Principal          | Impairment loss allowance |
| <b>Opening Balance</b>  | <b>5,82,949.37</b> | <b>930.13</b>             | <b>35,252.65</b> | <b>1,737.73</b>           | <b>49,127.25</b> | <b>25,300.59</b>          | <b>6,67,329.27</b> | <b>27,968.45</b>          |
| Transfer to Stage I   | 29,007.95          | 552.11                    | (25,890.73)      | (129.76)                  | (3,117.21)       | (422.35)                  | -                  | -                         |
| Transfer to Stage II  | (38,926.86)        | (39.83)                   | 42,034.50        | 317.95                    | (3,107.64)       | (278.12)                  | -                  | -                         |
| Transfer to Stage III   | (151.59)           | (3.28)                    | (36.22)          | (0.38)                    | 187.81           | 3.66                      | -                  | -                         |
| Net Change in Principal/ECL during the year                           | 5,745.50           | 541.86                    | (958.63)         | 1,154.53                  | 51.36            | 3,843.74                  | 4,838.23           | 5,540.13                  |
| New financial assets originated                                       | 1,38,527.28        | 653.24                    | 1,921.09         | 7.36                      | 2.00             | 0.20                      | 1,40,450.37        | 660.80                    |
| Derecognised financial assets (loans repaid)                          | (25,440.44)        | (17.28)                   | (587.02)         | (0.04)                    | (201.68)         | (43.42)                   | (26,229.14)        | (60.74)                   |
| Financial Assets derecognised during the period (Write Off)           | (66.59)            | (2.67)                    | (905.44)         | (905.44)                  | (533.49)         | (533.49)                  | (1,505.52)         | (1,441.60)                |
| Financial Assets derecognised during the period (Investment Received) | (36,271.19)        | (96.69)                   | (421.58)         | (95.28)                   | (3,001.30)       | (2,663.15)                | (39,694.07)        | (2,855.12)                |
| <b>Closing Balance</b>  | <b>6,55,373.44</b> | <b>2,517.57</b>           | <b>50,408.61</b> | <b>2,086.67</b>           | <b>39,407.09</b> | <b>25,207.67</b>          | <b>7,45,189.14</b> | <b>29,811.91</b>          |

#### 46.1.7 Movement of Credit Impaired Accounts (Stage 3 accounts):

The following tables explain the changes in credit impaired accounts (stage 3 accounts) and the corresponding impairment loss allowance in respect of PFC & RECL between the beginning and the end of the reporting period

(₹ in crore)

| Sr. No. | Description                                     | As at 31.03.2023  | As at 31.03.2022  | As at 31.03.2021  |
|---------|---|-------------------|-------------------|-------------------|
| (i)     | Net Credit Impaired accounts to Gross Loans (%) | 1.03%             | 1.60%             | 1.91%             |
| (ii)    | Net Credit Impaired accounts to Net Loans (%)   | 1.06%             | 1.66%             | 1.97%             |
|         |   | <b>FY 2022-23</b> | <b>FY 2021-22</b> | <b>FY 2020-21</b> |

|       |   |   |                  |                  |                  |
|-------|---|---|------------------|------------------|------------------|
| (iii) | Movement of Gross Credit Impaired accounts                        |   |                  |                  |                  |
|       | (a)   | Opening balance                             | 38,075.17        | 39,407.09        | 49,127.26        |
|       | (b)   | Additions during the year                   | 45.80            | 3,003.41         | 243.33           |
|       | (c)   | Reductions/ write offs during the year      | (6,727.24)       | (4,335.33)       | (9,963.49)       |
|       | (d)   | <b>Closing balance</b>                      | <b>31,393.73</b> | <b>38,075.17</b> | <b>39,407.09</b> |
| (iv)  | Movement of Net Credit Impaired accounts                          |   |                  |                  |                  |
|       | (a)   | Opening balance                             | 12,165.06        | 14,199.42        | 23,826.66        |
|       | (b)   | Additions during the year                   | 399.06           | 593.80           | 166.12           |
|       | (c)   | Reductions/ write offs during the year      | (3,689.28)       | (2,628.16)       | (9,793.36)       |
|       | (d)   | <b>Closing balance</b>                      | <b>8,874.84</b>  | <b>12,165.06</b> | <b>14,199.42</b> |
| (v)   | Movement of impairment loss allowance on Credit Impaired accounts |   |                  |                  |                  |
|       | (a)   | Opening balance                             | 25,910.11        | 25,207.67        | 25,300.59        |
|       | (b)   | Provisions made during the year             | 55.06            | 3,646.63         | 3,848.12         |
|       | (c)   | Write-off / write-back of excess provisions | (3,446.28)       | (2,944.19)       | (3,941.04)       |
|       | (d)   | <b>Closing balance</b>                      | <b>22,518.89</b> | <b>25,910.11</b> | <b>25,207.67</b> |

#### 46.1.8 Write off of Loan Assets

PFC and RECL writes off financial assets, in whole or in part in line with the write off policy of the respective companies, when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include ceasure of enforcement activity or where the Company's recovery method is foreclosing on collateral and the value of collateral is such that there is no reasonable expectation of recovery in full. The waiver/write off is done in whole or in part as per the restructuring/settlement/resolution process.

#### 46.1.9 Policy for sale out of amortised cost business

PFC & RECL does not resort to the sale of financial assets, in ordinary course of business. However, the respective companies have approved policies that they may proceed for resolution of stressed assets by either restructuring, change of ownership, settlement or otherwise. The assets are then assessed for derecognition as per Ind AS 109 'Financial Instruments'

#### 46.1.10 Disclosure in respect of accounts that are beyond 90 days overdue but not treated as credit impaired:

| Particulars                                      | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2021 |
|--|------------------|------------------|------------------|
| Number of Borrowers                              | 1                | 4                | 2                |
| Amount of loan outstanding (₹ in crore)          | 650.51           | 2,252.36         | 1,767.16         |
| Amount overdue* (₹ in crore)                     | 160.91           | 188.18           | 100.91           |
| Amount of Impairment Loss allowance (₹ in crore) | 422.68           | 815.87           | 1,086.48         |

\*excluding overdue interest of ₹ 186.06 crore as at 31.03.2023 (As at 31.03.2022 ₹ 242.87 crore and As at 31.03.2021 ₹ 249.65 crore).

Pursuant to Ad-interim order from Hon'ble High Court(s), these borrower(s) accounts have not been classified as Credit Impaired. The Group holds adequate impairment loss allowance with respect to these loan accounts and has categorised them into Stage 2. The interest income is also not been recognized on these loan accounts on accrual basis since these loans are more than 90 days past due.

#### 46.1.11 In accordance with RBI's Master Direction-Non-Banking Financial Company- Systemically Important Non-Deposit Taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 as amended from time to time, NPA ratios are as under:

NPA ratios duly considering the loans which would have been otherwise required to be classified as NPA as per RBI norms is as under:

| Particulars              | PFC              |               |               | RECL             |               |               |
|--------------------------|------------------|---------------|---------------|------------------|---------------|---------------|
|                          | As at 31.03.2023 | at 31.03.2022 | at 31.03.2021 | As at 31.03.2023 | at 31.03.2022 | at 31.03.2021 |
| Gross NPA to Gross Loans | 4.72%            | 6.58%         | 5.99%         | 4.77%            | 4.45%         | 5.04%         |
| Net NPA to Net Loans     | 1.87%            | 2.76%         | 2.45%         | 2.41%            | 1.51%         | 1.99%         |

46.1.12 Details of provision required as per Income Recognition, Asset Classification & Provisioning Norms (IRACP) of RBI and impairment loss allowance as per Ind AS 109 'Financial Instruments'

A. In respect of PFC

(₹ in crore)

| As at 31.03.2023  |  |                                     |   |                     |  |  |
|---|--|-------------------------------------|---|---------------------|--|--|
| Asset Classification as per RBI Norms   | Asset classification as per Ind AS 109 | Gross Carrying Amount as per Ind AS | Loss Allowances (Provisions) as required under Ind AS 109 | Net Carrying Amount | Provisions required as per IRACP norms | Difference between Ind AS 109 provisions and IRACP norms |
| (1)   | (2)                                    | (3)                                 | (4)   | (5)=(3)-(4)         | (6)                                    | (7) = (4)-(6)  |
| <b>Performing Assets</b>  |  |                                     |   |                     |  |  |
| Standard  | Stage 1                                | 3,89,880.43                         | 2,542.86  | 3,87,337.57         | 2,062.73                               | 480.13   |
|   | Stage 2                                | 16,956.30                           | 1,182.54  | 15,773.76           | 390.50                                 | 792.04   |
|   | Stage 3                                | -                                   | -   | -                   | -                                      | -  |
| <b>Subtotal</b>   |  | <b>4,06,836.73</b>                  | <b>3,725.40</b>   | <b>4,03,111.33</b>  | <b>2,453.23</b>                        | <b>1,272.16</b>  |
| <b>Non-Performing Assets (NPA)</b>  |  |                                     |   |                     |  |  |
| Substandard   | Stage 1                                | 453.88                              | 1.82  | 452.06              | 45.30                                  | (43.48)  |
|   | Stage 2                                | -                                   | -   | -                   | -                                      | -  |
|   | Stage 3                                | 37.04                               | 16.38   | 20.66               | 3.70                                   | 12.68  |
| <b>Subtotal for Substandard</b>   |  | <b>490.92</b>                       | <b>18.20</b>  | <b>472.72</b>       | <b>49.00</b>                           | <b>(30.80)</b>   |
| Doubtful - up to 1 year   | Stage 1                                | -                                   | -   | -                   | -                                      | -  |
| 1 to 3 years  | Stage 1                                | 79.76                               | 0.04  | 79.72               | 23.43                                  | (23.39)  |
| More than 3 years   | Stage 1                                | 2,981.80                            | 298.03  | 2,683.77            | 1,462.20                               | (1,164.17)   |
| Doubtful - up to 1 year   | Stage 3                                | 1,142.64                            | 572.64  | 570.00              | 256.41                                 | 316.23   |
| 1 to 3 years  | Stage 3                                | 170.10                              | 133.51  | 36.59               | 89.70                                  | 43.80  |
| More than 3 years   | Stage 3                                | 12,066.17                           | 8,191.15  | 3,875.02            | 8,329.22                               | (138.07)   |
| <b>Subtotal for doubtful</b>  |  | <b>16,440.47</b>                    | <b>9,195.37</b>   | <b>7,245.10</b>     | <b>10,160.96</b>                       | <b>(965.60)</b>  |
| Loss  | Stage 3                                | 3,085.70                            | 3,085.70  | -                   | 3,085.70                               | -  |
| <b>Subtotal for NPA</b>   |  | <b>20,017.09</b>                    | <b>12,299.27</b>  | <b>7,717.82</b>     | <b>13,295.67</b>                       | <b>(996.40)</b>  |
| Other items (whose exposure forms part of contingent liability) such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current IRACP norms | Stage 1                                | -                                   | 50.93   | (50.93)             | -                                      | 50.93  |
|   | Stage 2                                |                                     |   |                     |  |  |
|   | Stage 3                                |                                     |   |                     |  |  |
| <b>Subtotal</b>   |  |                                     | <b>50.93</b>  | <b>(50.93)</b>      | <b>-</b>                               | <b>50.93</b>   |
| <b>Total</b>  | <b>Stage 1</b>                         | <b>3,93,395.86</b>                  | <b>2,893.68</b>   | <b>3,90,502.18</b>  | <b>3,593.67</b>                        | <b>(699.98)</b>  |
|   | <b>Stage 2</b>                         | <b>16,956.30</b>                    | <b>1,182.54</b>   | <b>15,773.76</b>    | <b>390.50</b>                          | <b>792.04</b>  |
|   | <b>Stage 3</b>                         | <b>16,501.65</b>                    | <b>11,999.38</b>  | <b>4,502.27</b>     | <b>11,764.73</b>                       | <b>234.65</b>  |
|   | <b>Total</b>                           | <b>4,26,853.81</b>                  | <b>16,075.60</b>  | <b>4,10,778.22</b>  | <b>15,748.90</b>                       | <b>326.70</b>  |

As at 31.03.2022

| Asset Classification as per RBI Norms   | Asset classification as per Ind AS 109 | Gross Carrying Amount as per Ind AS | Loss Allowances (Provisions) as required under Ind AS 109 | Net Carrying Amount | Provisions required as per IRACP norms | Difference between Ind AS 109 provisions and IRACP norms |
|---|--|-------------------------------------|---|---------------------|--|--|
| (1)   | (2)                                    | (3)                                 | (4)   | (5)=(3)-(4)         | (6)                                    | (7) = (4)-(6)  |
| <b>Performing Assets</b>  |  |                                     |   |                     |  |  |
| Standard  | Stage 1                                | 3,26,133.66                         | 1,676.69  | 3,24,456.96         | 1,331.16                               | 345.54   |
|   | Stage 2                                | 27,458.63                           | 944.20  | 26,514.44           | 637.72                                 | 306.48   |
|   | Stage 3                                | -                                   | -   | -                   | -                                      | -  |
| <b>Subtotal</b>   |  | <b>3,53,592.29</b>                  | <b>2,620.89</b>   | <b>3,50,971.40</b>  | <b>1,968.88</b>                        | <b>652.01</b>  |
| <b>Non-Performing Assets (NPA)</b>  |  |                                     |   |                     |  |  |
| Substandard   | Stage 1                                | 296.48                              | 1.33  | 295.15              | 29.62                                  | (28.29)  |
|   | Stage 2                                | 151.37                              | 1.12  | 150.25              | 14.83                                  | (13.70)  |
|   | Stage 3                                | 1,142.64                            | 332.93  | 809.71              | 114.26                                 | 218.66   |
| <b>Subtotal for Substandard</b>   |  | <b>1,590.49</b>                     | <b>335.38</b>   | <b>1,255.11</b>     | <b>158.71</b>                          | <b>176.68</b>  |
| Doubtful - up to 1 year   | Stage 1                                | 32.80                               | 0.01  | 32.78               | 6.44                                   | (6.42)   |
| 1 to 3 years  | Stage 1                                | 107.00                              | 0.10  | 106.91              | 31.40                                  | (31.30)  |
| More than 3 years   | Stage 1                                | 3,105.80                            | 310.93  | 2,794.87            | 1,522.95                               | (1,212.02)   |
| Doubtful - up to 1 year   | Stage 3                                | 170.10                              | 133.43  | 36.67               | 78.22                                  | 55.21  |
| 1 to 3 years  | Stage 3                                | 3,743.76                            | 1,770.31  | 1,973.45            | 1,189.36                               | 580.95   |
| More than 3 years   | Stage 3                                | 12,779.39                           | 9,181.94  | 3,597.46            | 9,120.21                               | 61.73  |
| <b>Subtotal for doubtful</b>  |  | <b>19,938.85</b>                    | <b>11,396.72</b>  | <b>8,542.14</b>     | <b>11,948.57</b>                       | <b>(551.85)</b>  |
| Loss  | Stage 3                                | 3,079.39                            | 2,918.31  | 161.08              | 3,079.39                               | (161.08)   |
| <b>Subtotal for NPA</b>   |  | <b>24,608.74</b>                    | <b>14,650.41</b>  | <b>9,958.33</b>     | <b>15,186.66</b>                       | <b>(536.25)</b>  |
| Other items (whose exposure forms part of contingent liability) such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current IRACP norms | Stage 1                                | -                                   | 69.75   | (69.75)             | -                                      | 69.75  |
|   | Stage 2                                | -                                   | -   | -                   | -                                      | -  |
|   | Stage 3                                | -                                   | 7.47  | (7.47)              | -                                      | 7.47   |
| <b>Subtotal</b>   |  | <b>-</b>                            | <b>77.21</b>  | <b>(77.21)</b>      | <b>-</b>                               | <b>77.21</b>   |
| <b>Total</b>  | <b>Stage 1</b>                         | <b>3,29,675.75</b>                  | <b>2,058.82</b>   | <b>3,27,616.93</b>  | <b>2,921.55</b>                        | <b>(862.74)</b>  |
|   | <b>Stage 2</b>                         | <b>27,610.01</b>                    | <b>945.32</b>   | <b>26,664.69</b>    | <b>652.55</b>                          | <b>292.77</b>  |
|   | <b>Stage 3</b>                         | <b>20,915.28</b>                    | <b>14,344.38</b>  | <b>6,570.90</b>     | <b>13,581.44</b>                       | <b>762.95</b>  |
|   | <b>Total</b>                           | <b>3,78,201.04</b>                  | <b>17,348.52</b>  | <b>3,60,852.51</b>  | <b>17,155.54</b>                       | <b>192.98</b>  |

| As at 31.03.2021  |  |                                     |   |                     |  |  |
|---|--|-------------------------------------|---|---------------------|--|--|
| Asset Classification as per RBI Norms   | Asset classification as per Ind AS 109 | Gross Carrying Amount as per Ind AS | Loss Allowances (Provisions) as required under Ind AS 109 | Net Carrying Amount | Provisions required as per IRACP norms | Difference between Ind AS 109 provisions and IRACP norms |
| (1)   | (2)                                    | (3)                                 | (4)   | (5)=(3)-(4)         | (6)                                    | (7) = (4)-(6)  |
| <b>Performing Assets</b>  |  |                                     |   |                     |  |  |
| Standard  | Stage 1                                | 3,05,410.67                         | 1,193.00  | 3,04,217.67         | 1,586.86                               | (393.86)   |
|   | Stage 2                                | 49,037.04                           | 1,901.40  | 47,135.64           | 2,226.57                               | (325.17)   |
|   | Stage 3                                | -                                   | -   | -                   | -                                      | -  |
| <b>Subtotal</b>   |  | <b>3,54,447.71</b>                  | <b>3,094.40</b>   | <b>3,51,353.31</b>  | <b>3,813.43</b>                        | <b>(719.03)</b>  |
| <b>Non-Performing Assets (NPA)</b>  |  |                                     |   |                     |  |  |
| Substandard   | Stage 1                                | 321.79                              | 29.33   | 292.46              | 32.17                                  | (2.84)   |
|   | Stage 2                                | -                                   | -   | -                   | -                                      | -  |
|   | Stage 3                                | 170.10                              | 40.24   | 129.86              | 17.01                                  | 23.23  |
| <b>Subtotal for Substandard</b>   |  | <b>491.89</b>                       | <b>69.57</b>  | <b>422.32</b>       | <b>49.18</b>                           | <b>20.39</b>   |
| Doubtful - up to 1 year   | Stage 1                                | 115.49                              | 0.05  | 115.44              | 22.59                                  | (22.55)  |
| 1 to 3 years  | Stage 1                                | 313.92                              | 0.50  | 313.42              | 94.35                                  | (93.85)  |
| More than 3 years   | Stage 1                                | 316.45                              | 0.11  | 316.34              | 154.45                                 | (154.34)   |
| Doubtful - up to 1 year   | Stage 3                                | -                                   | -   | -                   | -                                      | -  |
| 1 to 3 years  | Stage 3                                | 13,863.97                           | 7,703.23  | 6,160.75            | 6,357.63                               | 1,345.59   |
| More than 3 years   | Stage 3                                | 5,874.82                            | 4,431.62  | 1,443.19            | 4,650.66                               | (219.04)   |
| <b>Subtotal for doubtful</b>  |  | <b>20,484.65</b>                    | <b>12,135.51</b>  | <b>8,349.14</b>     | <b>11,279.68</b>                       | <b>855.81</b>  |
| Loss  | Stage 3                                | 1,241.27                            | 1,241.27  | -                   | 1,241.27                               | -  |
| <b>Subtotal for NPA</b>   |  | <b>22,217.85</b>                    | <b>13,446.35</b>  | <b>8,771.50</b>     | <b>12,570.14</b>                       | <b>876.21</b>  |
| Other items (whose exposure forms part of contingent liability) such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current IRACP norms | Stage 1                                | -                                   | 13.20   | (13.20)             | -                                      | 13.20  |
|   | Stage 2                                | -                                   | 43.83   | (43.83)             | -                                      | 43.83  |
|   | Stage 3                                | -                                   | -   | -                   | -                                      | -  |
| <b>Subtotal</b>   |  | <b>-</b>                            | <b>57.03</b>  | <b>(57.03)</b>      | <b>-</b>                               | <b>57.03</b>   |
| <b>Total</b>  | <b>Stage 1</b>                         | <b>3,06,478.32</b>                  | <b>1,236.19</b>   | <b>3,05,242.13</b>  | <b>1,890.43</b>                        | <b>(654.24)</b>  |
|   | <b>Stage 2</b>                         | <b>49,037.04</b>                    | <b>1,945.24</b>   | <b>47,091.81</b>    | <b>2,226.57</b>                        | <b>(281.33)</b>  |
|   | <b>Stage 3</b>                         | <b>21,150.16</b>                    | <b>13,416.36</b>  | <b>7,733.80</b>     | <b>12,266.57</b>                       | <b>1,149.79</b>  |
|   | <b>Total</b>                           | <b>3,76,665.52</b>                  | <b>16,597.79</b>  | <b>3,60,067.74</b>  | <b>16,383.57</b>                       | <b>214.22</b>  |

B. In respect of RECL,

(₹ in crore)

| As at 31.03.2023   |  |                                     |   |                     |  |  |
|--|--|-------------------------------------|---|---------------------|--|--|
| Asset Classification as per RBI Norms  | Asset classification as per Ind AS 109 | Gross Carrying Amount as per Ind AS | Loss Allowances (Provisions) as required under Ind AS 109 | Net Carrying Amount | Provisions required as per IRACP norms | Difference between Ind AS 109 provisions and IRACP norms |
| (1)  | (2)                                    | (3)                                 | (4)   | (5)=(3)-(4)         | (6)                                    | (7) = (4)-(6)  |
| <b>Performing Assets</b>   |  |                                     |   |                     |  |  |
| Standard   | Stage 1                                | 4,04,567.80                         | 3,423.13  | 4,01,144.67         | 2,089.93                               | 1,333.20   |
|  | Stage 2                                | 11,016.14                           | 232.80  | 10,783.34           | 43.63                                  | 189.17   |
| <b>Subtotal</b>  |  | <b>4,15,583.94</b>                  | <b>3,655.93</b>   | <b>4,11,928.01</b>  | <b>2,133.56</b>                        | <b>1,522.37</b>  |
| <b>Non-Performing Assets (NPA)</b>   |  |                                     |   |                     |  |  |
| Substandard  | Stage 1                                | 5,866.14                            | 82.81   | 5,783.33            | 583.94                                 | (501.13)   |
| <b>Doubtful Assets</b>   |  |                                     |   |                     |  |  |
| Doubtful - up to 1 year  | Stage 3                                | 1,512.48                            | 754.15  | 758.33              | 350.72                                 | 403.43   |
| 1 to 3 years   | Stage 3                                | 594.27                              | 452.12  | 142.14              | 344.21                                 | 107.91   |
| More than 3 years  | Stage 3                                | 12,780.46                           | 9,308.37  | 3,472.09            | 9,488.51                               | (180.14)   |
| <b>Subtotal for doubtful</b>   |  | <b>14,887.21</b>                    | <b>10,514.64</b>  | <b>4,372.56</b>     | <b>10,183.44</b>                       | <b>331.20</b>  |
| Loss   | Stage 2                                | 5.50                                | 5.50  | -                   | 5.50                                   | -  |
|  | Stage 3                                | 4.87                                | 4.87  | -                   | 4.87                                   | -  |
| <b>Subtotal for NPA</b>  |  | <b>20,763.72</b>                    | <b>10,607.82</b>  | <b>10,155.89</b>    | <b>10,777.75</b>                       | <b>(169.93)</b>  |
| <b>Total Loan Assets</b>   |  | <b>4,36,347.66</b>                  | <b>14,263.75</b>  | <b>4,22,083.90</b>  | <b>12,911.31</b>                       | <b>1,352.44</b>  |
| Other items (whose exposure forms part of contingent liability) such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current IRACP norms -Letter of Comfort | Stage 1                                | 3,098.35                            | 15.87   | 3,082.48            | -                                      | 15.87  |
| <b>Subtotal</b>  |  | <b>3,098.35</b>                     | <b>15.87</b>  | <b>3,082.48</b>     | <b>-</b>                               | <b>15.87</b>   |
| <b>Total</b>   | <b>Stage 1</b>                         | <b>4,13,532.29</b>                  | <b>3,521.81</b>   | <b>4,10,010.48</b>  | <b>2,673.87</b>                        | <b>847.94</b>  |
|  | <b>Stage 2</b>                         | <b>11,021.64</b>                    | <b>238.30</b>   | <b>10,783.34</b>    | <b>49.13</b>                           | <b>189.17</b>  |
|  | <b>Stage 3</b>                         | <b>14,892.08</b>                    | <b>10,519.51</b>  | <b>4,372.56</b>     | <b>10,188.31</b>                       | <b>331.20</b>  |
|  | <b>Total</b>                           | <b>4,39,446.01</b>                  | <b>14,279.62</b>  | <b>4,25,166.38</b>  | <b>12,911.31</b>                       | <b>1,368.31</b>  |

As at 31.03.2022

| Asset Classification as per RBI Norms  | Asset classification as per Ind AS 109 | Gross Carrying Amount as per Ind AS | Loss Allowances (Provisions) as required under Ind AS 109 | Net Carrying Amount | Provisions required as per IRACP norms | Difference between Ind AS 109 provisions and IRACP norms |
|--|--|-------------------------------------|---|---------------------|--|--|
| (1)  | (2)                                    | (3)                                 | (4)   | (5)=(3)-(4)         | (6)                                    | (7) = (4)-(6)  |
| <b>Performing Assets</b>   |  |                                     |   |                     |  |  |
| Standard   | Stage 1                                | 3,32,586.36                         | 2,769.32  | 3,29,817.04         | 1,771.72                               | 997.60   |
|  | Stage 2                                | 36,888.95                           | 369.61  | 36,519.34           | 391.52                                 | (21.91)  |
| <b>Subtotal</b>  |  | <b>3,69,475.31</b>                  | <b>3,138.93</b>   | <b>3,66,336.38</b>  | <b>2,163.24</b>                        | <b>975.69</b>  |
| <b>Non-Performing Assets (NPA)</b>   |  |                                     |   |                     |  |  |
| Substandard  | Stage 3                                | 1,512.49                            | 437.16  | 1,075.33            | 190.83                                 | 246.33   |
| Doubtful - up to 1 year  | Stage 3                                | 33.28                               | 3.33  | 29.95               | 7.25                                   | (3.92)   |
| 1 to 3 years   | Stage 3                                | 4,534.01                            | 2,981.99  | 1,552.01            | 1,952.89                               | 1029.10  |
| More than 3 years  | Stage 3                                | 11,062.89                           | 8,126.03  | 2,936.86            | 8,108.58                               | 17.45  |
| <b>Subtotal for doubtful</b>   |  | <b>15,630.18</b>                    | <b>11,111.35</b>  | <b>4,518.82</b>     | <b>10,068.72</b>                       | <b>1,042.63</b>  |
|  |  | 17.22                               | 17.22   | -                   | 17.22                                  | -  |
| Loss   | Stage 3                                | 17,159.89                           | 11,565.73   | 5,594.15            | 10,276.77                              | 1,288.96   |
| <b>Subtotal for NPA</b>  |  | <b>3,86,635.20</b>                  | <b>14,704.66</b>  | <b>3,71,930.53</b>  | <b>12,440.01</b>                       | <b>2,264.65</b>  |
| Other items (whose exposure forms part of contingent liability) such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current IRACP norms -Letter of Comfort | Stage 1                                | 4,089.85                            | 20.90   | 4,068.95            | -                                      | 20.90  |
| <b>Subtotal</b>  |  | <b>4,089.85</b>                     | <b>20.90</b>  | <b>4,068.95</b>     | <b>-</b>                               | <b>20.90</b>   |
| <b>Total</b>   | <b>Stage 1</b>                         | <b>3,36,676.21</b>                  | <b>2,790.22</b>   | <b>3,33,885.99</b>  | <b>1,771.72</b>                        | <b>1,018.50</b>  |
|  | <b>Stage 2</b>                         | <b>36,888.95</b>                    | <b>369.61</b>   | <b>36,519.34</b>    | <b>391.52</b>                          | <b>(21.91)</b>   |
|  | <b>Stage 3</b>                         | <b>17,159.89</b>                    | <b>11,565.73</b>  | <b>5,594.15</b>     | <b>10,276.77</b>                       | <b>1,288.96</b>  |
|  | <b>Total</b>                           | <b>3,90,725.05</b>                  | <b>14,725.56</b>  | <b>3,75,999.48</b>  | <b>12,440.01</b>                       | <b>2,285.55</b>  |



(₹ in crore)

| As at 31.03.2021   |  |                                     |   |                     |  |  |
|--|--|-------------------------------------|---|---------------------|--|--|
| Asset Classification as per RBI Norms  | Asset classification as per Ind AS 109 | Gross Carrying Amount as per Ind AS | Loss Allowances (Provisions) as required under Ind AS 109 | Net Carrying Amount | Provisions required as per IRACP norms | Difference between Ind AS 109 provisions and IRACP norms |
| (1)  | (2)                                    | (3)                                 | (4)   | (5)=(3)-(4)         | (6)                                    | (7) = (4)-(6)  |
| <b>Performing Assets</b>   |  |                                     |   |                     |  |  |
| Standard   | Stage 1                                | 3,57,285.43                         | 1,273.37  | 3,56,012.06         | 2,304.84                               | (1,031.47)   |
|  | Stage 2                                | 2,925.24                            | 141.43  | 2,783.81            | 145.62                                 | (4.19)   |
| <b>Subtotal</b>  |  | <b>3,60,210.67</b>                  | <b>1,414.80</b>   | <b>3,58,795.87</b>  | <b>2,450.46</b>                        | <b>(1,035.66)</b>  |
| <b>Non-Performing Assets (NPA)</b>   |  |                                     |   |                     |  |  |
| Substandard  | Stage 3                                | 36.31                               | 3.63  | 32.68               | 3.63                                   | -  |
| Doubtful - up to 1 year  | Stage 3                                | 560.99                              | 303.81  | 257.18              | 301.24                                 | 2.57   |
| 1 to 3 years   | Stage 3                                | 13,786.04                           | 8,514.57  | 5,271.46            | 6,913.49                               | 1,601.08   |
| More than 3 years  | Stage 3                                | 3,856.37                            | 2,952.08  | 904.29              | 2,665.23                               | 286.85   |
| <b>Subtotal for doubtful</b>   |  | <b>18,203.40</b>                    | <b>11,770.46</b>  | <b>6,432.93</b>     | <b>9,879.96</b>                        | <b>1,890.50</b>  |
| Loss   | Stage 3                                | 17.22                               | 17.22   | -                   | 17.22                                  | -  |
| <b>Subtotal for NPA</b>  |  | <b>18,256.93</b>                    | <b>11,791.31</b>  | <b>6,465.61</b>     | <b>9,900.81</b>                        | <b>1,890.50</b>  |
| Other items (whose exposure forms part of contingent liability) such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current IRACP norms -Letter of Comfort | Stage 1                                | 2,617.94                            | 9.09  | 2,608.85            | -                                      | 9.09   |
| <b>Subtotal</b>  |  | <b>2,617.94</b>                     | <b>9.09</b>   | <b>2,608.85</b>     | <b>-</b>                               | <b>9.09</b>  |
| <b>Total</b>   | <b>Stage 1</b>                         | <b>3,59,903.37</b>                  | <b>1,282.46</b>   | <b>3,58,620.91</b>  | <b>2,304.84</b>                        | <b>(1022.38)</b>   |
|  | <b>Stage 2</b>                         | <b>2,925.24</b>                     | <b>141.43</b>   | <b>2,783.81</b>     | <b>145.62</b>                          | <b>(4.19)</b>  |
|  | <b>Stage 3</b>                         | <b>18,256.93</b>                    | <b>11,791.31</b>  | <b>6,465.61</b>     | <b>9,900.81</b>                        | <b>1,890.50</b>  |
|  | <b>Total</b>                           | <b>3,81,085.54</b>                  | <b>13,215.20</b>  | <b>3,67,870.33</b>  | <b>12,351.27</b>                       | <b>863.93</b>  |

#### 46.1.13 Expected Credit Loss for Trade Receivables

##### A. In respect of RECL

RECL provides for lifetime credit losses in respect of trade receivables of RECPDCL, one of the subsidiaries of RECL using simplified approach under ECL method

(₹ in crore)

| Particulars                         | Less than 1 year | 1 year- 2 year | 2 year- 3 year | More than 3 year | Total  |
|-------------------------------------|------------------|----------------|----------------|------------------|--------|
| <b>As at 31.03.2023</b>             |                  |                |                |                  |        |
| Gross carrying value                | 127.15           | 21.32          | 16.31          | 56.35            | 221.13 |
| Expected loss rate                  | 20.19%           | 62.85%         | 89.94%         | 99.31%           | 49.61% |
| Expected credit loss (provision)    | 25.67            | 13.40          | 14.67          | 55.96            | 109.70 |
| Carrying amount (net of impairment) | 101.48           | 7.92           | 1.64           | 0.39             | 111.43 |
| <b>As at 31.03.2022</b>             |                  |                |                |                  |        |
| Gross carrying value                | 88.93            | 19.35          | 14.56          | 54.43            | 177.27 |
| Expected loss rate                  | 14.03%           | 6.82%          | 99.52%         | 100.00%          | 46.66% |
| Expected credit loss (provision)    | 12.48            | 1.32           | 14.49          | 54.43            | 82.72  |
| Carrying amount (net of impairment) | 76.45            | 18.03          | 0.07           | -                | 94.55  |
| <b>As at 31.03.2021</b>             |                  |                |                |                  |        |
| Gross carrying value                | 124.45           | 22.85          | 32.47          | 46.80            | 226.57 |
| Expected loss rate                  | 15.36%           | 19.04%         | 49.98%         | 100.00%          | 38.18% |
| Expected credit loss (provision)    | 19.12            | 4.35           | 16.23          | 46.80            | 86.50  |
| Carrying amount (net of impairment) | 105.33           | 18.50          | 16.24          | -                | 140.07 |

##### B. In respect of PFCCL

The trade receivables of PFCCL comprises mainly amount recoverable from the State Government entities. RECL considers that the exposure to state sector have a low credit risk mainly due to low default/ loss history. Further, the presence of Government interest lowers the risk of non-recoverability.

Subsequent to initial recognition, PFCCL recognises expected credit loss (ECL) on financial assets especially on trade receivables other than related parties. ECL is recognised at 100% on the trade receivables due for more than 2 years and 50% on the trade receivables due for more than one year and less than 2 years.

##### Ageing analysis of Trade receivables is as follows:

(₹ in crore)

| Particulars                            | 0 to 1 year | 1 to 2 year | More than 2 years | Total |
|--|-------------|-------------|-------------------|-------|
| Gross carrying amount as at 31.03.2023 | 43.50       | 2.87        | 21.06             | 67.43 |
| Gross carrying amount as at 31.03.2022 | 16.88       | 5.29        | 17.86             | 40.04 |
| Gross carrying amount as at 31.03.2021 | 16.67       | 4.92        | 13.41             | 35.00 |

##### Movement in the expected credit loss allowance

(₹ in crore)

| Particulars                   | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2021 |
|-------------------------------|------------------|------------------|------------------|
| Opening Balance               | 8.96             | 7.46             | 6.44             |
| Impairment allowance reversal | -                | -                | -                |
| Impairment losses recognised  | 0.29             | 1.50             | 1.02             |
| <b>Closing Balance</b>        | <b>9.25</b>      | <b>8.96</b>      | <b>7.46</b>      |

## 46.2 Liquidity Risk

Liquidity risk is the risk that the Group doesn't have sufficient financial resources to meet its obligations as and when they fall due. The risk arises from the mismatches in the timing of the cash flows which are inherent in all financing operations and can be affected by a range of company specific and market wide events.

46.2.1 The following table analyses the maturity pattern of items of financial liabilities (debt securities, borrowings and subordinated liabilities) by remaining maturity of contractual principal and interest on an undiscounted basis:

(₹ in crore)

| Particulars*                       | Upto 1 year        | 1 – 5 years        | More than 5 years  | Total              |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|
| <b>As at 31.03.2023</b>            |                    |                    |                    |                    |
| <b>Domestic borrowings</b>         |                    |                    |                    |                    |
| Principal                          | 90,123.05          | 259,152.30         | 229,514.69         | <b>578,790.04</b>  |
| Interest                           | 41,565.92          | 114,557.45         | 67,338.04          | <b>223,461.42</b>  |
| <b>Foreign Currency borrowings</b> |                    |                    |                    |                    |
| Principal                          | 40,666.15          | 78,286.85          | 39,465.75          | <b>158,418.75</b>  |
| Interest                           | 5,948.78           | 13,717.92          | 2,684.65           | <b>22,351.35</b>   |
| <b>Total</b>                       | <b>178,303.90</b>  | <b>465,714.52</b>  | <b>339,003.13</b>  | <b>983,021.56</b>  |
|                                    |                    |                    |                    |                    |
| <b>As at 31.03.2022</b>            |                    |                    |                    |                    |
| <b>Domestic borrowings</b>         |                    |                    |                    |                    |
| Principal                          | 61,140.51          | 2,56,738.15        | 1,96,977.66        | <b>5,14,856.32</b> |
| Interest                           | 35,470.38          | 98,125.96          | 59,474.65          | <b>1,93,070.99</b> |
| <b>Foreign Currency borrowings</b> |                    |                    |                    |                    |
| Principal                          | 22,025.66          | 72,280.41          | 37,794.67          | <b>1,32,100.74</b> |
| Interest                           | 3,850.14           | 10,465.79          | 3,686.87           | <b>18,002.80</b>   |
| <b>Total</b>                       | <b>1,22,486.69</b> | <b>4,37,610.31</b> | <b>2,97,933.85</b> | <b>8,58,030.85</b> |
|                                    |                    |                    |                    |                    |
| <b>As at 31.03.2021</b>            |                    |                    |                    |                    |
| <b>Domestic borrowings</b>         |                    |                    |                    |                    |
| Principal                          | 93,922.81          | 2,44,250.38        | 2,03,858.39        | <b>5,42,031.58</b> |
| Interest                           | 39,155.67          | 1,02,683.51        | 69,460.04          | <b>2,11,299.22</b> |
| <b>Foreign Currency borrowings</b> |                    |                    |                    |                    |
| Principal                          | 10,050.05          | 55,538.09          | 37,063.19          | <b>1,02,651.33</b> |
| Interest                           | 2,964.78           | 9,290.91           | 5,134.49           | <b>17,390.18</b>   |
| <b>Total</b>                       | <b>1,46,093.31</b> | <b>4,11,762.89</b> | <b>3,15,516.11</b> | <b>8,73,372.31</b> |

\*In the above table, bonds with put & call option have been shown considering the earliest exercise date. Further, the commercial papers and zero-coupon bonds have been shown at the maturity value.

46.2.2 The following table analyses the maturity pattern of Derivative financial liabilities:

(₹ in crore)

| Particulars*            | Upto 1 year   | 1 – 5 years   | More than 5 years | Total           |
|-------------------------|---------------|---------------|-------------------|-----------------|
| <b>As at 31.03.2023</b> |               |               |                   |                 |
| Forward                 | 21.06         | 0.00          | 0.00              | <b>21.06</b>    |
| Option/ swaps           | 64.24         | 310.18        | 605.79            | <b>980.21</b>   |
| <b>Total</b>            | <b>85.30</b>  | <b>310.18</b> | <b>605.79</b>     | <b>1,001.27</b> |
|                         |               |               |                   |                 |
| <b>As at 31.03.2022</b> |               |               |                   |                 |
| Forward                 | -             | -             | -                 | <b>-</b>        |
| Option/ swaps           | 75.64         | 125.49        | 455.25            | <b>656.38</b>   |
| <b>Total</b>            | <b>75.64</b>  | <b>125.49</b> | <b>455.25</b>     | <b>656.38</b>   |
|                         |               |               |                   |                 |
| <b>As at 31.03.2021</b> |               |               |                   |                 |
| Forward                 | 40.53         | 0.00          | 0.00              | <b>40.53</b>    |
| Option/ swaps           | 88.61         | 847.95        | 363.26            | <b>1,299.82</b> |
| <b>Total</b>            | <b>129.14</b> | <b>847.95</b> | <b>363.26</b>     | <b>1,340.35</b> |

\* The above table details Group's liquidity analysis for its derivative financial liabilities based on MTMs received from counterparties. Maturity buckets are as per the remaining tenor of the respective derivative instrument.

46.2.3 Significant cash flows required for meeting the financial liabilities shall be funded through cash flows (principal and interest repayments) generated from loan assets. The following table analyses the maturity pattern of loans by remaining maturity of contractual principal and interest on an undiscounted basis:

(₹ in crore)

| Particulars*            | Upto 1 year        | 1 – 5 years        | More than 5 years  | Total               |
|-------------------------|--------------------|--------------------|--------------------|---------------------|
| <b>As at 31.03.2023</b> |                    |                    |                    |                     |
| <b>Loan Assets</b>      |                    |                    |                    |                     |
| Principal               | 1,16,979.37        | 3,08,341.85        | 4,09,659.87        | 8,34,981.09         |
| Interest                | 76,654.89          | 2,22,171.89        | 1,73,464.65        | 4,72,291.43         |
| <b>Total</b>            | <b>1,93,634.26</b> | <b>5,30,513.74</b> | <b>5,83,124.52</b> | <b>13,07,272.52</b> |
| <b>As at 31.03.2022</b> |                    |                    |                    |                     |
| <b>Loan Assets</b>      |                    |                    |                    |                     |
| Principal               | 66,026.51          | 2,77,929.73        | 3,88,637.47        | 7,32,593.71         |
| Interest                | 70,190.29          | 2,11,553.57        | 1,72,778.27        | 4,54,522.13         |
| <b>Total</b>            | <b>1,36,216.80</b> | <b>4,89,483.30</b> | <b>5,61,415.74</b> | <b>11,87,115.84</b> |
| <b>As at 31.03.2021</b> |                    |                    |                    |                     |
| <b>Loan Assets</b>      |                    |                    |                    |                     |
| Principal               | 66,676.14          | 2,59,325.59        | 3,93,979.74        | 7,19,981.47         |
| Interest                | 69,286.95          | 2,14,770.20        | 1,98,619.13        | 4,82,676.28         |
| <b>Total</b>            | <b>1,35,963.09</b> | <b>4,74,095.79</b> | <b>5,92,598.87</b> | <b>12,02,657.75</b> |

\* The principal cash flows net of impairment loss allowance relating to Stage 3 assets have been considered in over 5 years bucket irrespective of the maturity date.

#### 46.2.4 Liquidity Risk Management

In order to effectively manage liquidity risk, the Group endeavours to maintain sufficient cash flows to cover maturing liabilities and projected disbursements without incurring unacceptable losses or risking damage to its reputation and also endeavours to maintain a diversified fund base by raising resources through different funding instruments. The adequacy of the Group's liquidity position is determined keeping in view the current liquidity position; anticipated future funding needs; present and future earning capacity; and available sources of funds.

The Companies in the Group manages its day to day liquidity to ensure that they have sufficient liquidity to meet their financial obligation as & when due.

Further, for overall liquidity monitoring and supervision, PFC and RECL has their respective Asset Liability Committee (ALCO). The ALCO tracks the liquidity risk by analysing the maturity or cash flow mis-matches of its financial assets and liabilities.

#### 46.2.5 Financing arrangements

##### A. In respect of PFC

PFC has access to cash credit, overdraft, line of credits and working capital demand loans from banks to meet unanticipated liquidity need. Further, PFC has the highest Domestic Credit Rating of AAA, thereby enabling it to mobilize funds from the domestic market within a short span of time. PFC has access to the following undrawn borrowing facilities:

(₹ in crore)

| Particulars               | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2021 |
|---------------------------|------------------|------------------|------------------|
| CC/ OD/ LoC / WCDL limits | 8,116.17         | 5,398.00         | 8,098.00         |

##### B. In respect of RECL

RECL had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in crore)

| Particulars  | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2021 |
|--|------------------|------------------|------------------|
| Expiring within one year (cash credit and other facilities)- Floating Rate | 13,364.88        | 8,803.05         | 5,547.28         |
| Expiring beyond one year (loans/ borrowings)-Floating Rate                 | 1,393.58         | 1,245.90         | -                |

46.2.6 RBI vide its Master Directions applicable for NBFCs prescribe Liquidity Coverage Ratio (LCR) framework for all non-deposit taking NBFCs with asset size of more than ₹ 5,000 crore. The guidelines aim to maintain a liquidity buffer in terms of LCR by ensuring that they have sufficient High Quality Liquid Asset (HQLA) to survive any acute liquidity stress scenario lasting for next 30 days. PFC and its subsidiary, RECL maintains sufficient liquidity buffer in the form of High-Quality Liquid Assets (HQLA) as prescribed.

### 46.3 Market Risk – Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument, denominated in currency other than functional currency, will fluctuate because of changes in foreign exchange rates.

46.3.1 The Company and its subsidiary, RECL is exposed to foreign currency risk mainly on its borrowings denominated in foreign currency. The carrying amount of the foreign currency denominated borrowings of these companies is as follows:

| Description       | As at 31.03.2023              |                   | As at 31.03.2022              |                    | As at 31.03.2021              |                    |
|-------------------|-------------------------------|-------------------|-------------------------------|--------------------|-------------------------------|--------------------|
|                   | Creore in respective currency | ₹ in Creore       | Creore in respective currency | ₹ in Creore        | Creore in respective currency | ₹ in Creore        |
| <b>USD Loans</b>  | <b>1,585.32</b>               | <b>130,340.51</b> | <b>1,621.87</b>               | <b>1,22,949.09</b> | <b>1,320.30</b>               | <b>97,047.96</b>   |
| - Hedged          | 1,304.70                      | 107,268.39        | 1,169.50                      | 88,656.40          | 630.00                        | 46,307.97          |
| - Unhedged        | 280.62                        | 23,072.12         | 452.37                        | 34,292.69          | 690.30                        | 50,739.99          |
| <b>Euro Loans</b> | <b>162.13</b>                 | <b>14,527.63</b>  | <b>33.46</b>                  | <b>2,832.49</b>    | <b>4.66</b>                   | <b>400.99</b>      |
| - Hedged          | 123.99                        | 11,110.66         | 0.09                          | 7.37               | 1.14                          | 98.12              |
| - Unhedged        | 38.14                         | 3,416.97          | 33.38                         | 2,825.12           | 3.52                          | 302.87             |
| <b>JPY Loans</b>  | <b>19,073.36</b>              | <b>11,787.34</b>  | <b>9,506.59</b>               | <b>5,915.95</b>    | <b>7,249.24</b>               | <b>4,810.59</b>    |
| - Hedged          | 9,925.81                      | 6,134.16          | 2,084.61                      | 1,297.25           | 2,084.60                      | 1,383.34           |
| -Unhedged#        | 9,147.55                      | 5,653.18          | 7,421.98                      | 4,618.70           | 5,164.64                      | 3,427.25           |
| <b>SGD Loans</b>  | <b>28.53</b>                  | <b>1,763.27</b>   | <b>7.21</b>                   | <b>403.21</b>      | <b>7.21</b>                   | <b>391.79</b>      |
| - Hedged          | 28.53                         | 1,763.27          | 7.21                          | 403.21             | 7.21                          | 391.79             |
| - Unhedged        | -                             | -                 | -                             | -                  | -                             | -                  |
| <b>Total</b>      |                               | <b>158,418.75</b> |                               | <b>1,32,100.74</b> |                               | <b>1,02,651.33</b> |
| - Hedged          |                               | 126,276.48        |                               | 90,364.23          |                               | 48,181.22          |
| - Unhedged        |                               | 32,142.27         |                               | 41,736.51          |                               | 54,470.11          |

#includes JPY loan liability hedged for one leg (USD/JPY) for ₹ 5,653.18 crore as at 31.03.2023 (As at 31.03.2022 – Nil, As at 31.03.2021 JPY loan partly hedged through forwards covering USD/ INR exposure for ₹ 940.86 crore)

### 46.3.2 Foreign currency risk monitoring and management

PFC & RECL have their respective Board approved risk management policies to manage risks associated with foreign currency borrowings. These policies prescribe appropriate systems and controls to identify, measure and monitor the foreign currency risks through committees comprising of senior level officials. Derivative transactions are done to cover exchange/interest rate risks through various instruments like foreign currency forwards contracts, currency options, principal only swaps, and IRS and forward rate agreements. These derivative transactions are done for hedging purpose and not for trading or speculative purpose.

### 46.3.3 Foreign Currency Sensitivity Analysis

The table below represents the impact on Group's total equity ((Gain / (Loss)) for 5% change in foreign currency exchange rate against INR on unhedged portfolio of outstanding foreign currency borrowings:

(₹ in crore)

| Foreign Currency | As at 31.03.2023 |                   | As at 31.03.2022 |                   | As at 31.03.2021 |                   |
|------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|
|                  | Decrease         | Increase          | Decrease         | Increase          | Decrease         | Increase          |
| USD              | 1,050.14         | (1,050.14)        | 1,541.40         | (1,541.40)        | 2,223.07         | (2,223.07)        |
| Euro             | 169.06           | (169.06)          | 138.54           | (138.54)          | 12.38            | (12.38)           |
| JPY              | 282.66           | (282.66)          | 201.27           | (201.27)          | 170.73           | (170.73)          |
| SGD              | -                | -                 | -                | -                 | -                | -                 |
| <b>Total</b>     | <b>1,501.86</b>  | <b>(1,501.86)</b> | <b>1,881.21</b>  | <b>(1,881.21)</b> | <b>2,406.18</b>  | <b>(2,406.18)</b> |

### 46.4 Market Risk - Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in interest rates. Interest rates are dynamic and dependent on various internal and external factors including but not limited to RBI policy changes, liquidity in the market, movement of external benchmarks such as AAA bond/ G-Sec yields/ LIBOR etc. The impact may be beneficial or adverse depending on the direction of change in interest rates and whether assets or liabilities re-price faster.

#### A. In respect of PFC

- (i) Interest rate risk is managed with the objective to control market risk exposure while optimizing the return.

The Asset Liability Committee (ALCO) tracks the interest rate risk through the gap analysis i.e. by analysing the mismatches between Rate Sensitive Assets and Rate Sensitive Liabilities. For gap analysis, the interest rate sensitivity statement prescribed by RBI is used, wherein the gap is measured between the Rate Sensitive Assets and Rate Sensitive Liabilities which are distributed based on the maturity date or the re-pricing date whichever is earlier.

Further, for managing the interest rate risk, PFC reviews its interest rates periodically based on prevailing market conditions, borrowing cost, yield, spread, competitors' rates, etc. The asset mix is managed by PFC through its interest rate & credit policies which inter-alia covers aspects like reset periods; repayment periods, prepayment premium etc. The liabilities are managed keeping in view factors like cost, market appetite, timing, market scenario, ALM gap position etc. PFC also enters into various derivatives transactions like interest rate swaps, cross-currency interest rate swaps to hedge its interest rate risk.

#### (ii) Interest Rate Sensitivity Analysis

As per RBI Guidelines, Earning at Risk (EaR) is an important focal point for interest risk management. For interest rate sensitivity analysis, the impact of movement of interest rates has been measured on the Earning at Risk derived from the gap statements. The impact has been worked out considering 25 basis upward/downward shock to interest rates over a one-year period, assuming a constant balance sheet. The analysis shows that if rates are increased/decreased by 25 bps, the impact on EaR will be (+/-) ₹ 194.52 crore. (As at 31.03.2022 (+/-) ₹ 118.77 crore and As at 31.03.2021 (+/-) ₹ 58.00 crore).

The analysis assumes that the Rate Sensitive Assets and Rate Sensitive Liabilities are being re-priced at the same time. Further, the analysis considers the earliest/first re-pricing date of the Rate Sensitive Assets and Rate Sensitive Liabilities.

Note: A 25 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

**(iii) Disclosures in respect of Interest Rate Benchmark Reform**

PFC has variable interest rate borrowings whose interest rate is based on interest rate benchmarks. Also, to hedge the variability of cash flows on these borrowings, PFC has entered into multiple interest rate swaps with key terms (principal amount, payment dates, repricing dates, currency) that match those of the debt on which it pays a fixed rate and receives a variable rate. Significant interest rate benchmark used in PFC's borrowings is 6 month USD /JPY LIBOR (London Interbank Offered Rate).

a) Exposure directly affected by the interest rate benchmark reform

The total amount of exposure that is directly affected by Interest Rate Benchmark Reform (IBOR) i.e. after June 2023 is USD 656.24 million (Amount in INR ₹ 5,395.44 crore) as on 31.03.2023. Out of this, the amount of the Derivative exposure linked with such liabilities and accounted for under hedge accounting is USD 650 million (Amount in INR ₹ 5,344.10 Crore).

Following is the detail of the foreign currency borrowings which will be impacted based on LIBOR transition from 6 month USD LIBOR as planned after June 2023:-

| Benchmark                                   | As at 31.03.2023                        |                     |   |                     | As at 31.03.2022                        |                     |   |                     |
|---|---|---------------------|---|---------------------|---|---------------------|---|---------------------|
|   | Amount in respective currency (million) | Amount (₹ in crore) | Of which, have yet to transition to an alternative benchmark rate |                     | Amount in respective currency (million) | Amount (₹ in crore) | Of which, have yet to transition to an alternative benchmark rate |                     |
|   |   |                     | Amount in respective currency (million)                           | Amount (₹ in crore) |   |                     | Amount in respective currency (million)                           | Amount (₹ in crore) |
| <b>Non-derivative financial liabilities</b> |   |                     |   |                     |   |                     |   |                     |
| 6 month USD LIBOR                           | 656.24                                  | 5,395.44            | 650.00  | 5,344.10            | 657.67                                  | 4,985.66            | 650.00  | 4,927.46            |
| <b>Derivatives</b>                          |   |                     |   |                     |   |                     |   |                     |
| 6 month USD LIBOR                           | 650.00                                  | 5,344.10            | 650.00  | 5,344.10            | 650.00                                  | 4,927.46            | 650.00  | 4,927.46            |

| Benchmark                                   | As at 31.03.2021                        |                      |   |                      |
|---|---|----------------------|---|----------------------|
|   | Amount in respective currency (million) | Amount (₹ in crores) | Of which, have yet to transition to an alternative benchmark rate |                      |
|   |   |                      | Amount in respective currency (million)                           | Amount (₹ in crores) |
| <b>Non-derivative financial liabilities</b> |   |                      |   |                      |
| 6 month USD LIBOR                           | 659.11                                  | 4,844.76             | 659.11  | 4,844.76             |
| 6 month JPY LIBOR*                          | 30,966.75                               | 2,054.95             | 30,966.75   | 2,054.95             |
| <b>Derivatives</b>                          |   |                      |   |                      |
| 6 month USD LIBOR                           | 650.00                                  | 4,777.81             | 650.00  | 4,777.81             |

(ii) Managing the process of transition to alternative benchmark rates

PFC has in place a Board approved Policy for undertaking Libor Transition namely "Framework for transition from London Inter Bank Offered Rate (LIBOR) to Alternative Reference Rate (ARR)". The framework inter-alia covers aspects such as assessment of exposure linked to LIBOR, identification of risk arising out of LIBOR transition, contracts remediation, operational readiness, governing structure, regulatory compliance & reporting, etc. Further, PFC shall undertake all transition activities as per the process/ guidelines detailed in the policy. The process of transition from 6 month USD LIBOR to Alternative Reference Rate has been initiated & shall be completed within available timelines.

(iii) Significant assumptions for exposure affected by the interest rate benchmark reform

Ind AS 109 provides temporary exceptions to all the hedging relationships directly impacted by the interest rate

benchmark reform. The alternative reference rate / benchmarks for the LIBOR linked loans and their derivatives are yet to be agreed with the lenders and the derivative bankers. However, it has been assumed that as a result of such reform there shall be no change in the relationship of the hedged items, hedged instruments and its corresponding hedge effectiveness.

## B. In respect of RECL

- (i) RECL's borrowings are exposed to interest rate risk with floating interest rates linked to USD LIBOR (London Inter Bank Offered Rate), SORA (Singapore Overnight Rate Average), TONAR (Tokyo Overnight Average Rate), SOFR (Secured Overnight Financing Rate), T-Bills, Repo Rate etc. RECL manages its interest rate risk through various derivative contracts like interest rate swap contracts, forward interest rate contracts to minimize the risk of fluctuation in interest rates. RECL also uses cross-currency interest rate swaps as a cost-reduction strategy to benefit from the interest differentials in different currencies.

The table below shows the overall exposure of RECL to the liabilities linked with floating interest rates as at 31.03.2023 is as under:

(Foreign Currency & INR Equivalent in ₹ crore)

| Currency                    | As at 31.03.2023                |                            |                   | As at 31.03.2022                |                            |                   |
|-----------------------------|---------------------------------|----------------------------|-------------------|---------------------------------|----------------------------|-------------------|
|                             | Floating Interest Rate Exposure | Hedged through Derivatives | Unhedged Exposure | Floating Interest Rate Exposure | Hedged through Derivatives | Unhedged Exposure |
| <b>INR Borrowings</b>       | <b>62,798.20</b>                | <b>-</b>                   | <b>62,798.20</b>  | <b>50,178.32</b>                | <b>-</b>                   | <b>50,178.32</b>  |
| <b>USD \$</b>               | 506.20                          | 189.20                     | 317.00            | 463.60                          | 132.50                     | 331.10            |
| <b>INR Equivalent</b>       | <b>41,618.19</b>                | <b>15,555.43</b>           | <b>26,062.76</b>  | <b>35,144.17</b>                | <b>10,044.44</b>           | <b>25,099.73</b>  |
| <b>JPY ¥</b>                | 5,835.28                        | 1,032.72                   | 4,802.56          | 5,835.27                        | 1,032.72                   | 4,802.56          |
| <b>INR Equivalent</b>       | <b>3,606.20</b>                 | <b>638.22</b>              | <b>2,967.98</b>   | <b>3,631.29</b>                 | <b>642.66</b>              | <b>2,988.63</b>   |
| <b>EURO €</b>               | 60.40                           | -                          | 60.40             | -                               | -                          | -                 |
| <b>INR Equivalent</b>       | <b>5,412.51</b>                 | <b>-</b>                   | <b>5,412.51</b>   | <b>-</b>                        | <b>-</b>                   | <b>-</b>          |
| <b>SGD \$</b>               | 28.53                           | 7.21                       | 21.32             | 7.21                            | 7.21                       | -                 |
| <b>INR Equivalent</b>       | <b>1,763.27</b>                 | <b>445.47</b>              | <b>1,317.80</b>   | <b>403.21</b>                   | <b>403.21</b>              | <b>-</b>          |
| <b>Total INR Equivalent</b> | <b>1,15,198.37</b>              | <b>16,639.12</b>           | <b>98,559.25</b>  | <b>89,356.99</b>                | <b>11,090.31</b>           | <b>78,266.68</b>  |

| Currency              | As at 31.03.2021                |                            |                   |
|-----------------------|---------------------------------|----------------------------|-------------------|
|                       | Floating Interest Rate Exposure | Hedged through Derivatives | Unhedged Exposure |
| <b>INR Borrowings</b> | <b>35,738.58</b>                | <b>-</b>                   | <b>35,738.58</b>  |
| <b>USD \$</b>         | 276.88                          | 163.00                     | 113.89            |
| <b>INR Equivalent</b> | <b>20,352.38</b>                | <b>11,981.27</b>           | <b>8,371.11</b>   |
| <b>JPY ¥</b>          | 2,084.61                        | 1,032.71                   | 1,051.90          |
| <b>INR Equivalent</b> | <b>1,383.35</b>                 | <b>685.31</b>              | <b>698.04</b>     |
|                       |                                 |                            | 310               |



|                             |                  |                  |                  |
|-----------------------------|------------------|------------------|------------------|
| <b>EURO €</b>               | -                | -                | -                |
| <b>INR Equivalent</b>       | -                | -                | -                |
|                             |                  |                  |                  |
| <b>SGD \$</b>               | 7.21             | 7.21             | -                |
| <b>INR Equivalent</b>       | <b>391.79</b>    | <b>391.79</b>    | -                |
|                             |                  |                  |                  |
| <b>Total INR Equivalent</b> | <b>57,866.10</b> | <b>13,058.37</b> | <b>44,807.73</b> |

RECL also uses Interest Rate Swaps to manage fair value risk on interest rate borrowings to mitigate the interest rate sensitivity mismatch. Through such swaps, the fixed rate borrowings amounting to ₹ 15,950.70 crore as on 31st March 2023 (FY 2021-22 ₹ 11,850.70, FY 2020-21 Nil) have been converted into floating rate borrowings through the use of MIBOR- linked Overnight Indexed Swaps.

RECL's lending portfolio carries interest at semi-fixed rate i.e. fixed rate of interest with 1/3/10 year reset option with the borrower. RECL reviews its lending rates periodically based on prevailing market conditions, borrowing cost, yield, spread, competitors' rates, sanctions and disbursements etc. In order to manage pre-payment risks, RECL charges pre-payment premium from borrowers in case of pre- payment of loan. The interest rate risk is managed by the analysis of interest rate sensitivity gap statements and by evaluating the creation of assets and liabilities with a mix of fixed and floating interest rates.

RECL is exposed to interest rate risk on following loan assets which are at semi-fixed rates:

| Description | (₹ in crore)     |                  |                  |
|-------------|------------------|------------------|------------------|
|             | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2021 |
| Rupee Loans | 4,31,992.47      | 3,75,805.76      | 3,63,580.03      |

## (ii) Sensitivity Analysis

The table below represents the impact on P&L (Gain / (Loss)) for 50 basis points increase or decrease in interest rate on RECL's floating rate assets and liabilities on the unhedged exposures:

| Particulars                           | (₹ in crore)     |            |                  |            |                  |            |
|---------------------------------------|------------------|------------|------------------|------------|------------------|------------|
|                                       | As at 31.03.2023 |            | As at 31.03.2022 |            | As at 31.03.2021 |            |
|                                       | Increase         | (Decrease) | Increase         | (Decrease) | Increase         | (Decrease) |
| Floating Rate Loan Liabilities        | (368.77)         | 368.77     | (292.84)         | 292.84     | (167.65)         | 167.65     |
| Interest Rate Swaps                   | (59.68)          | 59.68      | (44.34)          | 44.34      | -                | -          |
| Floating/ semi-fixed Rate Loan Assets | 1,616.34         | (1,616.34) | 1,406.11         | (1406.11)  | 1,360.37         | (1,360.37) |

\*Holding all other variables constant

The above sensitivity analysis has been prepared assuming that the amount outstanding at the end of the reporting period remains outstanding for the whole year. A 50 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

## (iii) Disclosures in respect of Interest Rate Benchmark Reform (IBOR)

RECL has variable interest rate borrowings with interest rates linked with different benchmarks. Such interest rate benchmarks for foreign currency borrowings include 3/6 Months' USD LIBOR (London Inter Bank Offered Rate), 3/6 Months' EURIBOR (Euro Inter Bank Offered Rate), Overnight SOFR (Secured Overnight Financing Rate), 3/6 Months' Term SOFR, SORA (Singapore Overnight Rate Average), TONAR (Tokyo Overnight Average Rate), SOFR (Secured Overnight Financing Rate) etc. The summary of such borrowings as on March 31, 2023 as per the contracted interest rate benchmark is as below:

| Benchmark    | As at 31-03-2023    |                            | As at 31-03-2022    |                            | As at 31-03-2021    |                            |
|--------------|---------------------|----------------------------|---------------------|----------------------------|---------------------|----------------------------|
|              | Amount (₹ in Crore) | Amount (USD Mn Equivalent) | Amount (₹ in Crore) | Amount (USD Mn Equivalent) | Amount (₹ in Crore) | Amount (USD Mn Equivalent) |
| 1M USD LIBOR | -                   | -                          | -                   | -                          | 1,690.61            | 230.00                     |
| 3M USD LIBOR | 1,233.26            | 150.00                     | 311 7,201.67        | 950.00                     | 5,512.85            | 750.00                     |

|              |                  |                 |                  |                 |                  |              |
|--------------|------------------|-----------------|------------------|-----------------|------------------|--------------|
| 6M USD LIBOR | 29,080.13        | 3,537.00        | 27,373.94        | 3,611.00        | 13,148.92        | 1,788.85     |
| 3M Term SOFR | 6,988.44         | 850.00          | -                | -               |                  |              |
| 6M Term SOFR | 822.17           | 100.00          | -                | -               |                  |              |
| O/N SOFR     | 3,494.22         | 425.00          | 568.55           | 75.00           |                  |              |
| 3M EURIBOR   | 3,595.53         | 437.32          | -                | -               |                  |              |
| 6M EURIBOR   | 3,134.74         | 381.28          | -                | -               |                  |              |
| O/N TONA     | 3,606.20         | 438.62          | 3,631.29         | 479.02          |                  |              |
| O/N SORA     | 445.48           | 54.18           | 403.21           | 53.19           |                  |              |
| 6M JPY LIBOR | -                | -               | -                | -               | 1,383.35         | 188.20       |
| 6M SOR       | -                | -               | -                | -               | 391.79           | 53.30        |
| <b>Total</b> | <b>52,400.17</b> | <b>6,373.40</b> | <b>39,178.67</b> | <b>5,168.21</b> | <b>22,127.52</b> | <b>53.30</b> |

As announced by the UK Financial Conduct Authority (FCA) on 5 March 2021, 3 Month and 6 Month USD LIBOR will cease to be published after 30th June 2023.

**(a) Exposure directly affected by the Interest Rate Benchmark Reform (IBOR)**

While some of the floating rate borrowings of the Company are already under the new benchmarks, some of the borrowings will also get repaid before the cessation date of the respective interest rates, i.e. 3M USD LIBOR and 6M USD LIBOR. Accordingly, the total amount of exposure that is directly affected by the Interest Rate Benchmark Reform (IBOR) is ₹ 28,159.29 crores (USD 3.425 Billion) as on 31st March, 2023 (₹ 25,963.93 crores (USD 3.425 Billion) as on 31st March, 2022 and ₹ 13,468.66 crores as on 31st March, 2021). Out of this, the nominal amount of the derivative exposure linked with such liabilities and accounted for under hedge accounting is ₹ 4,110.85 crores (USD 0.500 Billion) [As on 31.03.2022 ₹ 3,790.36 crores (USD 0.500 Billion) and As on 31.03.2021 ₹ 4,752.33 crore].

**(b) Managing the process to transition to alternative benchmark rates**

Pursuant to the Interest Rate Benchmark Reform, LIBOR will be replaced with alternative Risk-Free Rates (RFRs). SOFR (Secured Overnight Financing Rate) will be the replacement for USD LIBOR, while TONA (Tokyo Overnight Average Rate) will replace JPY LIBOR. ISDA (International Swaps and Derivatives Association), the globally recognized statutory body governing the global derivative deals, has come up with the ISDA 2020 IBOR Fallbacks Protocol (commonly referred to as Fallback Protocol) to move all the legacy contracts to new benchmarks. The Company has adhered to the Fallbacks Protocol under which the fallbacks for the various LIBOR benchmarks will automatically become applicable to the existing derivative trades with all counterparties.

With respect to the term loans, REC has been actively engaging with the lenders to initiate the transition exercise at an early stage. During the year 2022-23, lenders for 10 USD loans amounting to USD 3,275 Million (INR equivalent as on March 31, 2023 ₹ 26,926.04 crores) have agreed for transition of the benchmarks from USD LIBOR to Overnight SOFR/ Term SOFR.

During previous year, the company has completed the transition documentation for two JPY loans amounting to JPY 20,846.12 Billion (INR equivalent as on 31st March, 2022 ₹ 1,297.25 crores) with the benchmark changed from JPY LIBOR to TONA. Additionally, an active transition for one SGD loan amounting to SGD 72.08 Million (INR equivalent as on 31st March, 2022 ₹ 403.21 crores) has also been concluded during the previous year with the benchmark changed from 6M SOR (Singapore Swap Offer Rate) to SORA (Singapore Overnight Rate Average).

**(c) Significant Assumptions for exposures affected by the Interest Rate Benchmark Reform**

Ind AS 109 provides temporary exceptions to all the hedging relationships directly impacted by the Interest Rate Benchmark Reform. While the benchmarks for the underlying loan are yet to be agreed with the lenders, it has been assumed that there will be no change in the alternative benchmark rates of the underlying loan and the derivative contracts and hedge effectiveness is not altered as a result of such reform.

#### 46.5 Market Risk - Price risk

(a) The Group is exposed to price risks arising from investments in listed equity shares. Refer Note 13A 'Investments' for Group's exposure to the same.

(b) Sensitivity Analysis

The table below represents the impact on Consolidated Statement of Profit and Loss for 5% increase or decrease in the respective prices on Group's equity investments, outside the Group:

| Particulars   | (₹ in crore)     |            |                  |            |                  |            |
|---------------|------------------|------------|------------------|------------|------------------|------------|
|               | As at 31.03.2023 |            | As at 31.03.2022 |            | As at 31.03.2021 |            |
|               | Increase         | (Decrease) | Increase         | (Decrease) | Increase         | (Decrease) |
| Impact on P&L | 4.84             | (4.84)     | 8.77             | (8.77)     | 4.18             | (4.18)     |
| Impact on OCI | 59.86            | (59.86)    | 50.16            | (50.16)    | 63.61            | (63.61)    |

#### 47 Hedge Accounting

The hedging instruments which meets the qualifying criteria for hedge accounting are designated as cash flow hedge. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in Other Comprehensive Income. The change in intrinsic value of hedging instruments is recognized in 'Effective Portion of Cash Flow Hedges'. The amounts recognized in such reserve are reclassified to the Consolidated Statement of Profit or Loss when the hedged item affects profit or loss. Further, the change in fair value of the time value of a hedging instruments is recognized in 'Cost of Hedging Reserve'. The amounts recognized in such reserve are amortized to the Consolidated Statement of Profit and Loss on a systematic basis.

The table below provides Movement in Effective Portion of Cash Flow Hedges and Cost of Hedging Reserve for PFC and subsidiary RECL:

| Sr. No. | Particulars  | (₹ in crore)      |                 |
|---------|--|-------------------|-----------------|
|         |  | FY 2022-23        | FY 2021-22      |
|         | <b>Effective Portion of Cash flow Hedges</b>                             |                   |                 |
| (a)     | <b>Opening balance of Reserves (net of tax)</b>                          | <b>394.55</b>     | <b>(278.95)</b> |
| (b)     | Changes in intrinsic value of options contracts                          | 7,502.40          | 1,537.09        |
| (c)     | Changes in fair value of PoS/Forwards/IRS contracts                      | 674.18            | 665.14          |
| (d)     | Amount reclassified from OCI to P&L                                      | (7,244.23)        | (1,302.21)      |
| (e)     | <b>Net amount recognised in OCI during the year (b + c + d)</b>          | <b>932.35</b>     | <b>900.02</b>   |
| (f)     | Deferred Tax on (e) above  | (234.65)          | (226.52)        |
| (g)     | <b>Net amount recognised in OCI during the year (Net of Tax) (e + f)</b> | <b>697.70</b>     | <b>673.50</b>   |
| (h)     | <b>Closing balance of Reserves (net of Tax) (a + g)</b>                  | <b>1,092.25</b>   | <b>394.55</b>   |
|         | <b>Cost of Hedging Reserve</b>   |                   |                 |
| (a)     | <b>Opening balance of Reserves (net of tax)</b>                          | <b>(690.70)</b>   | <b>18.21</b>    |
| (b)     | Changes in deferred time value of options/PoS/IRS contracts/Forwards     | (5,453.45)        | (2,792.42)      |
| (c)     | Amortisation of time value   | 2,889.49          | 1,845.09        |
| (d)     | <b>Net amount recognised in OCI during the year (b + c)</b>              | <b>(2,563.96)</b> | <b>(947.33)</b> |
| (e)     | Deferred Tax on (d) above  | 645.29            | 238.42          |
| (f)     | <b>Net amount recognised in OCI during the year (Net of Tax) (d + e)</b> | <b>(1,918.67)</b> | <b>(708.91)</b> |
| (g)     | <b>Closing balance of Reserves (net of Tax) (a + f)</b>                  | <b>(2,609.37)</b> | <b>(690.70)</b> |

| No. | Particulars  | FY 2020-21    |
|-----|--|---------------|
| (a) | <b>Opening balance of Reserves (net of tax)</b>              | (523.49)      |
| (b) | Amount recognised in OCI during the year                     | (1,685.62)    |
| (c) | Amount reclassified from OCI to P&L (including amortisation) | 2,036.73      |
| (d) | <b>Net amount recognised in OCI during the year (b + c)</b>  | <b>351.11</b> |

|     |  |                 |
|-----|--|-----------------|
| (e) | Deferred Tax on (d) above  | (88.36)         |
| (f) | <b>Net amount recognised in OCI during the year (Net of Tax) (d+e)</b> | <b>262.75</b>   |
| (g) | <b>Closing balance of Reserves (net of Tax) (a+f)</b>                  | <b>(260.74)</b> |
|     | - attributable to owners of the Equity                                 | (201.92)        |
|     | - attributable to NCI  | (58.82)         |

#### A. In respect of PFC

##### (i) Hedge Effectiveness

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company applies the following effectiveness testing strategies:

- For derivatives other than options that exactly match the terms of the hedged item, the economic relationship and hedge effectiveness are based on the qualitative factors using critical terms match method (where principal terms of the hedging instrument and the hedged item are same).
- For option structures, the Company analyses the relationship of changes in value of the hedging instrument and hedged item using regression analysis based dollar offset method.

(ii) The effects of hedging instruments designated as Cash-flow hedge on Consolidated Balance Sheet:

| Sr. No.                 | Particulars               | Nominal Amount<br>(₹ in Crore) | Carrying Amount <sup>(1)</sup> |                          | Date of maturity | Weighted Average Rate /<br>Strike Price |   |
|-------------------------|---------------------------|--------------------------------|--------------------------------|--------------------------|------------------|---|---|
|                         |                           |                                | Assets (₹ in Crore)            | Liabilities (₹ in Crore) |                  |   |   |
| <b>As at 31.03.2023</b> |                           |                                |                                |                          |                  |   |   |
| 1.                      | Currency Derivatives      | Forwards                       | 507.09                         | 20.40                    | -                | Feb 2024                                | 0.6303  |
|                         |                           | Principal Only Swaps           | 4,521.93                       | 460.12                   | -                | Sep 2023-<br>Sep 2024                   | 71.91   |
|                         |                           | Call Spread Option             | 13,705.76                      | 679.45                   | -                | Oct 2023-<br>Dec 2024                   | 76.99   |
|                         |                           | Seagull Option                 | 29,169.51                      | 2,826.19                 | 3.26             | Dec 2023-<br>Dec 2027                   | USD/INR76.5202<br>EUR/USD-1.0775<br>USD/JPY- 130.83 |
|                         | <b>Sub Total</b>          | <b>47,904.29</b>               | <b>3,986.16</b>                | <b>3.26</b>              |                  |   |   |
| 2.                      | Interest rate Derivatives | Interest Rate Swap             | 7,399.52                       | 364.11                   | -                | Sep 2023-<br>Jun 2024                   | 1.27%   |
|                         |                           | <b>Sub Total</b>               | <b>7,399.52</b>                | <b>364.11</b>            | <b>-</b>         |   |   |
| 3.                      | <b>Total(1+2)</b>         | <b>55,303.81</b>               | <b>4,350.27</b>                | <b>3.26</b>              |                  |   |   |
| <b>As at 31.03.2022</b> |                           |                                |                                |                          |                  |   |   |
| 1.                      | Currency Derivatives      | Forward                        | -                              | -                        | -                | -                                       | -   |
|                         |                           | Principal Only Swaps           | 6,064.57                       | 277.61                   | -                | Jun 2022-<br>Sep 2024                   | 71.09   |
|                         |                           | Call Spread Option             | 7,959.75                       | 70.55                    | 21.55            | Oct-2023-<br>Dec-2024                   | 73.90   |
|                         |                           | Seagull option                 | 10,802.51                      | 1,453.26                 | -                | May 2026-<br>Nov-2026                   | 73.96   |
|                         | <b>Sub Total</b>          | <b>24,826.83</b>               | <b>1,801.42</b>                | <b>21.55</b>             |                  |   |   |
| 2.                      | Interest rate Derivatives | Interest Rate Swap             | 8,717.82                       | 198.86                   | 39.15            | Jun 2022-<br>Jun 2024                   | 1.38%   |
|                         |                           | <b>Sub Total</b>               | <b>8,717.82</b>                | <b>198.86</b>            | <b>39.15</b>     |   |   |
| 3.                      | <b>Total (1+2)</b>        | <b>33,544.65</b>               | <b>2,000.28</b>                | <b>60.70</b>             |                  |   |   |
| <b>As at 31.03.2021</b> |                           |                                |                                |                          |                  |   |   |

|    |                           |                      |                  |               |               |                   |       |
|----|---------------------------|----------------------|------------------|---------------|---------------|-------------------|-------|
| 1. | Currency Derivatives      | Forward              | 91.08            | 0.17          | -             | Jun 2021          | 73.70 |
|    |                           | Principal Only Swaps | 5,880.38         | 198.60        | -             | Jun 2022-Sep 2024 | 71.09 |
|    |                           | Call Spread Option   | 7,717.99         | -             | 51.92         | Oct-2023-Dec-2024 | 73.90 |
|    |                           | <b>Sub Total</b>     | <b>13,689.45</b> | <b>198.77</b> | <b>51.92</b>  |                   |       |
| 2. | Interest rate Derivatives | Interest Rate Swap   | 8,453.04         | 4.10          | 178.32        | Jun 2022-Jun 2024 | 1.38% |
|    |                           | <b>Sub Total</b>     | <b>8,453.04</b>  | <b>4.10</b>   | <b>178.32</b> |                   |       |
| 3. |                           | <b>Total (1+2)</b>   | <b>22,142.49</b> | <b>202.87</b> | <b>230.24</b> |                   |       |

(1) forms part of the line item 'Derivative Financial Instruments' in the Consolidated Balance Sheet.

(iii) Profile of timing of nominal amount of hedging instrument designated as Cash-flow hedge \*

(₹ in crore)

| Description (including derivative) | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2021 |
|------------------------------------|------------------|------------------|------------------|
| <b>Currency derivatives</b>        |                  |                  |                  |
| Upto 1 year                        | 16,901.55        | 1,895.18         | 91.08            |
| 1 – 5 years                        | 31,002.74        | 22,931.65        | 13,598.37        |
| More than 5 years                  | -                | -                | -                |
| <b>Sub Total (A)</b>               | <b>47,904.29</b> | <b>24,826.83</b> | <b>13,689.45</b> |
| <b>Interest rate Derivatives</b>   |                  |                  |                  |
| Upto 1 year                        | 2,055.42         | 1,895.18         | -                |
| 1 – 5 years                        | 5,344.10         | 6,822.64         | 8,453.04         |
| More than 5 years                  | -                | -                | -                |
| <b>Sub Total (B)</b>               | <b>7,399.52</b>  | <b>8,717.82</b>  | <b>8,453.04</b>  |
| <b>Total (A+B)</b>                 | <b>55,303.81</b> | <b>33,544.65</b> | <b>22,142.49</b> |

\*Maturity buckets in the above table are as per the remaining tenor of the respective derivative instrument.

(iv) The effects of hedging instruments designated as Cash-flow hedge on the Consolidated Statement of Profit and Loss:

(₹ in Crore)

| Sr. No.                 | Particulars               | Change in value of hedging instrument recognised in other comprehensive income | Hedge ineffectiveness recognised in Statement of P&L | Amount reclassified from OCI to P&L | Line item in P&L affected on Reclassification from OCI to P&L |
|-------------------------|---------------------------|--|--|-------------------------------------|---|
| <b>As at 31.03.2023</b> |                           |  |  |                                     |   |
| 1.                      | Currency Derivatives      | 504.02   | -  | 945.75                              | Finance Costs   |
|                         |                           |  |  | (1,972.41)                          | Net Translation / Transaction Exchange Loss / (Gain)          |
| 2.                      | Interest rate Derivatives | 221.69   | -  | (117.17)                            | Finance Costs   |
| <b>As at 31.03.2022</b> |                           |  |  |                                     |   |
| 1.                      | Currency Derivatives      | (451.84)   | -  | 702.18                              | Finance Costs   |
|                         |                           |  |  | (532.79)                            | Net Translation / Transaction Exchange Loss / (Gain)          |
| 2.                      | Interest rate Derivatives | 238.72   | -  | 100.10                              | Finance Costs   |
| <b>As at 31.03.2021</b> |                           |  |  |                                     |   |
| 1.                      | Currency                  |  | 315  | 365.46                              | Finance Costs   |

|    |                           |          |   |        |  |
|----|---------------------------|----------|---|--------|--|
|    | Derivatives               | (621.69) | - | 129.89 | Net Translation / Transaction Exchange Loss / (Gain) |
| 2. | Interest rate Derivatives | 1.18     | - | 66.46  | Finance Costs  |

## B. In respect of RECL

Hedge ineffectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. RECL applies the following effectiveness testing strategies:

- For cross currency swaps, principal only swaps and interest rate swaps that exactly match the terms of the terms of the hedged item, the economic relationship and hedge effectiveness are based on the qualitative factors using critical terms match method.
- For other interest rate swaps (in cases of late designation), the Company uses dollar offset method using a hypothetical derivatives, dollar offset method is a quantitative method that consists of comparing the change in fair value or cash flows of the hedging instrument with the change in fair value or cash flows of the hedged item attributable to the hedged risk.
- For option structures, RECL analyses the behaviour of the hedging instrument and hedged item using regression analysis based dollar offset method.

RECL has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk and notional amount of the hedging instruments are identical to the hedged items.

### (i) Effects of hedge accounting on Consolidated Balance Sheet (₹ in crore)

| Type of hedge and risks                        | Notional Amt (in Mln) | Carrying amount of hedging instruments |             | Maturity Dates      | Hedge ratio | Weighted average strike price/rate | Change in fair value of hedging instruments | Change in value of hedged item used as the basis for recognising hedge effectiveness |
|--|-----------------------|--|-------------|---------------------|-------------|------------------------------------|---|--|
|  |                       | Assets                                 | Liabilities |                     |             |                                    |   |  |
| <b>As at 31.03.2023</b>                        |                       |  |             |                     |             |                                    |   |  |
| <b>Cash flow hedge</b>                         |                       |  |             |                     |             |                                    |   |  |
| <b>Foreign exchange and interest rate risk</b> |                       |  |             |                     |             |                                    |   |  |
| Seagull Structure                              | USD 8,387             | 6,970.98                               | 2.25        | May 2023 - Nov 2030 | 1:1         | 77.03                              | 1,594.19                                    | (1,594.19)   |
|  | EUR 673.79            | 403.91                                 | -           | Dec 2023- Mar 2028  | 1:1         | 1.03                               | 210.89                                      | (210.89)   |
|  | SGD 285.29            | 32.00                                  | 83.52       | Mar 2025- Oct-2027  | 1:1         | 0.36                               | (65.66)                                     | 65.66  |
|  | JPY 58,352.74         | 572.12                                 | -           | Aug 2023 - Mar 2027 | 1:1         | 0.61                               | (52.15)                                     | 52.15  |
| Call Spread                                    | USD 250               | 208.14                                 | -           | March 2024          | 1:1         | 57.52                              | 58.14                                       | (58.14)  |
| Cross Currency swaps                           | USD 800               | 85.92                                  | -           | May 2023 - Mar 2025 | 1:1         | 3.52% and 72.79                    | 98.24                                       | (98.24)  |
|  | JPY 10,327.12         | -                                      | 0.60        | Aug 2023            | 1:1         | 4.31% and 0.62                     | (0.33)                                      | 0.33   |
| Principal only swaps                           | USD 375               | 38.85                                  | -           | Mar 2025 - Jun 2030 | 1:1         | 75.41                              | (35.15)                                     | 35.15  |
| Interest rate swaps                            | USD 1992              | 251.77                                 | 10.87       | May 2023 - Nov 2030 | 1:1         | 0.98%                              | 189.27                                      | (189.27)   |
| <b>As at 31.03.2022</b>                        |                       |  |             |                     |             |                                    |   |  |
| <b>Cash flow hedge</b>                         |                       |  |             |                     |             |                                    |   |  |
| <b>Foreign exchange and interest rate risk</b> |                       |  |             |                     |             |                                    |   |  |
| Seagull Structure                              | USD 7,045             | 4,744.05                               | -           | May 2022 - Jan 2027 | 1:1         | 74.31                              | (399.81)                                    | 399.81   |
|  | USD 20,846.12         | 102.15                                 | -           | Aug 2023 - Sep 2025 | 1:1         | 0.66                               | (96.08)                                     | 96.08  |
| Call Spread                                    | USD 250               | 76.73                                  | -           | March 2024          | 1:1         | 57.523                             | (74.08)                                     | 74.08  |
| Cross Currency swaps                           | USD 1,300             | 22.69                                  | 43.78       | May 2022 - Mar 2025 | 1:1         | 2.99% and 72.94                    | 112.67                                      | (112.67)   |

|  |                  |          |        |                       |     |                       |          |          |
|--|------------------|----------|--------|-----------------------|-----|-----------------------|----------|----------|
|  | JPY<br>10,327.12 | -        | 1.50   | Aug 2023              | 1:1 | 0.42% and<br>0.62     | 0.82     | (0.82)   |
|  | SGD 72.08        | 23.86    | -      | Mar 2025              | 1:1 | 1.44%                 | 21.54    | (21.54)  |
| <b>Principal only swaps</b>                    | USD 375          | -        | 48.37  | Mar 2025 - Jun 2030   | 1:1 | 75.41                 | (49.08)  | 49.08    |
| <b>Interest rate swaps</b>                     | USD 425          | 92.42    | -      | Mar 2024 - Oct 2026   | 1:1 | 2.23%                 | 130.27   | (130.27) |
| <b>As at 31.03.2021</b>                        |                  |          |        |                       |     |                       |          |          |
| <b>Cash flow hedge</b>                         |                  |          |        |                       |     |                       |          |          |
| <b>Foreign exchange and interest rate risk</b> |                  |          |        |                       |     |                       |          |          |
| <b>Seagull Structure</b>                       | USD 2595         | 1,458.96 | 43.25  | April 2021 - Oct 2025 | 1:1 | 73.32                 | (611.68) | 611.68   |
|  | JPY<br>20,846.12 | 198.23   | -      | Aug 2023 - Sep 2025   | 1:1 | 0.66                  | (131.87) | 131.87   |
| <b>Call Spread</b>                             | USD 250          | 77.74    | -      | Mar 2024              | 1:1 | 71.94                 | (93.51)  | 93.51    |
| <b>Cross Currency swaps</b>                    | USD 1350         | -        | 244.37 | Dec 2021 - Mar 2025   | 1:1 | 2.92%<br>and<br>72.93 | (73.78)  | 73.78    |
|  | JPY<br>10,327.12 | -        | 4.06   | Aug 2023              | 1:1 | 0.42%<br>and<br>0.62  | (0.08)   | 0.08     |
|  | SGD 72.08        | 23.86    | -      | Mar 2025              | 1:1 | 1.44%                 | 21.54    | (21.54)  |
| <b>Principal only swaps</b>                    | USD 375          | -        | 121.08 | Mar 2025 - Jun 2030   | 1:1 | 75.41                 | (174.62) | 174.62   |
| <b>Interest rate swaps</b>                     | USD 260          | -        | 69.74  | Mar 2024 - Jul 2024   | 1:1 | 2.32%                 | (1.12)   | 1.12     |

(ii) **Effects of Cash Flow hedge accounting on Consolidated Statement of Profit and Loss:**

(₹ in Crore)

| Sr. No.                 | Type of hedge                        | Change in value of hedging instrument recognised in other comprehensive income | Hedge ineffectiveness recognised | Amount reclassified from cash flow hedge reserve | Line item affected on reclassification               |
|-------------------------|--------------------------------------|--|----------------------------------|--|--|
| <b>As at 31.03.2023</b> |                                      |  |                                  |  |  |
| 1.                      | Currency risk and interest rate risk | 1,997.43   | -                                | (4,995.73)                                       | Net Translation / Transaction Exchange Loss / (Gain) |
|                         |                                      |  |                                  | (158.91)   | Finance Costs  |
| <b>As at 31.03.2022</b> |                                      |  |                                  |  |  |
| 1.                      | Currency risk and interest rate risk | (377.06)   | -                                | (995.95)   | Net Translation / Transaction Exchange Loss / (Gain) |
|                         |                                      |  |                                  | 126.43   | Finance Costs  |
| <b>As at 31.03.2021</b> |                                      |  |                                  |  |  |
| 1.                      | Currency risk and interest rate risk | (1,065.12)   | -                                | 580.30   | Net Translation / Transaction Exchange Loss / (Gain) |
|                         |                                      |  |                                  | 179.56   | Finance Costs  |

(iii) **Fair Value Hedges**

At 31st March 2023, Company has outstanding interest rate swap agreements of ₹ 15,950.70 crores (As on 31.03.2022 ₹ 11,850.70 crores and as on 31.03.2021 Nil) wherein the Company receives a fixed rate of interest and pays interest at a variable rate on the notional amount. Such agreements are being used to hedge the exposure to the changes in fair value of fixed rate borrowings.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the interest rate swap match the terms of the fixed rate loan (i.e., notional amount, maturity, payment and reset dates). As such, a hedge ratio of 1:1 for the hedging relationships has been established as the underlying risk of the interest rate swap is identical to the hedged risk component.

The impact of the hedging instrument on the balance sheet is as follows:

| <b>Particulars</b> | <b>Fair value hedge</b> | <b>Notional amount</b> | <b>Carrying amount *</b> | <b>Line item in balance sheet where hedging instrument is disclosed</b> | <b>Changes in fair value for calculating hedge ineffectiveness</b> |
|--------------------|-------------------------|------------------------|--------------------------|---|--|
| As at 31-03-2023   | - Interest rate swap    | 15,950.70              | (279.02)                 | Derivative financial instruments  | (167.10)   |
| As at 31-03-2022   | - Interest rate swap    | 11,850.70              | (111.92)                 | Derivative financial instruments  | (111.92)   |
| As at 31-03-2021   | - Interest rate swap    | Nil                    | Nil                      |   |  |

\* Carrying amount here is exclusive of the interest receivable under such derivative contract as on reporting date



The impact of the hedged item on the balance sheet is as follows:

(₹ in Crore)

| Particulars      | Fair value hedge           | Carrying amount | Accumulated fair value adjustments | Line item in the balance sheet in which the hedged item is included | Change in value used for calculating hedge ineffectiveness |
|------------------|----------------------------|-----------------|------------------------------------|---|--|
| As at 31-03-2023 | - Subordinated Liabilities | 4,748.24        | (178.16)                           | Subordinated Liabilities  | (49.83)  |
|                  | - Institutional bonds      | 7,773.47        | (100.86)                           | Debt Securities- Institutional Bonds                                | (117.27)   |
| As at 31-03-2022 | - Subordinated Liabilities | 4,148.36        | (128.33)                           | Subordinated Liabilities  | (128.33)   |
|                  | - Institutional bonds      | 7,881.97        | 16.41                              | Debt Securities- Institutional Bonds                                | 16.41  |

The decrease in fair value of the interest rate swap of ₹ 167.10 crores (Previous year ₹ 111.92 crores) has been offset with a similar gain on the respective subordinated liabilities and debt securities.

#### 48 Fair Value Measurements

48.1 Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

(₹ in crore)

| Sr. No.  | Financial asset/ Liability - Recurring fair value | Fair Value as at |            |            | Fair value hierarchy (Refer Note 6.1) | Valuation technique(s) & Key input(s)  |
|----------|---|------------------|------------|------------|---------------------------------------|--|
|          |   | 31.03.2023       | 31.03.2022 | 31.03.2021 |                                       |  |
| <b>1</b> | <b>Quoted Equity investments</b>                  |                  |            |            |                                       |  |
|          | - PTC India Limited                               | 102.06           | 98.70      | 93.30      | Level 1                               | Quoted market price  |
|          | - Coal India Limited                              | 298.35           | 255.62     | 182.03     |                                       |  |
|          | - NHPC Limited                                    | 690.13           | 570.26     | 953.00     |                                       |  |
|          | - Suzlon Energy Limited                           | 105.15           | 77.42      | 42.31      |                                       |  |
|          | -Housing & Urban Development Corporation. Ltd     | 1.50             | 1.14       | 1.52       |                                       |  |
|          | - RattanIndia Power Limited                       | 96.67            | 175.31     | 83.56      |                                       |  |
| <b>2</b> | <b>Un-Quoted Equity investments</b>               |                  |            |            |                                       |  |
|          | -Power Exchange India Limited                     | 3.59             | 0.00       | 0.00       | Level 3                               | Fair value has been determined using the Ind AS financials of the investee company.                |
|          | - RKM PowerGen Pvt. Ltd                           | 0.00             | 0.00       | 0.00       |                                       | Allotted pursuant prudent basis  |
|          | -Universal Commodity Exchange Limited (UCX)       | -                | -          | 0.00       |                                       | Fair value has been calculated as Nil as UCX was shut down and ceases to exist as a going concern. |
|          | - Energy Efficiency Services Ltd (EESL)           | 298.51           | 456.47     | NA         |                                       | Fair value has been determined using the Ind AS financials of the investee company.                |
|          | Jhabua Power Limited                              | 602.82           | -          | -          |                                       |  |
|          | Ind Barath Energy Utkal Limited                   | 1.81             | -          | -          |                                       |  |
| <b>3</b> | <b>Investment in preference shares</b>            |                  |            |            |                                       |  |

|          |   |           |          |          |         |  |
|----------|---|-----------|----------|----------|---------|--|
|          | - RattanIndia Power Limited-OCCRPS                        | -         | -        | 139.18   | Level 3 | Owing to default in redemption of RPS of Rattan India Power Ltd., PFC & RECL estimates no material amount may be realized from the Investment.   |
|          | - Suzlon Global Services Limited -CCPS                    | -         | 0.00     | 0.00     |         | Converted into equity shares pursuant to resolution.   |
| <b>4</b> | <b>Investment in debentures</b>                           |           |          |          |         |  |
|          | - Essar Power Transmission Company Ltd. - Series A3 - OCD | 122.49    | 129.83   | 140.21   |         | Fair valued using discounted future cash flow as per terms of agreement  |
|          | - Essar Power Transmission Company Ltd. - Series B3 - OCD | 52.59     | 55.75    | 60.20    |         |  |
|          | - Suzlon Energy Limited – OCD                             | -         | 102.69   | 94.28    | Level 3 | During FY 2022-23, OCD of the Company was converted into Equity Shares of the Company.   |
|          | - Essar Power Transmission Company Ltd. - Series C - OCD  | 0.00      | 0.00     | 0.00     |         | Fair valued a ₹ 1 due to the non- availability of structured repayment schedule. The debentures are unsustainable in nature and future cash flows are uncertain.   |
|          | - RKM Powergen Pvt. Ltd. - Series A – OCD                 | 0.00      | 0.00     | 0.00     |         |  |
|          | - RKM Powergen Pvt. Ltd. - Series B – OCD                 | 0.00      | 0.00     | 0.00     |         |  |
|          | - RKM Powergen Pvt. Ltd. - Series AI – OCD                | 0.00      | 0.00     | 0.00     |         |  |
|          | - 7.99% Perpetual bonds - Canara Bank                     | 208.47    | -        | -        |         | Fair valued by discounting future cash flows at coupon rate.   |
|          | - 9.50% Perpetual Bonds of UCO Bank                       | 228.79    | -        | -        |         |  |
| <b>5</b> | <b>Derivative Financial Instruments</b>                   |           |          |          |         |  |
|          | - Assets  | 13,785.01 | 8,590.73 | 3,562.67 | Level 2 | The fair value of these contracts is obtained from counterparty banks, who determines it using valuation models that use inputs which are observable for the contracts, such as interest rates and yield curves, implied volatilities etc. |
|          | - Liability   | 1,001.27  | 656.39   | 1,340.35 |         |  |

48.2 There were no transfers between Level 1 and Level 2 during the year ( FY 2021-22 Nil and FY 2020-21 Nil).

48.3 Reconciliation of Financial Instruments fair valued through Level 3 inputs:

The following table shows the reconciliation of the opening and closing amounts of financial assets and liabilities of the Group measured at fair value through Level 3 inputs:

(₹ in crore)

| Particulars   | FVTPL                         |                                 |                          | FVTOCI                                 |                                       |
|---|-------------------------------|---------------------------------|--------------------------|--|---------------------------------------|
|   | Investment in Perpetual Bonds | Investment in Preference Shares | Investment in Debentures | Investment in Units of SIB fund of KSK | Investment in Un-quoted Equity Shares |
| <b>FY 2022-23</b>   |                               |                                 |                          |  |                                       |
| <b>Opening Balance</b>  | -                             | -                               | 288.27                   | -                                      | 456.47                                |
| Investment made during the year                                   | 428.00                        | -                               | -                        | -                                      | 633.53                                |
| Settlement  | -                             | -                               | (26.66)                  | -                                      | -                                     |
| Transfer in Level 3   | -                             | -                               | -                        | -                                      | -                                     |
| Transfer from Level 3   | -                             | -                               | -                        | -                                      | -                                     |
| Interest income <sup>(1)</sup>                                    | 9.26                          | 3.24                            | 28.26                    | -                                      | -                                     |
| Fair Value gain/(loss)  | -                             | (3.24) <sup>(3)</sup>           | (114.79) <sup>(3)</sup>  | -                                      | (183.27) <sup>(2)</sup>               |
| <b>Closing Balance</b>  | <b>437.26</b>                 | -                               | <b>175.08</b>            | -                                      | <b>906.73</b>                         |
| Unrealized gains on balances held at the end of the year          | 9.26                          | -                               | 15.70                    | -                                      | (199.27)                              |
|   |                               |                                 |                          |  |                                       |
| <b>FY 2021-22</b>   |                               |                                 |                          |  |                                       |
| <b>Opening Balance</b>  | -                             | 139.18                          | 294.69                   | -                                      | -                                     |
| Investment made during the year                                   | -                             | -                               | -                        | -                                      | -                                     |
| Settlement  | -                             | -                               | (58.53)                  | (0.95)                                 | -                                     |
| Transfer in Level 3   | -                             | -                               | -                        | -                                      | 496.26                                |
| Transfer from Level 3   | -                             | -                               | -                        | -                                      | -                                     |
| Interest income <sup>(1)</sup>                                    | -                             | 6.02                            | 41.80                    | -                                      | -                                     |
| Fair Value gain/(loss)  | -                             | (145.20) <sup>(3)</sup>         | 10.31 <sup>(3)</sup>     | 0.95 <sup>(2)</sup>                    | (39.79) <sup>(2)</sup>                |
| <b>Closing Balance</b>  | -                             | -                               | <b>288.27</b>            | -                                      | <b>456.47</b>                         |
| Unrealized gains/(loss) on assets held at the end of the year     | -                             | (128.61)                        | 29.41                    | -                                      | (55.79)                               |
|   |                               |                                 |                          |  |                                       |
| <b>FY 2020-21</b>   |                               |                                 |                          |  |                                       |
| <b>Opening Balance</b>  | 2,310.67                      | 145.99                          |                          |  |                                       |
| Investment made during the year                                   |                               |                                 | 306.62                   |  |                                       |
| Settlement  | (2,555.54)                    | -                               | (47.03)                  | -                                      | -                                     |
| Transfer in Level 3   | -                             | -                               | -                        | 12.27                                  | -                                     |
| Transfer from Level 3   | -                             | -                               | -                        | -                                      | -                                     |
| Interest income   | 244.87                        | 6.26                            | 35.10                    | -                                      | -                                     |
| Fair Value gain/ (loss)   | -                             | (13.07)                         | -                        | (12.27)                                | -                                     |
| <b>Closing Balance</b>  | <b>0.00</b>                   | <b>139.18</b>                   | <b>294.69</b>            | -                                      | -                                     |
| Unrealized gains/(loss) on balances held at the end of the period | -                             | 6.18                            | 12.42                    | (12.27)                                | (16.00)                               |

(1) Forms part of line item 'Interest Income' in the Consolidated Statement of Profit and Loss.

(2) Fair value gain/ (loss) on Investments at FVTOCI forms part of line item 'Net Gain/(Loss) on Fair Value of Equity Instruments' in the Other Comprehensive section of Consolidated Statement of Profit and Loss.

- (3) Fair value gain/ (loss) on Investments at FVTPL forms part of line item 'Net Loss/(Gain) on Fair Value changes' in the Consolidated Statement of Profit and Loss.

#### 48.4 Fair Value of financial assets/ liabilities measured at amortised cost:

(₹ in crore)

| Asset/Liability                                      | Fair value hierarchy | As at 31.03.2023 |            | As at 31.03.2022 |             | As at 31.03.2021 |             |
|--|----------------------|------------------|------------|------------------|-------------|------------------|-------------|
|  |                      | Amortized Cost   | Fair Value | Amortized Cost   | Fair Value  | Amortized Cost   | Fair Value  |
| Loans  | Level 3              | 832,903.36       | 840,976.30 | 7,32,850.76      | 7,39,774.58 | 7,22,386.84      | 7,27,567.67 |
| Investments <sup>(a)</sup>                           | Level 1/3            | 3,159.96         | 3,176.94   | 1,850.32         | 1,888.89    | 1,160.89         | 1,173.94    |
| Other financial assets                               | Level 2              | 29,835.15        | 29,841.80  | 29,820.35        | 29,829.30   | 29,779.87        | 29,791.25   |
| Debt securities <sup>(a)</sup>                       | Level 1 / 2          | 496,729.38       | 485,766.39 | 4,49,731.56      | 4,58,028.81 | 4,80,080.65      | 4,89,419.90 |
| Borrowings other than debt securities <sup>(b)</sup> | Level 2              | 238,343.00       | 234,437.30 | 1,94,616.98      | 1,91,511.59 | 1,63,344.42      | 1,61,896.67 |
| Subordinated liabilities                             | Level 2              | 16,085.14        | 16,589.24  | 16,127.74        | 17,091.64   | 16,257.09        | 17,825.47   |

<sup>(a)</sup> Includes listed instruments with Level 1 fair value hierarchy

Investment in G-Sec and SDL being fair valued using market price as at reporting date.

Foreign currency Notes (GMTN issuances) being fair valued as per closing prices as per Reuters.

<sup>(b)</sup> Includes foreign currency loans linked to LIBOR/Alternative reference rate and multilateral agencies loans being valued at par.

(i) The fair value of the above financial assets and financial liabilities have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant input being the discount rate that reflects the credit risk of counterparties except for the cases where quoted market prices are available. These fair values were calculated for disclosure purposes only.

(ii) The carrying amounts of financial assets and financial liabilities other than those shown in the above table are considered to be a reasonable approximation of their fair values.

## 49 Related Party Disclosures

### 49.1 Related Parties:

| Associates: |  |    |   |
|-------------|--|----|---|
| 1           | Bihar Mega Power Limited   | 2  | Sakhigopal Integrated Power Company Limited   |
| 3           | Orissa Integrated Power Limited  | 4  | Ghogarpalli Integrated Power Company Limited  |
| 5           | Jharkhand Infrapower Limited   | 6  | Odisha Infrapower Limited   |
| 7           | Coastal Tamil Nadu Power Limited   | 8  | Deoghar Mega Power Limited  |
| 9           | Bihar Infrapower Limited   | 10 | Cheyur Infra Limited  |
| 11          | Coastal Karnataka Power Limited (upto 30.06.2022)  | 12 | Tatiya Andhra Mega Power Limited (Struck off from the records of Registrar of Companies on 27.09.2022)                    |
| 13          | Chhattisgarh Surguja Power Limited (Struck off from the records of Registrar of Companies on 11.01.2023)             | 14 | Coastal Maharashtra Mega Power Limited (Struck off from the records of Registrar of Companies on 29.09.2022)              |
| 15          | Deoghar Infra Limited  | 16 | Chhatarpur Transmission Limited   |
| 17          | Mohanlalganj Transmission Limited (transferred on 30.05.2022)  | 18 | Bijawar-Vidarbha Transmission Limited (under process of striking off the name from the records of Registrar of Companies) |
| 19          | Shongtong Karcham-Wangtoo Transmission Limited (Struck off from the records of Registrar of Companies on 13.01.2023) | 20 | Tanda Transmission Company Limited (Struck off from the records of Registrar of Companies on 13.01.2023)                  |
| 21          | Bhadla Sikar Transmission Limited (transferred on 28.03.2023)  | 22 | Ananthpuram Kurnool Transmission Limited  |
| 23          | Fatehgarh III Beawar Transmission Limited (incorporated on 05.05.2022)   | 24 | Khetri-Narela Transmission Limited (transferred on 11.05.2022)  |

|   |  |   |  |
|---|--|---|--|
| 25  | Siot Transmission Limited (incorporated on 27.04.2022 )  | 26  | Kishtwar Transmission Limited (transferred on 06.12.2022 )   |
| 27  | Bhadla III Transmission Limited (incorporated on 27.05.2022 )  | 28  | Beawar Dausa Transmission Limited (incorporated on 06.05.2022 )  |
| 29  | Dharamjaigarh Transmission Limited (incorporated on 18.11.2022 and transferred on 28.03.2023)  | 30  | Fatehgarh III Transmission Limited (incorporated on 18.05.2022 )                                       |
| 31  | Khandukhal Rampura Transmission Limited (incorporated on 13.05.2022 and transferred on 07.10.2022)   | 32  | Fatehgarh IV Transmission Limited (incorporated on 08.06.2022 )  |
| 33  | Raipur Pool Dhamtari Transmission Limited (incorporated on 18.11.2022 and transferred on 28.03.2023)   | 34  | Chandil Transmission Limited   |
| 35  | Dumka Transmission Limited   | 36  | Bidar Transmission Limited   |
| 37  | Koderma Transmission Limited   | 38  | Beawar Transmission Limited (incorporated on 27.04.2022)   |
| 39  | Mandar Transmission Limited  | 40  | Luhri Power Transmission Limited (incorporated on 28.10.2022)  |
| 41  | Ramgarh II Transmission Limited (incorporated on 20.04.2022)   | 42  | NERES XVI Power Transmission Limited (incorporated on 10.01.2023)                                      |
| 43  | Sikar Khetri Transmission Limited (incorporated on 06.05.2022)   | 44  | Rajgarh Transmission Limited (transferred on 30.05.2022)   |
| 45  | Meerut Shamli Power Transmission Limited (incorporated on 14.12.2022)  | 46  | ER NER Transmission Limited (transferred on 10.10.2022)  |
| 47  | Khavda II-D Transmission Limited (incorporated on 25.04.2022 and under the process of striking off the name of Company from the records of Registrar of Companies) | 48  | MP Power Transmission Package-I Limited (transferred on 21.01.2023)                                    |
| 49  | Neemuch Transmission Limited (incorporated on 12.04.2022 and transferred on 24.08.2022)  | 50  | Khavda II-C Transmission Limited (incorporated on 22.04.2022 and transferred on 21.03.2023)            |
| 51  | WRSR Power Transmission Ltd.(incorporated on 22.09.2022 and transferred on 17.01.2023)   | 52  | Khavda RE Transmission Limited (incorporated on 02.05.2022 and transferred on 21.03.2023)              |
| 53  | Khavda II-B Transmission Limited (incorporated on 21.04.2022 and transferred on 21.03.2023)  | 54  | ERWR Power Transmission Ltd.(incorporated on 27.09.2022 and transferred on 21.03.2023)                 |
| 55  | KPS3 Transmission Limited(incorporated on 29.04.2022 and transferred on 21.03.2023)  | 56  | KPS1 Transmission Limited(incorporated on 06.05.2022 and transferred on 20.04.2023)                    |
| 57  | KPS2 Transmission Limited(incorporated on 04.05.2022 and transferred on 21.03.2023)  | 58  | GADAG II-A Transmission Limited(transferred on 18.11.2022)   |
| 59  | Khavda II-A Transmission Limited(incorporated on 19.04.2022 and transferred on 28.03.2023)   | 60  | Karur Transmission Limited (transferred on 18.01.2022)   |
| 61  | Koppal-Narendra Transmission Limited (transferred on 13.12.2021)   | 62  | Nangalbibra-Bongaigaon Transmission Limited (incorporated on 09.04.2021 and transferred on 16.12.2021) |
| 63  | Sikar-II Aligarh Transmission Limited (transferred on 08.06.2021)  | 64  | Khavda-Bhuj Transmission Limited (incorporated on 18.05.2021 and transferred on 18.01.2022)            |
| 65  | Dinchang Transmission Limited(struck off from the RoC vide MCA letter dated 17.08.2021)  | 66  | Sikar New Transmission Limited(transferred on 04.06.2021)  |
| 67  | MP Power Transmission Package-II Limited(transferred on 01.11.2021)  | 68  | Kallam Transmission Limited(transferred on 28.12.2021)   |
| 69  | Fatehgarh Bhadla Transco Limited(transferred on 04.06.2021)  |   |  |
|   |  |   |  |
| <b>Key Managerial Personnel (KMP) of the Company &amp; their relatives:</b> |  | <b>Designation</b>                          |  |
| <b>In respect of PFC,</b>   |  |   |  |
| 1   | Shri Ravinder Singh Dhillon  | Chairman and Managing Director              |  |
| 2   | Smt Parminder Chopra   | Director (Finance)                          |  |
| 3   | Shri Rajiv Ranjan Jha  | Director (Projects)                         |  |
| 4   | Shri Manoj Sharma (w.e.f 29.08.2022)   | Director (Commercial)                       |  |
| 5   | Shri Ajay Tewari (w.e.f 09.06.2022)  | Government Nominee Director                 |  |
| 6   | Shri Vishal Kapoor (upto 08.06.2022)   | Government Nominee Director                 |  |
| 7   | Shri Ram Chandra Mishra( upto 11.07.2022)  | Part Time Non-Official Independent Director |  |
| 8   | Adv. Bhaskar Bhattacharya  | Part Time Non-Official Independent Director |  |
| 9   | Shri Prasanna Tantri   | Part Time Non-Official Independent Director |  |
| 10  | Smt Usha Sanjeev Nair  | Part Time Non-Official Independent Director |  |
| 11  | Shri Manohar Balwani (up to 30.04.2023)  | CGM & Company Secretary                     |  |
| 12  | Shri P K Singh (superannuated on 31.01.2022)   | Director (Commercial)                       |  |
| 13  | Shri Tanmay Kumar (upto 06.09.2021)  | 32.3  | Government Nominee Director  |

| <b>In respect of subsidiary RECL</b>                             |  |  |   |
|--|--|--|---|
| 1  | Sh. S.K.G Rahate Director (upto 10.05.2022)                                  | Chairman & Managing Director                                       |   |
| 2  | Sh. Ravinder Singh Dhillon (w.e.f 10.05.2022 & upto 16.05.2022)              | Chairman & Managing Director                                       |   |
| 3  | Sh. Vivek Kumar Dewangan (w.e.f 17.05.2022)                                  | Chairman & Managing Director                                       |   |
| 4  | Sh. Ajoy Choudhury   | Director (Finance)   |   |
| 5  | Sh. V.K. Singh (w.e.f. 15.07.2022)   | Director (Technical) (w.e.f. July 15, 2022)                        |   |
| 6  | Smt. Parminder Chopra  | PFC Nominee Director (Non-executive Director)                      |   |
| 7  | Sh. Vishal Kapoor (upto 14.09.2022)  | Govt. Nominee Director (ceased w.e.f September 14, 2022)           |   |
| 8  | Sh. Piyush Singh (w.e.f. 14.09.2022)   | Govt. Nominee Director (w.e.f September 14, 2022)                  |   |
| 9  | Dr. Gambheer Singh   | Part Time Non-Official Independent Director                        |   |
| 10   | Dr. Manoj M. Pande   | Part Time Non-Official Independent Director                        |   |
| 11   | Dr. Durgesh Nandini  | Part Time Non-Official Independent Director                        |   |
| 12   | Sh. Narayanan Thirupathy (w.e.f. 06.03.2023)                                 | Part Time Non-Official Independent Director (w.e.f. March 6, 2023) |   |
| 13   | Sh. J.S. Amitabh   | Executive Director & Company Secretary                             |   |
| <b>In respect of subsidiary PFCL</b>                             |  |  |   |
| 1  | Shri Ravinder Singh Dhillon  | Chairman   |   |
| 2  | Smt. Parminder Chopra  | Director   |   |
| 3  | Shri Rajiv Ranjan Jha  | Director   |   |
| 4  | Shri Manoj Kumar Rana  | Chief Executive Officer  |   |
| 5  | Shri Milind M. Dafade (w.e.f 03.12.2022)                                     | Chief Financial Officer  |   |
| 6  | Shri Manish Kumar Agrawal (upto 16.02.2023)                                  | Company Secretary  |   |
| 7  | Shri Sachin Arora (w.e.f 16.02.2023)   | Company Secretary  |   |
| <b>Trusts / Funds under control of PFC</b>                       |  |  |   |
| 1  | PFC Employees Provident Fund   | 2  | PFC Employees Gratuity Fund   |
| 3  | PFC Defined Contribution Pension Scheme 2007                                 | 4  | PFC Superannuation Medical Fund   |
| <b>Trusts / Funds/ society of subsidiary RECL</b>                |  |  |   |
| 1  | REC Retired Employees' Medical Trust   | 2  | REC Employees' Superannuation Trust   |
| 3  | REC Gratuity Fund  | 4  | REC Limited Contributory Provident Fund Trust   |
| 5  | REC Employees' Benevolent Fund   | 6  | REC Foundation  |
| <b>Companies in which Key Managerial Personnel are Directors</b> |  |  |   |
| 1  | PTC India Limited  | 2  | Energy Efficiency Services Limited (EESL) (w.e.f 29.09.2022 for PFC & w.e.f 28.07.2022 for REC) |
| 3  | SJVN Limited (w.e.f 01.12.2022) & (upto 06.09.2021)                          | 4  | Samarpan Hospitals Private Limited  |
| 5  | NTPC Limited (w.e.f 14.09.2022)  | 6  | Nellore Transmission Limited (w.e.f 15.07.2022)   |
| 7  | Jammu and Kashmir State Power Trading Company Limited (w.e.f 18.01.2023)     | 8  | NHPC Limited ((upto 06.09.2021)   |
| 9  | Kholongchhu Hydro Energy Limited (upto 06.09.2021)                           | 10   | Punatsangchhu-I, Hydroelectric Project Authority in Bhutan (upto 06.09.2021)                    |
| 11   | Punatsangchhu-II Hydroelectric Project Authority in Bhutan (upto 06.09.2021) | 12   | Mangdechhu Hydroelectric Project Authority in Bhutan (upto 06.09.2021)                          |

#### 49.2 Transactions with the Related Parties are as follows:

Intra Group related party transactions with subsidiaries are eliminated in the preparation of Consolidated Financial Statement of the Group. Hence the same has not been disclosed in Group related party transactions.

(₹ in crore)

| Particulars   | During FY 2022-23 | During FY 2021-22 | During FY 2020-21 |
|---|-------------------|-------------------|-------------------|
| <b>Joint Venture</b>  |                   |                   |                   |
| Lease Rentals on Vehicles*                                  | -                 | 0.09              | 0.21              |
| <b>Associates</b>   |                   |                   |                   |
| Advance to associates                                       | -                 | -                 | 1.29              |
| Recoveries of advances (including interest) from associates | 1.83              | 5.04              | 33.21             |
| Interest income on advances to associates                   | 324               | 19.23             | 17.23             |

|   |             |             |             |
|---|-------------|-------------|-------------|
| Advances received from associates                                   | -           | -           | 6.81        |
| Repayment of advance taken from Associate                           | 2.27        | 1.12        | -           |
| Interest expenses on advances from associates                       | 4.66        | 2.87        | 2.88        |
| Income on transfer of associate                                     | 58.89       | 39.93       | 21.84       |
| Others  | 9.77        | 6.11        | 14.55       |
| <b>Trusts / Funds/ Foundations of the Group</b>                     |             |             |             |
| Contributions made during the year                                  | 48.64       | 25.66       | 9.67        |
| Finance cost on bonds   | 3.54        | 4.00        | 4.01        |
| Redemption of bonds   | 5.10        | 4.80        | -           |
| Others  | 151.95      | 112.80      | 90.00       |
| <b>Key managerial personnel</b>                                     |             |             |             |
| Short term employee benefits (i)                                    | 8.36        | 7.08        | 7.51        |
| Post-employment benefits (ii)                                       | 0.96        | 0.60        | 0.58        |
| Other long term benefits (iii)                                      | 0.14        | 0.41        | 0.45        |
| <b>Sub Total (i+ii+iii)</b>   | <b>9.46</b> | <b>8.09</b> | <b>8.54</b> |
| Repayment/ recovery of loans and advances including Interest Income | 0.66        | 0.47        | 0.52        |
| Subscription of bonds   | -           | 0.17        | -           |
| Redemption of bonds   | 0.10        | -           | 0.36        |
| Directors' sitting fee paid   | 0.80        | 0.41        | 0.19        |
| Finance cost on bonds paid  | 0.08        | 0.04        | 0.05        |
| <b>Companies in which Key Managerial Personnel are Directors</b>    |             |             |             |
| Dividend received   | 6.96        | 13.13       | 36.52       |
| Directors' Sitting Fee received                                     | 0.08        | 0.05        | 0.02        |
| Finance Cost  | -           | 0.35        | 0.33        |
| Others  | 15.34       | -           | -           |

\* Transactions upto the date of cessation of joint control in EESL have been disclosed.

#### 49.3 Outstanding balances with Related Parties are as follows:

Intra Group related party outstanding balances with subsidiaries are eliminated in the preparation of Consolidated Financial Statement of the Group. Hence the same has not been disclosed in Group Outstanding balances with related party.

(₹ in crore)

| Particulars  | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2021 |
|--|------------------|------------------|------------------|
| <b>Amount recoverable towards loans, advances and others(including interest)</b> |                  |                  |                  |
| Associates   | 223.51           | 209.26           | 198.70           |
| Key managerial personnel   | 0.53             | 0.66             | 0.85             |
| Trusts / Funds under control of the Group  | 15.11            | 1.20             | 1.54             |
| Companies in which Key Managerial Personnel are Directors                        | 5.60             | -                | -                |
| <b>Amount payable towards loans, advances and others (including interest)</b>    |                  |                  |                  |
| Associates   | 177.12           | 177.14           | 176.94           |
| <b>Debt Securities</b>   |                  |                  |                  |
| Key managerial personnel   | 0.35             | 0.54             | 0.31             |
| Trusts/ Funds under control of the Company                                       | 35.90            | 41.00            | 74.70            |
| <b>Provisions made w.r.t Trusts/ Funds under control of the Company</b>          | 17.95            | 1.05             |                  |
| <b>Investments made in</b>   |                  |                  |                  |
| Associates   | 0.55             | 0.75             | 0.75             |
| Companies in which Key Managerial Personnel are Directors                        | 400.57           | 313.44           | 1,046.30         |

#### 49.4 Disclosure in respect of entities under the control of the same government (Government related entities)

Companies in the Group are Central Public Sector Undertaking (CPSU) controlled by Central Government. List of Government related entities with which the Group has done transactions, includes but not limited to:

|                                   |                            |
|-----------------------------------|----------------------------|
| Bhartiya Rail Bijlee Company Ltd. | Damodar Valley Corporation |
|-----------------------------------|----------------------------|

|  |  |
|--|--|
| Tehri Hydro Development Corporation            | Mumbai Metro Rail Corporation Limited      |
| Neyveli UP Power Ltd.                          | Bihar Grid Company Ltd.                    |
| Meja Urja Nigam Pvt Ltd.                       | Coal India Ltd.                            |
| Raichur Power Corporation Ltd.                 | NHPC Ltd.                                  |
| NLC Tamil Nadu Power Ltd.                      | Sardar Sarovar Narmada Nigam Ltd.          |
| National High Power Test Laboratory Pvt Ltd.   | Neyveli Lignite Corporation Ltd.           |
| Power Foundation of India                      | SJVN Thermal Pvt Ltd.                      |
| Nabinagar Power Generating Co. Pvt. Ltd.       | NTPC Tamil Nadu Energy Company Ltd.        |
| Patratu Vidut Utpadan Nigam Ltd.               | Power Grid Corporation of India Ltd.       |
| Broadcast Engineering Consultants India Ltd.   | India Tourism Development Corporation Ltd. |
| Balmer Lawrie & Co. Ltd.                       | Mahanagar Telephone Nigam Ltd.             |
| National Informatic Centre Services Inc.(NICS) | MSTC Ltd.                                  |
| WAPCOS Ltd.                                    |  |

#### Significant transactions with entities under the control of same government:

(₹ in crore)

| Particulars           | During FY 2022-23 | During FY 2021-22 | During FY 2020-21 |
|-----------------------|-------------------|-------------------|-------------------|
| Disbursement of loans | 9,220.07          | 2,832.23          | 5,871.88          |
| Interest received     | 4,144.59          | 4,805.82          | 6,098.30          |
| Membership fees paid  | 13.40             | 5.00              | -                 |

Refer Note 14, 23, 25.1, 25.3 and 55 in respect of material transactions with the Central Govt.

The above transactions with the government related entities cover transactions that are significant individually and collectively. The Group has also entered into other transactions such as telephone expenses, deposits, expenses on Government Programmes, etc. with other CPSUs. They are insignificant individually & collectively and hence not disclosed. All transactions are carried out on market terms.

#### 49.5 Major Terms and conditions of transactions with related parties

- (i) Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.
- (ii) The remuneration to Key Managerial Personnel are in line with the HR Policies of the respective Companies.
- (iii) Loans and advances given to Directors/KMPs have specified terms / period of repayment and are in line with the HR Policies of the respective Companies in the group.
- (iv) The Companies in the Group makes advances to its associate companies which are incorporated as SPVs to meet the preliminary expenditure. Such advances carry interest rates at the rate applicable to Term Loans as per the respective Company's policy.
- (v) The interest and/or dividend paid to the Trusts and Key Managerial Personnel are on account of their investments in the debt securities and/or equity shares of the respective Company and the interest and/or dividend paid on such securities is uniformly applicable to all the holders.
- (vi) Outstanding balances of Group companies at the year-end are unsecured.

#### 50 Employee Benefits

##### 50.1 Defined contribution plans:

###### 50.1.1 Pension

The Companies in the Group pays fixed contribution to National Pension Scheme (NPS) for its pension obligation towards employees at pre-determined rates into the Tier-I NPS Account (Pension Account) of the employees.

###### 50.1.2 Provident Fund

The Companies in the Group pays fixed contribution on account of provident fund at prescribed rates to a separate trusts, which invests the funds in permitted securities. The trusts have to ensure, a minimum rate of return to the members, as specified by GoI. However, any shortfall for payment of interest to members as per specified rate of



return has to be compensated by the Companies in the Group. The Companies in the Group estimates that no liability will arise in this regard in the near future and hence, no further provision is considered necessary.

The Group has recognised an expense in the Consolidated Statement of Profit and Loss of ₹ 30.87 Crore (As at 31.03.2022 ₹ 26.47 Crore and As at 31.03.2021 ₹ 26.97 Crore ) towards defined contribution plans.

## 50.2 Defined benefit plans:

### 50.2.1 Gratuity

The Companies in the Group have a defined gratuity scheme which is managed by a separate trust. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary for each completed year of service subject to a maximum of ₹ 0.20 crore on superannuation, resignation, termination, disablement or on death, considering the provisions of the Payment of Gratuity Act, 1972, as amended. The liability for the same is recognised on the basis of actuarial valuation.

| (₹ in crore)                                    |                  |                  |                  |
|---|------------------|------------------|------------------|
| Particulars                                     | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2021 |
| a) Present value of Defined benefit obligation  | 58.77            | 57.96            | 61.11            |
| b) Fair Value of Plan Assets                    | 54.97            | 57.59            | 57.13            |
| c) Net Defined Benefit (Asset)/ Liability (a-b) | 3.80             | 0.37             | 3.98             |

### Movement in net defined benefit (asset)/ liability

| (₹ in crore)  |   |              |              |                           |              |              |  |             |             |
|---|---|--------------|--------------|---------------------------|--------------|--------------|--|-------------|-------------|
| Particulars   | Present value of Defined Benefit Obligation |              |              | Fair Value of Plan Assets |              |              | Net Defined Benefit (Asset)/ Liability |             |             |
|   | For the year ended                          |              |              | For the year ended        |              |              | For the year ended                     |             |             |
|   | 31.03.2023                                  | 31.03.2022   | 31.03.2021   | 31.03.2023                | 31.03.2022   | 31.03.2021   | 31.03.2023                             | 31.03.2022  | 31.03.2021  |
| <b>I. Opening Balance</b>   | <b>57.96</b>                                | <b>61.11</b> | <b>65.25</b> | <b>57.59</b>              | <b>57.13</b> | <b>61.14</b> | <b>0.37</b>                            | <b>3.98</b> | <b>4.11</b> |
| <b>Included in profit or loss</b>                                   |   |              |              |                           |              |              |  |             |             |
| Current service cost  | 2.90  | 3.44         | 3.78         | -                         | -            | -            | 2.90                                   | 3.44        | 3.78        |
| Past service cost   | 2.16  | -            | -            | -                         | -            | -            | 2.16                                   | -           | -           |
| Interest cost / income  | 4.11  | 4.20         | 4.20         | 4.27                      | 4.01         | 4.12         | (0.16)                                 | 0.19        | 0.08        |
| <b>II. Total amount recognised in profit or loss</b>                | <b>9.17</b>                                 | <b>7.64</b>  | <b>7.98</b>  | <b>4.27</b>               | <b>4.01</b>  | <b>4.12</b>  | <b>4.90</b>                            | <b>3.63</b> | <b>3.86</b> |
| <b>Included in OCI</b>  |   |              |              |                           |              |              |  |             |             |
| Re-measurement loss/ (gain)   | -   | -            | -            | -                         | -            | -            | -                                      | -           | -           |
| Actuarial loss (gain) arising from changes in financial assumptions | 0.40  | (1.54)       | (1.30)       | -                         | -            | -            | 0.40                                   | (1.54)      | (1.30)      |
| Actuarial loss (gain) arising from experience adjustment            | (1.30)                                      | (1.69)       | 0.70         | -                         | -            | -            | (1.30)                                 | (1.69)      | 0.70        |
| Effect of change demographic assumptions                            | -   | -            | -            | -                         | -            | -            | -                                      | -           | -           |

|   |               |               |               |              |               |               |               |               |             |
|---|---------------|---------------|---------------|--------------|---------------|---------------|---------------|---------------|-------------|
| Return on plan assets excluding interest income | -             | -             | -             | 0.15         | (0.72)        | (0.78)        | (0.15)        | 0.72          | 0.78        |
| <b>III. Total amount recognised in OCI</b>      | <b>(0.90)</b> | <b>(3.23)</b> | <b>(0.60)</b> | <b>0.15</b>  | <b>(0.72)</b> | <b>(0.78)</b> | <b>(1.05)</b> | <b>(2.51)</b> | <b>0.18</b> |
| IV. Contribution by participants                | -             | -             | -             | -            | -             | -             | -             | -             | -           |
| V. Contribution by employer                     | -             | -             | -             | 0.42         | 4.73          | 4.18          | (0.42)        | (4.73)        | (4.18)      |
| VI. Benefits paid                               | (7.46)        | (7.56)        | (11.52)       | (7.46)       | (7.56)        | (11.53)       | -             | -             | 0.01        |
| <b>VII. Closing Balance (I+II+III+IV+V+VI)</b>  | <b>58.77</b>  | <b>57.96</b>  | <b>61.11</b>  | <b>54.97</b> | <b>57.59</b>  | <b>57.13</b>  | <b>3.80</b>   | <b>0.37</b>   | <b>3.98</b> |

### 50.2.2 Post-Retirement Medical Scheme (PRMS)

The Companies in the Group have Post-Retirement Medical Scheme (PRMS) to provide medical facilities to superannuated and deceased employees and their dependent family members. The liability for PRMS is recognised on the basis of actuarial valuation.

This scheme is managed by a separate trust. The trust has to ensure adequate corpus for meeting the medical expenditure incurred by the eligible employees. However, any short fall has to be compensated by the respective Company. The Companies in the Group estimates that no liability will arise in this regard in the near future and hence, no further provision is considered necessary.

(₹ in crore)

| Particulars                                     | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2021 |
|---|------------------|------------------|------------------|
| a) Present value of Defined benefit obligation  | 228.98           | 221.90           | 200.06           |
| b) Fair Value of Plan Assets                    | 238.58           | 214.92           | 187.46           |
| c) Net Defined Benefit (Asset)/ Liability (a-b) | (9.60)           | 6.98             | 12.60            |

### Movement in net defined benefit (asset)/ liability

(₹ in crore)

| Particulars   | Present value of Defined Benefit Obligation |               |               | Fair Value of Plan Assets |               |               | Net Defined Benefit (Asset)/ Liability |              |             |
|---|---|---------------|---------------|---------------------------|---------------|---------------|--|--------------|-------------|
|   | For the year ended                          |               |               | For the year ended        |               |               | For the year ended                     |              |             |
|   | 31.03.2023                                  | 31.03.2022    | 31.03.2021    | 31.03.2023                | 31.03.2022    | 31.03.2021    | 31.03.2023                             | 31.03.2022   | 31.03.2021  |
| <b>I. Opening Balance</b>   | <b>221.90</b>                               | <b>200.06</b> | <b>178.42</b> | <b>214.92</b>             | <b>187.46</b> | <b>177.71</b> | <b>6.98</b>                            | <b>12.60</b> | <b>0.71</b> |
| <b>Included in profit or loss</b>                                   |   |               |               |                           |               |               |  |              |             |
| Current service cost  | 6.74  | 5.88          | 5.06          | -                         | -             | -             | 6.74                                   | 5.88         | 5.06        |
| Past service cost   | -   | 2.50          | -             | -                         | -             | -             | -                                      | 2.50         | 0           |
| Interest cost / income  | 16.07                                       | 13.77         | 11.79         | 15.89                     | 13.14         | 11.96         | 0.18                                   | 0.63         | (0.17)      |
| <b>II. Total amount recognised in profit or loss</b>                | <b>22.81</b>                                | <b>22.15</b>  | <b>16.85</b>  | <b>15.89</b>              | <b>13.14</b>  | <b>11.96</b>  | <b>6.92</b>                            | <b>9.01</b>  | <b>4.89</b> |
| <b>Included in OCI</b>  |   |               |               |                           |               |               |  |              |             |
| Re-measurement loss/ (gain)   | -   | -             | -             | -                         | -             | -             | -                                      | -            | -           |
| Actuarial loss (gain) arising from changes in financial assumptions | 2.74  | (5.34)        | (7.73)        | -                         | -             | -             | 2.74                                   | (5.34)       | (7.73)      |
| Actuarial loss (gain) arising from experience adjustment            | (4.07)                                      | 10.92         | 25.24         | -                         | -             | -             | (4.07)                                 | 10.92        | 25.24       |
| Effect of change demographic  | -   | 9.30          | -             | 328                       | -             | -             | -                                      | 9.30         | -           |

|  |               |               |               |               |               |               |               |              |              |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|--------------|
| assumptions                                    |               |               |               |               |               |               |               |              |              |
| Return on plan excluding interest income       | -             | -             | -             | 2.14          | 3.23          | 1.27          | (2.14)        | (3.23)       | (1.27)       |
| <b>III. Total amount recognised in OCI</b>     | <b>(1.33)</b> | <b>14.88</b>  | <b>17.51</b>  | <b>2.14</b>   | <b>3.23</b>   | <b>1.27</b>   | <b>(3.46)</b> | <b>11.65</b> | <b>16.24</b> |
| IV. Contribution participants                  | 0.44          | 0.15          | -             | 0.14          | 0.10          | 0.04          | 0.30          | 0.05         | (0.04)       |
| V. Contribution by employer                    | -             | -             | -             | 8.23          | 13.30         | 5.57          | (8.23)        | (13.30)      | (5.57)       |
| VI. Benefits paid                              | (14.84)       | (15.34)       | (12.72)       | (2.74)        | (2.31)        | (9.09)        | (12.10)       | (13.03)      | (3.63)       |
| <b>VII. Closing Balance (I+II+III+IV+V+VI)</b> | <b>228.98</b> | <b>221.90</b> | <b>200.06</b> | <b>238.58</b> | <b>214.92</b> | <b>187.46</b> | <b>(9.60)</b> | <b>6.98</b>  | <b>12.60</b> |

### 50.2.3 Economic Rehabilitation Scheme (ERS)

The Companies in the Group have an Economic Rehabilitation Scheme (ERS) to provide monetary benefit in case of permanent disability/ death of an employee. This scheme is unfunded and the liability is determined based on actuarial valuation.

(₹ in crore)

| Particulars                                 | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2021 |
|---|------------------|------------------|------------------|
| Present value of Defined benefit obligation | 11.99            | 10.92            | 8.66             |

### Movement in Defined Benefit Obligation

(₹ in crore)

| Particulars   | Present value of Defined Benefit Obligation for the year ended |              |             |
|---|--|--------------|-------------|
|   | 31.03.2023   | 31.03.2022   | 31.03.2021  |
| <b>I. Opening Balance</b>   | <b>10.92</b>   | <b>8.66</b>  | <b>7.14</b> |
| <b>Included in profit or loss</b>                                   |  |              |             |
| Current service cost  | 0.67   | 0.58         | 0.56        |
| Past service cost   | -  | -            | -           |
| Interest cost / income  | 0.77   | 0.58         | 0.45        |
| <b>II. Total amount recognised in profit or loss</b>                | <b>1.44</b>  | <b>1.16</b>  | <b>1.01</b> |
| <b>Included in OCI</b>  |  |              |             |
| Actuarial loss (gain) arising from changes in financial assumptions | 0.27   | (0.30)       | (0.08)      |
| Actuarial loss (gain) arising from experience adjustment            | 1.28   | 3.64         | 2.2         |
| Effect of change in demographic assumptions                         | -  | -            | -           |
| Return on plan assets excluding interest income                     | -  | -            | -           |
| <b>III. Total amount recognised in OCI</b>                          | <b>1.55</b>  | <b>3.34</b>  | <b>2.12</b> |
| IV. Contribution by participants                                    | -  | -            | -           |
| V. Contribution by employers  | -  | -            | -           |
| VI. Benefits paid   | (1.92)   | (2.24)       | (1.61)      |
| <b>VII. Closing Balance (I+II+III+IV+V+VI)</b>                      | <b>11.99</b>   | <b>10.92</b> | <b>8.66</b> |

### 50.2.4 Risk exposure

Through its defined benefit plans, the Companies in the Group are exposed to a number of risks, the most significant of which are detailed below:

#### (i) Investment risk/ Asset Volatility Risk

Most of the plan asset investments are in government securities, other fixed income securities with high rating grades and mutual funds. The fair value of these assets is subject to volatility due to change in interest rates and other market & macro-economic factors. There is also a risk of asset liability matching i.e. the cashflow for plan assets does not match with cashflow for plan liabilities.

#### (ii) Changes in discount rate

The present value of defined benefit plan liabilities is calculated using a discount rate which is determined by reference to government bonds' yields at the end of the reporting period. A decrease (increase) in discount rate will increase (decrease) present values of plan liabilities, although this will be partially offset by an increase in the value of the plans' investments.

**(iii) Mortality rate risk/ Longevity risk**

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**(iv) Salary escalation risk**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

**(v) Employee Turnover rate/Withdrawal rate**

If the actual employee withdrawal rate in the future turns out to be more or less than expected then it may result in increase/decrease in the liability.

**50.2.5 Plan Assets**

The value of plan assets for each category, are as follows:

(₹ in crore)

| Particulars                               | As at 31.03.2023 |               | As at 31.03.2022 |               | As at 31.03.2021 |               |
|---|------------------|---------------|------------------|---------------|------------------|---------------|
|   | Gratuity         | PRMS          | Gratuity         | PRMS          | Gratuity         | PRMS          |
| Cash & Cash Equivalents                   | 0.27             | 1.16          | 0.40             | 0.20          | 0.16             | 2.34          |
| State/ Central Government Debt Securities | 25.71            | 76.40         | 14.15            | 52.68         | 14.47            | 22.54         |
| Corporate Bonds/ Debentures               | 20.69            | 161.02        | 12.08            | 162.04        | 11.25            | 162.58        |
| Others                                    | 8.30             | -             | 30.96            | -             | 31.25            | -             |
| <b>Total</b>                              | <b>54.97</b>     | <b>238.58</b> | <b>57.59</b>     | <b>214.92</b> | <b>57.13</b>     | <b>187.46</b> |

- Actual return on plan assets is ₹ 22.44 crore (previous year ₹ 19.67 crore).

**50.2.6 Significant Actuarial Assumptions**

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at 31.03.2023 by TransValue Consultants for Companies in the Group. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The principal assumptions used for actuarial valuation are:-

**A. In respect of PFC**

| Particulars   | Gratuity         |                  |                  | PRMS             |                  |                  | ERS              |                  |                  |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|   | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2021 | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2021 | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2021 |
| Discount rate & expected return on plan assets, if funded | 7.33%            | 7.45%            | 7.08%            | 7.33%            | 7.45%            | 7.08%            | 7.33%            | 7.45%            | 7.08%            |
| Salary escalation rate/                                   | 6.00%            | 6.00%            | 6.00%            | 6.00%            | 6.00%            | 6.00%            | 6.00%            | 6.00%            | 6.00%            |
|   |                  |                  |                  | 330              |                  |                  |                  |                  |                  |

|                        |                                |                                |                                |                                |                                |                                |                                |                                |                                |
|------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Medical inflation rate |                                |                                |                                |                                |                                |                                |                                |                                |                                |
| Mortality rate         | As per IALM (2012-14) Ultimate | As per IALM (2012-14) Ultimate | As per IALM (2012-14) Ultimate | As per IALM (2012-14) Ultimate | As per IALM (2012-14) Ultimate | As per IALM (2012-14) Ultimate | As per IALM (2012-14) Ultimate | As per IALM (2012-14) Ultimate | As per IALM (2012-14) Ultimate |
| Withdrawal rate        | 0.01%                          | 0.01%                          | 0.01%                          | 0.01%                          | 0.01%                          | 0.01%                          | 0.01%                          | 0.01%                          | 0.01%                          |

#### B. In respect of RECL

| Particulars   | Gratuity         |                  |                  | PRMS             |                  |                  | ERS              |                  |                  |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|   | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2021 | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2021 | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2021 |
| Method used   | PUCM             |                  |                  |                  |                  |                  |                  |                  |                  |
| Discount rate & expected return on plan assets                | 7.31%            | 7.37%            | 6.99%            | 7.31%            | 7.37%            | 6.99%            | 7.31%            | 7.37%            | 6.99%            |
| Future inflation  | 6.00%            | 6.00%            | 6.00%            | 6.00%            | 6.00%            | 6.00%            | 6.00%            | 6.00%            | 6.00%            |
| Expected average remaining working lives of employees (years) | 17.72            | 17.35            | 16.03            | 17.72            | 17.35            | 16.03            | 17.72            | 17.35            | 16.03            |

#### 50.2.7 Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation of PFC & RECL by the amounts shown below:

(₹ in crore)

| Particulars  | As at 31.03.2023 |          | As at 31.03.2022 |          | As at 31.03.2021 |          |
|--|------------------|----------|------------------|----------|------------------|----------|
|  | Increase         | Decrease | Increase         | Decrease | Increase         | Decrease |
| Discount rate (0.50% movement)                             |                  |          |                  |          |                  |          |
| - Gratuity   | (2.05)           | 2.21     | (1.92)           | 2.06     | (2.14)           | 2.24     |
| - PRMS   | (16.72)          | 17.93    | (16.44)          | 17.48    | (14.81)          | 15.79    |
| - ERS  | (0.43)           | 0.48     | (0.39)           | 0.44     | (0.31)           | 0.35     |
| Salary Escalation/ Medical inflation rate (0.50% movement) |                  |          |                  |          |                  |          |
| - Gratuity   | 0.40             | (0.32)   | 0.33             | (0.40)   | 0.3              | (0.29)   |
| - PRMS   | 14.34            | (13.03)  | 16.28            | (14.80)  | 14.78            | (14.07)  |
| - ERS  | 0.44             | (0.39)   | 0.40             | (0.36)   | 0.32             | (0.29)   |
| Medical Cost (10% movement)                                |                  |          |                  |          |                  |          |
| - PRMS   | 22.68            | (21.28)  | 23.15            | (21.43)  | 20.85            | (19.33)  |

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

The Group actively monitors how the duration and expected yield of investments are matching the expected cash outflows arising from employee benefit obligations. Investments are well diversified, such that the failure of any single investment would not have a material impact on overall level of assets. There has been no change in the process used by the Group to manage its risks from prior periods.

#### 50.2.8 Expected maturity analysis of the defined benefit plans in future years

(₹ in crore)

| Particulars  | Gratuity         |                  |                  | PRMS             |                  |                  | ERS              |                  |                  |
|--------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|              | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2021 | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2021 | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2021 |
| Up to 1 year | 8.28             | 6.43             | 9.78             | 16.24            | 16.03            | 13.80            | 2.11             | 1.93             | 1.73             |
| 1 to 5 years | 26.89            | 28.25            | 29.65            | 93.89            | 97.02            | 83.36            | 5.50             | 6.90             | 5.17             |
| Over 5 years | 88.11            | 82.46            | 80.71            | 379.01           | 392.00           | 336.11           | 11.83            | 12.44            | 8.26             |
| <b>Total</b> | <b>123.28</b>    | <b>117.14</b>    | <b>120.14</b>    | <b>489.14</b>    | <b>505.05</b>    | <b>433.27</b>    | <b>19.44</b>     | <b>21.27</b>     | <b>15.16</b>     |

The table above is drawn on the basis of expected cash flows.

#### 50.2.9 Expected contributions to post-employment benefit plans

(₹ in crore)

| Particulars                  | Gratuity         |                  |                  | PRMS             |                  |                  |
|------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|                              | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2021 | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2021 |
| <b>Expected contribution</b> | 6.26             | 3.27             | 7.56             | 8.61             | 13.71            | 18.46            |

**50.2.10** The weighted average duration of the defined benefit plan obligation as at 31.03.2023 is 13.14 years (as at 31.03.2022: 13.98 years and as at 31.03.2021: 15.94 years) for PFC and for subsidiary, RECL is 11.18 years as at 31.03.2023 (as at 31.03.2022: 12.20 years and as at 31.03.2021: 12.54 years).

#### 50.3 Other long term employee benefits

##### 50.3.1 Leave

The companies in the Group provides for earned leave benefit and half-pay leave benefit to the credit of the employees, which accrues on half-yearly basis at 15 days and 10 days respectively. A maximum of 300 days of earned leave can be accumulated at any point of time during the service. There is no limit for accumulation of half pay leave. On separation after 10 years of service or on superannuation, earned leave plus half pay leave taken together can be encashed subject to a maximum of 300 days. However, there is no restriction on the number of years of service for encashment of earned leave on separation from the service. Provision based on actuarial valuation amounting to ₹ 11.88 crore has been made at the year end 2022-23 and debited to the Consolidated Statement of Profit and Loss (year end 2021-22 - ₹ 20.99 crore and year end 2020-21 - ₹ 13.40 crore).

##### 50.3.2 Other employee benefits

Provision for settlement allowance and long service awards amounting to ₹ 5.04 crore for the year 2022-23 (for 2021-22 - ₹ 1.14 crore and for 2020-21 - ₹ 3.44 crore) has been made on the basis of actuarial valuation and debited to the Consolidated Statement of Profit and Loss.

**50.3.3** In case of RECPDCL, the Loyalty incentive to the employees is payable after completion of three years of continuous service only, except in case of separation due to death. The payment of dues to outgoing employee is released at the time of separation. Expenses amounting to nil for the year 2022-23 (for 2021-22 – Nil and for 2020-21 - ₹ 0.20 crore) have been debited to the Consolidated Statement of Profit and Loss on the basis of actuarial valuation.

**50.4** Employee benefits (viz. Gratuity, PRMS, Terminal Benefits, Leave encashment and other employee benefits) in respect of PFC's employees working in its wholly-owned subsidiary PFCCCL on deputation / secondment basis, are being allocated based on a fixed percentage of employee cost.

## 51 Leases

The Group has recognised a Right of Use Asset and Lease Liability with respect to leasehold land:

51.1 The table below shows the movement of Lease Liabilities during the year

(₹ in crore)

| Particulars                            | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2021 |
|--|------------------|------------------|------------------|
| <b>Opening balance</b>                 | <b>19.07</b>     | <b>9.43</b>      | <b>13.97</b>     |
| Additions during the year              | -                | 11.95            | -                |
| Finance cost accrued during the period | 1.65             | 1.75             | 1.35             |
| Payment of lease liabilities           | (3.71)           | (3.72)           | (4.55)           |
| Reassessment of lease liabilities      | -                | (0.34)           | (1.34)           |
| <b>Closing balance</b>                 | <b>17.01</b>     | <b>19.07</b>     | <b>9.43</b>      |

51.2 The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis

(₹ in crore)

| Particulars       | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2021 |
|-------------------|------------------|------------------|------------------|
| Upto 1 year       | 3.72             | 3.72             | 1.52             |
| 1-5 years         | 9.65             | 12.60            | 3.13             |
| More than 5 years | 54.74            | 55.51            | 56.29            |

51.3 During the year 2022-23, the expenses relating to short-term/low value leases amounting to ₹ 16.88 crore (FY 2021-22 ₹ 13.50 crore and FY 2020-21 ₹ 22.60 crore) has been charged to Consolidated statement of Profit and Loss. Included in the amount above are leases pertaining to residential accommodation of employees, space for official use, hiring of EDP equipment & other office equipment etc. These leases are usually renewable on mutually agreed terms and are cancellable.

51.4 The total cash outflow towards all leases, including Right-of-Use Assets is ₹ 20.12 crore during FY 2022-23. (FY 2021-22- ₹ 17.35 crore and FY 2020-21- ₹ 26.39 crore)

## 52 Contingent Liabilities and Commitments:

(₹ in crore)

| Sr. No                        | Description   | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2021 |
|-------------------------------|---|------------------|------------------|------------------|
| <b>Contingent Liabilities</b> |   |                  |                  |                  |
| (i)                           | Guarantees <sup>(a)&amp;(b)</sup>   | 7.50             | 8.29             | 44.65            |
| (ii)                          | Claims against the Group not acknowledged as debts  | 27.67            | 30.39            | 29.85            |
| (iii)                         | Outstanding disbursement commitments to the borrowers by way of Letter of Comfort against loans sanctioned <sup>(b)</sup>   | 5,510.43         | 11,101.40        | 6,521.86         |
| (iv)                          | Additional demands raised by the Income Tax Department of earlier years which are being contested   | 307.15           | 262.13           | 90.30            |
|                               | Income Tax Department has filed appeals against the relief allowed by appellate authorities to the Companies in the Group. The same are also being contested                | 0.90             | 0.90             | 0.30             |
| (v)                           | Service Tax/GST demand or show cause notices raised by Service Tax Department in respect of earlier years which are being contested   | 43.87            | 42.42            | 22.51            |
|                               | Service Tax Department has filed appeals before CESTAT against the order of Commissioner (CE&ST) who had dropped a demand of Service Tax. The same is also being contested. | 50.90            | 53.40            | 50.07            |
| (vi)                          | Bank Guarantees   | 32.63            | 33.37            | 40.80            |
| (vii)                         | Others  | 315.30           | -                | -                |
| <b>Commitments</b>            |   |                  |                  |                  |
| (i)                           | Estimated amount of contracts (excluding GST) remaining to be executed on capital account and not provided for  | 264.85           | 328.85           | 561.60           |
| (ii)                          | Other Commitments – unspent CSR   | 306.53           | 499.68           | 405.21           |
|                               | Contractual commitments for the acquisition of intangible assets  | -                | -                | 0.16             |
| <b>Total</b>                  |   | <b>6,867.73</b>  | <b>12,360.84</b> | <b>7,767.31</b>  |

(a) Default payment guarantee given by PFC in favour of a borrower company. The amount paid/payable against this guarantee is

reimbursable by Government of Madhya Pradesh.

<sup>(b)</sup> Necessary impairment loss allowance has been made. Refer note 26

### 53 Details of non-wholly owned subsidiaries of the Group that have material non-controlling interest (NCI):

| Name of Subsidiary | Proportion of ownership interests held by NCI |                  | TCI allocated to non-controlling interests (₹ in crore) |                       | Accumulated non-controlling interests (₹ in crore) |                  |
|--------------------|---|------------------|---|-----------------------|--|------------------|
|                    | As at 31.03.2023                              | As at 31.03.2022 | Year ended 31.03.2023                                   | Year ended 31.03.2022 | As at 31.03.2023                                   | As at 31.03.2022 |
| RECL               | 47.37%  | 47.37%           | 4,829.33  | 4,726.00              | 27,822.74  | 24,598.91        |

\* Includes Instruments in nature of equity of ₹ 558.40 crore issued by PFC's subsidiary RECL

### 54 Summarised financial information for Group's subsidiaries that have material non-controlling interests (before intra Group eliminations):

| Particulars (RECL)  | (₹ in crore)     |                  |                  |
|---|------------------|------------------|------------------|
|   | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2021 |
| Financial assets  | 4,61,166.67      | 4,06,800.96      | 3,97,259.16      |
| Non-financial assets  | 4,331.43         | 4,054.75         | 3,593.66         |
| Assets classified as held for sale                                      | 4.65             | 4.38             | 14.05            |
| Financial liabilities   | 4,07,153.50      | 3,59,341.02      | 3,56,853.53      |
| Non-financial liabilities   | 228.72           | 204.96           | 249.33           |
| Liabilities directly associated with assets classified as held for sale | 0.02             | 0.01             | 0.08             |
| Equity attributable to the owners of the Company                        | 30,297.72        | 26,715.19        | 22,741.16        |
| Non-Controlling interests towards Instruments Entirely Equity in Nature | 558.40           | 558.40           | 558.40           |
| Non-Controlling interests towards Equity Shareholders                   | 27,264.39        | 24,040.51        | 20,464.37        |
| Total Non-controlling interests   | 27,822.79        | 24,598.91        | 21,022.77        |

| Particulars (RECL)   | (₹ in crore)     |                   |                 |
|--|------------------|-------------------|-----------------|
|  | FY 2022-23       | FY 2021-22        | FY 2020-21      |
| Total Revenue  | 39,520.16        | 39,339.20         | 35,575.40       |
| Total Expenses   | 25,622.49        | 26,896.86         | 24,793.84       |
| <b>Profit/(loss) for the year</b>  | <b>11,166.98</b> | <b>10,035.70</b>  | <b>8,378.24</b> |
| Profit/(loss) attributable to owners of the Company                      | 5,877.72         | 5,282.28          | 4,409.87        |
| Profit/(loss) attributable to the non-controlling interests              | 5,289.26         | 4,753.42          | 3,968.37        |
| <b>Other comprehensive income for the year</b>                           | <b>(971.04)</b>  | <b>(57.90)</b>    | <b>457.76</b>   |
| Other comprehensive income attributable to owners of the Company         | (511.11)         | (30.48)           | 240.94          |
| Other comprehensive income attributable to the non-controlling interests | (459.93)         | (27.42)           | 216.82          |
| <b>Total comprehensive income for the year</b>                           | <b>10,195.94</b> | <b>9,977.80</b>   | <b>8,836.00</b> |
| Total comprehensive income attributable to owners of the Company         | 5,366.61         | 5,251.80          | 4,650.81        |
| Total comprehensive income attributable to the non-controlling interests | 4,829.33         | 4,726.00          | 4,185.19        |
| Dividends paid to non-controlling interests                              | 1,477.97         | 1,142.15          | 1,028.97        |
| Net cash inflow(outflow) from operating activities                       | (37,359.77)      | (818.53)          | (43,512.33)     |
| Net cash inflow(outflow) from investing activities                       | (942.95)         | (287.44)          | 860.52          |
| Net cash inflow(outflow) from financing activities                       | 38,122.84        | 67.72             | 42,113.34       |
| Net cash inflow(outflow)   | <b>(179.88)</b>  | <b>(1,038.25)</b> | <b>(538.47)</b> |

### 55 The Government of India (GoI) schemes being implemented in the Group

#### A. In respect of PFC

PFC has been designated as Nodal Agency for operationalization and implementation of RDSS Scheme and IPDS (R-APDRP subsumed in it). Role of Nodal Agency *inter-alia* includes pass through of loans/grants to eligible utilities under schemes of GOI. The release of the funds under GoI schemes is ensured through Treasury Single Account (TSA) maintained with RBI, as per office memorandum issued by MoF, GoI dated 09<sup>th</sup> March 2022. This ensures that funds of these schemes are released 'Just in time' from the Consolidated Fund of India (CFI) to the beneficiaries

#### 55.1 Revamped Distribution Sector Scheme (RDSS)



This Scheme was launched by Gol in July, 2021 (FY 2021-22) to improve the operational efficiencies and financial sustainability of DISCOMs, by providing financial assistance to DISCOMs. It is a Reform based and result linked Distribution sector scheme. PFC along with REC is the nodal agency for operationalization of the scheme. The implementation period of the Scheme is 5 Years (FY 2021-22 to FY 2025-26) with the sunset date of 31.03.2026. The key objectives of the scheme is to:

- i) Improve the quality, reliability and affordability of power supply to consumers through a financially sustainable and operationally efficient distribution sector.
- ii) Reduce AT&C losses to pan-India levels of 12-15% by 2024-25.
- iii) Reduce ACS-ARR gap to zero by 2024-25.

The Scheme has an outlay of ₹ 3, 03,758 crore with an estimated gross budgetary support of ₹ 97,631 crore from the Gol. The amount of grant received and administered to the eligible entities during FY 2022-23 is ₹ 1319.86 crore (previous year ₹ 359 crore) and the cumulative grant administered till 31.03.2023 is ₹ 1,678.86 crore (till 31.03.2022 is ₹ 359 crore).

Further, No amount of grant remained undisbursed as on 31.03.2023 and 31.03.2022.

PFC is eligible for nodal agency fee at the rate of 0.50% of the sum total of the gross budgetary component of the various projects approved by Monitoring Committee. The total amount of nodal agency fee income from this scheme for FY 2022-23 stands at ₹.71.58 crore. (Previous year Nil).

## **55.2 Integrated Power Development Scheme (IPDS) (with Restructured Accelerated Power Development and Reform Programme (R-APDRP) subsumed) \_**

IPDS scheme was launched in December 2014 to extend financial assistance against capital expenditure for addressing the gaps in sub transmission & distribution network and metering in urban areas to supplement the resources of DISCOMs/ Power Departments. This scheme has the sunset date of 31.03.2022 and the ongoing approved projects have been subsumed as a separate component under the new RDSS scheme.

The estimated outlay of the scheme was ₹ 32,612 crore including a budgetary support of ₹ 25,354 crore from Gol. R-APDRP scheme cost of ₹ 44,011 crore including budgetary support of ₹ 22,727 crore have also been carried forward to IPDS scheme. The amount of fund received and administered to the eligible entities during FY 2022-23 is ₹ 474.46 crore (previous year ₹ 2125.01 crore) and the cumulative grant administered till 31.03.2023 is ₹ 18,381.91 crore (till 31.03.2022 ₹ 17,907.45 crore, till 31.03.2021 ₹ 15782.44 crore).

The amount of fund received under R-APDRP (subsumed with IPDS) and administered to the eligible entities during FY 2022-23 is ₹ 65.00 crore (previous year ₹ 326.64 crore) and the cumulative grant administered till 31.03.2023 is ₹ 13,562.07 crore (till 31.03.2022 ₹ 13,497.07 crore).

Further, no fund remained undisbursed as on 31.03.2023 and 31.03.2022.

The total amount of nodal agency fee income from this scheme for FY 2022-23 stands at Nil (FY 21-22 ₹ 8.60 crore, FY 20-21 ₹ 4.65 crore). Additionally, PFC has also received Nil (FY 21-22 ₹ 28.20 crore, FY 20-21 ₹ 6.29 crore) as reimbursement of expenditure from MoP under the said scheme.

### **B. In respect of RECL**

#### **55.3 Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA)**

Government of India launched a scheme “Pradhan Mantri Sahaj Bijli Har Ghar Yojana” - Saubhagya to achieve universal household electrification in the country during Oct 2017. The scheme envisaged to provide last mile connectivity and electricity connections to all remaining un-electrified households in rural areas and poor households in urban areas. The capital outlay of Saubhagya Scheme was ₹ 16,320 Crore including Gross Budgetary Support of ₹ 12,320 Crore during the entire implementation period. Ministry of Power designated REC as the Nodal agency for operationalization of Saubhagya Scheme. The scheme has been successfully completed and closed in its sunset year FY 2021-22 i.e. 31.03.2022.

#### **55.4 Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY)**

Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY), the flagship scheme of Government of India covering all aspects of rural power distribution was launched in Nov 2014. Under the scheme 60% of the project cost (85% for special States)

is provided as grant by Government of India and additional grant up to 15% (5% for special States) on achievement of prescribed milestones. DDUGJY facilitates towards achievement of '24x7 Power for All' in the country through the following project components:

- (i) Separation of agriculture and non-agriculture feeders facilitating adequate power supply to agriculture & continuous power supply to non-agricultural consumers in the rural areas;
- (ii) Strengthening and augmentation of sub-transmission & distribution infrastructure in rural areas, including metering of distribution transformers/ feeders/ consumers;
- (iii) Micro-grid and Off-grid distribution network;
- (iv) Rural Electrification component under the RGGVY 12th and 13th plans, subsumed to DDUGJY.

The scheme had estimated outlay of ₹ 75,893 Crore including budgetary support of ₹ 63,027 Crore from Government of India during the entire implementation period. Additional Infra under DDUGJY was sanctioned with a total outlay of ₹ 7,069 Crore including budgetary support of ₹ 5,302 Crore. The scheme has been successfully completed and closed in its sunset year FY 2021-22 i.e. 31.03.2022.

### **55.5 National Electricity Fund (NEF)**

The National Electricity Fund (NEF), an interest subsidy scheme, has become operational since FY 2012-13. The scheme has been introduced by the Government of India to promote capital investment in the distribution sector. The scheme provides interest subsidy linked with reform measures, on the loans taken by public and private distribution power utilities for various capital works in the Distribution sector. NEF would provide interest subsidy aggregating up to ₹ 8,466 Crore (including interest subsidy to the borrowers, Service Charges to the Nodal Agency, payments to Independent Evaluators and other incidental expenses) spread over 14 years for loan disbursement against projects approved during 2012-13 and 2013-14. RECL has been nominated as the Nodal Agency for operationalization of NEF scheme across the country.

### **55.6 Revamped Distribution Sector Scheme (RDSS)**

Government of India has approved the Revamped Distribution Sector Scheme (RDSS) to help DISCOMs improve their operational efficiencies and financial sustainability by providing result-linked financial assistance to them so as to strengthen supply infrastructure based on meeting pre-qualifying criteria and achieving basic minimum benchmarks. The scheme has an outlay of ₹ 3,03,758 Crore over 5 years i.e. FY 2021-22 to FY 2025-26 including an estimated Government Budgetary Support (GBS) of ₹ 97,631 Crore.

- (i) Reduction of AT&C losses to pan-India levels of 12-15% by 2024-25.
- (ii) Reduction of ACS-ARR gap to zero by 2024-25.
- (iii) Improvement in the quality, reliability and affordability of power supply to consumers through a financially sustainable and operationally efficient distribution sector.

Components of the scheme are:

Part A – Financial support for Prepaid Smart Metering & System Metering and up-gradation of the Distribution Infrastructure.

Part B – Training & Capacity Building and other Enabling & Supporting Activities.

### **55.7 J&K Prime Minister's Development Plan (PMDP)**

Government of Jammu & Kashmir, Power Development Department has appointed RECPDCL as a Project Implementing Agency (PIA) for design, engineering, procurement, supply, erection, testing and commissioning of all the material and services works to be taken-up for execution of transmission projects under PMDP in J&K state and Ladakh on nomination basis, as per actual cost to be discovered through competitive biddings.

### **55.8 11 kV Feeder Monitoring**

Ministry of Power has appointed RECPDCL to implement 11 kV Feeder Monitoring Scheme. The scheme is to develop a Self-sustained independent web based system for automated 11 kV Rural Feeder Monitoring System through Data Logging of various essential parameters of all the Outgoing 11kV rural feeders from 66, 33/11 kV sub stations and make the information available online for various stake holders including public portal, on real time basis for power supply monitoring, alerts, meter data analysis, information dissemination and energy audit.

### **C. In respect of subsidiary PFCCL**

**55.9** PFC's subsidiary PFCCL has been selected as nodal agency for facilitating short term power requirements through competitive bidding as per MoP guidelines dated 30.03.2016. As per the guidelines, every bidder is required to deposit

with PFCCL the requisite fees of ₹ 500 per MW plus applicable taxes for the maximum capacity a bidder is willing to bid. Only successful bidder(s) will have to pay the fees to PFCCL for the quantum allocated to each bidder after completion of activity and the balance amount will be refunded to the bidder.

**55.10** In connection with Aatma Nirbhar Bharat Abhiyan of Govt of India, Power Departments/ Utilities in Union Territories has to be corporatised/privatised. MoP through PFC has conveyed to provide hand-holding support and the services of a transaction advisor to the UTs and to fund the expenditure incurred in this regard which will be recoverable from the successful bidder/MoP alongwith interest. PFC has appointed PFCCL as the nodal agency for this work.

## **56 Status of documentation subsequent to unbundling of SEBs**

Some of the erstwhile State Electricity Boards (SEBs) against whom loans were outstanding or on whose behalf guarantees were given, were restructured by the respective State Governments and new entities were formed in the past. Consequently, the liabilities of the erstwhile SEBs stand transferred to new entities.

### **56.1 Status of documentation subsequent to reorganisation of the State of Jammu & Kashmir**

After the bifurcation of the state of Jammu & Kashmir into two union territories- Jammu & Kashmir UT and Ladakh UT, the existing entities pertaining to the erstwhile state of Jammu & Kashmir have been restructured vide unbundling order dated 23.10.19. The addendums to the agreements with new restructured departments are yet to be executed. Pending the execution of such documents, the existing loans are being serviced/ repaid in line with the existing loan agreements.

### **56.2 Status of documentation subsequent to reorganization of the State of Andhra Pradesh**

Subsequent to the reorganization of erstwhile Andhra Pradesh, the State of Telangana has been formed on 02.06.2014. However, the assets and liabilities are yet to be transferred to the respective power utilities through a formal gazette notification.

Once the final transfer scheme is notified through Gazette Notification by Govt. duly indicating the transfer of assets and liabilities among the power utilities, action for execution of documentation formalities will be taken up in respect of all the outstanding loans (except for above R-APDRP loans) with the new / name changed utilities. Till that time, the demand for payment of interest / principal is being segregated by the utilities and the respective portions are being paid by utilities in Telangana and Andhra Pradesh.

#### **In respect of RECL,**

56.2.1 Where ever the loans have been sanctioned to erstwhile APCPDCL, APNPDCL and APGENCO prior to bifurcation and documentation has not been done, these schemes have been re-sanctioned in the name of newly formed utilities and documentation formalities completed and accordingly the charge has been registered with the Ministry of Corporate Affairs (MCA).

56.2.2 Where ever the loans sanctioned in the name of erstwhile APCPDCL, APNPDCL prior to bifurcation and documentation formalities completed and draws have been made, in these schemes an undertaking has been obtained from the name changed / newly formed utility and disbursements have been made to the newly formed utility by changing the name of the borrower in the name of new / name changed utility.

56.2.3 Where ever the Loan is sanctioned in the name of erstwhile APCPDCL, APNPDCL prior to bifurcation and documentation formalities completed with Government Guarantee and draws have been made, further documentation for these schemes shall be done on Gazette Notification.

## **57 In the context of reporting business / geographical segment as required by Ind AS 108 - 'Operating Segments'**

The Group's operations majorly comprise of one business segment i.e. lending to power , logistics and infrastructure sector entities. All activities revolve around the main business. Accordingly, there are no reportable segments as per Ind AS 108. Based on "management approach" as defined in Ind AS 108 'Operating Segments', the Chief Operating Decision Maker evaluates the Group's performance based on analysis of various factors of one business segment.

57.1 The Group does not have any geographical segments as its operations are mainly carried out within the country.

57.2 Revenue from major services

The following is an analysis of Group's revenue from operations from its major products/services:

(₹ in crore)

|                                      | FY 2022-23       | FY 2021-22       | FY 2020-21       |
|--------------------------------------|------------------|------------------|------------------|
| Interest income                      |                  |                  |                  |
| - on loans                           | 75,912.83        | 74,344.34        | 70,029.44        |
| - others                             | 583.10           | 542.78           | 816.14           |
| Dividend income                      | 103.00           | 68.86            | 88.74            |
| Fees and commission income           | 548.79           | 1,069.58         | 490.36           |
| Other operating income               | 420.58           | 236.10           | 231.42           |
| <b>Total Revenue from Operations</b> | <b>77,568.30</b> | <b>76,261.66</b> | <b>71,656.10</b> |

57.3 Information about major borrowers

No single borrower contributed 10% or more to respective companies' revenue for FY 2022-23, FY 2021- 22 and FY 2020-21.

**58 Amounts expected to be recovered/ settled within 12 months and beyond for each line item under asset and liabilities**

(₹ in crore)

|          | Particulars   | As at 31.03.2023   |                     |                    | As at 31.03.2022 |                     |                    | As at 31.03.2021 |                     |                    |
|----------|---|--------------------|---------------------|--------------------|------------------|---------------------|--------------------|------------------|---------------------|--------------------|
|          |   | Within 12 months   | More than 12 months | Total              | Within 12 months | More than 12 months | Total              | Within 12 months | More than 12 months | Total              |
|          | <b>ASSETS</b>   |                    |                     |                    |                  |                     |                    |                  |                     |                    |
| <b>1</b> | <b>Financial Assets</b>                                     |                    |                     |                    |                  |                     |                    |                  |                     |                    |
| (a)      | Cash and Cash Equivalents                                   | 127.59             | -                   | 127.59             | 914.24           | -                   | 914.24             | 4,927.74         | -                   | 4,927.74           |
| (b)      | Bank Balance other than included in Cash & Cash Equivalents | 3,902.57           | 70.86               | 3,973.43           | 5,705.25         | 65.01               | 5,770.26           | 3,273.60         | 1.22                | 3,274.82           |
| (c)      | Derivative Financial Instruments                            | 2,937.48           | 10,847.53           | 13,785.01          | 1,324.01         | 7,266.72            | 8,590.73           | 264.27           | 3,298.40            | 3,562.67           |
| (d)      | Trade Receivable  | 171.17             | -                   | 171.17             | 125.63           | -                   | 125.63             | 167.61           | -                   | 167.61             |
| (e)      | Loans   | 1,33,824.78        | 6,99,078.58         | 8,32,903.36        | 87,291.13        | 6,45,559.63         | 7,32,850.76        | 89,118.68        | 6,33,268.16         | 7,22,386.84        |
| (f)      | Investments   | 1,272.39           | 4,700.50            | 5,972.89           | 1,146.91         | 2,626.60            | 3,773.51           | 920.76           | 2,029.73            | 2,950.48           |
| (g)      | Other Financial Assets                                      | 369.01             | 29,463.07           | 29,832.08          | 383.72           | 29,436.63           | 29,820.35          | 425.72           | 29,354.15           | 29,779.87          |
|          | <b>Total Financial Assets (1)</b>                           | <b>1,42,604.66</b> | <b>7,44,160.87</b>  | <b>8,86,765.53</b> | <b>96,890.89</b> | <b>6,84,954.59</b>  | <b>7,81,845.48</b> | <b>99,098.37</b> | <b>6,67,951.66</b>  | <b>7,67,050.03</b> |
| <b>2</b> | <b>Non- Financial Assets</b>                                |                    |                     |                    |                  |                     |                    |                  |                     |                    |
| (a)      | Current Tax Assets (Net)                                    | 26.91              | 516.17              | 543.08             | 29.79            | 465.46              | 495.25             | 23.16            | 502.16              | 525.32             |
| (b)      | Deferred Tax Assets (Net)                                   | -                  | 7,340.03            | 7,340.03           | 0                | 7,315.37            | 7,315.37           | -                | 6,461.03            | 6,461.03           |
| (c)      | Property, Plant and Equipment                               | -                  | 737.66              | 737.66             | 0                | 668.94              | 668.94             | -                | 297.75              | 297.75             |
| (d)      | Capital Work-in-Progress                                    | -                  | 10.66               | 10.66              | 0                | 53.36               | 53.36              | -                | 335.67              | 335.67             |
| (e)      | Intangible Assets under development                         | -                  | 11.20               | 11.20              | 0                | 0                   | 0                  | -                | 0.77                | 0.77               |
| (f)      | Other Intangible Assets                                     | -                  | 1.67                | 1.67               | 0                | 4.41                | 4.41               | -                | 6.39                | 6.39               |
| (g)      | Right of use asset  | -                  | 42.97               | 42.97              | 0                | 45.83               | 45.83              | -                | 37.17               | 37.17              |
| (h)      | Other Non-Financial Assets                                  | 207.61             | 433.53              | 641.14             | 169.12           | 382.56              | 551.68             | 209.91           | 201.52              | 411.43             |
| (i)      | Investments accounted for using equity method               | -                  | 0.51                | 0.51               | 0                | 0.5                 | 0.5                | -                | 548.35              | 548.35             |
|          | Investment Property   | -                  | -                   | -                  | -                | -                   | -                  | -                | 0.01                | 0.01               |
|          | <b>Total Non-Financial Assets (2)</b>                       | <b>234.52</b>      | <b>9,094.40</b>     | <b>9,328.92</b>    | <b>198.91</b>    | <b>8,936.42</b>     | <b>9,135.34</b>    | <b>233.07</b>    | <b>8,390.82</b>     | <b>8,623.89</b>    |
| <b>3</b> | <b>Assets classified as held for sale</b>                   | <b>17.41</b>       | <b>-</b>            | <b>17.41</b>       | <b>19.45</b>     | <b>0</b>            | <b>19.45</b>       | <b>33.16</b>     | <b>-</b>            | <b>33.16</b>       |

|  |                             |                    |                    |                    |                  |                    |                    |                  |                    |                    |
|--|-----------------------------|--------------------|--------------------|--------------------|------------------|--------------------|--------------------|------------------|--------------------|--------------------|
|  |                             |                    |                    |                    |                  |                    |                    |                  |                    |                    |
|  | <b>Total Assets (1+2+3)</b> | <b>1,42,856.59</b> | <b>7,53,255.27</b> | <b>8,96,111.86</b> | <b>97,109.25</b> | <b>6,93,891.01</b> | <b>7,91,000.27</b> | <b>99,364.60</b> | <b>6,76,342.48</b> | <b>7,75,707.08</b> |

|          |   |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|----------|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|          |   |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|          | <b>LIABILITIES</b>  |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| <b>1</b> | <b>Financial Liabilities</b>  |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| (a)      | Derivative Financial Instruments  | 87.43              | 913.84             | 1,001.27           | 75.65              | 580.74             | 656.39             | 129.14             | 1,211.21           | 1,340.35           |
| (b)      | Trade Payables  | 50.86              | -                  | 50.86              | 49.75              | -                  | 49.75              | 70.77              | -                  | 70.77              |
| (c)      | Debt Securities   | 63,400.22          | 4,33,329.16        | 4,96,729.38        | 55,156.00          | 3,94,575.56        | 4,49,731.56        | 83,174.52          | 3,96,906.13        | 4,80,080.65        |
| (d)      | Borrowings (other than Debt Securities)                                 | 72,559.00          | 1,65,784.00        | 2,38,343.00        | 45,795.24          | 1,48,821.74        | 1,94,616.98        | 35,729.82          | 1,27,614.60        | 1,63,344.42        |
| (e)      | Subordinated Liabilities  | 6,699.20           | 9,385.94           | 16,085.14          | 399.28             | 15,728.46          | 16,127.74          | 401.29             | 15,855.80          | 16,257.09          |
| (f)      | Other Financial Liabilities   | 1,735.18           | 29,229.49          | 30,964.67          | 3,294.26           | 29,304.72          | 32,598.98          | 2,807.91           | 29,257.34          | 32,065.25          |
|          | <b>Total Financial Liabilities (1)</b>                                  | <b>1,44,531.89</b> | <b>6,38,642.43</b> | <b>7,83,174.32</b> | <b>1,04,770.18</b> | <b>5,89,011.22</b> | <b>6,93,781.40</b> | <b>1,22,313.45</b> | <b>5,70,845.08</b> | <b>6,93,158.53</b> |
| <b>2</b> | <b>Non- Financial Liabilities</b>                                       |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| (a)      | Current Tax Liabilities (Net)   | 28.32              | 105.02             | 133.34             | 23.98              | 195.17             | 219.15             | 24.84              | 115.84             | 140.68             |
| (b)      | Provisions  | 336.47             | 101.64             | 438.11             | 168.05             | 188.5              | 356.55             | 174.87             | 97.41              | 272.28             |
| (c)      | Other Non-Financial Liabilities   | 311.25             | 73.54              | 384.79             | 312.24             | 55.77              | 368.01             | 282.96             | 62.30              | 345.26             |
|          | <b>Total Non-Financial Liabilities (2)</b>                              | <b>676.04</b>      | <b>280.20</b>      | <b>956.24</b>      | <b>504.27</b>      | <b>439.44</b>      | <b>943.71</b>      | <b>482.67</b>      | <b>275.55</b>      | <b>758.22</b>      |
| <b>3</b> | Liabilities directly associated with assets classified as held for sale | 0.02               | -                  | 0.02               | 0.01               | 0                  | 0.01               | 0.08               | -                  | 0.08               |
|          | <b>Total Liabilities (1+2+3)</b>  | <b>1,45,207.95</b> | <b>6,38,922.63</b> | <b>7,84,130.58</b> | <b>1,05,274.46</b> | <b>5,89,450.66</b> | <b>6,94,725.12</b> | <b>1,22,796.21</b> | <b>5,71,120.63</b> | <b>6,93,916.83</b> |

**59 Details in aggregate, for interests in all individually immaterial associates that are accounted for using the equity method:**

(₹ in crore)

| Particulars  | FY 2022-23 | FY 2021-22 | FY 2020-21 |
|--|------------|------------|------------|
| Profit or loss from continuing operations            | 0.01       | 0.00       | 0.00       |
| Post-tax profit or loss from discontinued operations | -          | -          | -          |
| Other comprehensive income                           | -          | -          | -          |
| Total comprehensive income                           | 0.01       | 0.00       | 0.00       |

**60 Disclosures in respect of entities consolidated as required under Schedule III to the Companies Act, 2013**

**60.1 Share in net assets i.e. total assets minus total liabilities**

(₹ in crore)

| Name of entity                           | As at 31.03.2023                |           | As at 31.03.2022                |           | As at 31.03.2021                |           |
|--|---------------------------------|-----------|---------------------------------|-----------|---------------------------------|-----------|
|  | As % of consolidated net assets | Amount    | As % of consolidated net assets | Amount    | As % of consolidated net assets | Amount    |
| <b>Parent</b>                            |                                 |           |                                 |           |                                 |           |
| PFC Ltd.                                 | 60.91%                          | 68,202.23 | 61.65%                          | 59,350.28 | 64.06%                          | 52,393.12 |
| <b>Subsidiaries-Indian</b>               |                                 |           |                                 |           |                                 |           |
| RECL                                     | 51.90%                          | 58,120.51 | 53.30%                          | 51,314.10 | 52.82%                          | 43,205.53 |
| PFC Consulting Limited (PFCL)            | 0.15%                           | 163.08    | 0.12%                           | 111.41    | 0.11%                           | 88.18     |
| PFC Projects Limited*                    | 0.00%                           | -         | -                               | -         | -                               | -         |
| <b>Joint Venture-Indian</b>              |                                 |           |                                 |           |                                 |           |
| Energy Efficiency Services Limited(EESL) | -                               | -         | -                               | -         | 0.67%                           | 547.85    |
| <b>Associates-Indian</b>                 |                                 | 339       |                                 |           |                                 |           |

|  |                |                    |                |                  |                |                  |
|--|----------------|--------------------|----------------|------------------|----------------|------------------|
| Chhattisgarh Surguja Power Limited**         | -              | -                  | 0.00%          | -                | 0.00%          | -                |
| Coastal Karnataka Power Limited*             | -              | -                  | 0.00%          | -                | 0.00%          | -                |
| Coastal Maharashtra Mega Power Limited**     | -              | -                  | 0.00%          | -                | 0.00%          | -                |
| Orissa Integrated Power Limited              | 0.00%          | -                  | 0.00%          | -                | 0.00%          | -                |
| Coastal Tamil Nadu Power Limited             | 0.00%          | 0.08               | 0.00%          | 0.08             | 0.00%          | 0.08             |
| Sakhigopal Integrated Power Limited          | 0.00%          | 0.05               | 0.00%          | 0.05             | 0.00%          | 0.05             |
| Ghogarpalli Integrated Power Company Limited | 0.00%          | 0.05               | 0.00%          | 0.05             | 0.00%          | 0.05             |
| Tatiya Andhra Mega Power Limited**           | -              | -                  | 0.00%          | -                | 0.00%          | -                |
| Deoghar Mega Power Limited                   | 0.00%          | 0.05               | 0.00%          | 0.05             | 0.00%          | 0.05             |
| Cheyur Infra Limited                         | 0.00%          | 0.05               | 0.00%          | 0.05             | 0.00%          | 0.05             |
| Odisha Infrapower Limited                    | 0.00%          | 0.04               | 0.00%          | 0.05             | 0.00%          | 0.05             |
| Deoghar Infra Limited                        | 0.00%          | 0.05               | 0.00%          | 0.05             | 0.00%          | 0.05             |
| Bihar Infrapower Limited                     | 0.00%          | 0.05               | 0.00%          | 0.05             | 0.00%          | 0.05             |
| Bihar Mega Power Limited                     | 0.00%          | 0.05               | 0.00%          | 0.05             | 0.00%          | 0.05             |
| Jharkhand Infrapower Limited                 | 0.00%          | 0.04               | 0.00%          | 0.05             | 0.00%          | 0.05             |
| Adjustments or eliminations effect           | (12.95%)       | (14,505.05)        | (15.06%)       | (14,501.17)      | (17.66%)       | (14,444.96)      |
| <b>Total</b>                                 | <b>100.00%</b> | <b>1,11,981.28</b> | <b>100.00%</b> | <b>96,275.15</b> | <b>100.00%</b> | <b>81,790.25</b> |

\* PFC projects (formerly Coastal Karnataka Power Ltd), subsidiary w.e.f 01.07.2022.

\*\* Associates struck off during the year by the Registrar of Companies

## 60.2 Share in profit and loss

(₹ in crore)

| Name of entity                            | As at 31.03.2023                       |                  | As at 31.03.2022                       |                  | As at 31.03.2021                       |                  |
|---|--|------------------|--|------------------|--|------------------|
|   | As a % of consolidated profit and loss | Amount           | As a % of consolidated profit and loss | Amount           | As a % of consolidated profit and loss | Amount           |
| <b>Parent</b>                             |  |                  |  |                  |  |                  |
| PFC Ltd.                                  | 54.80%                                 | 11,605.47        | 53.40%                                 | 10,021.90        | 53.73%                                 | 8,444.01         |
| <b>Subsidiaries-Indian</b>                |  |                  |  |                  |  |                  |
| REC Limited                               | 52.73%                                 | 11,166.98        | 53.47%                                 | 10,035.70        | 53.31%                                 | 8,378.24         |
| PFC Consulting Limited (PFCCCL)           | 0.30%                                  | 63.81            | 0.20%                                  | 37.68            | 0.18%                                  | 28.11            |
| PFC Projects Limited*                     | 0.00%                                  | (0.11)           | -                                      | -                | -                                      | -                |
| <b>Joint Venture-Indian**</b>             |  |                  |  |                  |  |                  |
| Energy Efficiency Services Limited (EESL) | -                                      | -                | (0.12)%                                | (22.40)          | 0.04%                                  | 6.24             |
| <b>Associates-Indian</b>                  | 0.00%                                  | 0.01             | 0.00%                                  | -                | 0.00%                                  | -                |
| <b>Adjustments or eliminations effect</b> | (7.83)%                                | (1,657.57)       | (6.95)%                                | (1,304.67)       | (7.26)%                                | (1,140.40)       |
| <b>Total</b>                              | <b>100.00%</b>                         | <b>21,178.59</b> | <b>100.00%</b>                         | <b>18,768.21</b> | <b>100.00%</b>                         | <b>15,716.20</b> |

\* PFC projects (formerly Coastal Karnataka Power Ltd), subsidiary w.e.f 01.07.2022.

\*\*EESL ceases to be a Joint Venture w.e.f 01.09.2021

## 60.3 Share in other comprehensive income

| Name of entity                            | As at 31.03.2023                                  |                   | As at 31.03.2022                                  |               | As at 31.03.2021                                  |               |
|---|---|-------------------|---|---------------|---|---------------|
|   | As a % of consolidated other comprehensive Income | Amount            | As a % of consolidated other comprehensive income | Amount        | As a % of consolidated other comprehensive income | Amount        |
| <b>Parent</b>                             |   |                   |   |               |   |               |
| PFC Ltd.                                  | 14.12%  | (159.67)          | 148.74%   | 180.83        | 16.46%  | 90.20         |
| <b>Subsidiaries-Indian</b>                |   |                   |   |               |   |               |
| REC Limited                               | 85.88%  | (971.04)          | (47.63)%  | (57.90)       | 83.55%  | 457.76        |
| PFC Consulting Limited (PFCCL)            | 0.00%   | -                 | 0.00%   | -             | 0.00%   | -             |
| PFC Projects Limited *                    | 0.00%   | -                 |   |               |   | -             |
| <b>Joint Venture-Indian**</b>             |   |                   |   |               |   |               |
| Energy Efficiency Services Limited (EESL) | -   | -                 | (0.15)%   | (0.19)        | 0.21%   | 1.17          |
| <b>Associates-Indian</b>                  | 0.00%   | -                 | 0.00%   | -             | 0.00%   | -             |
| <b>Adjustments or eliminations effect</b> | 0.00%   | -                 | (0.96)%   | (1.17)        | (0.23)%   | (1.24)        |
| <b>Total</b>                              | <b>100.00%</b>                                    | <b>(1,130.71)</b> | <b>100.00%</b>                                    | <b>121.57</b> | <b>100.00%</b>                                    | <b>547.89</b> |

\* PFC projects (formerly Coastal Karnataka Power Ltd), subsidiary w.e.f 01.07.2022.

\*\*EESL ceases to be a Joint Venture w.e.f 01.09.2021.

#### 60.4 Share in total comprehensive income

(₹ in crore)

| Name of entity                            | As at 31.03.2023                                  |                  | As at 31.03.2022                                  |                  | As at 31.03.2021                                  |                  |
|---|---|------------------|---|------------------|---|------------------|
|   | As a % of consolidated total comprehensive Income | Amount           | As a % of consolidated total comprehensive income | Amount           | As a % of consolidated total comprehensive income | Amount           |
| <b>Parent</b>                             |   |                  |   |                  |   |                  |
| PFC Ltd.                                  | 57.09%  | 11,445.80        | 54.01%  | 10,202.73        | 52.47%  | 8,534.21         |
| <b>Subsidiaries-Indian</b>                |   |                  |   |                  |   |                  |
| REC Limited                               | 50.86%  | 10,195.95        | 52.82%  | 9,977.80         | 54.33%  | 8,836.00         |
| PFC Consulting Limited (PFCCL)            | 0.32%   | 63.81            | 0.20%   | 37.68            | 0.17%   | 28.11            |
| PFC Projects Limited *                    | 0.00%   | (0.11)           | -   | -                | -   | -                |
| <b>Joint Venture-Indian**</b>             |   |                  |   |                  |   |                  |
| Energy Efficiency Services Limited        | -   | -                | (0.12)%   | (22.59)          | 0.05%   | 7.41             |
| <b>Associates-Indian</b>                  | 0.00%   | 0.01             | 0.00%   | -                | 0.00%   | -                |
| <b>Adjustments or eliminations effect</b> | (8.27%)   | (1,657.57)       | (6.91)%   | (1,305.84)       | (7.02)%   | (1,141.64)       |
| <b>Total</b>                              | <b>100.00%</b>                                    | <b>20,047.88</b> | <b>100.00%</b>                                    | <b>18,889.78</b> | <b>100.00%</b>                                    | <b>16,264.09</b> |

\* PFC projects (formerly Coastal Karnataka Power Ltd), subsidiary w.e.f 01.07.2022.

\*\*EESL ceases to be a Joint Venture w.e.f 01.09.2021

61 Disclosures in Consolidated Financial Statements have been made to the extent relevant for Consolidated Financial Statements and to the extent of information available in subsidiaries' financial statements.

62 Figures of the previous year have been regrouped/ rearranged wherever necessary, in order to make them comparable.

**63** Figures have been rounded off to the nearest crore of rupees with two decimals.



## INDEPENDENT AUDITOR'S EXAMINATION REPORT ON THE REFORMATTED STANDALONE FINANCIAL INFORMATION

July 6, 2023

To,

The Board of Directors

**Power Finance Corporation Limited**

Urjanidhi, 1, Barakhamba Lane,

Connaught Place,

New Delhi 110 001.

(the "**Company**")

1. We have examined the attached Reformatted Standalone Financial Information of Power Finance Corporation Limited (the "**Issuer**" or "**Company**") as at and for the years ended March 31, 2023, March 31, 2021 and March 31, 2021, comprising the Reformatted Standalone Balance Sheet as at March 31, 2023, March 31, 2022 and March 31, 2021, the Reformatted Standalone Statement of Profit and Loss (including other comprehensive income), the Reformatted Standalone Statement of Cash Flows for the years ended March 31, 2023, March 31, 2022 and March 31, 2021, the Reformatted Standalone Statement of Changes in Equity and notes to the Reformatted Standalone Financial Information, including a summary of significant accounting policies and other explanatory information (the "**Reformatted Standalone Financial Information**"). The Reformatted Standalone Financial Information have been prepared by the Management of the Company on the basis of Note 1A Basis of Preparation to the Reformatted **Standalone** Financial Information and approved by the Management of the Company, for the purpose of inclusion in the Draft Shelf Prospectus ("**DSP**") and preparation by the Company of the Shelf Prospectus ("**SP**") and any relevant Tranche Prospectus(es) ("**TP**") (collectively referred to as "**Offer Documents**") in connection with its proposed public issue of secured, redeemable, Non-Convertible Debentures of face value ₹ 1,000 each for an amount aggregating to ₹ 10,000 crore (the "**Issue**"), by taking into consideration the requirements of:
  - a. the Sub-section (1) of Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "**Act**");
  - b. the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended (the "**SEBI NCS Regulations**") in pursuance of the Securities and Exchange Board of India Act, 1992 (the "**SEBI Act**"); and
  - c. the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (the "**ICAI**"), as amended from time to time (the "**Guidance Note**").

### **Management's Responsibilities for the Reformatted Standalone Financial Information**

2. The Board of Directors of the Company is responsible for the preparation of the Reformatted Standalone Financial Information for the purpose of inclusion in the DSP to be submitted to the Securities and Exchange Board of India ("**SEBI**") for record purposes and to be filed with BSE Limited ("**Stock Exchange**") in connection with the proposed Issue and the SP and relevant TP to be filed with Registrar of Companies, NCT of Delhi and Haryana ("**RoC**"), the Stock Exchanges and to be submitted to SEBI for record purposes in connection with the proposed Issue. The Reformatted Standalone Financial Information have been prepared by the management of the Company on the basis of preparation stated in Note 1A Basis of Preparation to the Reformatted Standalone Financial Information.

The Board of Directors of the Company is also responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Reformatted Standalone Financial Information. The Board of Directors of the Company is also responsible for identifying and ensuring that the Company complies with the Act, the SEBI NCS Regulations and the Guidance Note.

### **Auditor's Responsibilities**

3. We have examined the Reformatted Standalone Financial Information taking into consideration:
  - a. the terms of reference and terms of our engagement agreed with the Company *vide* our engagement letter dated June 20, 2023, in connection with the issue;
  - b. the Guidance Note, which also requires that we comply with the ethical requirements as stated in the Code of Ethics issued by the ICAI;
  - c. the concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Reformatted Standalone Financial Information; and
  - d. the requirements of Section 26 of the Act and the SEBI NCS Regulations.
  - e. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the SEBI NCS Regulations and the Guidance Note in connection with the Issue.
4. The Reformatted Standalone Financial Information have been compiled by the Management from the audited financial statements of the Company as at and for the years ended March 31, 2023, March 31, 2022, March 31, 2021 prepared in accordance with Indian Accounting Standards (referred to as "**Ind AS**") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Management of the Company.
5. For the purpose of our examination, we have relied on:
  - a. The Auditor's report issued by us dated May 27, 2023 and May 25, 2022 on the financial statements of the Company as at and for the year ended March 31, 2023 and March 31, 2022 respectively as referred in paragraph 4 above, on which we expressed an unmodified opinion;
  - b. The Auditor's report issued by Gandhi Minocha & Co, Chartered Accountants, one of the previous statutory auditors of the Company and Dass Gupta & Associates, Chartered Accountants, one of the current statutory auditors of the Company ("**Previous Auditor**") dated June 15, 2021, on the financial statements of the Company as at and for the year ended March 31, 2021, as referred in paragraph 4 above.
  - c. The audit reports on the financial statements issued by us and the Previous Auditor included the following explanatory paragraphs, which have been reproduced below:
    - i. Emphasis of matter paragraph:

A. As at and for the year ended March 31, 2023:

We draw attention to Note 40.1.2 (iii) of the Standalone Financial Statements regarding the provision of impairment allowance in respect of loan assets, undisbursed letter of comfort and guarantee. The

Company has recognized expected credit loss in respect of loan assets, undisbursed letter of comfort and guarantee as required under Ind AS 109, on the basis of documents provided by independent expert agency appointed by the Company. Since the calculation parameters require certain technical and professional expertise, we have relied upon the basis of determination of impairment allowance in so far as it relates to technical aspects/parameters considered by the said independent expert agency and management's judgment on the same.

Our opinion is not modified in respect of the above said matter.

B. As at and for the year ended March 31, 2022:

(i) We draw attention to Note 40.1.2 (iii) of the Standalone Financial Statements regarding the provision of impairment allowance in respect of loan assets, undisbursed letter of comfort and guarantee. The Company has recognized expected credit loss in respect of loan assets, undisbursed letter of comfort and guarantee as required under Ind AS 109, on the basis of documents provided by independent expert agency appointed by the Company. Since the calculation parameters require certain technical and professional expertise, we have relied upon the basis of determination of impairment allowance in so far as it relates to technical aspects/parameters considered by the said independent expert agency and management's judgment on the same.

(ii) We draw attention to Note 58 of the Standalone Financial Statements regarding the impact of COVID-19 pandemic on the Company. Management is of the view that there are no reasons to believe that the pandemic will have any significant impact on the ability of the company to continue as a going concern. Nevertheless, the impact in sight of evolution of pandemic in future period is uncertain and could impact the impairment allowance in future years.

Our opinion is not modified in respect of these matters.

C. As at and for the year ended March 31, 2021:

We draw attention to Note 57 of the Standalone Ind AS Financial Statements regarding the impact of COVID-19 pandemic on the Company. Management is of the view that there are no reasons to believe that the pandemic will have any significant impact on the ability of the company to continue as a going concern. Nevertheless, the impact in sight of evolution of pandemic in future period is uncertain and could impact the impairment allowance in future years.

Our opinion is not modified in respect of the matter.

ii. Other matter paragraph:

A. As at and for the year ended March 31, 2022:

The Standalone financial information of the Company for the year ended 31st March, 2021 included in the Standalone Financial Statements, were audited by joint statutory auditors of the Company, one of whom was predecessor audit firm, and they had expressed an unmodified opinion on Standalone Financial Statements vide their report dated 15th June, 2021.

B. As at and for the year ended March 31, 2021:

The Company has recognized expected credit loss in respect of loan assets and undisbursed letter of comfort as required under Ind AS 109, on the basis of documents provided by independent expert agency appointed by the Company. Since the calculation parameters require certain technical and professional expertise, we have relied on the expected credit loss calculation as provided by the said

independent expert agency.

Our opinion on the standalone Ind AS financial statements is not modified in respect of above matters.

### **Opinion**

6. Based on our examination and according to the information and explanations given to us, we report that the Reformatted Standalone Financial Information have been prepared by the Company, in all material aspects, on the basis described in Note 1A Basis of Preparation to the Reformatted Standalone Financial Information taking into consideration the requirements of the Act and SEBI NCS Regulations.

### **Other Matters**

7. We have not audited or reviewed any financial statements of the Company as of or for the years ended March 31, 2021. Accordingly, we express no opinion on the financial position, profit and loss (including other comprehensive income) or cash flows of the Company as of and for the year March 31, 2021.
8. The Reformatted Standalone Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned in paragraph 4 above.
9. This examination report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or by the Previous Auditor, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
10. We have no responsibility to update our examination report for events and circumstances occurring after the date of this report.
11. Our examination report is intended solely for use of the Board of Directors for inclusion in the DSP to be filed with SEBI and BSE, and the SP and relevant TP to be filed with RoC, SEBI and BSE in connection with the proposed Issue. Our report should not be used, referred to or distributed for any other purpose without prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

#### **Dass Gupta & Associates**

*Chartered Accountants*

**FRN: 000112N**

#### **Prem Gupta & Company**

*Chartered Accountants*

**FRN: 000425N**

#### **CA Naresh Kumar**

*Partner*

Membership No. 082069

Place: New Delhi

Date: July 06, 2023

UDIN: 23082069BGZGVU2406

#### **CA Shakun Gupta**

*Partner*

Membership No. 506838

Place: New Delhi

Date: July 6, 2023

UDIN: 23506838BGYZLY7939

**Power Finance Corporation Limited**  
**Reformatted Standalone Balance Sheet**

(₹ in crore)

| Sr. No.  | Particulars   | Note No. | As at 31.03.2023   | As at 31.03.2022   | As at 31.03.2021   |
|----------|---|----------|--------------------|--------------------|--------------------|
|          | <b>ASSETS</b>   |          |                    |                    |                    |
| <b>1</b> | <b>Financial Assets</b>                                       |          |                    |                    |                    |
| (a)      | Cash and Cash Equivalents                                     | 7        | 22.14              | 720.91             | 3,717.62           |
| (b)      | Bank Balance other than included in Cash and Cash Equivalents | 8        | 1,595.96           | 3,240.31           | 1,044.58           |
| (c)      | Derivative Financial Instruments                              | 9        | 4,803.40           | 3,080.56           | 1,251.45           |
| (d)      | Loans   | 10       | 4,10,829.15        | 3,60,929.74        | 3,60,124.77        |
| (e)      | Investments   | 11       | 17,304.14          | 16,084.27          | 15,973.50          |
| (f)      | Other Financial Assets  | 12       | 5,389.03           | 5,382.67           | 5,336.77           |
|          | <b>Total Financial Assets (1)</b>                             |          | <b>4,39,943.82</b> | <b>3,89,438.46</b> | <b>3,87,448.69</b> |
| <b>2</b> | <b>Non- Financial Assets</b>                                  |          |                    |                    |                    |
| (a)      | Current Tax Assets (Net)                                      | 13       | 210.28             | 273.65             | 260.64             |
| (b)      | Deferred Tax Assets (Net)                                     | 37       | 4,033.31           | 4,151.82           | 3,996.76           |
| (c)      | Property, Plant and Equipment                                 | 14       | 44.00              | 44.72              | 37.21              |
| (d)      | Intangible Assets   | 14       | 0.04               | 0.13               | 0.24               |
| (e)      | Intangible Assets under development                           | 14       | 11.20              | -                  |                    |
| (f)      | Right-of-use Assets   | 15       | 34.40              | 34.85              | 35.30              |
| (g)      | Other Non-Financial Assets                                    | 16       | 556.01             | 466.38             | 305.23             |
|          | <b>Total Non- Financial Assets (2)</b>                        |          | <b>4,889.24</b>    | <b>4,971.55</b>    | <b>4,635.38</b>    |
|          | <b>Total Assets (1+2)</b>                                     |          | <b>4,44,833.06</b> | <b>3,94,410.01</b> | <b>3,92,084.07</b> |
|          | <b>LIABILITIES AND EQUITY</b>                                 |          |                    |                    |                    |
|          | <b>Liabilities</b>  |          |                    |                    |                    |
| <b>1</b> | <b>Financial Liabilities</b>                                  |          |                    |                    |                    |
| (a)      | Derivative Financial Instruments                              | 9        | 24.32              | 103.25             | 494.04             |
| (b)      | Debt Securities   | 17       | 2,59,827.05        | 2,30,156.95        | 2,42,811.54        |
| (c)      | Borrowings (other than Debt Securities)                       | 18       | 1,01,228.89        | 87,965.42          | 80,837.60          |
| (d)      | Subordinated Liabilities                                      | 19       | 9,311.84           | 9,311.27           | 9,310.20           |
| (e)      | Other Financial Liabilities                                   | 20       | 5,537.68           | 6,803.99           | 5,828.05           |
|          | <b>Total Financial Liabilities (1)</b>                        |          | <b>3,75,929.78</b> | <b>3,34,340.88</b> | <b>3,39,281.43</b> |
| <b>2</b> | <b>Non- Financial Liabilities</b>                             |          |                    |                    |                    |
| (a)      | Current Tax Liabilities (Net)                                 | 13       | 105.02             | 194.92             | 43.24              |
| (b)      | Provisions  | 21       | 323.65             | 247.00             | 155.15             |
| (c)      | Other Non-Financial Liabilities                               | 22       | 272.38             | 276.93             | 211.13             |
|          | <b>Total Non- Financial Liabilities (2)</b>                   |          | <b>701.05</b>      | <b>718.85</b>      | <b>409.52</b>      |
|          | <b>Total Liabilities (1+2)</b>                                |          | <b>3,76,630.83</b> | <b>3,35,059.73</b> | <b>3,39,690.95</b> |
| <b>3</b> | <b>Equity</b>   |          |                    |                    |                    |
| (a)      | Equity Share Capital  | 23       | 2,640.08           | 2,640.08           | 2,640.08           |
| (b)      | Other Equity  | 24       | 65,562.15          | 56,710.20          | 49,753.04          |
|          | <b>Total Equity (3)</b>                                       |          | <b>68,202.23</b>   | <b>59,350.28</b>   | <b>52,393.12</b>   |
|          | <b>Total Liabilities and Equity (1+2+3)</b>                   |          | <b>4,44,833.06</b> | <b>3,94,410.01</b> | <b>3,92,084.07</b> |

The accompanying notes 1 to 61 form integral part of Reformatted Standalone Financial Statements.

**Power Finance Corporation Limited**  
**Reformatted Standalone Statement of Profit and Loss**

(₹ in crore)

| Sr. No.      | Particulars   | Note No. | Year ended 31.03.2023 | Year ended 31.03.2022 | Year ended 31.03.2021 |
|--------------|---|----------|-----------------------|-----------------------|-----------------------|
|              | <b>Revenue from Operations</b>  |          |                       |                       |                       |
| (i)          | Interest Income   | 25       | 37,645.31             | 36,701.22             | 36,145.76             |
| (ii)         | Dividend Income   | 26       | 1,744.81              | 1,347.42              | 1,204.21              |
| (iii)        | Fees and Commission Income  | 27       | 261.63                | 496.76                | 394.90                |
| <b>I.</b>    | <b>Total Revenue from Operations</b>  |          | <b>39,651.75</b>      | <b>38,545.40</b>      | <b>37,744.87</b>      |
| <b>II.</b>   | <b>Other Income</b>   | 28       | 13.88                 | 45.77                 | 21.70                 |
| <b>III.</b>  | <b>Total Income (I+II)</b>  |          | <b>39,665.63</b>      | <b>38,591.17</b>      | <b>37,766.57</b>      |
|              | <b>Expenses</b>   |          |                       |                       |                       |
| (i)          | Finance Costs   | 29       | 23,282.57             | 22,671.30             | 23,194.49             |
| (ii)         | Net Translation / Transaction Exchange Loss / (Gain)                              | 30       | 1,975.23              | 905.58                | (164.06)              |
| (iii)        | Fees and Commission Expense   | 31       | 12.06                 | 10.18                 | 14.28                 |
| (iv)         | Net Loss / (Gain) on Fair Value changes   | 32       | (70.56)               | (9.42)                | 518.95                |
| (v)          | Impairment on Financial Instruments   | 33       | (296.21)              | 2,222.14              | 3,496.40              |
| (vi)         | Employee Benefit Expenses   | 34       | 219.01                | 213.11                | 194.62                |
| (vii)        | Depreciation, Amortisation and Impairment   | 14/15    | 19.06                 | 13.20                 | 11.17                 |
| (viii)       | Corporate Social Responsibility Expenses  | 35       | 225.30                | 214.72                | 222.61                |
| (ix)         | Other Expenses  | 36       | 128.55                | 122.71                | 70.80                 |
| <b>IV.</b>   | <b>Total Expenses</b>   |          | <b>25,495.01</b>      | <b>26,363.52</b>      | <b>27,559.26</b>      |
| <b>V.</b>    | <b>Profit/(Loss) Before Exceptional Items and Tax (III-IV)</b>                    |          | <b>14,170.62</b>      | <b>12,227.65</b>      | <b>10,207.31</b>      |
| <b>VI.</b>   | <b>Exceptional Items</b>  |          | -                     | -                     | -                     |
| <b>VII.</b>  | <b>Profit/(Loss) Before Tax (V-VI)</b>  |          | <b>14,170.62</b>      | <b>12,227.65</b>      | <b>10,207.31</b>      |
|              | <b>Tax Expense:</b>   | 37       |                       |                       |                       |
|              | (1) Current Tax:  |          |                       |                       |                       |
|              | - Current Year  |          | 2,381.18              | 2,418.91              | 2,613.09              |
|              | - Earlier Years   |          | (50.94)               | (36.05)               | 178.94                |
|              | (2) Deferred Tax Expense / (Income)   |          | 234.91                | (177.11)              | (1,028.73)            |
| <b>VIII.</b> | <b>Total Tax Expense</b>  |          | <b>2,565.15</b>       | <b>2,205.75</b>       | <b>1,763.30</b>       |
| <b>IX.</b>   | <b>Profit/(Loss) from Continuing Operations (VII-VIII)</b>                        |          | <b>11,605.47</b>      | <b>10,021.90</b>      | <b>8,444.01</b>       |
| <b>X.</b>    | <b>Profit/(Loss) from Discontinued Operations (After Tax)</b>                     |          | -                     | -                     | -                     |
| <b>XI.</b>   | <b>Profit/(Loss) (from continuing and discontinued operations) (IX+X)</b>         |          | <b>11,605.47</b>      | <b>10,021.90</b>      | <b>8,444.01</b>       |
|              | <b>Other Comprehensive Income</b>   |          |                       |                       |                       |
| <b>(A)</b>   | (i) Items that will not be reclassified to Profit or Loss                         |          |                       |                       |                       |
|              | - Re-measurement of Defined Benefit Plans   |          | (3.62)                | (5.07)                | (4.26)                |
|              | - Net Gain / (Loss) on Fair Value of Equity Instruments                           |          | 145.74                | 151.94                | 137.25                |
|              | (ii) Income Tax relating to items that will not be reclassified to Profit or Loss |          |                       |                       |                       |
|              | - Re-measurement of Defined Benefit Plans   |          | 0.94                  | 1.37                  | 1.13                  |
|              | - Net Gain / (Loss) on Fair Value of Equity Instruments                           |          | 10.16                 | (9.58)                |                       |
|              | <b>Sub-Total (A)</b>  |          | <b>153.22</b>         | <b>138.66</b>         | <b>134.12</b>         |
| <b>(B)</b>   | (i) Items that will be reclassified to Profit or Loss                             |          |                       |                       |                       |
|              | - Effective Portion of Gains / (Loss) in Cash Flow Hedge                          |          | 390.02                | 419.18                | (27.64)               |
|              | - Cost of Hedging Reserve   |          | (808.14)              | (362.82)              | (31.06)               |
|              | (ii) Income Tax relating to items that will be reclassified to Profit or Loss     |          |                       |                       |                       |
|              | - Effective Portion of Gains / (Loss) in Cash Flow Hedge                          |          | (98.16)               | (105.50)              | 6.96                  |
|              | - Cost of Hedging Reserve   |          | 203.39                | 91.31                 | 7.82                  |
|              | <b>Sub-Total (B)</b>  |          | <b>(312.89)</b>       | <b>42.17</b>          | <b>(43.92)</b>        |
| <b>XII.</b>  | <b>Other Comprehensive Income (A+B)</b>   |          | <b>(159.67)</b>       | <b>180.83</b>         | <b>90.20</b>          |
| <b>XIII.</b> | <b>Total Comprehensive Income (XI+XII)</b>  |          | <b>11,445.80</b>      | <b>10,202.73</b>      | <b>8,534.21</b>       |
| <b>XIV.</b>  | <b>Basic and Diluted Earnings Per Equity Share (Face Value ₹ 10/- each):</b>      | 38       |                       |                       |                       |
|              | (1) For continuing operations (in ₹)  |          | 43.96                 | 37.96                 | 31.98                 |
|              | (2) For discontinued operations (in ₹)  |          | -                     | -                     | -                     |
|              | (3) For continuing and discontinued operations (in ₹)                             |          | 43.96                 | 37.96                 | 31.98                 |

The accompanying notes 1 to 61 form integral part of Reformatted Standalone Financial Statements.

**Power Finance Corporation Limited**  
**Reformatted Standalone Statement of Changes in Equity**

**A. Equity Share Capital** (₹ in crore)

| Particulars                           | Opening Balance | Changes during the year | Closing Balance |
|---------------------------------------|-----------------|-------------------------|-----------------|
| Issued, Subscribed and fully paid up: |                 |                         |                 |
| Year ended March 31,2021              | 2,640.08        | -                       | 2,640.08        |
| Year ended March 31,2022              | 2,640.08        | -                       | 2,640.08        |
| Year ended March 31,2023              | 2,640.08        | -                       | 2,640.08        |

Refer Note 23 for detail

**B. Reformatted Other Equity**

(₹ in crore)

| Particulars  | Reserves and Surplus   |   |   |  |                    |   |  |                  |                   | Other Comprehensive Income                            |  |                         | Total            |
|--|--|---|---|--|--------------------|---|--|------------------|-------------------|---|--|-------------------------|------------------|
|  | Special Reserve created u/s 45-1C of Reserve Bank of India Act, 1934 | Reserve for Bad & doubtful debts u/s 36(1)(vii)(c) of Income-Tax Act,1961 | Special Reserve created u/s 36(1)(viii) of Income Tax Act, 1961 upto Financial Year 1996-97 | Special Reserve created and maintained u/s 36(1)(viii) of Income Tax Act, 1961 from Financial Year 1997-98 | Securities Premium | Foreign Currency Monetary Item Translation Difference Account | Interest Differential Reserve - KFW Loan | General Reserve  | Retained Earnings | Equity Instruments through Other Comprehensive Income | Effective portion of Gain/ (Loss) Cash Flow Hedges | Cost of Hedging Reserve |                  |
| <b>Balance as at 31.03.2022</b>  | <b>6,238.14</b>  | <b>576.44</b>   | <b>599.85</b>   | <b>24,139.00</b>   | <b>2,776.54</b>    | <b>(513.80)</b>   | <b>64.07</b>                             | <b>14,115.11</b> | <b>8,863.49</b>   | <b>(54.23)</b>  | <b>200.34</b>                                      | <b>(294.75)</b>         | <b>56,710.20</b> |
| Changes in Accounting Policy / Prior Period Errors                                     | -  | -   | -   | -  | -                  | -   | -  | -                | -                 | -   | -  | -                       | -                |
| Profit for the year  | -  | -   | -   | -  | -                  | -   | -  | -                | 11,605.47         | -   | -  | -                       | 11,605.47        |
| Re-measurement of Defined Benefit Plans (net of tax)                                   | -  | -   | -   | -  | -                  | -   | -  | -                | (2.68)            | -   | -  | -                       | (2.68)           |
| Other Comprehensive Income / (Expense)   | -  | -   | -   | -  | -                  | -   | -  | -                | -                 | 155.90  | 291.86   | (604.75)                | (156.99)         |
| <b>Total Comprehensive Income for the year</b>   | <b>-</b>   | <b>-</b>  | <b>-</b>  | <b>-</b>   | <b>-</b>           | <b>-</b>  | <b>-</b>                                 | <b>-</b>         | <b>11,602.79</b>  | <b>155.90</b>   | <b>291.86</b>                                      | <b>(604.75)</b>         | <b>11,445.80</b> |
| Dividends  | -  | -   | -   | -  | -                  | -   | -  | -                | (2,640.08)        | -   | -  | -                       | (2,640.08)       |
| Transfer to / from Retained Earnings   | 2,321.09   | 590.10  | -   | 2,363.47   | -                  | -   | -  | -                | (5,274.66)        | -   | -  | -                       | -                |
| Utilisation of reserve against bad debts written off                                   | -  | (576.44)  | -   | -  | -                  | -   | -  | 576.44           | -                 | -   | -  | -                       | -                |
| Reclassification of gain / (loss) on sale / extinguishment of FVTOCI equity instrument | -  | -   | -   | -  | -                  | -   | -  | -                | 46.13             | (46.13)   | -  | -                       | -                |
| Additions / Deletions during the year (net)  | -  | (60.71)   | -   | 8.84   | -                  | 46.23   | 0.90                                     | -                | 50.97             | -   | -  | -                       | 46.23            |
| <b>Balance as at 31.03.2023</b>  | <b>8,559.23</b>  | <b>529.39</b>   | <b>599.85</b>   | <b>26,511.31</b>   | <b>2,776.54</b>    | <b>(467.57)</b>   | <b>64.97</b>                             | <b>14,691.55</b> | <b>12,648.64</b>  | <b>55.54</b>  | <b>492.20</b>                                      | <b>(899.50)</b>         | <b>65,562.15</b> |
| <b>Balance as at 31.03.2021</b>  | <b>4,233.76</b>  | <b>287.25</b>   | <b>599.85</b>   | <b>21,715.55</b>   | <b>2,776.54</b>    | <b>(634.33)</b>   | <b>62.65</b>                             | <b>13,827.86</b> | <b>7,203.86</b>   | <b>(183.37)</b>                                       | <b>(113.34)</b>                                    | <b>(23.24)</b>          | <b>49,753.04</b> |
| Changes in Accounting Policy / Prior Period Errors                                     | -  | -   | -   | -  | -                  | -   | -  | -                | -                 | -   | -  | -                       | -                |
| Profit for the year  | -  | -   | -   | -  | -                  | -   | -  | -                | 10,021.90         | -   | -  | -                       | 10,021.90        |
| Re-measurement of Defined Benefit Plans (net of tax)                                   | -  | -   | -   | -  | -                  | -   | -  | -                | (3.70)            | -   | -  | -                       | (3.70)           |
| Other Comprehensive Income / (Expense)   | -  | -   | -   | -  | -                  | -   | -  | -                | -                 | 142.36  | 313.68   | (271.51)                | 184.53           |
| <b>Total Comprehensive Income for the year</b>   | <b>-</b>   | <b>-</b>  | <b>-</b>  | <b>-</b>   | <b>-</b>           | <b>-</b>  | <b>-</b>                                 | <b>-</b>         | <b>10,018.20</b>  | <b>142.36</b>   | <b>313.68</b>                                      | <b>(271.51)</b>         | <b>10,202.73</b> |
| Dividends  | -  | -   | -   | -  | -                  | -   | -  | -                | (3,366.10)        | -   | -  | -                       | (3,366.10)       |
| Transfer to / from Retained Earnings   | 2,004.38   | 576.44  | -   | 2,423.45   | -                  | -   | -  | -                | (5,004.27)        | -   | -  | -                       | -                |
| Utilisation of reserve against bad debts written off                                   | -  | (287.25)  | -   | -  | -                  | -   | -  | 287.25           | -                 | -   | -  | -                       | -                |
| Reclassification of gain / (loss) on sale / extinguishment of FVTOCI equity instrument | -  | -   | -   | -  | -                  | -   | -  | -                | 13.22             | (13.22)   | -  | -                       | -                |
| Additions / Deletions during the year (net)  | -  | -   | -   | -  | -                  | 120.53  | 1.42                                     | -                | (1.42)            | -   | -  | -                       | 120.53           |
| <b>Balance as at 31.03.2022</b>  | <b>6,238.14</b>  | <b>576.44</b>   | <b>599.85</b>   | <b>24,139.00</b>   | <b>2,776.54</b>    | <b>(513.80)</b>   | <b>64.07</b>                             | <b>14,115.11</b> | <b>8,863.49</b>   | <b>(54.23)</b>  | <b>200.34</b>                                      | <b>(294.75)</b>         | <b>56,710.20</b> |

(₹ in crore)

| Particulars  | Reserves and Surplus   |  |   |  |                    |   |  |                  |                   | Other Comprehensive Income                            |  |                         | Total            |
|--|--|--|---|--|--------------------|---|--|------------------|-------------------|---|--|-------------------------|------------------|
|  | Special Reserve created u/s 45-1C of Reserve Bank of India Act, 1934 | Reserve for Bad & doubtful debts u/s 36(1)(vii)(c) of Income-Tax Act, 1961 | Special Reserve created u/s 36(1)(viii) of Income Tax Act, 1961 upto Financial Year 1966-67 | Special Reserve created and maintained u/s 36(1)(viii) of Income Tax Act, 1961 from Financial Year 1997-98 | Securities Premium | Foreign Currency Monetary Item Translation Difference Account | Interest Differential Reserve - KFW Loan | General Reserve  | Retained Earnings | Equity Instruments through Other comprehensive Income | Effective portion of Gain/ (Loss) Cash Flow Hedges | Cost of Hedging Reserve |                  |
| <b>Balance as at 31.03.2020</b>  | <b>2,544.96</b>  | <b>2,514.17</b>  | <b>599.85</b>   | <b>18,848.40</b>   | <b>2,776.54</b>    | <b>(1,441.18)</b>   | <b>61.40</b>                             | <b>10,983.81</b> | <b>6,042.40</b>   | <b>(313.64)</b>                                       | <b>(92.66)</b>                                     |                         | <b>42,524.05</b> |
| Profit for the period  |  |  |   |  |                    |   |  |                  | 8,444.01          | -   | -  | -                       | 8,444.01         |
| Re-measurement of Defined Benefit Plans (net of tax)                                   |  |  |   |  |                    |   |  |                  | (3.13)            | -   | -  | -                       | (3.13)           |
| Other Comprehensive Income / (Expense)   |  |  |   |  |                    |   |  |                  | -                 | 137.25  | (20.68)  | (23.24)                 | 93.33            |
| <b>Total Comprehensive Income for the period</b>                                       |  |  |   |  |                    |   |  |                  | <b>8,440.88</b>   | <b>137.25</b>   | <b>(20.68)</b>                                     | <b>(23.24)</b>          | <b>8,534.21</b>  |
| Dividends  |  |  |   |  |                    |   |  |                  | (2,112.07)        | -   | -  | -                       | (2,112.07)       |
| Transfer to / from Retained Earnings   | 1,688.80   | 609.83   | -   | 2,534.77   | -                  | -   | -  | -                | (4,833.40)        | -   | -  | -                       | -                |
| Transfer to / from General Reserve   | -  | -  | -   | -  | -                  | -   | -  | -                | -                 | -   | -  | -                       | -                |
| Utilisation of reserve against bad debts written off                                   | -  | (2,844.05)   | -   | -  | -                  | -   | -  | 2,844.05         | -                 | -   | -  | -                       | -                |
| Reclassification of gain / (loss) on sale / extinguishment of FVTOCI equity instrument | -  | -  | -   | -  | -                  | -   | -  | -                | 6.98              | (6.98)  | -  | -                       | -                |
| Additions / Deletions during the period (net)  | -  | 7.30   | -   | 332.38   | -                  | 806.85  | 1.25                                     | -                | (340.93)          | -   | -  | -                       | 806.85           |
| <b>Balance as at 31.03.2021</b>  | <b>4,233.76</b>  | <b>287.25</b>  | <b>599.85</b>   | <b>21,715.55</b>   | <b>2,776.54</b>    | <b>(634.33)</b>   | <b>62.65</b>                             | <b>13,827.86</b> | <b>7,203.86</b>   | <b>(183.37)</b>                                       | <b>(113.34)</b>                                    | <b>(23.24)</b>          | <b>49,753.04</b> |

(₹ in crore)



**Power Finance Corporation Limited**  
**Reformatted Standalone Statement of Cash Flows**

(₹ in crore)

| Sr. No.     | Description  | Year ended<br>31.03.2023 | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|-------------|--|--------------------------|--------------------------|--------------------------|
| <b>I.</b>   | <b>Cash Flow from Operating Activities :</b>   |                          |                          |                          |
|             | <b>Profit before Tax</b>   | <b>14,170.62</b>         | <b>12,227.65</b>         | <b>10,207.31</b>         |
|             | <b>Adjustments for:</b>  |                          |                          |                          |
|             | Loss/ (Gain) on derecognition of Property, Plant and Equipment (net)                               | 2.88                     | 2.91                     | 1.12                     |
|             | Loss/ (Gain) on cessation of joint control in joint venture  | -                        | (32.66)                  | -                        |
|             | Loss/ (Gain) on Fair value changes (Net)   | (70.56)                  | (9.42)                   | 518.95                   |
|             | Unrealised Foreign Exchange Translation Loss / (Gain)  | 4,099.52                 | 1,343.15                 | 293.25                   |
|             | Depreciation and Amortisation  | 19.06                    | 13.20                    | 11.17                    |
|             | Impairment on Financial Instruments  | (296.21)                 | 2,222.14                 | 3,496.40                 |
|             | Effective Interest Rate in respect of Loan assets and borrowings/ debt securities                  | (22.40)                  | 8.23                     | 62.38                    |
|             | Interest expense on Zero Coupon Bonds and Commercial Papers  | 42.06                    | 92.79                    | 9.21                     |
|             | Other interest expense   | 0.87                     | 3.04                     | 3.60                     |
|             | Interest accrued on investments  | (0.42)                   | (22.00)                  | -                        |
|             | Provision created during the period  | 162.74                   | 167.36                   | 50.16                    |
|             | Excess Liabilities written back  | -                        | (2.38)                   | -                        |
|             | Interest on income tax refund  | -                        | -                        | (9.67)                   |
|             | <b>Operating profit before Working Capital Changes:</b>  | <b>18,108.16</b>         | <b>16,014.01</b>         | <b>14,643.88</b>         |
|             | <b>Increase / Decrease :</b>   |                          |                          |                          |
|             | Loans (Net)  | (50,181.78)              | (2,936.88)               | (29,814.52)              |
|             | Other Financial and Non-Financial Assets   | 1,666.92                 | (2,221.27)               | (1,174.43)               |
|             | Derivative   | (2,096.53)               | (2,123.78)               | (95.29)                  |
|             | Other Financial & Non-Financial Liabilities and Provisions   | (823.39)                 | 433.65                   | 1,302.95                 |
|             | <b>Cash Flow before Exceptional Items</b>  | <b>(33,326.62)</b>       | <b>9,165.73</b>          | <b>(15,137.41)</b>       |
|             | Exceptional Items  | -                        | -                        | -                        |
|             | <b>Cash Flow from Operations Before Tax</b>  | <b>(33,326.62)</b>       | <b>9,165.73</b>          | <b>(15,137.41)</b>       |
|             | Income Tax paid  | (2,472.02)               | (2,246.45)               | (2,671.39)               |
|             | Income Tax Refund  | 57.89                    | -                        | 294.12                   |
|             | <b>Net Cash Inflow/(Outflow) from Operating Activities</b>   | <b>(35,740.75)</b>       | <b>6,919.28</b>          | <b>(17,514.68)</b>       |
| <b>II.</b>  | <b>Cash Flow From Investing Activities :</b>   |                          |                          |                          |
|             | Proceeds from disposal of Property, Plant and Equipment  | 0.21                     | 0.24                     | 0.20                     |
|             | Purchase of Property, Plant and Equipment & Intangible Assets (including CWIP and Capital Advance) | (83.80)                  | (204.16)                 | (17.73)                  |
|             | Increase / (Decrease) in Other Investments   | (630.38)                 | (7.47)                   | 898.45                   |
|             | <b>Net Cash Inflow/(Outflow) from Investing Activities</b>   | <b>(713.97)</b>          | <b>(211.39)</b>          | <b>880.92</b>            |
| <b>III.</b> | <b>Cash Flow From Financing Activities :</b>   |                          |                          |                          |
|             | Raising of Bonds (including premium) (Net of Redemptions)  | 26,390.86                | (12,600.78)              | 13,733.45                |
|             | Raising of Long Term Loans (Net of Repayments)   | 4,055.42                 | 4,663.50                 | 4,000.00                 |
|             | Raising of Foreign Currency Loans (Net of Repayments)  | 4,212.82                 | 5,229.95                 | 2,648.62                 |
|             | Raising of Commercial paper (Net of Repayments)  | -                        | (3,120.00)               | 3,120.00                 |
|             | Raising of Working Capital Demand Loan / OD / CC / Line of Credit (Net of Repayments)              | 3,755.24                 | (454.45)                 | (1,355.32)               |
|             | Unclaimed Bonds (Net)  | (18.47)                  | (58.28)                  | 133.76                   |
|             | Unclaimed Dividend (Net)   | 0.17                     | 1.56                     | 0.42                     |
|             | Payment of Dividend  | (2,640.08)               | (3,366.10)               | (2,112.07)               |
|             | Payment of Lease Liability   | (0.01)                   | 0.00                     | -                        |
|             | <b>Net Cash Inflow/(Outflow) from Financing Activities</b>   | <b>35,755.95</b>         | <b>(9,704.60)</b>        | <b>20,168.86</b>         |
|             | <b>Net Increase / Decrease in Cash and Cash Equivalents</b>  | <b>(698.77)</b>          | <b>(2,996.71)</b>        | <b>3,535.10</b>          |
|             | Add : Cash and Cash Equivalents at beginning of the financial year                                 | 720.91                   | 3,717.62                 | 182.52                   |
|             | <b>Cash and Cash Equivalents at the end of the year</b>  | <b>22.14</b>             | <b>720.91</b>            | <b>3,717.62</b>          |
|             | <b>Details of Cash and Cash Equivalents at the end of the year:</b>                                |                          |                          |                          |
|             | i) Balances with Banks (of the nature of cash and cash equivalents)                                |                          |                          |                          |
|             | In current accounts  | 22.14                    | 17.64                    | 699.48                   |
|             | In Term Deposit Accounts (original maturity up to 3 months)  | -                        | 703.27                   | 3,018.14                 |
|             | ii) Cheques, Drafts on hand including postage and Imprest  | 0.00                     | 0.00                     | 0.00                     |
|             | <b>Total Cash and Cash Equivalents at the end of the year</b>                                      | <b>22.14</b>             | <b>720.91</b>            | <b>3,717.62</b>          |

The above statement of cash flows has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'.

During the year, the Company has cash outflow of an amount of ₹ 118.96 crore (previous year ₹ 120.46 crore) towards Corporate Social Responsibility. (Refer Note 35)

**Reconciliation of liabilities (principal o/s) arising from financing activities**

(₹ in crore)

| Sr. No. | Particulars   | Bonds / Debenture* | Term Loans**     | Foreign Currency Loans | Commercial Paper | WCDL/ Loan against term deposit | Subordinated Debts | Total              |
|---------|---|--------------------|------------------|------------------------|------------------|---------------------------------|--------------------|--------------------|
|         | <b>Opening Balance as at 01.04.2021</b>   | <b>2,01,184.95</b> | <b>61,098.98</b> | <b>49,835.80</b>       | <b>3,080.23</b>  | <b>683.04</b>                   | <b>9,211.50</b>    | <b>3,25,094.50</b> |
|         | Cash Flow During the Year (Net)   | (12,600.78)        | 4,663.50         | 5,229.95               | (3,120.00)       | (454.45)                        | 0.00               | (6,281.78)         |
|         | <b>Non-Cash Changes due to:</b>   |                    |                  |                        |                  |                                 |                    |                    |
|         | Amortisation of discount / interest on Zero Coupon Bond / Financial Charges on Commercial Paper | 53.02              | -                | -                      | 39.77            | -                               | -                  | 92.79              |
|         | Variation in Exchange Rates   | -                  | -                | 1,222.62               | -                | -                               | -                  | 1,222.62           |
|         | <b>Closing Balance as at 31.03.2022</b>   | <b>1,88,637.19</b> | <b>65,762.48</b> | <b>56,288.37</b>       | <b>0.00</b>      | <b>228.59</b>                   | <b>9,211.50</b>    | <b>3,20,128.13</b> |
|         | Cash Flow During the Year (Net)   | 26,390.86          | 4,055.42         | 4,212.82               | -                | 3,755.24                        | (0.00)             | 38,414.34          |
|         | <b>Non-Cash Changes due to:</b>   |                    |                  |                        |                  |                                 |                    |                    |
|         | Amortization of discount on Zero Coupon Bonds & Financial Charges on Commercial Papers          | 42.06              | -                | -                      | -                | -                               | -                  | 42.06              |
|         | Variation in Exchange Rates   | -                  | -                | 4,053.30               | -                | -                               | -                  | 4,053.30           |
|         | <b>Closing Balance as at 31.03.2023</b>   | <b>2,15,070.11</b> | <b>69,817.90</b> | <b>64,554.49</b>       | <b>0.00</b>      | <b>3,983.83</b>                 | <b>9,211.50</b>    | <b>3,62,637.83</b> |

\*Foreign Currency Notes form part of Foreign Currency Loans in Standalone Statement of Cash Flows.

\*\*Foreign Currency Loans and Syndicated Foreign Currency Loans form part of Foreign Currency Loans in Standalone Statement of Cash Flows.

The accompanying notes 1 to 61 form integral part of Standalone Financial Statements.

**Reconciliation of liabilities (principal o/s) arising from financing activities**

(₹ in crore)

| Sr. No. | Particulars  | Bonds / Debenture* | Term Loans**     | Foreign Currency Loans | Commercial Paper | WCDL etc.       | Subordinated Debts | Total              |
|---------|--|--------------------|------------------|------------------------|------------------|-----------------|--------------------|--------------------|
|         | <b>Opening Balance as at 31.03.2020</b>  | <b>1,87,402.52</b> | <b>57,098.98</b> | <b>47,700.79</b>       | <b>0.00</b>      | <b>2,038.36</b> | <b>9,211.50</b>    | <b>3,03,452.17</b> |
|         | Cash Flow During the Year  | 13,733.45          | 4,000.00         | 2,648.62               | 3,120.00         | (1,355.32)      | (0.00)             | 22,146.75          |
|         | <b>Non-Cash Changes due to:</b>  |                    |                  |                        |                  |                 |                    |                    |
|         | Amortization of discount on Zero Coupon Bonds & Financial Charges on Commercial Papers | 48.98              | -                | -                      | (39.77)          | -               | -                  | 9.21               |
|         | Variation in Exchange Rates  | -                  | -                | (513.61)               | -                | -               | -                  | (513.61)           |
|         | <b>Closing Balance as at 31.03.2021</b>  | <b>2,01,184.95</b> | <b>61,098.98</b> | <b>49,835.80</b>       | <b>3,080.23</b>  | <b>683.04</b>   | <b>9,211.50</b>    | <b>3,25,094.52</b> |

\*Foreign Currency Notes form part of Foreign Currency Loans in Standalone Statement of Cash Flows.

\*\*Foreign Currency Loans and Syndicated Foreign Currency Loans form part of Foreign Currency Loans in Standalone Statement of Cash Flows.

## Notes to the Reformatted Standalone Financial Statements

### 1. Company Information

Power Finance Corporation Limited (“PFC” or “the Company”) was incorporated in India in the year 1986. The Company is domiciled in India and is limited by shares, having its registered office at ‘Urjanidhi’, 1, Barakhamba Lane, Connaught Place, New Delhi – 110001 and conferred with ‘Maharatna’ Status by the Govt. of India.

The Company is a Government Company engaged in extending financial assistance to power, logistics and infrastructure sector and is a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI) registered with Reserve Bank of India (RBI) as an Infrastructure Finance Company (IFC). The Company being a Government owned NBFC is placed in Middle layer under framework for Scale Based Regulation for NBFCs issued by RBI.

Equity shares of the Company are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited. Further, various debt securities of the Company are also listed on the Stock Exchanges.

#### 1A. Basis of preparation

The Company has prepared the Reformatted Standalone Balance Sheet as at March 31, 2023, March 31, 2022 and March 31, 2021 and Reformatted Standalone Statement of Profit and Loss and the Reformatted Standalone Statement of Cash Flows for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 and Reformatted Standalone Statement of Changes in Equity for the year ended March 31, 2023 and the significant accounting policies and other explanatory information (together comprising the “Reformatted Standalone Financial Statements”). Accordingly, these Reformatted Standalone Financial Statements will be included in the Offer Document (collectively “Draft Shelf Prospectus, Shelf Prospectus, Tranche Prospectus (es) and any other issue material”) proposed to be filed by the Company with the National Stock Exchange of India Limited, BSE Limited, Securities and Exchange Board of India (the “SEBI”) and the Registrar of Companies –NCT of Delhi & Haryana (the “Prospectus”) in connection with the proposed issue by the Company.

The Reformatted Standalone Financial Statements are based on and have been extracted by the Management of the Company from the Audited Standalone Financial Statements of the Company for the years ended March 31, 2023, March 31, 2022 and March 31, 2021. The Reformatted Standalone Financial Statements as at and for the year ended March 31, 2021 has been regrouped / reclassified wherever necessary to correspond with the presentation / disclosure in line with the Audited Standalone Financial Statements for the year ended March 31, 2023 to comply with requirements of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2021, as amended from time to time (the “SEBI (NCS) Regulations”) issued by the Securities and Exchange Board of India (the “SEBI”).

### 2. Statement of Compliance

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to Act applicable for Non-Banking Finance Companies (“NBFC”). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 “Statement of Cash Flows”. The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the Financial Statements along with the other notes required to be disclosed under the notified Accounting Standards and regulations issued by the RBI.

3. The Standalone Financial Statements for FY 2022-23, FY 2021-22 and FY 2020-21 have been approved for issue by Board of Directors (BoD) of the Company on 27.05.2023, 25.05.2022 and 15.06.2021 respectively.

### 4. Standards/ Amendments issued but not yet effective

The Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2023 on 31.03.2023, whereby amendments to various Indian Accounting Standards has been made applicable w.e.f from 01.04.2023.

The Company has evaluated the amendments made vide the aforesaid notification dated 31.03.2023 and there will be no impact of the same on the Financial Statements as and when these are made applicable.

## **5. Significant Accounting Policies**

The significant accounting policies applied in preparation of the Reformatted Standalone Financial Statements are as given below:

### **5.1 Basis of Preparation and Measurement**

These Standalone Financial Statements have been prepared on going concern basis following accrual system of accounting. The assets and liabilities have been measured at historical cost or at amortised cost or at fair value as applicable at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

Fair value measurements are categorised into Level 1, 2 or 3 as per Ind AS requirement, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

### **5.2 Cash and Cash Equivalents**

Cash comprises cash on hand and demand deposits. The Company considers cash equivalents as all short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

### **5.3 Derivative Financial Instruments**

- (i) The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks.
- (ii) Under hedge accounting, an entity can designate derivative contracts either as cash flow hedge or fair value hedge. The Company designates certain derivative contracts as cash flow hedges.
- (iii) To qualify for hedge accounting, the hedging relationship must meet all of the following requirements:
  - There is an economic relationship between the hedged item and the hedging instrument.
  - The effect of credit risk does not dominate the value changes that result from that economic relationship.
  - The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Company actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge that quantity of hedged item.

#### **(iv) Cash flow hedge**

The hedging instruments which meets the qualifying criteria for hedge accounting are designated as cash flow hedge. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in Other Comprehensive Income. The change in intrinsic value of hedging instruments is recognized in 'Effective Portion of Cash Flow Hedges'. The amounts recognized in such reserve are reclassified to the Statement of Profit or Loss when the hedged item affects profit or loss. Further, the change in fair value of the time value of a hedging instruments is recognized in 'Cost of Hedging Reserve'. The amounts recognized in

such reserve are amortized to the Statement of Profit and Loss on a systematic basis. The gain or loss relating to ineffective portion is recognized immediately in Statement of Profit and Loss.

- (v) Hedge accounting is discontinued when the hedging instrument expires, or terminated, or exercised, or when it no longer qualifies for hedge accounting.
- (vi) Derivatives, other than those designated under hedge relationship, are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Statement of Profit and Loss.

#### 5.4 Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instruments.

On initial recognition, financial assets and financial liabilities are recognised at fair value plus/ minus transaction cost that is attributable to the acquisition or issue of financial assets and financial liabilities. In case of financial assets and financial liabilities which are recognised at fair value through profit and loss (FVTPL), its transaction costs are recognised in Statement of Profit and Loss.

##### 5.4.1 Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

After initial recognition, financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

- (i) Classification and Measurement of Financial Assets (other than Equity instruments)

- a) Financial Assets at Amortised Cost:

Financial assets that meet the following conditions are subsequently measured at amortised cost using Effective Interest Rate method (EIR):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

##### Effective Interest Rate (EIR) method

The effective interest rate method is a method of calculating the amortised cost of financial asset and of allocating interest income over the expected life. The company while applying EIR method, generally amortises any fees, transaction costs and other premiums or discount that are integral part of the effective interest rate of a financial instrument.

Income is recognised in the Statement of Profit and Loss on an effective interest rate basis for financial assets other than those classified as at FVTPL.

EIR is determined at the initial recognition of the financial asset. EIR is subsequently updated at every reset, in accordance with the terms of the respective contract.

Once the terms of financial assets are renegotiated, other than market driven interest rate movement, any gain / loss measured using the previous EIR as calculated before the modification, is recognised in the Statement of Profit and Loss in period during which such renegotiations occur.

- b) Financial Assets at Fair Value Through Other Comprehensive Income (FVTOCI)

A financial asset is measured at FVTOCI if both the following conditions are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial asset; and
- The contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

All fair value changes are recognised in Other Comprehensive Income (OCI) and accumulated in Reserve.

#### c) Financial Assets at Fair Value Through Profit or Loss (FVTPL)

A financial asset is measured at FVTPL unless it is measured at amortised cost or FVTOCI, with all changes in fair value recognised in Statement of Profit and Loss.

##### Business Model

An assessment of business model for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business model at a level that reflects how financial assets are managed together to achieve a particular business objective of generating cash flows. The Company's business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The Company is in the business of lending loans across power sector value chain and such loans are managed to realize the contractual cash flows over the tenure of the loan. Further, other financial assets may also be held by the Company to collect the contractual cash flows.

#### (ii) Classification, Measurement and Derecognition of Equity Instruments

All equity investments other than in subsidiaries, joint ventures and associates are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company at initial recognition makes an irrevocable election to classify it as either FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis.

An equity investment classified as FVTOCI is initially measured at fair value plus transaction costs. Subsequently, it is measured at fair value and, all fair value changes are recognised in Other Comprehensive Income (OCI) and accumulated in Reserve. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company transfers the cumulative gain/loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

#### (iii) Impairment of Financial Assets

Subsequent to initial recognition, the Company recognises expected credit loss (ECL) on financial assets measured at amortised cost as required under Ind AS 109 'Financial Instruments'. The Company presents the ECL charge or reversal (where the net amount is a negative balance for a particular period) in the Statement of Profit and Loss as "Impairment on financial instruments" and as a cumulative deduction from gross carrying amount in the Balance Sheet, wherever applicable.

The impairment requirements for the recognition and measurement of ECL are equally applied to financial asset measured at FVTOCI except that ECL is recognised in Other Comprehensive Income and is not reduced from the carrying amount in the Balance Sheet.

#### a) Impairment of Loan Assets and commitments under Letter of Comfort (LoC):

The Company measures ECL on loan assets at an amount equal to the lifetime ECL if there is credit impairment or there has been significant increase in credit risk (SICR) since initial recognition. If there is no SICR as compared to initial recognition, the Company measures ECL at an amount equal to 12-month ECL. When making the assessment of whether there has been a SICR since initial recognition, the Company considers reasonable and supportable information, that is available without undue cost or effort. If the Company measured loss allowance as lifetime ECL in the previous period, but determines in a subsequent period that there has been no SICR since initial recognition due to improvement in credit quality, the Company again measures the loss allowance based on 12-month ECL.

ECL is measured on individual basis for credit impaired loan assets, and on other loan assets it is generally measured on collective basis using homogenous groups.

The Company measures impairment on commitments under LoC on similar basis as in case of Loan assets.

b) Impairment of financial assets, other than loan assets:

ECL on financial assets, other than loan assets, is measured at an amount equal to life time expected losses.

(iv) De-recognition of Financial Assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset along with all the substantial risks and rewards of ownership of the asset to another party. The renegotiation or modification of the contractual cash flows of a financial asset can also lead to derecognition of the existing financial asset.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received & receivable, and the cumulative gain or loss that had been recognised in Other Comprehensive Income and accumulated in Equity, is recognised in Statement of Profit and Loss if such gain or loss would have otherwise been recognised in Statement of Profit and Loss on disposal of that financial asset.

#### 5.4.2 Financial Liabilities

- (i) All financial liabilities other than derivatives and financial guarantee contracts are subsequently measured at amortised cost using the effective interest rate (EIR) method.

EIR is determined at the initial recognition of the financial liability. EIR is subsequently updated for financial liabilities having floating interest rate, at the respective reset date, in accordance with the terms of the respective contract.

- (ii) Financial guarantee

A financial guarantee issued by the Company is initially measured at fair value and, if not designated as at FVTPL, is subsequently measured at the higher of:

- the best estimate of expenditure required to settle any financial obligation arising as a result of the guarantee; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in the Statement of Profit and Loss.

- (iii) De-recognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid & payable is recognised in Statement of Profit and Loss.

#### 5.5 Investment in Subsidiaries, Joint Ventures and Associates

Investment in equity shares of subsidiaries, joint ventures and associates are accounted at cost, less impairment if any.

#### 5.6 Property, Plant and Equipment (PPE) and Depreciation

- (i) Items of PPE are initially recognised at cost. Subsequent measurement is done at cost less accumulated depreciation and accumulated impairment losses, if any, except for freehold land which is not depreciated. An item of PPE retired from active use and held for disposal is stated at lower of its book value or net realizable value.
- (ii) In case of assets put to use, capitalisation is done on the basis of bills approved or estimated value of work done as per contracts where final bill(s) is/are yet to be received / approved, subject to necessary adjustment in the year of final settlement.

- (iii) Cost of replacing part of an item of PPE is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. Maintenance or servicing costs of PPE are recognized in Statement of Profit and Loss as incurred.
- (iv) Under-construction PPE is carried at cost, less any recognised impairment loss. Such PPE items are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as of other assets, commences when the assets are ready for their intended use.
- (v) Depreciation is recognised so as to write-off the cost of assets less their residual values as per written down value method, over the estimated useful lives that are similar to as prescribed in Schedule II to the Companies Act, 2013, except for cell phones where useful life has been estimated by the Company as 2 years. Residual value is estimated as 5% of the original cost of PPE.
- (vi) Depreciation on additions to/deductions from PPE during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed.
- (vii) An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the de-recognition of an item of PPE is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.
- (viii) Items of PPE costing up to ₹ 5000/- each are fully depreciated, in the year of purchase.

#### **5.7 Intangible Assets and Amortisation**

- (i) Intangible assets with finite useful lives that are acquired separately are recognised at cost. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use. Subsequent measurement is done at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives.
- (ii) Expenditure incurred which are eligible for capitalisation under intangible assets is carried as Intangible Assets under Development till they are ready for their intended use.
- (iii) Estimated useful life of intangible assets with finite useful lives has been estimated by the Company as 5 years.
- (iv) An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the Statement of Profit and Loss when the asset is derecognised.

#### **5.8 Provisions, Contingent Liabilities and Contingent Assets**

- (i) Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, if it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
- (ii) The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.
- (iii) When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.
- (iv) Where it is not probable that an outflow of economic benefits will be required or the amount cannot be estimated reliably, the obligation is disclosed as contingent liability in notes to accounts, unless the probability of outflow of economic benefits is remote.



- (v) Contingent assets are not recognised in the financial statements. However, contingent assets are disclosed in the financial statements when inflow of economic benefits is probable.

### **5.9 Offsetting of Financial Assets and Financial Liabilities**

Financial Assets and Financial Liabilities are offset and the net amount is presented in the balance sheet when currently there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

### **5.10 Recognition of Income and Expenditure**

- (i) Interest income, on financial assets subsequently measured at amortised cost, is recognized using the Effective Interest Rate (EIR) method. The Effective Interest Rate (EIR) is the rate that exactly discounts estimated future cash receipts through expected life of the financial asset to that asset's net carrying amount on initial recognition.
- (ii) Interest on financial assets subsequently measured at fair value through profit and loss(FVTPL), is recognized on accrual basis in accordance with the terms of the respective contract and disclosed separately under the head 'Interest Income'
- (iii) Rebate on account of timely payment of dues by borrowers is recognized on receipt of entire dues in time, in accordance with the terms of the respective contract and is netted against the corresponding interest income.
- (iv) Income from services rendered is recognized based on the terms of agreements / arrangements with reference to the stage of completion of contract at the reporting date.
- (v) Dividend income from investments including those measured at FVTPL, is recognized in Statement of Profit and Loss under the head 'Dividend Income' when the Company's right to receive dividend is established and the amount of dividend can be measured reliably.
- (vi) Interest expense on financial liabilities subsequently measured at amortised cost is recognized using Effective Interest Rate (EIR) method.
- (vii) Other income and expenses are accounted on accrual basis, in accordance with terms of the respective contract.
- (viii) A Prepaid expense up to ₹ 1,00,000/- is recognized as expense upon initial recognition in the Statement of Profit and Loss.

### **5.11 Expenditure on issue of shares**

Expenditure on issue of shares is charged to the securities premium account.

### **5.12 Employee Benefits**

- (i) Defined Contribution Plan

Company's contribution paid / payable during the reporting period towards provident fund and pension are charged in the Statement of Profit and Loss when employees have rendered service entitling them to the contributions.

- (ii) Defined Benefit Plan

The Company's obligation towards gratuity to employees and post-retirement benefits such as medical benefit, economic rehabilitation benefit, and settlement allowance after retirement are determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Actuarial gain / loss on re-measurement of gratuity and other post-employment defined benefit plans are recognized in Other Comprehensive Income (OCI). Past service cost is recognized in the Statement of Profit and Loss in the period of a plan amendment.

- (iii) Other long term employee benefits

The Company's obligation towards leave encashment, service award scheme is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These obligations are recognised in the Statement of Profit and Loss.

(iv) Short term employee benefits

Short term employee benefits such as salaries and wages are recognised in the Statement of Profit and Loss, in the period in which the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

(v) Loan to employees at concessional rate

Loans given to employees at concessional rate are initially recognized at fair value and subsequently measured at amortised cost. The difference between the initial fair value of such loans and transaction value is recognised as deferred employee cost upon issuance of Loan, which is amortised on a straight-line basis over the expected remaining period of the loan. In case of change in expected remaining period of the loan, the unamortised deferred employee cost on the date of change is amortised over the updated expected remaining period of the Loan on a prospective basis.

### 5.13 Income Taxes

Income Tax expense comprises of current and deferred tax. It is recognised in Statement of Profit and Loss, except when it relates to an item that is recognised in OCI or directly in equity, in which case, tax is also recognised in OCI or directly in equity.

(i) Current Tax

Current tax is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustments to tax payable in respect of earlier years.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and liability on a net basis.

(ii) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income. Deferred tax is measured at the tax rates based on the laws that have been enacted or substantively enacted by the reporting date, based on the expected manner of realisation or settlement of the carrying amount of assets / liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against liabilities, and they relate to income taxes levied by the same tax authority.

A deferred tax liability is recognised for all taxable temporary differences. A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

### 5.14 Leases

For recognition, measurement and presentation of lease contracts, the Company applies the principles of Ind AS 116 'Leases'.

(i) The Company as a lessee

The Company at inception of a contract assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether (a) the Company has substantially all of the economic benefits from use of

the asset through the period of the lease, and (b) the Company has the right to direct the use of the identified asset.

The Company at inception of a lease contract recognizes a Right-of-Use (RoU) asset at cost and a corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets which are recognised as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. RoU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use (RoU) assets are initially recognized at cost, which comprise the initial amount of the lease liability adjusted for any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. They are subsequently measured at cost less any accumulated depreciation and accumulated impairment losses. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

The lease liability is initially measured at amortised cost at the present value of future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the company's incremental borrowing rates in the country of domicile of the leases.

Lease liabilities are re-measured with a corresponding adjustment to the related right-of-use (RoU) asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and RoU asset is separately presented in the Balance Sheet. Interest expense on lease liability is presented separately from depreciation on right of use asset as a component of finance cost in the Statement of Profit and Loss. Lease payments for the principal portion are classified as Cash flow used in financing activities and lease payments for the interest portion are classified as Cash flow used in operating activities.

(ii) The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Contracts in which all the risks and rewards of the lease are substantially transferred to the lessee are classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

Amount due from lessee under finance leases is recognised as receivable at an amount equal to the net investment of the Company in the lease. Finance income on the lease is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of lease at the reporting date.

#### **5.15 Foreign Currency Transactions and Translations**

The functional currency of the Company is Indian Rupees. Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction.

At the end of each reporting period, monetary items denominated in foreign currency are translated using exchange rates prevailing on the last day of the reporting period. Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise. However, for the long-term monetary items recognised in the financial statements before 1 April 2018, such exchange differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance period of such long term monetary item.

#### **5.16 Business Combination under Common Control**

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and that control is not transitory.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.

- No adjustments are made to reflect fair values, or recognize new assets or liabilities. Adjustments are made only to harmonize significant accounting policies.
- The financial information in the financial statements in respect of prior periods is restated as if the business combination has occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee. The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee.

The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

#### **5.17 Material Prior Period Errors**

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

#### **5.18 Dividends**

Final dividends are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Board of Directors of the Company.

#### **5.19 Earnings Per Share**

Basic earnings per equity share is calculated by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

To calculate diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### **6. Use of Estimates and Management Judgement**

In preparation of the Standalone Financial Statements, the Management is required to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and the related disclosures. The estimates and underlying assumptions are based on historical experience & other relevant factors and are reviewed on an ongoing basis. Actual results may differ from these estimates.

Changes in accounting estimates, if any, are recognized prospectively in the period in which the estimate is revised if the revision affects only that period or in the period of the revision & future periods if it affects both current & future periods.

#### **6.1 Significant Management Judgements**

In order to enhance understanding of the Standalone Financial Statements, information about significant areas of critical judgments, apart from those involving estimation (Note 6.2), in applying accounting policies that have the most significant effect on the amounts recognised in the Standalone Financial Statements, are as under:

(i) Deferred tax Liability on Special Reserve

The Company had passed a Board resolution that it has no intention to withdraw any amount from the Special Reserve created and maintained under section 36(1)(viii) of the Income Tax Act, 1961. Accordingly, the Special Reserve created and maintained is not capable of being withdrawn. Hence, the Company does not create deferred tax liability on the said reserve.

(ii) Non recognition of income on Credit Impaired loan assets

As a matter of prudence, income on credit impaired loan assets is recognised as and when received or on accrual basis when expected realization is higher than the loan amount outstanding.

(iii) Amortisation of transaction cost on credit impaired loan assets

Outstanding amount of unamortised transaction cost is credited to Statement of Profit and Loss on classification of loan asset as credit impaired.

(iv) Classification of Investments

In order to classify an investment in a company as investment in subsidiary or joint venture (JV) or associate, judgement is required to assess the level of control depending upon the facts and circumstances of each case.

- a) Energy Efficiency Services Limited (EESL) was incorporated in 2009 as a Joint Venture (JV) of NTPC Ltd., Power Grid Corporation of India Ltd. (PGCIL), REC Ltd. (RECL) and PFC Ltd. During FY 2021-22, amendments in the JV agreement were made vide Supplementary Agreement dated 01.09.2021, where by the substantive participative rights and privileges previously enjoyed by all the joint venture partners, through their right to affirmative vote on certain reserved matters stands withdrawn. Therefore, in absence of any joint control, EESL ceases to be a Joint Venture Company.

Company along with its subsidiary RECL is holding 33.33 % stake in equity share capital of Energy Efficiency Services Limited (EESL). However, in the absence of any practical ability to direct the relevant activities as per the requirements of Ind AS 28 'Investment in Associates and Joint Ventures', the Company does not have any significant influence , accordingly EESL has not been considered as an associate company.

- b) Ultra-Mega Power Projects (UMPPs) are managed as per the mandate from Government of India (GoI) and the Company does not have the practical ability to direct the relevant activities of these UMPPs unilaterally. The Company therefore, considers its investment in respective UMPPs as associates having significant influence despite the Company holding 100% of their paid-up equity share capital.
- c) By virtue of holding Board position or equity stake in borrower companies, the rights exercised by PFC in such companies are protective in nature. Thus, the borrower companies are not considered as Associates for the purpose of financial statements.

(v) Low value leases

An assessment is required, if lessee opts not to apply the recognition and measurement requirements of Ind AS 116 'Leases' to leases where the underlying asset is of low value. For the purpose of determining low value, the Company has considered nature of assets and concept of materiality as defined in Ind AS 1 'Presentation of Financial Statements' and the conceptual framework of Ind AS which involve significant judgement.

(vi) Sundry Liabilities- Interest Capitalisation

Unrealised income on credit impaired loans, represented by Funded Interest Term Loan (FITL) / debt / equity instruments acquired under resolution, is transferred to a separate account titled 'Sundry Liabilities Account (Interest Capitalisation)' and is recognised in Statement of Profit and Loss on repayment of FITL or sale / redemption of debt / equity instruments.

(vii) Evaluation of indicators for impairment loss allowance of financial assets

The evaluation of the applicability of indicators for computation of impairment loss allowance of assets requires assessment of several external and internal factors which could result in change in recoverable amount of the assets. The Company makes significant judgement in identifying the default and significant increase in credit risk (SICR) based on available information.

## 6.2 Assumptions and Key Sources of Estimation Uncertainty

Information about estimates and assumptions that have the significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below:

(i) Defined Benefit Obligation (DBO)

The Company's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses as detailed at Note 44.2

(ii) Impairment test of Financial Assets (Expected Credit Loss)

The measurement of impairment loss allowance for financial assets which includes loan, LoCs and guarantees measured at amortised cost requires use of statistical models, expected future economic conditions, estimated cash flows and credit behaviour (e.g., inputs and weights used for credit risk scoring, likelihood of borrowers defaulting and resulting losses). In estimating the cash flows expected to be recovered from credit impaired loans, the borrower's financial situation, current status of the project, net realisable value of securities/ collateral etc. are assessed.

As these estimates are based on various assumptions, actual results may vary. Refer Note 40.1 for further details.

(iii) Fair value measurement

Fair value of financial instruments is required to be estimated for financial reporting purposes. The Company applies appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Company uses quoted prices and market-observable data to the extent it is available. In case of non-availability of the same, unobservable inputs are used for calculation of fair value of the assets/liabilities. The information about the valuation techniques, inputs used in determination of fair value of various assets & liabilities and other details are disclosed at Note 42.

(iv) Income Taxes

Estimates are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions and also in respect of expected future profitability to assess deferred tax asset. Refer Note 37 for details.

(v) Useful life of Property, Plant & Equipment (PPE) and Intangible Assets

The Company reviews its estimate of the useful lives of depreciable/amortisable assets at the end of each financial year, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets. Refer Note 14 for details on useful lives and carrying values of PPE and Intangible assets.

7 Reformatted Cash and Cash Equivalents

(₹ in crore)

| Sr. No. | Particulars   | As at<br>31.03.2023 | As at<br>31.03.2022 | As at<br>31.03.2021 |
|---------|---|---------------------|---------------------|---------------------|
| (i)     | <b>Balances with Banks (of the nature of cash and cash equivalents)</b> |                     |                     |                     |
|         | - In Current Accounts   | 22.14               | 17.64               | 699.48              |
|         | - In Term Deposit Accounts (original maturity up to 3 months)           | -                   | 703.27              | 3,018.14            |
| (ii)    | <b>Cheques, Drafts on hand including Postage and Imprest</b>            | 0.00                | 0.00                | 0.00                |
|         | <b>Total Cash and Cash Equivalents</b>                                  | <b>22.14</b>        | <b>720.91</b>       | <b>3,717.62</b>     |

8 Reformatted Bank Balance other than included in Cash and Cash Equivalents

(₹ in crore)

| Sr. No. | Particulars  | As at<br>31.03.2023 | As at<br>31.03.2022 | As at<br>31.03.2021 |
|---------|--|---------------------|---------------------|---------------------|
| (i)     | <b>Earmarked Balances with Banks for</b>                                   |                     |                     |                     |
|         | - Term Deposits Accounts - LAD (Refer note 8.1)                            | -                   | 245.84              |                     |
|         | - Term Deposits Accounts - HQLA (Refer note 8.2)                           | 1,473.26            | 2,398.99            | 683.32              |
|         | - Unpaid Dividend  | 5.63                | 5.46                | 3.90                |
|         | - Unpaid - Bonds / Interest on Bonds etc.                                  | 72.70               | 91.19               | 146.36              |
|         | - Amount received under GOI schemes  | 1.78                | 498.83              | 211.00              |
|         | - Current Accounts with Banks - Unspent CSR Purposes (Refer note 35.4)     | 42.59               | -                   |                     |
|         | <b>Total Bank Balance other than included in Cash and Cash Equivalents</b> | <b>1,595.96</b>     | <b>3,240.31</b>     | <b>1,044.58</b>     |

8.1 The Company has availed Loan against these Term Deposits (LAD) and is presented in Note 18.5.

8.2 Refer Note 55.6 for disclosure regarding High Quality Liquid Assets (HQLA)

9 Reformatted Derivative Financial Instruments

The Company enters into derivative contracts for hedging Currency & Interest Rate risk. These derivative transactions are done for hedging purpose and not for trading or speculative purpose.

Part - I

(₹ in crore)

| Sr. No. | Particulars  | As at 31.03.2023 |                   |                        | As at 31.03.2022 |                   |                        | As at 31.03.2021 |                   |                        |
|---------|--|------------------|-------------------|------------------------|------------------|-------------------|------------------------|------------------|-------------------|------------------------|
|         |  | Notional Amount  | Fair value Assets | Fair value Liabilities | Notional Amount  | Fair value Assets | Fair value Liabilities | Notional Amount  | Fair value Assets | Fair value Liabilities |
| (i)     | <b>Currency Derivatives</b>                          |                  |                   |                        |                  |                   |                        |                  |                   |                        |
|         | - Spot and Forwards                                  | 1,014.18         | 20.40             | 21.06                  | -                | -                 | -                      | 2,417.38         | 5.33              | 40.53                  |
|         | - Currency Swaps                                     | 4,521.93         | 460.12            | -                      | 12,129.14        | 1,111.15          | -                      | 11,760.75        | 936.99            | -                      |
|         | - Options  | 48,020.93        | 3,891.63          | 3.26                   | 18,762.25        | 1,523.81          | 21.55                  | 7,717.99         | -                 | 51.92                  |
|         | <b>Total Currency Derivatives</b>                    | <b>53,557.04</b> | <b>4,372.15</b>   | <b>24.32</b>           | <b>30,891.39</b> | <b>2,634.96</b>   | <b>21.55</b>           | <b>21,896.12</b> | <b>942.32</b>     | <b>92.45</b>           |
| (ii)    | <b>Interest Rate Derivatives</b>                     |                  |                   |                        |                  |                   |                        |                  |                   |                        |
|         | - Forward Rate Agreements and Interest Rate Swaps    | 10,549.12        | 431.25            | -                      | 17,931.98        | 445.60            | 81.70                  | 18,585.59        | 309.13            | 401.59                 |
|         | <b>Total Interest Rate Derivatives</b>               | <b>10,549.12</b> | <b>431.25</b>     | <b>-</b>               | <b>17,931.98</b> | <b>445.60</b>     | <b>81.70</b>           | <b>18,585.59</b> | <b>309.13</b>     | <b>401.59</b>          |
|         | <b>Total Derivative Financial Instruments (i+ii)</b> | <b>64,106.16</b> | <b>4,803.40</b>   | <b>24.32</b>           | <b>48,823.37</b> | <b>3,080.56</b>   | <b>103.25</b>          | <b>40,481.71</b> | <b>1,251.45</b>   | <b>494.04</b>          |

Part - II : Included in above (Part I) are Derivatives held for hedging and risk management purposes as follows:

(₹ in crore)

| Sr. No. | Particulars  | As at 31.03.2023 |                   |                        | As at 31.03.2022 |                   |                        | As at 31.03.2021 |                   |                        |
|---------|--|------------------|-------------------|------------------------|------------------|-------------------|------------------------|------------------|-------------------|------------------------|
|         |  | Notional Amount  | Fair value Assets | Fair value Liabilities | Notional Amount  | Fair value Assets | Fair value Liabilities | Notional Amount  | Fair value Assets | Fair value Liabilities |
| (i)     | <b>Cash Flow Hedging (Designated)</b>                  |                  |                   |                        |                  |                   |                        |                  |                   |                        |
|         | - Currency Derivatives                                 | 47,904.29        | 3,986.16          | 3.26                   | 24,826.83        | 1,801.42          | 21.55                  | 13,689.45        | 198.77            | 51.92                  |
|         | - Interest Rate Derivatives                            | 7,399.52         | 364.11            | -                      | 8,717.82         | 198.86            | 39.15                  | 8,453.04         | 4.10              | 178.32                 |
|         | <b>Total Cash Flow Hedging (Designated)</b>            | <b>55,303.81</b> | <b>4,350.27</b>   | <b>3.26</b>            | <b>33,544.65</b> | <b>2,000.28</b>   | <b>60.70</b>           | <b>22,142.49</b> | <b>202.87</b>     | <b>230.24</b>          |
| (ii)    | <b>Undesignated Derivatives</b>                        |                  |                   |                        |                  |                   |                        |                  |                   |                        |
|         | - Undesignated Derivatives                             | 8,802.35         | 453.13            | 21.06                  | 15,278.72        | 1,080.28          | 42.55                  | 18,339.22        | 1,048.58          | 263.80                 |
|         | <b>Total Undesignated Derivatives</b>                  | <b>8,802.35</b>  | <b>453.13</b>     | <b>21.06</b>           | <b>15,278.72</b> | <b>1,080.28</b>   | <b>42.55</b>           | <b>18,339.22</b> | <b>1,048.58</b>   | <b>263.80</b>          |
|         | <b>Total Derivative Financial Instruments ( i+ii )</b> | <b>64,106.16</b> | <b>4,803.40</b>   | <b>24.32</b>           | <b>48,823.37</b> | <b>3,080.56</b>   | <b>103.25</b>          | <b>40,481.71</b> | <b>1,251.45</b>   | <b>494.04</b>          |



9.1. Details of Forward Rate Agreements / Interest Rate Swaps:

(₹ in crore)

| Sr. No. | Particulars  | As at<br>31.03.2023             | As at<br>31.03.2022 | As at<br>31.03.2021 |
|---------|--|---------------------------------|---------------------|---------------------|
| (i)     | Notional principal of swap agreements  | 10,549.12                       | 17,931.98           | 18,585.59           |
| (ii)    | Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements | 431.25                          | 445.60              | 309.13              |
| (iii)   | Collateral required by NBFC upon entering into swaps   | -                               | -                   | -                   |
| (iv)    | Concentration of credit risk arising from swaps  | Refer note <sup>(a)</sup> below |                     |                     |
| (v)     | Fair value of swap book (obtained from counterparty banks)   | 431.25                          | 363.90              | (92.46)             |

<sup>(a)</sup>The Company enters into swap agreements with Category-I Authorized Dealer Banks (PSU Banks, Private Indian Banks & Foreign Banks), in accordance with the RBI guidelines. All the swap agreements entered into with the banks are well within the limits defined in the Board approved "Policy for Management of Risks on Foreign Currency Borrowings".

9.2. Details of nature and terms of Forward Rate Agreements / Interest Rate Swaps

| Benchmark                       | As at<br>31.03.2023 | As at<br>31.03.2022 | As at<br>31.03.2021 | Terms                                 |
|---------------------------------|---------------------|---------------------|---------------------|---------------------------------------|
| Notional principal (₹ in crore) |                     |                     |                     |                                       |
| INBMK                           | 3,149.60            | 3,149.60            | -                   | Fixed Receivable V/s Floating Payable |
| G-SEC Rate                      | -                   | -                   | 3,149.60            | Fixed Receivable V/s Floating Payable |
| USD LIBOR                       | 7,399.52            | 14,782.38           | 15,435.99           | Fixed Payable V/s Floating Receivable |
| <b>Total</b>                    | <b>10,549.12</b>    | <b>17,931.98</b>    | <b>18,585.59</b>    |                                       |

9.3. The Company does not hold any exchange traded derivatives as at 31.03.2023 (as at 31.03.2022 Nil, as at 31.03.2021 Nil).

9.4. Quantitative Disclosures on Risk Exposure in Derivatives:

(₹ in crore)

| Sr. No. | Particulars                                       | As at 31.03.2023     |                           | As at 31.03.2022     |                           | As at 31.03.2021     |                           |
|---------|---|----------------------|---------------------------|----------------------|---------------------------|----------------------|---------------------------|
|         |   | Currency Derivatives | Interest Rate Derivatives | Currency Derivatives | Interest Rate Derivatives | Currency Derivatives | Interest Rate Derivatives |
| (i)     | Derivatives (Notional Principal Amount)           |                      |                           |                      |                           |                      |                           |
|         | For hedging <sup>b), c) &amp; d)</sup>            | 53,557.03            | 10,549.12 <sup>a)</sup>   | 30,891.39            | 17,931.98 <sup>a)</sup>   | 21,896.12            | 18,585.59 <sup>a)</sup>   |
| (ii)    | Marked to Market Positions (MTM)                  |                      |                           |                      |                           |                      |                           |
|         | a) Asset (+MTM)                                   | 4,372.15             | 431.25                    | 2,634.96             | 445.60                    | 942.33               | 309.13                    |
|         | b) Liability (-MTM)                               | 24.32                | -                         | 21.55                | 81.70                     | 92.45                | 401.59                    |
| (iii)   | Credit Exposure                                   | 8,310.48             | 526.47                    | 5,087.22             | 585.16                    | 2,938.49             | 489.54                    |
| (iv)    | Unhedged Foreign Currency Exposures <sup>b)</sup> | 23,779.03            | 8,758.90                  | 25,396.98            | 2,319.39                  | 29,254.48            | 3,444.15                  |

<sup>a)</sup> Interest rate derivatives include derivatives on rupee liabilities of ₹ 3,149.60 crore as at 31.03.2023 (As at 31.03.2022 ₹ 3,149.60 crore, as at 31.03.2021 ₹ 3,149.60 crore).

<sup>b)</sup> Includes JPY loan liability hedged for one leg (USD/JPY) for ₹ 5,653.18 crore as at 31.03.2023 (As at 31.03.2022 – Nil, As at 31.03.2021 - ₹ 940.86 crore).

<sup>c)</sup> Includes JPY and EURO loan liability hedged separately for USD/JPY or EURO/USD leg and USD/INR leg for ₹ 7,128.40 crore as at 31.03.2023 (As at 31.03.2022- Nil, as at 31.03.2021- Nil).

<sup>d)</sup> Includes MTM on currency derivatives against interest payments of Nil (As at 31.03.2021, positive MTM of ₹ 0.56 crore on currency derivatives of USD 51 million equivalent to INR ₹ 373.95 crore).

- 9.5. Refer Note 40.3 and Note 40.4 for Foreign Currency Risk Management and Interest Rate Risk Management respectively and Note 41 for disclosures related to hedge accounting.

## 10 Reformatted Loans

The Company has categorised all loans at amortised cost in accordance with the requirements of Ind AS 109 'Financial Instruments'.

(₹ in crore)

| Sr. No.       | Particulars  | As at<br>31.03.2023 | As at<br>31.03.2022 | As at<br>31.03.2021 |
|---------------|--|---------------------|---------------------|---------------------|
| <b>(A)</b>    | <b>Loans to Borrowers*</b>                                     |                     |                     |                     |
| (i)           | Rupee Term Loans (RTLs)  | 3,98,559.81         | 3,69,272.18         | 3,60,970.56         |
| (ii)          | Buyer's Line of Credit   | 2,086.95            | 2,495.83            | 2,185.02            |
| (iii)         | Working Capital Loans  | 21,073.36           | 597.73              | 6,662.81            |
| (iv)          | Others   | 777.61              | 768.87              | 952.60              |
| <b>(v)</b>    | <b>Principal Outstanding (i to iv)</b>                         | <b>4,22,497.73</b>  | <b>3,73,134.61</b>  | <b>3,70,770.99</b>  |
| (vi)          | Interest accrued but not due on Loans                          | 4,077.36            | 4,509.31            | 5,242.46            |
| (vii)         | Interest accrued & due on Loans                                | 418.14              | 646.93              | 736.65              |
| (viii)        | Unamortised Fee on Loans                                       | (139.41)            | (89.81)             | (84.58)             |
|               | <b>Gross Carrying Amount (v to viii)</b>                       | <b>4,26,853.82</b>  | <b>3,78,201.04</b>  | <b>3,76,665.52</b>  |
|               | Less: Impairment loss allowance                                | (16,024.67)         | (17,271.30)         | (16,540.75)         |
|               | <b>Net Carrying Amount</b>                                     | <b>4,10,829.15</b>  | <b>3,60,929.74</b>  | <b>3,60,124.77</b>  |
| <b>(B)</b>    | <b>Security-wise classification</b>                            |                     |                     |                     |
| (i)           | Secured by Tangible Assets                                     | 1,95,573.46         | 1,90,400.05         | 1,95,117.87         |
| (ii)          | Secured by Intangible Assets                                   | -                   | -                   | -                   |
| (iii)         | Covered by Bank/Government Guarantees                          | 1,68,744.12         | 1,42,783.25         | 1,14,251.00         |
| (iv)          | Unsecured  | 62,536.24           | 45,017.74           | 67,296.65           |
|               | <b>Gross Security-wise classification</b>                      | <b>4,26,853.82</b>  | <b>3,78,201.04</b>  | <b>3,76,665.52</b>  |
|               | Less: Impairment loss allowance                                | (16,024.67)         | (17,271.30)         | (16,540.75)         |
|               | <b>Net Security-wise classification</b>                        | <b>4,10,829.15</b>  | <b>3,60,929.74</b>  | <b>3,60,124.77</b>  |
| <b>(C) I</b>  | <b>Loans in India</b>  |                     |                     |                     |
| (i)           | Public Sector  | 3,53,941.30         | 3,18,825.66         | 3,16,893.92         |
| (ii)          | Private Sector   | 72,912.52           | 59,375.38           | 59,771.60           |
|               | <b>Gross Carrying Amount of Loans in India</b>                 | <b>4,26,853.82</b>  | <b>3,78,201.04</b>  | <b>3,76,665.52</b>  |
|               | Less: Impairment loss allowance                                | (16,024.67)         | (17,271.30)         | (16,540.75)         |
|               | <b>Net Carrying amount of Loans in India</b>                   | <b>4,10,829.15</b>  | <b>3,60,929.74</b>  | <b>3,60,124.77</b>  |
| <b>(C) II</b> | <b>Loans Outside India</b>                                     |                     |                     |                     |
|               | Less: Impairment loss allowance                                | -                   | -                   | -                   |
|               | <b>Net Carrying Amount of Loans Outside India</b>              | <b>-</b>            | <b>-</b>            | <b>-</b>            |
|               | <b>Net Carrying Amount of Loans in India and Outside India</b> | <b>4,10,829.15</b>  | <b>3,60,929.74</b>  | <b>3,60,124.77</b>  |

\*For details of Loans pledged as security refer Note 17.6, 17.7, 17.11 and 18.4.

10.1. The Company has sent letters to borrowers seeking confirmation of balances as at Balance Sheet dates except where loans have been recalled or pending before court/NCLT.

FY 2022-23: Confirmation for 99.76% of the said balances have been received. Out of the remaining loans amounting ₹ 967.94 crore for which Balance confirmation have not been received, 0.94% loans are secured by way of Government Guarantee and 99.06% are unsecured loans.

FY 2021-22: Confirmations for 98.03% of the said balances have been received. Out of the remaining loans amounting to ₹ 7,076.02 crore for which balance confirmations have not been received, 62.74% loans are secured by tangible securities, 29.95% by way of Government Guarantee/ Loans to Government and 7.31% are unsecured loans.

FY 2020-21: Confirmations for 98.94 % of the said balances have been received. Out of the remaining loans amounting to ₹ 3,752.05 crore for which balance confirmations have not been received, 20.99% loans are secured by tangible securities, 78.24% by way of Government Guarantee/ Loans to Government and 0.77% are unsecured loans.

10.2. The details of resolution plans implemented during the year:

(₹ in crore)

| S. No             | Name of Borrower                                 | Details of Resolution Plan                       | Principal O/s prior to date of Resolution | Impairment allowance provided till date of Resolution | Amount written off including impairment on investments | Remarks  |
|-------------------|--|--|---|---|--|--|
| <b>FY 2022-23</b> |  |  |   |   |  |  |
| 1                 | Suzlon Energy Ltd                                | One Time Settlement                              | 239.04                                    | 1.07  | 56.66  | Entire Loan Principal is realized. Loan stands settled as at 31.03.2023.<br><br>Further, Optionally convertible debentures (OCDs) and Compulsorily convertible preference shares (CCPS) held were converted into equity shares of the borrower Company & of the borrower's group Company respectively. |
| 2                 | South-East UP Power Transmission Company Limited | Resolution with change in ownership through NCLT | 2,262.91                                  | 1,131.47  | -  | Besides realization of full loan principal, interest/delayed interest income of ₹ 298.77 crore has been received.<br><br>Loan stands settled as at 31.03.2023.   |
| 3                 | Jhabua Power Limited                             | Resolution with change in ownership through NCLT | 764.33                                    | 469.22  | -  | Resolution proceeds / Non-convertible Debentures / Equity Shares of the borrower Company received resulting in realization of full loan principal and Interest/delayed interest income of ₹ 4.13 crore.<br><br>Loan stands settled as at 31.03.2023.   |
| 4                 | Ind Barath Energy Utkal Ltd (IBUEL)              | Resolution with change in ownership through NCLT | 1,367.91                                  | 1,098.57  | 901.25   | Resolution proceeds and Equity Shares of the borrower Company received/allotted under resolution.  |

|                   |  |   |                 |                 |                 |   |
|-------------------|--|---|-----------------|-----------------|-----------------|---|
|                   |  |   |                 |                 |                 | Loan stands settled as at 31.03.2023.   |
|                   | <b>Total</b>                             |   | <b>4,634.19</b> | <b>2,700.33</b> | <b>957.91</b>   |   |
| <b>FY 2021-22</b> |  |   |                 |                 |                 |   |
| 1                 | Krishna Godavari Power Utilities Ltd.    | Restructuring with change in ownership through NCLT     | 76.63           | 76.63           | 64.23           | Loan stands settled as at 31.03.2022.   |
| 2                 | GVK Ratle Hydro Electric Project Pvt Ltd | One time settlement                                     | 1,116.65        | 851.93          | 462.65          | Loan amount representing arbitration award of ₹ 304.00 crore with 100% impairment provisioning is appearing in books as at 31.03.2022.  |
| 3                 | Essar Power MP Ltd                       | Restructuring with change in ownership through NCLT     | 1,344.55        | 731.27          | 730.77          | Sustainable loan amounting to ₹ 466.48 crore is continuing in books as at 31.03.2022.   |
| 4                 | Astonfield Solar (Gujarat) Pvt.Ltd       | Restructuring with change in ownership through NCLT     | 25.85           | 23.47           | 15.78           | Sustainable loan amounting to ₹ 4.11 crore is continuing in books as at 31.03.2022.   |
| 5                 | RS India Wind Energy Private Limited     | One time settlement                                     | 223.77          | 134.48          | 122.70          | Loan stands settled as at 31.03.2022.   |
|                   | <b>Total</b>                             |   | <b>2,787.45</b> | <b>1,817.78</b> | <b>1,396.13</b> |   |
| <b>FY 2020-21</b> |  |   |                 |                 |                 |   |
| 1                 | Essar Power Transmission Corp. Ltd       | Restructuring without change in ownership               | 438.20          | 13.15           | 57.63           | Optionally Convertible Debentures (OCDs) of the borrower company post restructuring.  |
| 2                 | Suzlon Energy Limited                    | Restructuring without change in ownership               | 915.11          | 518.62          | 448.23          | Equity shares, Optionally Convertible Debentures (OCDs) of the borrower company and Compulsorily Convertible Preference Shares (CCPS) of the borrower's group company post restructuring. |
| 3                 | RKM Powergen Pvt Ltd                     | Restructuring without change in ownership               | 5,104.75        | 2,130.90        | 2,001.76        | Equity shares and Optionally Convertible Debentures (OCDs) of the borrower company post restructuring.  |
| 4                 | Ratnagiri Gas & Power Pvt. Ltd.          | Composite Resolution Plan including One time settlement | 207.05          | 66.59           | 66.59           | Loan Account stands settled as at 31.03.2021.   |
| 5                 | Jal Power Corporation Ltd.               | One time settlement                                     | 386.23          | 287.99          | 286.39          | Loan Account stands settled as at 31.03.2021.   |
|                   | <b>Total</b>                             |   | <b>7,051.34</b> | <b>3,017.25</b> | <b>2,860.60</b> |   |

10.3. The Company has not advanced or loaned or invested any funds which are material either individually or in the aggregate (either from borrowed funds or share premium or any other sources or kind of funds) to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

10.4. For details of credit risk exposure and management by the Company, refer Note 40.1.

11 Reformatted Investments

(₹ in crore)

| Sr. No.                              | Particulars                            | As at 31.03.2023   |                          |               |                      |                  |                   |
|--------------------------------------|--|--------------------|--------------------------|---------------|----------------------|------------------|-------------------|
|                                      |  | Amortised Cost (1) | Designated at FVTOCI (2) | FVTPL (3)     | Subtotal (4)=(2)+(3) | Others* (5)      | Total (1)+(4)+(5) |
| <b>(A) Investments</b>               |  |                    |                          |               |                      |                  |                   |
| (i)                                  | Debt securities                        | 300.08             | -                        | -             | -                    | -                | 300.08            |
| (ii)                                 | Government Securities                  | 526.25             | -                        | -             | -                    | -                | 526.25            |
| (iii)                                | Equity Instruments                     |                    |                          |               |                      |                  |                   |
|                                      | - Subsidiaries                         | -                  | -                        | -             | -                    | 14,500.70        | 14,500.70         |
|                                      | - Associates                           | -                  | -                        | -             | -                    | 0.55             | 0.55              |
|                                      | - Others                               | -                  | 1,722.21                 | 69.36         | 1,791.57             | -                | 1,791.57          |
| (iv)                                 | Preference Shares                      | 85.78              | -                        | -             | -                    | -                | 85.78             |
| (v)                                  | Debentures                             | 122.16             | -                        | 50.00         | 50.00                | -                | 172.16            |
|                                      | <b>Total Investments</b>               | <b>1,034.27</b>    | <b>1,722.21</b>          | <b>119.36</b> | <b>1,841.57</b>      | <b>14,501.25</b> | <b>17,377.09</b>  |
| <b>(B) Geography wise investment</b> |  |                    |                          |               |                      |                  |                   |
| (i)                                  | Investments Outside India              | -                  | -                        | -             | -                    | -                | -                 |
| (ii)                                 | Investments in India                   | 1,034.27           | 1,722.21                 | 119.36        | 1,841.57             | 14,501.25        | 17,377.09         |
|                                      | <b>Gross Geography wise investment</b> | <b>1,034.27</b>    | <b>1,722.21</b>          | <b>119.36</b> | <b>1,841.57</b>      | <b>14,501.25</b> | <b>17,377.09</b>  |
|                                      | Less: Impairment loss allowance        | (72.95)            | -                        | -             | -                    | -                | (72.95)           |
|                                      | <b>Net Geography wise investment</b>   | <b>961.32</b>      | <b>1,722.21</b>          | <b>119.36</b> | <b>1,841.57</b>      | <b>14,501.25</b> | <b>17,304.14</b>  |

(₹ in crore)

| Sr. No.                              | Particulars                            | As at 31.03.2022   |                          |               |                      |                  |                   |
|--------------------------------------|--|--------------------|--------------------------|---------------|----------------------|------------------|-------------------|
|                                      |  | Amortised Cost (1) | Designated at FVTOCI (2) | FVTPL (3)     | Subtotal (4)=(2)+(3) | Others* (5)      | Total (1)+(4)+(5) |
| <b>(A) Investments</b>               |  |                    |                          |               |                      |                  |                   |
| (i)                                  | Government Securities                  | 98.69              | -                        | -             | -                    | -                | 98.69             |
| (ii)                                 | Equity Instruments                     |                    |                          |               |                      |                  |                   |
|                                      | - Subsidiaries                         | -                  | -                        | -             | -                    | 14,500.65        | 14,500.65         |
|                                      | - Associates                           | -                  | -                        | -             | -                    | 0.75             | 0.75              |
|                                      | - Others                               | -                  | 1,191.35                 | 125.79        | 1,317.14             | -                | 1,317.14          |
| (iii)                                | Preference Shares                      | 84.47              | -                        | -             | -                    | -                | 84.47             |
| (iv)                                 | Debentures                             | -                  | -                        | 155.72        | 155.72               | -                | 155.72            |
|                                      | <b>Total Investments</b>               | <b>183.16</b>      | <b>1,191.35</b>          | <b>281.51</b> | <b>1,472.86</b>      | <b>14,501.40</b> | <b>16,157.42</b>  |
| <b>(B) Geography wise investment</b> |  |                    |                          |               |                      |                  |                   |
| (i)                                  | Investments Outside India              | -                  | -                        | -             | -                    | -                | -                 |
| (ii)                                 | Investments in India                   | 183.16             | 1,191.35                 | 281.51        | 1,472.86             | 14,501.40        | 16,157.42         |
|                                      | <b>Gross Geography wise investment</b> | <b>183.16</b>      | <b>1,191.35</b>          | <b>281.51</b> | <b>1,472.86</b>      | <b>14,501.40</b> | <b>16,157.42</b>  |
|                                      | Less: Impairment loss allowance        | (72.95)            | -                        | -             | -                    | (0.20)           | (73.15)           |
|                                      | <b>Net Geography wise investment</b>   | <b>110.21</b>      | <b>1,191.35</b>          | <b>281.51</b> | <b>1,472.86</b>      | <b>14,501.20</b> | <b>16,084.27</b>  |

\* Others includes Investment in Subsidiaries and Associates which have been carried at cost in accordance with the provisions of Ind AS 27 'Separate Financial Statements'.

FVTOCI - Fair Value through Other Comprehensive Income, FVTPL - Fair Value through Profit or Loss

(₹ in crore)

| Sr. No.                              | Particulars                            | As at 31.03.2021   |                          |               |                      |                  |                   |
|--------------------------------------|--|--------------------|--------------------------|---------------|----------------------|------------------|-------------------|
|                                      |  | Amortised Cost (1) | Designated at FVTOCI (2) | FVTPL (3)     | Subtotal (4)=(2)+(3) | Others* (5)      | Total (1)+(4)+(5) |
| <b>(A) Investments</b>               |  |                    |                          |               |                      |                  |                   |
| (i)                                  | Debt securities                        |                    |                          | -             | -                    | -                | -                 |
| (ii)                                 | Equity Instruments                     |                    |                          |               |                      |                  |                   |
|                                      | - Subsidiaries                         |                    |                          |               |                      | 14,500.65        | 14,500.65         |
|                                      | - Joint Venture                        |                    |                          |               |                      | 245.50           | 245.50            |
|                                      | - Associates                           |                    |                          |               |                      | 0.75             | 0.75              |
|                                      | - Others                               |                    | 842.03                   | 59.96         | 901.99               | -                | 901.99            |
| (iii)                                | Preference Shares                      | 76.99              | -                        | 96.19         | 96.19                | -                | 173.18            |
| (iv)                                 | Debentures                             |                    |                          | 151.63        | 151.63               | -                | 151.63            |
| (v)                                  | Others                                 |                    |                          |               |                      |                  |                   |
|                                      | <b>Total Investments</b>               | <b>76.99</b>       | <b>842.03</b>            | <b>307.78</b> | <b>1,149.81</b>      | <b>14,746.90</b> | <b>15,973.70</b>  |
| <b>(B) Geography wise investment</b> |  |                    |                          |               |                      |                  |                   |
| (i)                                  | Investments Outside India              | -                  | -                        | -             | -                    | -                | -                 |
| (ii)                                 | Investments in India                   | 76.99              | 842.03                   | 307.78        | 1,149.81             | 14,746.90        | 15,973.70         |
|                                      | <b>Gross Geography wise investment</b> | <b>76.99</b>       | <b>842.03</b>            | <b>307.78</b> | <b>1,149.81</b>      | <b>14,746.90</b> | <b>15,973.70</b>  |
|                                      | Less: Impairment loss allowance        | -                  | -                        | -             | -                    | (0.20)           | (0.20)            |
|                                      | <b>Net Geography wise investment</b>   | <b>76.99</b>       | <b>842.03</b>            | <b>307.78</b> | <b>1,149.81</b>      | <b>14,746.70</b> | <b>15,973.50</b>  |

11.1 Reformatted Details of Investments

(₹ in crore)

| Sr. No. | Particulars  | Measured at         | As at 31.03.2023 |                |                  | As at 31.03.2022 |                |                  | As at 31.03.2021 |                |                  |
|---------|--|---------------------|------------------|----------------|------------------|------------------|----------------|------------------|------------------|----------------|------------------|
|         |  |                     | Number           | Face Value (₹) | Amount           | Number           | Face Value (₹) | Amount           | Number           | Face Value (₹) | Amount           |
| (i)     | <b>Government Securities <sup>5</sup></b>  | Amortised Cost      | 5,00,00,000      | 100            | 526.25           | 1,00,00,000      | 100            | 98.69            | -                | -              | -                |
| (ii)    | <b>Debt securities</b>   |                     |                  |                |                  |                  |                |                  |                  |                |                  |
|         | - Bonds from State Power Corporation- Quoted <sup>5</sup>  | Amortised Cost      | 3,000            | 10,00,000      | 300.08           | -                | -              | -                | -                | -              | -                |
| (iii)   | <b>Equity Instruments</b>  |                     |                  |                |                  |                  |                |                  |                  |                |                  |
|         | <b>Subsidiaries</b>  |                     |                  |                |                  |                  |                |                  |                  |                |                  |
|         | - REC Ltd. - Quoted**  | Cost                | 1,38,59,93,662   | 10             | 14,500.50        | 1,03,94,95,247   | 10             | 14,500.50        | 1,03,94,95,247   | 10             | 14,500.50        |
|         | - PFC Consulting Ltd.- Unquoted *  | Cost                | 52,246           | 10             | 0.15             | 52,246           | 10             | 0.15             | 52,246           | 10             | 0.15             |
|         | - PFC Projects Ltd. - Unquoted *   | Cost                | 50,000           | 10             | 0.05             | -                | -              | -                | -                | -              | -                |
|         | <b>Joint Venture</b>   |                     |                  |                |                  |                  |                |                  |                  |                |                  |
|         | - Energy Efficiency Services Limited - Unquoted  | Cost                | -                | -              | -                | -                | -              | -                | 24,55,00,000     | 10             | 245.50           |
|         | <b>Associates</b>  |                     |                  |                |                  |                  |                |                  |                  |                |                  |
|         | - Companies for development of Ultra Mega Power Projects (number and face value for each of 11 companies (previous year 15 companies)] - Unquoted (Refer note 11.3)* | Cost                | 50,000           | 10             | 0.55             | 50,000           | 10             | 0.75             | 50,000           | 10             | 0.75             |
|         | <b>Others</b>  |                     |                  |                |                  |                  |                |                  |                  |                |                  |
|         | - PTC India Limited - Quoted   | Designated - FVTOCI | 1,20,00,000      | 10             | 102.06           | 1,20,00,000      | 10             | 98.70            | 1,20,00,000      | 10             | 93.30            |
|         | - Coal India Limited - Quoted <sup>5</sup>   | Designated - FVTOCI | 1,39,64,530      | 10             | 298.35           | 1,39,64,530      | 10             | 255.62           | 1,39,64,530      | 10             | 182.03           |
|         | - NHPC Limited - Quoted (Refer note 11.5)  | Designated - FVTOCI | 15,53,24,170     | 10             | 624.40           | 18,62,86,983     | 10             | 517.88           | 21,44,73,240     | 10             | 524.39           |
|         | - Power Exchange India Limited - Unquoted *  | Designated - FVTOCI | 32,20,000        | 10             | 3.59             | 32,20,000        | 10             | -                | 32,20,000        | 10             | -                |
|         | - Suzlon Energy Limited - Quoted   | Designated - FVTOCI | 13,31,04,997     | 2              | 105.15           | 8,46,15,798      | 2              | 77.42            | 8,46,15,798      | 2              | 42.31            |
|         | - Energy Efficiency Services Limited - Unquoted  | Designated - FVTOCI | 24,55,00,000     | 10             | 158.08           | 24,55,00,000     | 10             | 241.73           | -                | -              | -                |
|         | - Jhabua Power Limited - Unquoted <sup>#</sup>   | Designated - FVTOCI | 6,90,45,455      | 10             | 429.40           | -                | -              | -                | -                | -              | -                |
|         | - Ind Barath Energy Utikal Limited - Unquoted***   | Designated - FVTOCI | 239              | 10             | 1.18             | -                | -              | -                | -                | -              | -                |
|         | - RattanIndia Power Limited - Quoted   | FVTPL               | 23,51,27,715     | 10             | 69.36            | 23,51,27,715     | 10             | 125.79           | 23,51,27,715     | 10             | 59.96            |
|         | - RKM PowerGen Pvt. Ltd - Unquoted   | FVTPL               | 40,39,15,920     | 10             | 0.00             | 40,39,15,920     | 10             | 0.00             | 40,39,15,920     | 10             | 0.00             |
| (iv)    | <b>Preference Shares - Unquoted</b>  |                     |                  |                |                  |                  |                |                  |                  |                |                  |
|         | - Raipur Energen Limited - RPS   | Amortised Cost      | 59,82,371        | 100            | 12.83            | 59,82,371        | 100            | 11.52            | 59,82,371        | 100            | 10.35            |
|         | - RattanIndia Power Limited - RPS  | Amortised Cost      | 7,29,49,786      | 10             | 72.95            | 7,29,49,786      | 10             | 72.95            | 7,29,49,786      | 10             | 66.64            |
|         | - RattanIndia Power Limited - OCCRPS   | FVTPL               | 10,99,93,397     | 10             | -                | 10,99,93,397     | 10             | -                | 10,99,93,397     | 10             | 96.19            |
|         | - Suzlon Global Services Limited -CCPS   | FVTPL               | -                | -              | -                | 38,161           | 1,00,000       | -                | 38,161           | 1,00,000       | -                |
| (v)     | <b>Debentures - Unquoted</b>   |                     |                  |                |                  |                  |                |                  |                  |                |                  |
|         | - Essar Power Transmission Company Ltd. - Series A3 - OCD  | FVTPL               | 6,77,98,654      | 10             | 35.64            | 9,00,92,774      | 10             | 37.80            | 9,00,92,774      | 10             | 40.88            |
|         | - Essar Power Transmission Company Ltd. - Series B3 - OCD  | FVTPL               | 2,73,08,331      | 10             | 14.36            | 3,62,88,085      | 10             | 15.23            | 3,62,88,085      | 10             | 16.47            |
|         | - Essar Power Transmission Company Ltd. - Series C - OCD   | FVTPL               | 68,79,504        | 10             | 0.00             | 68,79,504        | 10             | 0.00             | 68,79,504        | 10             | 0.00             |
|         | - Suzlon Energy Limited - OCD  | FVTPL               | -                | -              | -                | 34,791           | 1,00,000       | 102.69           | 34,791           | 1,00,000       | 94.28            |
|         | - RKM Powergen Pvt. Ltd. - Series A - OCD  | FVTPL               | 41,93,96,250     | 100            | 0.00             | 41,93,96,250     | 100            | 0.00             | 41,93,96,250     | 100            | 0.00             |
|         | - RKM Powergen Pvt. Ltd. - Series B - OCD  | FVTPL               | 1,34,71,484      | 100            | 0.00             | 1,34,71,484      | 100            | 0.00             | 1,34,71,484      | 100            | 0.00             |
|         | - RKM Powergen Pvt. Ltd. - Series AI - OCD   | FVTPL               | 2,32,72,410      | 100            | 0.00             | 2,32,72,410      | 100            | 0.00             | 2,32,72,410      | 100            | 0.00             |
|         | - Jhabua Power Limited - NCD   | Amortised Cost      | 1,24,81,294      | 100            | 122.16           | -                | -              | -                | -                | -              | -                |
| (v)     | <b>Others</b>  |                     |                  |                |                  |                  |                |                  |                  |                |                  |
|         | - Units of "Small is Beautiful" Fund - Unquoted  | Designated - FVTOCI | -                | -              | -                | -                | -              | -                | 61,52,200        | 10             | -                |
|         | <b>Total Investments</b>   |                     |                  |                | <b>17,377.09</b> |                  |                | <b>16,157.42</b> |                  |                | <b>15,973.70</b> |
|         | <b>Less: Impairment Loss Allowance</b>   |                     |                  |                | (72.95)          |                  |                | (73.15)          |                  |                | (0.20)           |
|         | <b>Net Investments</b>   |                     |                  |                | <b>17,304.14</b> |                  |                | <b>16,084.27</b> |                  |                | <b>15,973.50</b> |

RPS - Redeemable Preference Shares, OCCRPS - Optionally Convertible Cumulative Redeemable Preference Shares, CCPS - Compulsorily Convertible Preference Shares, OCD - Optionally Convertible Debenture, NCD- Non Convertible Debentures

\* Investment held in physical form

\*\* Bonus shares received during the year in the ratio of 1 equity share for every 3 equity shares held.

\*\*\* Shares credited in Company's demat account on 06.04.2023

<sup>#</sup> Equity shares held by the lender's trustee on behalf of Company

<sup>5</sup> earmarked for HQLA. Refer Note 55.6 for disclosure regarding High Quality Liquid Assets (HQLA)

## 11.2. Movement of impairment loss allowance on investments

(₹ in crore)

| Particulars  | FY 2022-23 | FY 2021-22 | FY 2020-21 |
|--|------------|------------|------------|
| Opening Balance  | 73.15      | 0.20       | 0.25       |
| Add: Impairment loss allowance recognized during the year          | -          | 72.95*     | -          |
| Less: Reversal of excess impairment loss allowance during the year | (0.20)     | -          | 0.05       |
| Closing Balance  | 72.95      | 73.15      | 0.20       |

\* Impairment loss allowance on Redeemable preference shares of Rattan India Power Ltd.

## 11.3 Details of Investment in Subsidiaries, and Associates:

| Sr. No.                  | Name of investee company   | Principal place of business / Country of incorporation | Proportion of ownership interest as at |            |            |
|--------------------------|--|--|--|------------|------------|
|                          |  |  | 31.03.2023                             | 31.03.2022 | 31.03.2021 |
| <b>A. Subsidiaries:</b>  |  |  |  |            |            |
| (i)                      | REC Limited  | India  | 52.63%                                 | 52.63%     | 52.63%     |
| (ii)                     | PFC Consulting Limited   | India  | 100%                                   | 100%       | 100%       |
| (iii)                    | PFC Projects Limited - (previously known as Coastal Karnataka Power Limited ) (refer note 11.4)            | India  | 100%                                   | -          | -          |
| <b>B Associates*:</b>    |  |  |  |            |            |
| (i)                      | Coastal Maharashtra Mega Power Limited #   | India  | -                                      | 100%       | 100%       |
| (ii)                     | Orissa Integrated Power Limited  | India  | 100%                                   | 100%       | 100%       |
| (iii)                    | Coastal Karnataka Power Limited (refer note 11.4)  | India  | -                                      | 100%       | 100%       |
| (iv)                     | Coastal Tamil Nadu Power Limited   | India  | 100%                                   | 100%       | 100%       |
| (v)                      | Chhattisgarh Surguja Power Limited #   | India  | -                                      | 100%       | 100%       |
| (vi)                     | Sakhigopal Integrated Power Company Limited  | India  | 100%                                   | 100%       | 100%       |
| (vii)                    | Ghogarpalli Integrated Power Company Limited   | India  | 100%                                   | 100%       | 100%       |
| (viii)                   | Tatiya Andhra Mega Power Limited #   | India  | -                                      | 100%       | 100%       |
| (ix)                     | Deoghar Mega Power Limited   | India  | 100%                                   | 100%       | 100%       |
| (x)                      | Cheyur Infra Limited   | India  | 100%                                   | 100%       | 100%       |
| (xi)                     | Odisha Infrapower Limited  | India  | 100%                                   | 100%       | 100%       |
| (xii)                    | Deoghar Infra Limited  | India  | 100%                                   | 100%       | 100%       |
| (xiii)                   | Bihar Infrapower Limited   | India  | 100%                                   | 100%       | 100%       |
| (xiv)                    | Bihar Mega Power Limited   | India  | 100%                                   | 100%       | 100%       |
| (xv)                     | Jharkhand Infrapower Limited   | India  | 100%                                   | 100%       | 100%       |
| <b>C. Joint Venture:</b> |  |  |  |            |            |
| (i)                      | Energy Efficiency Services Ltd.<br>(Ceases to be JV w.e.f 01.09.2021, for further details refer note 11.5) | India  | N/A                                    | 17.65%     | 24.97%     |

\*Investment in each associate is ₹ 0.05 crore as at 31.03.2023 and 31.03.2022. These associates are companies incorporated as SPVs under mandate from Gol for development of Ultra Mega Power Projects (UMPPs) with the intention to hand over the same to successful bidders on completion of the bidding process.

# Associates struck off during the year by the Registrar of Companies

**11.4** Coastal Karnataka Power Limited (CKPL), a wholly owned company of PFC Ltd was set up for managing the UMPPs as per the mandate from Gol and was considered as associate over which PFC had significant influence. During FY 2022-23, CKPL's MoA has been amended to be used for bidding lenders' backed resolution plan by PFC and it has been renamed as PFC Projects Limited (PPL). Accordingly, the ability to direct activities of said Company now vests with PFC Ltd and the same is now considered as a subsidiary.



**11.5** During FY 2021-22, pursuant to Board of Directors Resolution dated 30.08.2021, amendment in JV agreement was made in respect of Energy Efficiency Services Limited (EESL) amongst all the JV partners i.e. NTPC Limited, Power Finance Corporation Limited, REC Limited and Power Grid Corporation of India Limited vide Supplementary Agreement dated 01.09.2021. Due to this amendment, EESL ceases to be a jointly controlled entity under Ind AS framework for the Company w.e.f 01.09.2021 and accordingly investments in EESL has been classified as FVTOCI.

**11.6** At initial recognition, the Company made an irrevocable election to present subsequent changes in the fair value of certain equity instruments in other comprehensive income. The Company's main operation is to extend financial assistance to power, logistics and infrastructure sector. Thus, in order to insulate Standalone Statement of Profit and Loss from price fluctuations of these instruments, the Management believes that FVTOCI classification provides a more meaningful presentation, rather than classifying them at FVTPL.

Details of FVTOCI instruments derecognised during the year:

| (₹ in crore)                             |                                  |   |   |
|--|----------------------------------|---|---|
| Details of investment                    | No. of shares/units derecognised | Fair Value as on date of de-recognition | Cumulative gain/ (loss) on de-recognition |
| <b>FY 2022-23</b>                        |                                  |   |   |
| NHPC Limited <sup>(a)</sup>              | 3,09,62,813                      | 113.57                                  | 46.13                                     |
| <b>Total</b>                             |                                  |   | <b>46.13</b>                              |
| <b>FY 2021-22</b>                        |                                  |   |   |
| NHPC Limited <sup>(a)</sup>              | 2,81,86,257                      | 79.82                                   | 18.42                                     |
| 'Small is Beautiful' Fund <sup>(b)</sup> | 61,52,200                        | 0.95                                    | (5.20)                                    |
| <b>Total</b>                             |                                  |   | <b>13.22</b>                              |
| <b>FY 2020-21</b>                        |                                  |   |   |
| NHPC Limited <sup>(a)</sup>              | 2,00,00,000                      | 50.54                                   | 6.98                                      |
| <b>Total</b>                             |                                  |   | <b>6.98</b>                               |

<sup>(a)</sup> These equity shares were sold in tranches during the year considering the market scenario. The fair value and gain have been computed based on the price as on the respective date of de-recognition and has been presented above on aggregate basis.

<sup>(b)</sup> Pursuant to the completion of liquidation proceedings of 'Small is Beautiful' Fund; 61, 52,200 units of the 'Small is Beautiful' Fund held by the Company have been derecognised from the books.

Subsequent to de-recognition of such investments, the Company has transferred the cumulative gain/loss on such shares within Equity (from Reserve for Equity instruments through OCI to Retained Earnings) during the year. Refer Standalone Statement of Changes in Equity for further details.

**11.7** Refer Note 42 for details of fair valuation of investments.

**12 Reformatted Other Financial Assets**

The Company has categorised other financial assets at amortised cost in accordance with the requirements of Ind AS 109 'Financial Instruments'.

(₹ in crore)

| Sr. No. | Particulars  | As at<br>31.03.2023 | As at<br>31.03.2022 | As at<br>31.03.2021 |
|---------|--|---------------------|---------------------|---------------------|
| (i)     | Recoverable on account of Government of India Serviced Bonds | 5,038.21            | 5,038.21            | 5,038.21            |
| (ii)    | Advances to Subsidiaries and Associates                      | 200.45              | 185.73              | 169.09              |
| (iii)   | Advances to Employees  | 1.03                | 0.97                | 0.51                |
| (iv)    | Loans to Employees   | 121.86              | 110.65              | 99.29               |
| (v)     | Others   | 45.86               | 71.90               | 52.13               |
| (vi)    | Less: Impairment loss allowance on Others                    | (18.38)             | (24.79)             | (22.46)             |
|         | <b>Total Other Financial Assets</b>                          | <b>5,389.03</b>     | <b>5,382.67</b>     | <b>5,336.77</b>     |

**12.1 (iv) above):**

(₹ in crore)

| Sr. No. | Particulars   | As at<br>31.03.2023 | As at<br>31.03.2022 | As at<br>31.03.2021 |
|---------|---|---------------------|---------------------|---------------------|
| (i)     | Loans & Advances to KMPs (including interest accrued) | 0.31                | 0.48                | 0.57                |

**12.2 Reformatted Movement of Impairment on Other Financial Assets**

(₹ in crore)

| Sr. No. | Particulars                    | FY 2022-23 | FY 2021-22 | FY 2020-21 |
|---------|--------------------------------|------------|------------|------------|
| (i)     | Opening Balance                | 24.79      | 22.46      | 20.41      |
| (ii)    | Add: Creation during the year  | 6.27       | 4.01       | 4.92       |
| (iii)   | Less: Reversal during the year | (12.68)    | (1.68)     | (2.87)     |
|         | Closing Balance                | 18.38      | 24.79      | 22.46      |

**13 Reformatted Current Tax Assets / Liabilities (Net)**

(₹ in crore)

| Sr. No. | Particulars                                       | As at<br>31.03.2023 | As at<br>31.03.2022 | As at<br>31.03.2021 |
|---------|---|---------------------|---------------------|---------------------|
| (i)     | Advance income tax and TDS net of Provision       | 133.83              | 197.20              | 197.20              |
| (ii)    | Tax deposited on income tax demands under contest | 76.45               | 76.45               | 63.44               |
|         | <b>Current Tax Assets (Net)</b>                   | <b>210.28</b>       | <b>273.65</b>       | <b>260.64</b>       |
| (i)     | Provision for income tax net of Advance Tax       | 105.02              | 194.92              | 43.24               |
| (ii)    | Provision for income tax for demand under contest | -                   | -                   | -                   |
|         | <b>Current Tax Liabilities (Net)</b>              | <b>105.02</b>       | <b>194.92</b>       | <b>43.24</b>        |

14 Property, Plant and Equipment (PPE), Intangible Assets and Intangible assets under development

(₹ in crore)

| Particulars                                    | Property, Plant and Equipment |           |               |                  |                        |          |         | Intangible Assets | Intangible assets under development |
|--|-------------------------------|-----------|---------------|------------------|------------------------|----------|---------|-------------------|-------------------------------------|
|  | Freehold Land                 | Buildings | EDP Equipment | Office Equipment | Furniture and Fixtures | Vehicles | Total   | Computer Software | Computer Software                   |
| <b>Gross Carrying Amount</b>                   |                               |           |               |                  |                        |          |         |                   |                                     |
| Opening Balance as at 01.04.2021               | 3.38                          | 24.92     | 22.48         | 25.98            | 17.15                  | 0.12     | 94.03   | 10.38             | -                                   |
| Additions / Adjustments                        | -                             | -         | 7.95          | 10.28            | 4.97                   | 0.10     | 23.30   | -                 | -                                   |
| Deductions / Adjustments                       | -                             | -         | (2.40)        | (7.33)           | (3.51)                 | (0.09)   | (13.33) | -                 | -                                   |
| Closing Balance as at 31.03.2022               | 3.38                          | 24.92     | 28.03         | 28.93            | 18.61                  | 0.13     | 104.00  | 10.38             | -                                   |
| Additions / Adjustments                        | -                             | -         | 7.48          | 9.86             | 3.55                   | -        | 20.89   | -                 | 11.20                               |
| Deductions / Adjustments                       | -                             | -         | (3.58)        | (5.63)           | (2.93)                 | -        | (12.14) | -                 | -                                   |
| Closing Balance as at 31.03.2023               | 3.38                          | 24.92     | 31.93         | 33.16            | 19.23                  | 0.13     | 112.75  | 10.38             | 11.20                               |
| <b>Accumulated Depreciation / Amortisation</b> |                               |           |               |                  |                        |          |         |                   |                                     |
| Opening Balance as at 01.04.2021               | -                             | 13.04     | 14.61         | 18.38            | 10.69                  | 0.10     | 56.82   | 10.14             | -                                   |
| For the period                                 | -                             | 0.53      | 5.47          | 4.86             | 1.74                   | 0.04     | 12.64   | 0.11              | -                                   |
| On Assets Sold/Written off from books          | -                             | -         | (1.91)        | (6.14)           | (2.04)                 | (0.09)   | (10.18) | -                 | -                                   |
| Closing Balance as at 31.03.2022               | -                             | 13.57     | 18.17         | 17.10            | 10.39                  | 0.05     | 59.28   | 10.25             | -                                   |
| For the period                                 | -                             | 0.60      | 7.53          | 8.03             | 2.33                   | 0.03     | 18.52   | 0.09              | -                                   |
| On Assets Sold/Written off from books          | -                             | -         | (2.84)        | (4.65)           | (1.56)                 | -        | (9.05)  | -                 | -                                   |
| Closing Balance as at 31.03.2023               | -                             | 14.17     | 22.86         | 20.48            | 11.16                  | 0.08     | 68.75   | 10.34             | -                                   |
| <b>Net Carrying Amount</b>                     |                               |           |               |                  |                        |          |         |                   |                                     |
| As at 31.03.2022                               | 3.38                          | 11.35     | 9.86          | 11.83            | 8.22                   | 0.08     | 44.72   | 0.13              | -                                   |
| As at 31.03.2023                               | 3.38                          | 10.75     | 9.07          | 12.68            | 8.07                   | 0.05     | 44.00   | 0.04              | 11.20                               |

| Particulars                                    | Property, Plant and Equipment |           |               |                  |                        |          |       | Intangible Assets | Intangible assets under development |
|--|-------------------------------|-----------|---------------|------------------|------------------------|----------|-------|-------------------|-------------------------------------|
|  | Freehold Land                 | Buildings | EDP Equipment | Office Equipment | Furniture and Fixtures | Vehicles | Total | Computer Software | Computer Software                   |
| <b>Opening Balance as at 31.03.2020</b>        | 3.38                          | 24.92     | 17.87         | 21.10            | 14.54                  | 0.12     | 81.93 | 10.28             | -                                   |
| Additions / Adjustments                        | -                             | -         | 7.70          | 6.75             | 3.18                   | -        | 17.63 | 0.10              | -                                   |
| Deductions / Adjustments                       | -                             | -         | 3.09          | 1.87             | 0.57                   | -        | 5.53  | -                 | -                                   |
| <b>Closing Balance as at 31.03.2021</b>        | 3.38                          | 24.92     | 22.48         | 25.98            | 17.15                  | 0.12     | 94.03 | 10.38             | -                                   |
| <b>Accumulated Depreciation / Amortisation</b> |                               |           |               |                  |                        |          |       |                   |                                     |
| <b>Opening Balance as at 31.03.2020</b>        | -                             | 12.43     | 13.66         | 15.31            | 9.09                   | 0.09     | 50.58 | 9.87              | -                                   |
| For the period                                 | -                             | 0.61      | 3.47          | 4.60             | 1.76                   | 0.01     | 10.45 | 0.27              | -                                   |
| On Assets Sold/Written off from books          | -                             | -         | 2.52          | 1.53             | 0.16                   | -        | 4.21  | -                 | -                                   |
| <b>Closing Balance as at 31.03.2021</b>        | -                             | 13.04     | 14.61         | 18.38            | 10.69                  | 0.10     | 56.82 | 10.14             | -                                   |
| <b>Net Carrying Amount</b>                     |                               |           |               |                  |                        |          |       |                   |                                     |
| <b>As at 31.03.2020</b>                        | 3.38                          | 12.49     | 4.21          | 5.79             | 5.45                   | 0.03     | 31.35 | 0.41              | -                                   |
| <b>As at 31.03.2021</b>                        | 3.38                          | 11.88     | 7.87          | 7.60             | 6.46                   | 0.02     | 37.21 | 0.24              | -                                   |

14.1 The estimated useful life and depreciation on property, plant and equipment (PPE) is in line with the Accounting Policy contained in Note 5.6 (v).

14.2 The Company reviews the estimated useful life, residual values and depreciation method of Property, Plant & Equipment and Intangible Assets at the end of each financial year and changes in estimates, if any, are accounted prospectively. Details of useful life of Property Plant & Equipment and Intangible Assets are as under:

| Category                               | Building | EDP Equipment        |                                 | Office Equipment | Cell Phone | Furniture and Fixture | Vehicles | Intangible Assets |
|--|----------|----------------------|---------------------------------|------------------|------------|-----------------------|----------|-------------------|
|  |          | Servers and networks | End user devices i.e. desktops, |                  |            |                       |          |                   |
| Useful Life (in Years)                 | 60       | 6                    | 3                               | 5                | 2          | 10                    | 8        | 5                 |
| Residual value as a % of original Cost | 5%       | 5%                   | 5%                              | 5%               | 5%         | 5%                    | 5%       | -                 |

14.3 In the opinion of management, there is no impairment on the Property, Plant & Equipment and Intangible Assets of the Company in terms of Ind AS 36 'Impairment of Assets'. Accordingly, no provision for impairment loss has been made.

14.4 Certain Property, Plant & Equipment of the Company have been pledged as security against secured borrowings of the Company as per details below:

(₹ in crore)

| Particulars          | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2021 |
|----------------------|------------------|------------------|------------------|
| Gross Carrying Value | 4.12             | 4.12             | 4.12             |
| Net Carrying Value   | 3.40             | 3.43             | 3.45             |

For details of borrowings against which above assets are pledged as security refer note 17.6 and 17.7.

14.5 Title deeds of immovable properties ( Freehold land) are held in the name of the Company.

14.6 There has been no revaluation of PPE and Intangible assets during the year.

14.7 Intangible assets under development ageing schedule:

(₹ in crore)

| Intangible assets under development | Amount in intangible assets under development for a period of |           |           |                   | Total        |
|-------------------------------------|---|-----------|-----------|-------------------|--------------|
|                                     | Less than 1 year  | 1-2 years | 2-3 years | More than 3 years |              |
| <b>As at 31.03.2023</b>             |   |           |           |                   |              |
| Projects in progress                | 11.20   | -         | -         | -                 | <b>11.20</b> |
| Projects temporarily suspended      | -   | -         | -         | -                 | -            |
| <b>Total</b>                        | <b>11.20</b>  | -         | -         | -                 | <b>11.20</b> |
| <b>As at 31.03.2022</b>             |   |           |           |                   |              |
| Projects in progress                | -   | -         | -         | -                 | -            |
| Projects temporarily suspended      | -   | -         | -         | -                 | -            |
| <b>Total</b>                        | -   | -         | -         | -                 | -            |
| <b>As at 31.03.2021</b>             |   |           |           |                   |              |
| Projects in progress                | -   | -         | -         | -                 | -            |
| Projects temporarily suspended      | -   | -         | -         | -                 | -            |
| <b>Total</b>                        | -   | -         | -         | -                 | -            |

## 15 Reformatted Right-of-use Assets

(₹ in crore)

| Sr. No. | Particulars                              | As at<br>31.03.2023 | As at<br>31.03.2022 | As at<br>31.03.2021 |
|---------|--|---------------------|---------------------|---------------------|
| (i)     | <b>Opening Balance of Leasehold Land</b> | 34.85               | 35.30               | 35.75               |
| (ii)    | Additions                                | -                   | -                   | -                   |
| (iii)   | Less: Depreciation*                      | (0.45)              | (0.45)              | 0.45                |
|         | <b>Closing Balance of Leasehold Land</b> | <b>34.40</b>        | <b>34.85</b>        | <b>35.30</b>        |

\*As required by Ind AS 116 'Leases' depreciation expense on Right-of-Use assets is included under Depreciation, Amortization and Impairment line item in the Standalone Statement of Profit and Loss.

## 16 Reformatted Other Non-Financial Assets

(₹ in crore)

| Sr. No. | Particulars                             | As at<br>31.03.2023 | As at<br>31.03.2022 | As at<br>31.03.2021 |
|---------|---|---------------------|---------------------|---------------------|
| (i)     | Prepaid Expenses                        | 4.51                | 4.21                | 5.50                |
| (ii)    | Deferred Employee Costs                 | 48.68               | 47.52               | 47.41               |
| (iii)   | Advance towards Capital assets          | 382.70              | 330.99              | 150.13              |
| (iv)    | Others                                  | 120.12              | 83.66               | 62.80               |
| (v)     | Excess Spent - CSR Expenses             | -                   | -                   | 39.39               |
|         | <b>Total Other Non-Financial Assets</b> | <b>556.01</b>       | <b>466.38</b>       | <b>305.23</b>       |

## 17 Reformatted Debt Securities

The Company has categorised Debt Securities at amortised cost in accordance with the requirements of Ind AS 109 'Financial Instruments'.

(₹ in crore)

| Sr. No.      | Particulars   | As at<br>31.03.2023 | As at<br>31.03.2022 | As at<br>31.03.2021 |
|--------------|---|---------------------|---------------------|---------------------|
| <b>(i)</b>   | <b>Secured Bonds / Debenture</b>                                |                     |                     |                     |
|              | - Infrastructure Bonds (Refer note 17.5)                        | 38.51               | 38.51               | 119.56              |
|              | - Tax Free Bonds (Refer note 17.8)                              | 8,259.12            | 8,983.03            | 12,275.11           |
|              | - 54EC Capital Gain Tax Exemption Bonds (Refer note 17.9)       | 6,599.69            | 3,998.82            | 2,564.18            |
|              | - Taxable Bonds (Refer note 17.10)                              | 4,428.99            | 4,428.99            | -                   |
|              | <b>Sub-Total (i)</b>  | <b>19,326.31</b>    | <b>17,449.35</b>    | <b>14,958.85</b>    |
| <b>(ia)</b>  | Commercial Paper (Refer Note 17.8)                              | -                   | -                   | 3,080.23            |
| <b>(ii)</b>  | <b>Unsecured Bonds / Debenture</b>                              |                     |                     |                     |
|              | - Taxable Bonds (Refer note 17.12)                              | 1,95,743.80         | 1,71,187.84         | 1,86,226.10         |
|              | - Foreign Currency Notes (Refer note 17.13)                     | 37,219.33           | 34,378.78           | 30,871.97           |
|              | <b>Sub-Total (ii)</b>   | <b>2,32,963.13</b>  | <b>2,05,566.62</b>  | <b>2,17,098.07</b>  |
| <b>(iii)</b> | <b>Total Principal Outstanding of Debt Securities (i+ia+ii)</b> | <b>2,52,289.44</b>  | <b>2,23,015.97</b>  | <b>2,35,137.15</b>  |
| <b>(iv)</b>  | Interest accrued but not due on (iii) above                     | 7,685.44            | 7,290.90            | 7,867.39            |
| <b>(v)</b>   | Unamortised Transaction Cost on (iii) above                     | (147.83)            | (149.92)            | (193.00)            |
|              | <b>Total Debt Securities (iii to v)</b>                         | <b>2,59,827.05</b>  | <b>2,30,156.95</b>  | <b>2,42,811.54</b>  |
|              | <b>Geography wise Debt Securities</b>                           |                     |                     |                     |
| <b>(i)</b>   | Debt Securities in India  | 2,22,368.63         | 1,95,581.80         | 2,11,821.46         |
| <b>(ii)</b>  | Debt Securities outside India                                   | 37,458.42           | 34,575.15           | 30,990.08           |
|              | <b>Total Geography wise Debt Securities</b>                     | <b>2,59,827.05</b>  | <b>2,30,156.95</b>  | <b>2,42,811.54</b>  |

- 17.1** The Company raises funds through various instruments including non-convertible bond issues. During the year, the Company has not defaulted in servicing of any of its debt securities.
- 17.2** The amounts raised during the year have been utilised for the stated objects in the offer document/Information memorandum/facility agreement other than temporary deployment pending application of proceeds.
- 17.3** All the secured listed non-convertible debt securities of the Company are fully secured by way of mortgage on specified immovable properties and/or charge on receivables of the Company. The Company has maintained security cover of 1.05 times as per the terms of offer document / information memorandum sufficient to discharge the principal and interest thereon at all times for the secured listed non-convertible debt securities issued. Further, security cover maintained by the Company for all secured non-convertible debt securities is 1.03 times.
- 17.4** Wherever required, the Company has registered the charges with respective Registrars of Companies (ROC) within the statutory timelines.

**17.5 Reformatted Details of Infrastructure Bonds outstanding are as follows:**

| Sr. No. | Bond Series                                      | Coupon Rate (p.a.) | Principal Amount (₹ in crore) outstanding as at |              |               | Date of Redemption | For Security, Refer Note | Redemption details   |
|---------|--|--------------------|---|--------------|---------------|--------------------|--------------------------|--|
|         |  |                    | 31.03.2023                                      | 31.03.2022   | 31.03.2021    |                    |                          |  |
| 1       | Infrastructure Bonds (2010-11) - Series III      | 8.50%              | 5.27  | 5.27         | 5.27          | 31.03.2026         | 17.6                     | Redeemable at par on a date falling Fifteen years from the date of allotment   |
| 2       | Infrastructure Bonds (2010-11) - Series IV       | 8.50%              | 19.33   | 19.33        | 19.33         | 31.03.2026         |                          | Redeemable at par with cumulative interest compounded annually, on a date falling fifteen years from the date of allotment |
| 3       | Infrastructure Bonds (2011-12) - Series III      | 8.75%              | 2.86  | 2.86         | 2.86          | 21.11.2026         | 17.7                     | Redeemable at par on a date falling Fifteen years from the date of allotment   |
| 4       | Infrastructure Bonds (2011-12) - Series IV       | 8.75%              | 7.77  | 7.77         | 7.77          | 21.11.2026         |                          | Redeemable at par with cumulative interest compounded annually, on a date falling fifteen years from the date of allotment |
| 5       | Infrastructure Bonds 86 C Series                 | 8.72%              | 0.87  | 0.87         | 0.87          | 30.03.2027         |                          | Redeemable at par on a date falling Fifteen years from the date of allotment   |
| 6       | Infrastructure Bonds 86 D Series                 | 8.72%              | 2.40  | 2.40         | 2.40          | 30.03.2027         |                          | Redeemable at par with cumulative interest compounded annually, on a date falling fifteen years from the date of allotment |
| 7       | Infrastructure Bonds Private Placement Series I  | 8.43%              | -   | -            | 7.39          | 30.03.2022         | 17.7                     | Redeemable at par on a date falling ten years from the date of allotment   |
| 8       | Infrastructure Bonds Private Placement Series II | 8.43%              | -   | -            | 15.47         | 30.03.2022         |                          | Redeemable at par with cumulative interest compounded annually, on a date falling ten years from the date of allotment     |
| 9       | Infrastructure Bonds (2011-12) - Series I        | 8.50%              | -   | -            | 21.85         | 21.11.2021         |                          | Redeemable at par on a date falling ten years from the date of allotment   |
| 10      | Infrastructure Bonds (2011-12) - Series II       | 8.50%              | -   | -            | 36.35         | 21.11.2021         |                          | Redeemable at par with cumulative interest compounded annually, on a date falling ten years from the date of allotment     |
|         | <b>Total</b>                                     |                    | <b>38.51</b>                                    | <b>38.51</b> | <b>119.56</b> |                    |                          |  |

17.6 Infrastructure Bonds (2010-11) Series III and IV are secured by charge on specific book debt of ₹ 254.91 crore as on 31.03.2023 ( ₹ 438.71 crore as on 31.03.2022, ₹ 710.26 crore as on 31.03.2021) of the Company along with first charge on immovable property situated at Jangpura, New Delhi.

17.7 These bond series are secured by first pari-passu charge on present and future receivables (excluding those receivables which are specifically charged for infrastructure bonds issued during the FY 2010-11, the security details of which is contained at Note 17.6) along with first pari-passu charge on immovable property situated at Guindy, Chennai.

**17.8 Reformatted Details of Tax Free Bonds outstanding are as follows:**

| Sr. No. | Bond Series                                | Coupon Rate (p.a.) | Principal Amount (₹ in crore) outstanding as at |                 |                  | Date of Redemption | For Security, Refer Note | Redemption details            |
|---------|--|--------------------|---|-----------------|------------------|--------------------|--------------------------|-------------------------------|
|         |  |                    | 31.03.2023                                      | 31.03.2022      | 31.03.2021       |                    |                          |                               |
| 1       | Tax Free Bond Series 94A                   | 7.21%              | -   | 255.00          | 255.00           | -                  | Repaid in FY 2022-23     |                               |
| 2       | Tax Free Bonds Series 95A                  | 7.22%              | -   | 30.00           | 30.00            |                    |                          |                               |
| 3       | Tax Free Bonds (2012-13) Tranch I Series 1 | 7.69%              | -   | 140.23          | 197.09           |                    |                          |                               |
| 4       | Tax Free Bonds (2012-13) Tranch I Series 1 | 7.19%              | -   | 202.52          | 145.66           |                    |                          |                               |
| 5       | Tax Free Bonds (2012-13) Tranch II         | 7.38%              | -   | 41.43           | 52.90            |                    |                          |                               |
| 6       | Tax Free Bonds (2012-13) Tranch II         | 6.88%              | -   | 54.72           | 43.25            |                    |                          |                               |
| 7       | Tax Free Bonds Series 107A                 | 8.01%              | 113.00  | 113.00          | 113.00           | 30.08.2023         | 17.11                    | Redeemable at par on maturity |
| 8       | Tax Free Bonds Series 1B                   | 8.43%              | 335.47  | 335.47          | 335.47           | 16.11.2023         |                          |                               |
| 9       | Tax Free Bonds Series 1A                   | 8.18%              | 325.07  | 325.07          | 325.07           | 16.11.2023         |                          |                               |
| 10      | Tax Free Bonds Series 136                  | 7.16%              | 300.00  | 300.00          | 300.00           | 17.07.2025         |                          |                               |
| 11      | Tax Free Bonds (2015-16) Series 1B         | 7.36%              | 79.35   | 79.35           | 79.35            | 17.10.2025         |                          |                               |
| 12      | Tax Free Bonds (2015-16) Series 1A         | 7.11%              | 75.09   | 75.09           | 75.09            | 17.10.2025         |                          |                               |
| 13      | Tax Free Bond Series 79-B                  | 7.75%              | 217.99  | 217.99          | 217.99           | 15.10.2026         |                          |                               |
| 14      | Tax Free Bond Series 80-B                  | 8.16%              | 209.34  | 209.34          | 209.34           | 25.11.2026         |                          |                               |
| 15      | Tax Free Bonds (2011-12) Public Issue      | 8.30%              | 1,280.58  | 1,280.58        | 1,280.58         | 01.02.2027         |                          |                               |
| 16      | Tax Fee Bond Series 94B                    | 7.38%              | 25.00   | 25.00           | 25.00            | 22.11.2027         |                          |                               |
| 17      | Tax Free Bonds Series 95B                  | 7.38%              | 100.00  | 100.00          | 100.00           | 29.11.2027         |                          |                               |
| 18      | Tax Free Bonds (2012-13) Tranch-I Series 2 | 7.86%              | 180.78  | 185.78          | 194.28           | 04.01.2028         |                          |                               |
| 19      | Tax Free Bonds (2012-13) Tranch-I Series 2 | 7.36%              | 176.21  | 171.22          | 162.72           | 04.01.2028         |                          |                               |
| 20      | Tax Free Bonds (2012-13) Tranch II         | 7.54%              | 55.85   | 56.97           | 58.96            | 28.03.2028         |                          |                               |
| 21      | Tax Free Bonds (2012-13) Tranch II         | 7.04%              | 13.35   | 12.24           | 10.25            | 28.03.2028         |                          |                               |
| 22      | Tax Free Bonds Series 107-B                | 8.46%              | 1,011.10  | 1,011.10        | 1,011.10         | 30.08.2028         |                          |                               |
| 23      | Tax Free Bonds Series 2-B                  | 8.79%              | 353.32  | 353.32          | 353.32           | 16.11.2028         |                          |                               |
| 24      | Tax Free Bonds Series 2-A                  | 8.54%              | 932.70  | 932.70          | 932.70           | 16.11.2028         |                          |                               |
| 25      | Tax Free Bonds (2015-16) Series 2-B        | 7.52%              | 45.18   | 45.18           | 45.18            | 17.10.2030         |                          |                               |
| 26      | Tax Free Bonds (2015-16) Series 2-A        | 7.27%              | 131.33  | 131.33          | 131.33           | 17.10.2030         |                          |                               |
| 27      | Tax Free Bonds Series 3-B                  | 8.92%              | 861.96  | 861.96          | 861.96           | 16.11.2033         |                          |                               |
| 28      | Tax Free Bonds Series 3-A                  | 8.67%              | 1,067.38  | 1,067.38        | 1,067.38         | 16.11.2033         |                          |                               |
| 29      | Tax Free Bonds (2015-16) Series 3-B        | 7.60%              | 155.48  | 155.48          | 155.48           | 17.10.2035         |                          |                               |
| 30      | Tax Free Bonds (2015-16) Series 3-A        | 7.35%              | 213.58  | 213.58          | 213.57           | 17.10.2035         |                          |                               |
| 31      | Tax Free Bonds (2011-12) Public Issue      | 8.20%              | -   | -               | 2,752.55         | 01.02.2022         | Repaid in FY 2021-22     |                               |
| 32      | Tax Free Bond Series 80A                   | 8.09%              | -   | -               | 334.31           | 25.11.2021         |                          |                               |
| 33      | Tax Free Bonds Series 79A                  | 7.51%              | -   | -               | 205.23           | 15.10.2021         |                          |                               |
|         | <b>Total</b>                               |                    | <b>8,259.12</b>                                 | <b>8,983.03</b> | <b>12,275.11</b> |                    |                          |                               |

**17.9 Reformatted Details of 54 EC Capital Gain Tax Exemption Bonds outstanding are as follows:**

| Sr. No. | Bond Series            | Coupon Rate (p.a.) | Principal Amount (₹ in crore) outstanding as at |            |            | For Security, Refer Note | Redemption details                  |
|---------|------------------------|--------------------|---|------------|------------|--------------------------|-------------------------------------|
|         |                        |                    | 31.03.2023                                      | 31.03.2022 | 31.03.2021 |                          |                                     |
| 1       | Series II (FY 2018-19) | 5.75%              | 491.95  | 381.95     | 491.95     |                          | Redeemable at par during FY 2023-24 |



|              |                         |       |                 |                 |                 |       |                                     |
|--------------|-------------------------|-------|-----------------|-----------------|-----------------|-------|-------------------------------------|
| 2            | Series III (FY 2019-20) | 5.75% | 1,134.44        | 1,134.44        | 1,134.44        | 17.11 | Redeemable at par during FY 2024-25 |
| 3            | Series IV (FY 2020-21)  | 5.75% | 252.38          | 252.38          | 252.38          |       | Redeemable at par during FY 2025-26 |
| 4            | Series IV (FY 2020-21)  | 5.00% | 685.41          | 685.41          | 685.41          |       | Redeemable at par during FY 2025-26 |
| 5            | Series V (FY 2021-22)   | 5.00% | 1,434.64        | 1,434.64        | -               |       | Redeemable at par during FY 2026-27 |
| 6            | Series VI (FY 2022-23)  | 5.00% | 2,600.87        | -               | -               |       | Redeemable at par during FY 2027-28 |
| <b>Total</b> |                         |       | <b>6,599.69</b> | <b>3,998.82</b> | <b>2,564.18</b> |       |                                     |

**17.10 The details of Reformatted Secured Taxable Bonds outstanding are as follows:**

| Sr. No. | Bond Series   | Coupon Rate (p.a.)        | Principal Amount (₹ in crore) outstanding as at |                 |                 | Date of Redemption | For Security, Refer Note | Redemption details            |
|---------|---|---------------------------|---|-----------------|-----------------|--------------------|--------------------------|-------------------------------|
|         |   |                           | 31.03.2023                                      | 31.03.2022      | 31.03.2021      |                    |                          |                               |
| 1       | Secured Public Issue (2020-21) tranche I Series I Category III-IV   | 4.80%                     | 1.95  | 1.95            | 1.95            | 22.01.2024         | 17.11                    | Redeemable at par on maturity |
| 2       | Secured Public Issue (2020-21) Tranche I Series II Category I-II    | 5.65%                     | 27.05   | 27.05           | 27.05           | 22.01.2026         |                          |                               |
| 3       | Secured Public Issue (2020-21) Tranche I Series II Category III-IV  | 5.80%                     | 3.50  | 3.50            | 3.50            | 22.01.2026         |                          |                               |
| 4       | Secured Public Issue (2020-21) Tranche I Series V Category III-IV   | 6.83%<br>(10YR GSEC Link) | 1,250.73  | 1,250.73        | 1,250.73        | 22.01.2031         |                          |                               |
| 5       | Secured Public Issue (2020-21) Tranche I Series V Category I-II     | 6.58%<br>(10YR GSEC Link) | 10.35   | 10.35           | 10.35           | 22.01.2031         |                          |                               |
| 6       | Secured Public Issue (2020-21) Tranche I Series IV Category III-IV  | 7.00%                     | 1,635.53  | 1,635.53        | 1,635.53        | 22.01.2031         |                          |                               |
| 7       | Secured Public Issue (2020-21) Tranche I Series IV Category I-II    | 6.80%                     | 33.67   | 33.67           | 33.67           | 22.01.2031         |                          |                               |
| 8       | Secured Public Issue (2020-21) Tranche I Series III Category III-IV | 6.82%                     | 28.74   | 28.74           | 28.74           | 22.01.2031         |                          |                               |
| 9       | Secured Public Issue (2020-21) Tranche I Series III Category I-II   | 6.63%                     | 0.50  | 0.50            | 0.50            | 22.01.2031         |                          |                               |
| 10      | Secured Public Issue (2020-21) Tranche I Series VII Category III-IV | 7.15%                     | 1,330.05  | 1,330.05        | 1,330.06        | 22.01.2036         |                          |                               |
| 11      | Secured Public Issue (2020-21) Tranche I Series VII Category I-II   | 6.95%                     | 50.05   | 50.05           | 50.05           | 22.01.2036         |                          |                               |
| 12      | Secured Public Issue (2020-21) Tranche I Series VI Category III-IV  | 6.97%                     | 53.36   | 53.36           | 53.36           | 22.01.2036         |                          |                               |
| 13      | Secured Public Issue (2020-21) Tranche I Series VI Category I-II    | 6.78%                     | 3.51  | 3.51            | 3.50            | 22.01.2036         |                          |                               |
|         | <b>Total</b>  |                           | <b>4,428.99</b>                                 | <b>4,428.99</b> | <b>4,428.99</b> |                    |                          |                               |

**17.11** 54 EC Capital Gain Tax Exemption Bonds, Taxable Secured Public Issue (2020-21) Tranche-I all Series & all category, and all other Tax Free Bonds Series are secured by first pari-passu charge on the total receivables / book debts of the Company (excluding those receivables which are specifically charged for infrastructure bonds issued during the FY 2010-11, the security details of which is contained at Note 17.6), limited to the extent of payment / repayment of the bonds including interest, additional interest, cost and expenses and all other monies whatsoever payable / repayable by the Company to the Bondholders and/or others under / pursuant to the Transaction Documents.

**17.12 The details of Reformatted Unsecured Taxable Bonds outstanding are as follows:**

| Sr. No. | Bond Series   | Coupon Rate (p.a.) | Principal Amount (₹ in |            |            | Date of Redemption | Redemption details            |            |
|---------|---|--------------------|------------------------|------------|------------|--------------------|-------------------------------|------------|
|         |   |                    | 31.03.2023             | 31.03.2022 | 31.03.2021 |                    |                               |            |
| 1       | Series 88 C   | 9.48%              | -                      | 184.70     | 184.70     | -                  | Repaid in FY 2022-23          |            |
| 2       | Series 187 A  | 8.20%              | -                      | 1,605.00   | 1,605.00   |                    |                               |            |
| 3       | Series 168-A  | 7.28%              | -                      | 1,950.00   | 1,950.00   |                    |                               |            |
| 4       | Series 169-A  | 7.10%              | -                      | 3,395.00   | 3,395.00   |                    |                               |            |
| 5       | Series 181  | 8.45%              | -                      | 2,155.00   | 2,155.00   |                    |                               |            |
| 6       | Series 191  | 7.35%              | -                      | 3,735.00   | 3,735.00   |                    |                               |            |
| 7       | Series 170-A  | 7.35%              | -                      | 800.00     | 800.00     |                    |                               |            |
| 8       | Series 176-B  | 7.99%              | -                      | 1,295.00   | 1,295.00   |                    |                               |            |
| 9       | Zero Coupon Unsecured Taxable Bonds 2022-XIX Series | -                  | -                      | 707.97     | 654.92     | -                  | Redeemable at par on maturity |            |
| 10      | Series 100 B  | 8.84%              | -                      | 1,310.00   | 1,310.00   |                    |                               |            |
| 11      | Series 102 A (II)                                   | 8.90%              | -                      | 403.00     | 403.00     |                    |                               |            |
| 12      | Series 194  | 7.04%              | 1,400.00               | 1,400.00   | 1,400.00   |                    |                               | 14.04.2023 |
| 13      | Series 85 D   | 9.26%              | 736.00                 | 736.00     | 736.00     |                    |                               | 15.04.2023 |
| 14      | Series 198  | 6.98%              | 3,160.00               | 3,160.00   | 3,160.00   |                    |                               | 20.04.2023 |
| 15      | Series 199A   | 6.83%              | 1,970.00               | 1,970.00   | 1,970.00   |                    |                               | 24.04.2023 |
| 16      | Series 202A   | 6.75%              | 2,145.00               | 2,145.00   | 2,145.00   |                    |                               | 22.05.2023 |
| 17      | Series 203A   | 6.72%              | 2,206.00               | 2,206.00   | 2,206.00   |                    |                               | 09.06.2023 |
| 18      | Series 206  | 5.47%              | 3,000.00               | 3,000.00   | 3,000.00   |                    |                               | 19.08.2023 |
| 19      | Series 188  | 8.10%              | 691.10                 | 691.10     | 691.10     |                    |                               | 04.06.2024 |
| 20      | Series 211 (3M TB Link)                             | 4.38%              | 1,985.00               | 1,985.00   |            |                    |                               | 02.08.2024 |
| 21      | Series 57- B  | 8.60%              | 866.50                 | 866.50     | 866.50     |                    |                               | 07.08.2024 |
| 22      | Series 117 Option B                                 | 9.37%              | 855.00                 | 855.00     | 855.00     |                    |                               | 19.08.2024 |
| 23      | Series 118 Option B II                              | 9.39%              | 460.00                 | 460.00     | 460.00     |                    |                               | 27.08.2024 |
| 24      | Series Option 120 B                                 | 8.98%              | 950.00                 | 950.00     | 950.00     |                    |                               | 08.10.2024 |
| 25      | Series 120 Option A                                 | 8.98%              | 961.00                 | 961.00     | 961.00     |                    |                               | 08.10.2024 |
| 26      | Series 192  | 7.42%              | 3,000.00               | 3,000.00   | 3,000.00   |                    |                               | 19.11.2024 |

|     |                         |       |          |          |          |            |
|-----|-------------------------|-------|----------|----------|----------|------------|
| 27  | Series 124 C            | 8.48% | 1,000.00 | 1,000.00 | 1,000.00 | 09.12.2024 |
| 28  | Series 61               | 8.50% | 351.00   | 351.00   | 351.00   | 15.12.2024 |
| 29  | Series 125              | 8.65% | 2,826.00 | 2,826.00 | 2,826.00 | 28.12.2024 |
| 30  | Series 126              | 8.65% | 5,000.00 | 5,000.00 | 5,000.00 | 04.01.2025 |
| 31  | Series 62-B             | 8.80% | 1,172.60 | 1,172.60 | 1,172.60 | 15.01.2025 |
| 32  | Series 128              | 8.20% | 1,600.00 | 1,600.00 | 1,600.00 | 10.03.2025 |
| 33  | Series 63-III           | 8.90% | 184.00   | 184.00   | 184.00   | 15.03.2025 |
| 34  | Series 131-C            | 8.41% | 5,000.00 | 5,000.00 | 5,000.00 | 27.03.2025 |
| 35  | Series 64               | 8.95% | 492.00   | 492.00   | 492.00   | 30.03.2025 |
| 36  | Series 204A             | 5.77% | 900.00   | 900.00   | 900.00   | 11.04.2025 |
| 37  | Series 130-C            | 8.39% | 925.00   | 925.00   | 925.00   | 19.04.2025 |
| 38  | Series 199B             | 7.16% | 1,320.00 | 1,320.00 | 1,320.00 | 24.04.2025 |
| 39  | Series 65 III           | 8.70% | 1,337.50 | 1,337.50 | 1,337.50 | 14.05.2025 |
| 40  | Series 202B             | 7.17% | 810.00   | 810.00   | 810.00   | 22.05.2025 |
| 41  | Series 66-B             | 8.75% | 1,532.00 | 1,532.00 | 1,532.00 | 15.06.2025 |
| 42  | Series 210A - STRPP1    | 6.35% | 405.60   | 405.60   | -        | 30.06.2025 |
| 43  | Series 215              | 7.13% | 2,420.00 | -        | -        | 08.08.2025 |
| 44  | Series 217B STRPP I     | 7.15% | 276.40   | -        | -        | 08.09.2025 |
| 45  | Series 208              | 6.50% | 2,806.00 | 2,806.00 | 2,806.00 | 17.09.2025 |
| 46  | Series 141-B            | 8.40% | 1,000.00 | 1,000.00 | 1,000.00 | 18.09.2025 |
| 47  | Series 218              | 7.59% | 1,450.00 | -        | -        | 03.11.2025 |
| 48  | Series 71               | 9.05% | 192.70   | 192.70   | 192.70   | 15.12.2025 |
| 49  | Series 222              | 7.58% | 2,540.00 | -        | -        | 15.01.2026 |
| 50  | Series 147              | 8.03% | 1,000.00 | 1,000.00 | 1,000.00 | 02.05.2026 |
| 51  | Series 210A - STRPP2    | 6.35% | 540.80   | 540.80   | -        | 30.06.2026 |
| 52  | Series 216              | 7.13% | 3,000.00 | -        | -        | 15.07.2026 |
| 53  | Series 225A             | 7.77% | 3,262.70 | -        | -        | 15.07.2026 |
| 54  | Series - 76-B           | 9.46% | 1,105.00 | 1,105.00 | 1,105.00 | 01.08.2026 |
| 55  | Series 150-B            | 7.63% | 1,675.00 | 1,675.00 | 1,675.00 | 14.08.2026 |
| 56  | Series 212A             | 6.09% | 2,450.00 | 2,450.00 | -        | 27.08.2026 |
| 57  | Series - 77-B           | 9.45% | 2,568.00 | 2,568.00 | 2,568.00 | 01.09.2026 |
| 58  | Series 217B STRPP II    | 7.15% | 276.40   | -        | -        | 08.09.2026 |
| 59  | Series 227A             | 7.70% | 1,200.00 | -        | -        | 15.09.2026 |
| 60  | Series 151-B            | 7.56% | 210.00   | 210.00   | 210.00   | 16.09.2026 |
| 61  | Series 152              | 7.55% | 4,000.00 | 4,000.00 | 4,000.00 | 25.09.2026 |
| 62  | Series 155              | 7.23% | 2,635.00 | 2,635.00 | 2,635.00 | 05.01.2027 |
| 63  | Series 168-B            | 7.44% | 1,540.00 | 1,540.00 | 1,540.00 | 12.06.2027 |
| 64  | Series 210A - STRPP3    | 6.35% | 405.60   | 405.60   | -        | 30.06.2027 |
| 65  | Series 169-B            | 7.30% | 1,500.00 | 1,500.00 | 1,500.00 | 07.08.2027 |
| 66  | Series 217B STRPP III   | 7.15% | 276.40   | -        | -        | 08.09.2027 |
| 67  | Series 170-B            | 7.65% | 2,001.00 | 2,001.00 | 2,001.00 | 22.11.2027 |
| 68  | Series 171              | 7.62% | 5,000.00 | 5,000.00 | 5,000.00 | 15.12.2027 |
| 69  | Series 221B             | 7.59% | 3,500.00 | -        | -        | 17.01.2028 |
| 70  | Series 172              | 7.74% | 850.00   | 850.00   | 850.00   | 29.01.2028 |
| 71  | Series 101 B            | 9.00% | 1,370.00 | 1,370.00 | 1,370.00 | 11.03.2028 |
| 72  | Series 102 A (III)      | 8.90% | 403.00   | 403.00   | 403.00   | 18.03.2028 |
| 73  | Series 103              | 8.94% | 2,807.00 | 2,807.00 | 2,807.00 | 25.03.2028 |
| 74  | Series 177              | 7.85% | 3,855.00 | 3,855.00 | 3,855.00 | 03.04.2028 |
| 75  | Series 227B             | 7.77% | 1,390.00 | -        | -        | 15.04.2028 |
| 76  | Series 178              | 8.95% | 3,000.00 | 3,000.00 | 3,000.00 | 10.10.2028 |
| 77  | Series 179-A            | 8.67% | 1,007.40 | 1,007.40 | 1,007.40 | 19.11.2028 |
| 78  | Series 187 B            | 8.85% | 1,982.10 | 1,982.10 | 1,982.10 | 27.05.2029 |
| 79  | Series 118 Option B III | 9.39% | 460.00   | 460.00   | 460.00   | 27.08.2029 |
| 80  | Series 193              | 7.93% | 4,710.50 | 4,710.50 | 4,710.50 | 31.12.2029 |
| 81  | Series 196R1            | 7.41% | 1,500.00 | 1,500.00 | 1,500.00 | 25.02.2030 |
| 82  | Series 196              | 7.41% | 2,500.00 | 2,500.00 | 2,500.00 | 25.02.2030 |
| 83  | Series 225B STRPP I     | 7.82% | 625.00   | -        | -        | 13.03.2030 |
| 84  | Series 195              | 7.86% | 1,100.00 | 1,100.00 | 1,100.00 | 12.04.2030 |
| 85  | Series 200              | 7.40% | 2,920.00 | 2,920.00 | 2,920.00 | 08.05.2030 |
| 86  | Series 197              | 7.41% | 5,000.00 | 5,000.00 | 5,000.00 | 15.05.2030 |
| 87  | Series 203B             | 7.75% | 3,318.00 | 3,318.00 | 3,318.00 | 11.06.2030 |
| 88  | Series 66-C             | 8.85% | 633.00   | 633.00   | 633.00   | 15.06.2030 |
| 89  | Series 201              | 7.68% | 3,101.30 | 3,101.30 | 3,101.30 | 15.07.2030 |
| 90  | Series 202C             | 7.79% | 1,936.00 | 1,936.00 | 1,936.00 | 22.07.2030 |
| 91  | Series 205A             | 7.05% | 1,610.10 | 1,610.10 | 1,610.10 | 09.08.2030 |
| 92  | Series 71               | 9.05% | 192.70   | 192.70   | 192.70   | 15.12.2030 |
| 93  | Series 207R1            | 7.04% | 2,549.10 | 2,549.10 | 2,549.10 | 16.12.2030 |
| 94  | Series 207              | 7.04% | 1,097.40 | 1,097.40 | 1,097.40 | 16.12.2030 |
| 95  | Series 225B STRPP II    | 7.82% | 625.00   | -        | -        | 13.03.2031 |
| 96  | Series 204B             | 6.88% | 1,300.00 | 1,300.00 | 1,300.00 | 11.04.2031 |
| 97  | Series 213              | 6.95% | 1,988.00 | 1,988.00 | -        | 01.10.2031 |
| 98  | Series 225B STRPP III   | 7.82% | 625.00   | -        | -        | 12.03.2032 |
| 99  | Series 214 (BBETF)      | 6.92% | 1,180.00 | 1,180.00 | -        | 14.04.2032 |
| 100 | Series 217A             | 7.42% | 4,000.00 | -        | -        | 08.09.2032 |

Redeemable at par on maturity

|              |                      |       |                    |                    |                    |            |                               |
|--------------|----------------------|-------|--------------------|--------------------|--------------------|------------|-------------------------------|
| 101          | Series 223           | 7.64% | 3,500.00           | -                  | -                  | 22.02.2033 | Redeemable at par on maturity |
| 102          | Series 225B STRPP IV | 7.82% | 625.00             | -                  | -                  | 11.03.2033 |                               |
| 103          | Series 220           | 7.58% | 470.00             | -                  | -                  | 15.04.2033 |                               |
| 104          | Series 226A          | 7.66% | 1,200.00           | -                  | -                  | 15.04.2033 |                               |
| 105          | Series 226B          | 7.70% | 583.50             | -                  | -                  | 15.04.2033 |                               |
| 106          | Series 179-B         | 8.64% | 528.40             | 528.40             | 528.40             | 19.11.2033 |                               |
| 107          | Series 180           | 8.75% | 2,654.00           | 2,654.00           | 2,654.00           | 22.02.2034 |                               |
| 108          | Series 186           | 8.79% | 2,578.90           | 2,578.90           | 2,578.90           | 30.04.2034 |                               |
| 109          | Series 189           | 8.15% | 4,035.00           | 4,035.00           | 4,035.00           | 08.08.2034 |                               |
| 110          | Series 190           | 8.25% | 4,016.00           | 4,016.00           | 4,016.00           | 06.09.2034 |                               |
| 111          | Series 205B          | 7.20% | 1,605.70           | 1,605.70           | 1,605.70           | 10.08.2035 |                               |
| 112          | Series 209           | 7.34% | 1,711.00           | 1,711.00           | 1,711.00           | 29.09.2035 |                               |
| 113          | Series 210B          | 7.11% | 1,933.50           | 1,933.50           | -                  | 30.06.2036 |                               |
| 114          | Series 212B          | 7.15% | 2,343.68           | 2,343.68           | -                  | 27.08.2036 |                               |
| 115          | Series 219           | 7.65% | 4,000.00           | -                  | -                  | 13.11.2037 |                               |
| 116          | Series 221A          | 7.72% | 2,782.70           | -                  | -                  | 19.12.2037 |                               |
| 117          | Series 224           | 7.82% | 3,468.50           | -                  | -                  | 06.03.2038 |                               |
| 118          | Series 183           | 8.18% | -                  | -                  | 3,751.20           | 19.03.2022 | Repaid in FY 2021-22          |
| 119          | Series 154           | 7.27% | -                  | -                  | 1,101.00           | 22.12.2021 |                               |
| 120          | Series 124 B         | 8.55% | -                  | -                  | 1,200.00           | 09.12.2021 |                               |
| 121          | Series 123 C         | 8.66% | -                  | -                  | 200.00             | 27.11.2021 |                               |
| 122          | Series 153           | 7.40% | -                  | -                  | 1,830.00           | 30.09.2021 |                               |
| 123          | Series 151-A         | 7.47% | -                  | -                  | 2,260.00           | 16.09.2021 |                               |
| 124          | Series 150-A         | 7.50% | -                  | -                  | 2,660.00           | 16.08.2021 |                               |
| 125          | Series - 76-A        | 9.36% | -                  | -                  | 2,589.40           | 01.08.2021 |                               |
| 126          | Series 115 III       | 9.20% | -                  | -                  | 700.00             | 07.07.2021 |                               |
| 127          | Series 75-C          | 9.61% | -                  | -                  | 2,084.70           | 29.06.2021 |                               |
| 128          | Series 74            | 9.70% | -                  | -                  | 1,693.20           | 09.06.2021 |                               |
| 129          | Series 28            | 8.85% | -                  | -                  | 600.00             | 31.05.2021 |                               |
| 130          | Series 146           | 8.05% | -                  | -                  | 300.00             | 27.04.2021 |                               |
| 131          | Series 73            | 9.18% | -                  | -                  | 1,000.00           | 15.04.2021 |                               |
| 132          | Series 175           | 7.75% | -                  | -                  | 600.00             | 15.04.2021 |                               |
| 133          | Series 173-B         | 7.73% | -                  | -                  | 1,325.00           | 05.04.2021 |                               |
| <b>Total</b> |                      |       | <b>1,95,743.80</b> | <b>1,71,187.84</b> | <b>1,81,797.12</b> |            |                               |

17.13 The details of Reformatted Foreign Currency Notes outstanding are as follows:

| Sr. No.      | Bond Series                | Coupon Rate (p.a.) | Principal Amount (₹ in crore) outstanding as at |                  |                  | Date of Redemption | Redemption details            |
|--------------|----------------------------|--------------------|---|------------------|------------------|--------------------|-------------------------------|
|              |                            |                    | 31.03.2023                                      | 31.03.2022       | 31.03.2021       |                    |                               |
| 1            | 3.75% USD Bonds 2024       | 3.75%              | 3,288.68  | 3,032.28         | 2,940.19         | 18.06.2024         | Redeemable at par on maturity |
| 2            | 3.25% USD Bonds 2024       | 3.25%              | 2,466.51  | 2,274.21         | 2,205.14         | 16.09.2024         |                               |
| 3            | 3.75% USD Green Bonds 2027 | 3.75%              | 3,288.68  | 3,032.28         | 2,940.19         | 06.12.2027         |                               |
| 4            | 5.25% USD Bonds 2028       | 5.25%              | 2,466.51  | 2,274.21         | 2,205.14         | 10.08.2028         |                               |
| 5            | 1.841% EUR Bonds 2028      | 1.84%              | 2,688.23  | 2,539.80         | -                | 21.09.2028         |                               |
| 6            | 6.15% USD Bonds 2028       | 6.15%              | 4,110.85  | 3,790.36         | 3,675.24         | 06.12.2028         |                               |
| 7            | 4.50% USD Bonds 2029       | 4.50%              | 4,933.01  | 4,548.43         | 4,410.28         | 18.06.2029         |                               |
| 8            | 3.90% USD Bonds 2029       | 3.90%              | 3,699.76  | 3,411.32         | 3,307.71         | 16.09.2029         |                               |
| 9            | 3.95% USD Bonds 2030       | 3.95%              | 6,166.27  | 5,685.53         | 5,512.85         | 23.04.2030         |                               |
| 10           | 3.35% USD Bonds 2031       | 3.35%              | 4,110.84  | 3,790.36         | 3,675.23         | 16.05.2031         |                               |
| <b>Total</b> |                            |                    | <b>37,219.33</b>                                | <b>34,378.78</b> | <b>30,871.97</b> |                    |                               |

17.10 The details of Commercial Papers outstanding are as follows:

| Sr. No.      | Commercial Paper Series             | Coupon Rate (p.a.) | Principal Amount (₹ in crore) outstanding |            |                | Redemption details   |
|--------------|-------------------------------------|--------------------|---|------------|----------------|----------------------|
|              |                                     |                    | 31.03.2023                                | 31.03.2022 | 31.03.2021     |                      |
| 1            | CP - 115                            | 4.03%              | -   | -          | 3,120.00       | Repaid in FY 2021-22 |
| 2            | Less: Unamortised Financial Charges |                    | -   | -          | (39.77)        |                      |
| <b>Total</b> |                                     |                    | <b>-</b>                                  | <b>-</b>   | <b>3080.23</b> |                      |

## 18 Reformatted Borrowings (other than Debt Securities)

The Company has categorised Borrowings (other than Debt Securities) at amortised cost in accordance with the requirements of Ind AS 109 'Financial Instruments'.

(₹ in crore)

| Sr. No.    | Particulars   | As at<br>31.03.2023                | As at<br>31.03.2022              | As at<br>31.03.2021              |
|------------|---|------------------------------------|----------------------------------|----------------------------------|
| <b>(A)</b> | <b>Secured Borrowings</b>   |                                    |                                  |                                  |
| (i)        | Term Loans from Banks and Financial Institutions<br>- Rupee Term Loans (Refer note 18.3)  | 13,476.25                          | 17,887.50                        | 19,975.00                        |
| (ii)       | Other Loans from Banks<br>Loan against Term Deposits (Refer note 18.5)  | -                                  | 228.59                           | 683.04                           |
|            | <b>Sub-Total (A)</b>  | <b>13,476.25</b>                   | <b>18,116.09</b>                 | <b>20,658.04</b>                 |
| <b>(B)</b> | <b>Unsecured Borrowings</b>   |                                    |                                  |                                  |
| (i)        | Term Loans from Banks and Financial Institutions<br>- Foreign Currency Loans (Refer note 18.6)<br>- Syndicated Foreign Currency Loans (Refer note 18.7)<br>- Rupee Term Loans (Refer note 18.9) | 6,615.95<br>20,719.21<br>48,841.65 | 128.07<br>21,781.52<br>40,374.98 | 150.65<br>18,813.18<br>33,623.98 |
| (ii)       | Term Loans From other Parties<br>- Rupee Term Loans - NSSF (Refer note 18.11)   | 7,500.00                           | 7,500.00                         | 7,500.00                         |
| (iii)      | Other Loans from Banks<br>Working Capital Demand Loan / Overdraft / Cash Credit / Line of Credit (Refer Note 18.12)   | 3,983.83                           | -                                | -                                |
|            | <b>Sub-Total (B)</b>  | <b>87,660.64</b>                   | <b>69,784.57</b>                 | <b>60,087.81</b>                 |
| <b>(C)</b> | <b>Total Principal Outstanding of Borrowings (other than Debt Securities)</b>   | <b>1,01,136.89</b>                 | <b>87,900.66</b>                 | <b>80,745.85</b>                 |
| <b>(D)</b> | Interest accrued but not due on (C) above   | 392.31                             | 294.39                           | 283.74                           |
| <b>(E)</b> | Unamortised Transaction Cost on (C) above   | (300.31)                           | (229.63)                         | (191.99)                         |
|            | <b>Total Borrowings (other than Debt Securities) (C to E)</b>   | <b>1,01,228.89</b>                 | <b>87,965.42</b>                 | <b>80,837.60</b>                 |
|            | <b>Geography wise Borrowings</b>  |                                    |                                  |                                  |
| (i)        | Borrowings in India   | 74,000.92                          | 66,194.94                        | 62,015.73                        |
| (ii)       | Borrowings outside India  | 27,227.97                          | 21,770.48                        | 18,821.87                        |
|            | <b>Total Geography wise Borrowings</b>  | <b>1,01,228.89</b>                 | <b>87,965.42</b>                 | <b>80,837.60</b>                 |

18.1 Wherever required, the Company has registered the charges with respective Registrars of Companies (ROC) within the statutory timelines.

18.2 The Company has not borrowed any funds on the specific security of current assets, where there is any requirement of filing of quarterly returns or statements.

**18.3 Details of Reformatted Secured Rupee Term Loans outstanding are as follows ( Refer Note 18.4 ) :**

| Sr. No.                               | Particulars          | Principal Amount (₹ in crore) |                  |                  | Date of Redemption | Redemption details   |
|---------------------------------------|----------------------|-------------------------------|------------------|------------------|--------------------|--|
|                                       |                      | 31.03.2023                    | 31.03.2022       | 31.03.2021       |                    |  |
| 1                                     | Bank of Baroda       | -                             | 1,225.00         | 1,400.00         | -                  | Repaid in FY 2022-23   |
| 2                                     | Karnataka Bank       | -                             | 200.00           | 500.00           | -                  |  |
| 3                                     | State Bank of India  | 3,570.00                      | 5,000.00         | 5,000.00         | 10.07.2023         | The loan is to be repaid in 7 half yearly instalments comprising 6 instalments of ₹ 715 crore each and thereafter final instalment of ₹ 710 crore each starting from 10-Jul-2022 and ending on 10-Jul-2025 |
| 4                                     | Indian Bank          | 937.50                        | 1,312.50         | 1,500.00         | 28.09.2023         | The loan is to be repaid in 08 half yearly instalments of ₹ 187.50 crore each starting from 28-Mar-22 and ending on 28-Sep-2025  |
| 5                                     | Indian Bank          | 1,800.00                      | 1,800.00         | 1,800.00         | 29.09.2023         | The loan is to be repaid in 12 quarterly instalments of ₹ 150 crore each starting from 29-Sep-2023 and ending on 29-Jun-2026   |
| 6                                     | Union Bank of India  | 200.00                        | 300.00           | 400.00           | 30.09.2023         | The loan is to be repaid in 5 annual instalments of ₹ 100 crore each starting from 30-Sep-2020 and ending on 30-Sep-2024   |
| 7                                     | Punjab National Bank | 168.75                        | 225.00           | 225.00           | 30.09.2023         | The loan is to be repaid in 04 annual instalments of ₹ 56.25 crore each starting from 30-Sep-22 and ending on 30-Sep-2025  |
| 8                                     | Union Bank of India  | 1,350.00                      | 1,800.00         | 1,800.00         | 30.09.2023         | The loan is to be repaid in 04 annual instalments of ₹ 450 crore each starting from 30-Sep-22 and ending on 30-Sep-2025  |
| 9                                     | Canara Bank          | 1,000.00                      | 1,000.00         | 1,000.00         | 20.02.2024         | Bullet Repayment at the end of the tenor   |
| 10                                    | Punjab National Bank | 750.00                        | 1,125.00         | 1,500.00         | 25.02.2024         | The loan is to be repaid in 04 annual instalments of ₹ 375 crore each starting from 25-Feb-22 and ending on 25-Feb-2025  |
| 11                                    | Bank of India        | 1,000.00                      | 1,000.00         | 1,000.00         | 02.03.2024         | The loan is to be repaid in 2 Annual instalments of ₹ 500 crore each starting from 02-Mar-2024 and ending on 02-Mar-2025   |
| 12                                    | Union Bank of India  | 200.00                        | 400.00           | 600.00           | 15.03.2024         | The loan is to be repaid in 5 annual instalments of ₹ 200 crore each starting from 15-Mar-2020 and ending on 15-Mar-2024   |
| 13                                    | Indian Bank          | 500.00                        | 500.00           | 500.00           | 02.04.2024         | Bullet Repayment at the end of the tenor   |
| 14                                    | Canara Bank T-1      | 500.00                        | 500.00           | 500.00           | 21.06.2024         |  |
| 15                                    | Canara Bank T-2      | 500.00                        | 500.00           | 500.00           | 24.06.2024         |  |
| 16                                    | Canara Bank          | 1,000.00                      | 1,000.00         | 1,000.00         | 29.06.2024         |  |
| 17                                    | Indian Bank          | -                             | -                | -                | -                  |  |
| 17                                    | Bank of Maharashtra  | -                             | -                | 750.00           | -                  | Repaid in FY 2021-22   |
| <b>Total Secured Rupee Term Loans</b> |                      | <b>13,476.25</b>              | <b>17,887.50</b> | <b>19,975.00</b> |                    |  |

**18.4** Secured rupee term loans are secured by first pari-passu charge in favour of lending banks on the receivables of the Company limited to payment/repayment of the term loan including interest, additional interest, cost and expenses and all other monies whatsoever payable/repayable by the Company to lending bank and/or others under/pursuant to the security document except for those receivables which are already charged in favour of Catalyst Trusteeship Ltd. (formally known as GDA Trusteeship Limited). Refer Note 10 for carrying values of the receivable pledged as security against secured rupee term loans

**18.5 Details of Reformatted Loan against Term Deposits outstanding are as follows:**

| Sr. No.                                 | Particulars    | Principal Amount (₹ in crore) |               |               | Date of Redemption | Redemption details   |
|---|----------------|-------------------------------|---------------|---------------|--------------------|----------------------|
|   |                | 31.03.2023                    | 31.03.2022    | 31.03.2021    |                    |                      |
| 1                                       | Indian Bank    | -                             | 142.50        | -             | -                  | Repaid in FY 2022-23 |
| 2                                       | Canara Bank    | -                             | 41.09         | -             | -                  |                      |
| 3                                       | Canara Bank    | -                             | 45.00         | -             | -                  |                      |
|   | HDFC Bank Ltd. | -                             | -             | 683.04        | -                  | Repaid in FY 2021-22 |
| <b>Total Loan against Term Deposits</b> |                | <b>-</b>                      | <b>228.59</b> | <b>683.04</b> |                    |                      |

**18.6 Details of Reformatted Unsecured Foreign Currency Loans outstanding are as follows:**

| Sr. No.                             | Particulars   | Principal Amount (₹ in crore) outstanding as at |               |               | Date of Redemption | Redemption details                       |
|-------------------------------------|---|---|---------------|---------------|--------------------|--|
|                                     |   | 31.03.2023                                      | 31.03.2022    | 31.03.2021    |                    |  |
| 1                                   | ADB (Guaranteed by the Government of India)             | 51.35   | 58.20         | 66.96         | 15.04.2023         | Semi Annual Instalments till 15.10.2028  |
| 2                                   | Credit National (Guaranteed by the Government of India) | 18.86   | 27.05         | 36.90         | 30.06.2023         | Semi Annual Instalments till 30.06.2028  |
| 3                                   | KFW I (Guaranteed by the Government of India)           | 41.95   | 42.82         | 46.79         | 30.06.2023         | Semi Annual Instalments till 30.12.2035  |
| 4                                   | KfW EUR 200M 030123                                     | 526.42  | -             | -             | 15.11.2023         | Semi Annual Instalments till 15.11.2025  |
| 5                                   | 1 FCNR SBI USD 110M 151222                              | 904.39  | -             | -             | 15.12.2023         | Bullet Repayment at the end of the tenor |
| 6                                   | 2 FCNR ICICI USD TO EUR 291222                          | 844.48  | -             | -             | 29.12.2023         |  |
| 7                                   | 3 FCNR SBI USD TO EUR 270323                            | 833.03  | -             | -             | 27.03.2024         |  |
| 8                                   | 4 FCNR DBS USD TO EUR 290323                            | 499.53  | -             | -             | 29.12.2023         |  |
| 9                                   | 5 FCNR SBI USD TO EUR 280323                            | 828.79  | -             | -             | 28.03.2024         |  |
| 10                                  | 6 FCNR ICICI USD TO EUR 290323                          | 831.47  | -             | -             | 29.03.2024         |  |
| 11                                  | 7 FCNR SBI USD TO EUR 310323                            | 1,235.68  | -             | -             | 31.03.2024         |  |
| <b>Total Foreign Currency Loans</b> |   | <b>6615.95</b>                                  | <b>128.07</b> | <b>150.65</b> |                    |  |

18.7 Details of Reformatted Unsecured Syndicated Foreign Currency Loans outstanding are as follows:

| Sr. No. | Particulars                                    | Principal Amount (₹ in crore)<br>outstanding as at |                  |                  | Date of<br>Redemption | Redemption details                       |
|---------|--|--|------------------|------------------|-----------------------|--|
|         |  | 31.03.2023   | 31.03.2022       | 31.03.2021       |                       |  |
| 1       | SLN 28 USD                                     | -  | 1,895.18         | 1,837.62         | -                     | Repaid in FY 2022-23                     |
| 2       | SLN 28 JPY                                     | -  | 334.13           | 356.30           |                       |  |
|         | SLN 17   | -  | -                | 1,102.57         |                       |  |
| 3       | SLN 18   | -  | 905.82           | 1,931.86         |                       |  |
| 4       | SLN 21   | -  | 2,274.21         | 2,205.14         |                       |  |
| 5       | SLN 22   | -  | 1,895.18         | 1,837.62         |                       |  |
| 6       | SLN 23   | -  | 1,895.18         | 1,837.62         | -                     | Bullet Repayment at the end of the tenor |
| 7       | SLN 26   | 2,055.42   | 1,895.18         | 1,837.62         |                       |  |
| 8       | SLN 27   | 1,014.18   | 1,021.24         | 1,089.02         |                       |  |
| 9       | SLN 29   | 2,055.42   | 1,895.18         | 1,837.62         |                       |  |
| 10      | SLN 30   | 822.17   | 758.07           | 735.05           |                       |  |
| 11      | SLN 30   | 2,466.51   | 2,274.21         | 2,205.14         |                       |  |
| 12      | 31 A FCTL USD 525M 301121                      | 4,316.40   | 3,979.87         | -                |                       |  |
| 13      | 31 B FCTL USD 100M 301121                      | 822.17   | 758.07           | -                |                       |  |
| 14      | 32 A FCTL JPY 89208M 281222                    | 5,513.05   | -                | -                |                       |  |
| 15      | 32 B FCTL JPY 26762M 050123                    | 1,653.89   | -                | -                |                       |  |
|         | <b>Total Syndicated Foreign Currency Loans</b> | <b>20,719.21</b>                                   | <b>21,781.52</b> | <b>18,813.18</b> |                       |  |

18.8 Floating Rate Foreign Currency Loans in above Note No. 18.6 and 18.7 carries an interest rate spread ranging from 5 bps to 150 bps over 6 month USD LIBOR/ ARR (London Inter Bank Offered Rate/Alternative Reference Rate) except for Foreign Currency Loans from Credit National, KFW-I and FCTL31A & B which are at fixed rate of interest.

18.9 Details of Reformatted Unsecured Rupee Term Loans outstanding are as follows:

| Sr. No. | Particulars          | Principal Amount (₹ in crore)<br>outstanding as at |            |            | Date of<br>Redemption | Redemption details   |
|---------|----------------------|--|------------|------------|-----------------------|--|
|         |                      | 31.03.2023   | 31.03.2022 | 31.03.2021 |                       |  |
| 1       | Bank of Baroda       | -  | 1,800.00   | 1,900.00   | -                     | Repaid in FY 2022-23   |
| 2       | HDFC Bank Ltd.       | -  | 2,000.00   | 2,000.00   |                       |  |
| 3       | UCO Bank             | -  | 500.00     | 500.00     |                       |  |
| 4       | Union Bank of India  | 800.00   | 800.00     | 800.00     | 15.04.2023            | The loan is to be repaid in 8 quarterly instalments of ₹ 100 crore each starting from 15-Apr-2023 and ending on 15-Jan-2025    |
| 5       | UCO Bank             | 200.00   | 200.00     | 200.00     | 26.05.2023            | Bullet Repayment at the end of the tenor   |
| 6       | HDFC Bank Ltd.       | 1,000.00   | -          | -          | 10.06.2023            | Bullet Repayment at the end of the tenor   |
| 7       | HDFC Bank Ltd.       | 650.00   | -          | -          | 13.06.2023            | Bullet Repayment at the end of the tenor   |
| 8       | Canara Bank          | 875.00   | 1,750.00   | 1,750.00   | 20.06.2023            | The loan is to be repaid in 8 quarterly instalments of ₹ 218.75 crore each starting from 20-Jun-2022 and ending on 20-Mar-2024 |
| 9       | HDFC Bank Ltd.       | 20.00  | -          | -          | 20.06.2023            | Bullet Repayment at the end of the tenor   |
| 10      | Canara Bank          | 1,400.00   | 1,800.00   | 2,000.00   | 22.06.2023            | The loan is to be repaid in 20 quarterly instalments of ₹ 100 crore each starting from 22-Dec-2021 and ending on 22-Sep-2026   |
| 11      | HDFC Bank Ltd.       | 7.00   | -          | -          | 22.06.2023            | Bullet Repayment at the end of the tenor   |
| 12      | HDFC Bank Ltd.       | 55.00  | -          | -          | 23.06.2023            |  |
| 13      | HDFC Bank Ltd.       | 33.00  | -          | -          | 24.06.2023            |  |
| 14      | HDFC Bank Ltd.       | 235.00   | -          | -          | 27.06.2023            |  |
| 15      | HDFC Bank Ltd.       | 3,000.00   | 3,000.00   | -          | 29.06.2023            |  |
| 16      | HDFC Bank Ltd.       | 1,000.00   | -          | 1,000.00   | 30.06.2023            |  |
| 17      | Bank of India        | 1,000.00   | 1,000.00   | 1,000.00   | 11.09.2023            |  |
| 18      | Canara Bank          | 300.00   | 400.00     | 500.00     | 23.09.2023            | The loan is to be repaid in 10 half-yearly instalments of ₹ 50 crore each starting from 23-Sep-2021 and ending on 23-Mar-2026  |
| 19      | State Bank of India  | 2,999.98   | 2,999.98   | 2,999.98   | 27.09.2023            | Bullet Repayment at the end of the tenor   |
| 20      | HDFC Bank Ltd.       | 1,000.00   | 1,000.00   | -          | 30.09.2023            | Bullet Repayment at the end of the tenor   |
| 21      | HDFC Bank Ltd.       | 750.00   | 750.00     | 750.00     | 05.10.2023            |  |
| 22      | Punjab National Bank | 995.00   | 995.00     | 995.00     | 24.12.2023            |  |
| 23      | Canara Bank          | 500.00   | 500.00     | 500.00     | 28.12.2023            |  |
| 24      | Canara Bank          | 500.00   | 500.00     | 500.00     | 15.01.2024            |  |
| 25      | Bank of India        | 2,000.00   | 2,000.00   | 2,000.00   | 21.01.2024            |  |
| 26      | Punjab National Bank | 666.67   | 1,000.00   | 1,000.00   | 20.03.2024            |  |
| 27      | Union Bank of India  | 1,250.00   | 1,875.00   | 2,500.00   | 23.03.2024            | The loan is to be repaid in 4 annual instalments of ₹ 625 crore each starting from 23-Mar-2022 and ending on 23-Mar-2025       |
| 28      | KEB Hana Bank        | 100.00   | -          | -          | 31.05.2024            | The loan is to be repaid in 4 halfyearly instalments of ₹ 25 crore each starting from 31-May-2024 and ending on 30-Nov-2025    |
| 29      | Bank of India        | 500.00   | 500.00     | -          | 18.09.2024            | The loan is to be repaid in 5 annual instalments of ₹ 100 crore each starting from 18-Sep-2024 and ending on 18-Sep-2028       |
| 30      | State Bank of India  | 3,000.00   | 3,000.00   | 3,000.00   | 19.12.2024            | Bullet Repayment at the end of the tenor   |
| 31      | HDFC Bank Ltd.       | 3,000.00   | 3,000.00   | -          | 30.09.2025            |  |

|    |  |                  |                  |                  |            |   |
|----|--|------------------|------------------|------------------|------------|---|
| 32 | Bank of Baroda   | 5,000.00         | 2,500.00         | 3,000.00         | 17.05.2026 | The loan is to be repaid in 8 half yearly instalments of ₹ 625 crore each starting from 17-May-2026 and ending on 17-Nov-2029 |
| 33 | UCO Bank   | 1,000.00         | 1,000.00         | -                | 24.09.2026 | Bullet Repayment at the end of the tenor  |
| 34 | Punjab National Bank                                       | 500.00           | 500.00           | -                | 27.09.2026 |   |
| 35 | Punjab National Bank                                       | 5.00             | 5.00             | -                | 29.09.2026 |   |
| 36 | India Infrastructure Finance Company Limited               | 1,000.00         | 1,000.00         | -                | 30.09.2026 |   |
| 37 | Central Bank   | 1,000.00         | 1,000.00         | -                | 31.03.2027 |   |
| 38 | Union Bank   | 3,000.00         | 3,000.00         | -                | 31.03.2027 | The loan is to be repaid in 2 annual instalments of ₹ 1500 crore each starting from 31.03.2027 and ending on 31.03.2028       |
| 39 | Canara Bank  | 2,250.00         | -                | -                | 28.06.2027 | The loan is to be repaid in 2 annually instalments of ₹ 1125 crore each starting from 28-Jun-2027 and ending on 28-Jun-2028   |
| 40 | Canara Bank  | 250.00           | -                | -                | 30.06.2027 | The loan is to be repaid in 2 annually instalments of ₹ 125 crore each starting from 30-Jun-2027 and ending on 30-Jun-2028    |
| 41 | Indian Overseas Bank                                       | 1,000.00         | -                | -                | 30.09.2027 | The loan is to be repaid in 2 yearly instalments of ₹ 500 crore each starting from 30-Sep-2027 and ending on 30-Sep-2028      |
| 42 | Indian Overseas Bank                                       | 500.00           | -                | -                | 30.09.2027 | The loan is to be repaid in 2 yearly instalments of ₹ 250 crore each starting from 30-Mar-2028 and ending on 30-Mar-2029      |
| 43 | UCO Bank   | 1,000.00         | -                | -                | 30.03.2028 | Bullet Repayment at the end of the tenor  |
| 44 | Punjab & Sind Bank   | 1,000.00         | -                | -                | 30.03.2028 | The loan is to be repaid in 2 yearly instalments of ₹ 500 crore each starting from 30-Mar-2028 and ending on 30-Mar-2029      |
| 45 | National Bank for Financing Infrastructure and Development | 3,500.00         | -                | -                | 31.03.2029 | The loan is to be repaid in 10 yearly instalments of ₹ 350 crore each starting from 31-Mar-2029 and ending on 31-Mar-2038     |
| 46 | UCO Bank   | -                | -                | 1,000.00         |            | Repaid in FY 2021-22  |
| 47 | Bank of Maharashtra  | -                | -                | 500.00           |            |   |
| 48 | India Infrastructure Finance Company Limited               | -                | -                | 1,429.00         |            |   |
| 49 | India Infrastructure Finance Company Limited               | -                | -                | 800.00           |            |   |
|    | <b>Total Unsecured Rupee Term Loans</b>                    | <b>48,841.65</b> | <b>40,374.98</b> | <b>32,623.98</b> |            |   |

18.10 Borrowings as at 31.03.2023 in Note 18.3 and 18.9 above were raised at respective bank's Benchmark rate plus spread ranging from 100 to 200 bps.

18.11 Details of Reformatted Unsecured Rupee term Loan - NSSF outstanding are as follows:

| Sr. No. | Particulars   | Principal Amount (₹ in crore) |                 |                 | Date of Redemption | Redemption details                       |
|---------|---|-------------------------------|-----------------|-----------------|--------------------|--|
|         |   | 31.03.2023                    | 31.03.2022      | 31.03.2021      |                    |  |
| 1       | National Small Savings Fund Scheme (NSSF)<br>(Coupon rate - 8.11% p.a.) | 7,500.00                      | 7,500.00        | 7,500.00        | 27.12.2028         | Bullet Repayment at the end of the tenor |
|         | <b>Total</b>  | <b>7,500.00</b>               | <b>7,500.00</b> | <b>7,500.00</b> |                    |  |

18.12 Details of Reformatted Unsecured WCDL / OD / CC / Line of Credit outstanding are as follows:

| Sr. No. | Particulars                                  | Principal Amount (₹ in crore) |            |            | Date of Redemption | Redemption details                       |
|---------|--|-------------------------------|------------|------------|--------------------|--|
|         |  | 31.03.2023                    | 31.03.2022 | 31.03.2021 |                    |  |
| 1       | State Bank of India (WCL)                    | 1,555.28                      | -          | -          | 10.04.2023         | Bullet Repayment at the end of the tenor |
| 2       | State Bank of India (WCL)                    | 500.00                        | -          | -          | 15.04.2023         |  |
| 3       | Punjab National Bank (WCDL)                  | 300.00                        | -          | -          | 15.04.2023         |  |
| 4       | HDFC Bank (WCDL)                             | 1,628.55                      | -          | -          | 30.06.2023         |  |
|         | <b>Total WCDL / OD / CC / Line of Credit</b> | <b>3,983.83</b>               | <b>-</b>   | <b>-</b>   |                    |  |

18.13 None of the borrowings have been guaranteed by Directors.

18.14 There has been no default in repayment of borrowings and interest during periods presented above.

18.15 The amounts raised during the year have been utilized for the stated objects in the offer document/Information memorandum/facility agreement.

18.16 The Company has not received any fund which are material either individually or in the aggregate from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



## 19 Reformatted Subordinated Liabilities

The Company has categorised Subordinated Liabilities at amortised cost in accordance with the requirements of Ind AS 109 'Financial Instruments'.

(₹ in crore)

| Sr. No. | Particulars  | As at<br>31.03.2023 | As at<br>31.03.2022 | As at<br>31.03.2021 |
|---------|--|---------------------|---------------------|---------------------|
|         | <b>Subordinated Liabilities (Unsecured)</b>                  |                     |                     |                     |
| (A)     |  |                     |                     |                     |
| (i)     | Subordinated Bonds (Principal Outstanding) (Refer note 19.1) | 9,211.50            | 9,211.50            | 9,211.50            |
| (ii)    | Interest accrued but not due on above                        | 102.30              | 102.33              | 101.80              |
| (iii)   | Unamortised Transaction Cost on above                        | (1.96)              | (2.56)              | (3.10)              |
|         | <b>Total Subordinated Liabilities</b>                        | <b>9,311.84</b>     | <b>9,311.27</b>     | <b>9,310.20</b>     |
|         | <b>Geography wise Subordinated Liabilities</b>               |                     |                     |                     |
| (B)     |  |                     |                     |                     |
| (i)     | Subordinated Bonds in India                                  | 9,311.84            | 9,311.27            | 9,310.20            |
| (ii)    | Subordinated Bonds outside India                             | -                   | -                   | -                   |
|         | <b>Total Geography wise Subordinated Liabilities</b>         | <b>9,311.84</b>     | <b>9,311.27</b>     | <b>9,310.20</b>     |

19.1 Details of Reformatted Subordinated Bonds (Unsecured) are as under :

(₹ in crore)

| Sr. No. | Subordinated Bond Series                                 | As at<br>31.03.2023 | As at<br>31.03.2022 | As at<br>31.03.2021 |
|---------|--|---------------------|---------------------|---------------------|
| (i)     | 8.19% Bond Series 105 - Redeemable at par on 14.06.2023  | 800.00              | 800.00              | 800.00              |
| (ii)    | 9.65% Bond Series 111 - Redeemable at par on 13.01.2024  | 1,000.00            | 1,000.00            | 1,000.00            |
| (iii)   | 9.70% Bond Series 114 - Redeemable at par on 21.02.2024  | 2,000.00            | 2,000.00            | 2,000.00            |
| (iv)    | 9.25% Bond Series 184A -Redeemable at par on 25.09.2024  | 2,000.00            | 2,000.00            | 2,000.00            |
| (v)     | 9.10% Bond Series 184 B -Redeemable at par on 25.03.2029 | 2,411.50            | 2,411.50            | 2,411.50            |
| (vi)    | 8.98% Bond Series 185 -Redeemable at par on 28.03.2029   | 1,000.00            | 1,000.00            | 1,000.00            |
|         | <b>Total Subordinated Bond Series</b>                    | <b>9,211.50</b>     | <b>9,211.50</b>     | <b>9,211.50</b>     |

## 20 Reformatted Other Financial Liabilities

The Company has categorised Other Financial Liabilities at amortised cost in accordance with the requirements of Ind AS 109 'Financial Instruments' other than "Lease Liability" presented below, which is measured in accordance with Ind AS 116 'Leases'.

(₹ in crore)

| Sr. No. | Particulars  | As at<br>31.03.2023 | As at<br>31.03.2022 | As at<br>31.03.2021 |
|---------|--|---------------------|---------------------|---------------------|
| (i)     | Payable on account of Unsecured Government of India Serviced Bonds (Refer note 20.1) | 5,038.21            | 5,038.21            | 5,038.21            |
| (ii)    | Advance received from Subsidiaries and Associates                                    | 177.16              | 177.13              | 176.86              |
| (iii)   | Unclaimed Dividends (Refer note 20.2)  | 5.63                | 5.46                | 3.90                |
| (iv)    | Unpaid - Bonds and Interest Accrued thereon (Refer note 20.2)                        |                     |                     |                     |
|         | - Unclaimed Bonds  | 0.92                | 2.02                | 0.53                |
|         | - Unclaimed Interest on Bonds  | 71.78               | 89.15               | 148.92              |
| (v)     | Others   |                     |                     |                     |
|         | - Application Money Refundable on Bonds and interest accrued thereon                 | 0.71                | 0.90                | 0.69                |
|         | - Payable under APDRP/IPDS scheme (Refer Note. 51)                                   |                     |                     | 211.00              |
|         | - GoI funds for disbursement (Refer note 51)   | -                   | 498.83              | 18.72               |
|         | - Lease Liability (Refer note 45.1)  | 8.81                | 8.81                | 8.81                |
|         | - Other liabilities  | 234.46              | 983.48              | 220.41              |
|         | <b>Total Other Financial Liabilities</b>   | <b>5,537.68</b>     | <b>6,803.99</b>     | <b>5,828.05</b>     |

### 20.1 Details of Reformatted GoI Serviced Bonds (Unsecured Taxable Bonds) :

(₹ in crore)

| Sr. No. | Bond Series   | As at<br>31.03.2023 | As at<br>31.03.2022 | As at<br>31.03.2021 |
|---------|---|---------------------|---------------------|---------------------|
| (i)     | 7.10% Bond Series 156 -Redeemable at par on 11.01.2027  | 200.00              | 200.00              | 200.00              |
| (ii)    | 7.18% Bond Series 158 - Redeemable at par on 20.01.2027 | 1,335.00            | 1,335.00            | 1,335.00            |
| (iii)   | 7.60% Bond Series 160 - Redeemable at par on 20.02.2027 | 1,465.00            | 1,465.00            | 1,465.00            |
| (iv)    | 7.75% Bond Series 164 - Redeemable at par on 22.03.2027 | 2,000.00            | 2,000.00            | 2,000.00            |
| (v)     | Interest accrued but not due on above                   | 38.21               | 38.21               | 38.21               |
|         | <b>Total GoI Serviced Bonds</b>                         | <b>5,038.21</b>     | <b>5,038.21</b>     | <b>5,038.21</b>     |

20.2 Unclaimed dividends, unclaimed bonds and interest thereon include the amounts which have either not been claimed by the investors / holders of the instruments or are on hold pending legal formalities etc. The amount eligible to be transferred to Investor Education and Protection Fund has been transferred within the prescribed time limit.

**21 Reformatted Provisions**

(₹ in crore)

| Sr. No. | Particulars   | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2021 |
|---------|---|------------------|------------------|------------------|
| (i)     | For Employee Benefits (Refer note 44)                                       |                  |                  |                  |
|         | - Gratuity  | 1.02             | 0.03             | 1.79             |
|         | - Leave Encashment  | 50.14            | 47.73            | 40.28            |
|         | - Economic Rehabilitation of Employees                                      | 7.82             | 6.76             | 4.53             |
|         | - Provision for Bonus / Incentive   | 43.26            | 42.11            | 34.73            |
|         | - Provision for Staff Welfare Expenses                                      | 21.55            | 18.29            | 16.79            |
| (ii)    | Impairment Loss Allowance - Letter of Comfort & Guarantee (Refer note 21.1) | 50.93            | 77.21            | 57.03            |
| (iii)   | Provision for Unspent CSR Expense (Refer note 35)                           | 148.93           | 54.87            |                  |
|         | <b>Total Provisions</b>   | <b>323.65</b>    | <b>247.00</b>    | <b>155.15</b>    |

**21.1 Movement of Reformatted Impairment loss allowance on Letter of Comfort & Guarantee**

(₹ in crore)

| Sr. No. | Particulars              | FY 2022-23   | FY 2021-22   | FY 2020-21   |
|---------|--------------------------|--------------|--------------|--------------|
| (i)     | Opening balance          | 77.21        | 57.03        | 180.47       |
| (ii)    | Creation during the year | 0.12         | 59.05        | 12.72        |
| (iii)   | Reversal during the year | (26.40)      | (38.87)      | (136.16)     |
|         | <b>Closing balance</b>   | <b>50.93</b> | <b>77.21</b> | <b>57.03</b> |

**22 Reformatted Other Non-Financial Liabilities**

(₹ in crore)

| Sr. No. | Particulars  | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2021 |
|---------|--|------------------|------------------|------------------|
| (i)     | Unamortised Fee - Undisbursed Loan Assets            | 189.15           | 158.94           | 148.72           |
| (ii)    | Statutory dues payable                               | 28.63            | 35.81            | 29.71            |
| (iii)   | Sundry Liabilities Account (Interest Capitalisation) | 26.27            | 28.35            | 32.02            |
| (iv)    | Others   | 28.33            | 53.83            | 0.68             |
|         | <b>Total Other Non-Financial Liabilities</b>         | <b>272.38</b>    | <b>276.93</b>    | <b>211.13</b>    |

**23 Reformatted Equity Share Capital**

| Sr. No. | Particulars   | As at 31.03.2023      |                     | As at 31.03.2022      |                     | As at 31.03.2021      |                     |
|---------|---|-----------------------|---------------------|-----------------------|---------------------|-----------------------|---------------------|
|         |   | Number                | Amount (₹ in crore) | Number                | Amount (₹ in crore) | Number                | Amount (₹ in crore) |
| (A)     | <b>Authorised Capital</b>                           |                       |                     |                       |                     |                       |                     |
|         | Equity Share Capital (Par Value per share ₹10)      | 11,00,00,00,000       | 11,000.00           | 11,00,00,00,000       | 11,000.00           | 11,00,00,00,000       | 11,000.00           |
|         | Preference Share Capital (Par Value per share ₹10)  | 20,00,00,000          | 200.00              | 20,00,00,000          | 200.00              | 20,00,00,000          | 200.00              |
| (B)     | <b>Issued, Subscribed and Fully Paid-up Capital</b> |                       |                     |                       |                     |                       |                     |
|         | Equity Share Capital (Par Value per share ₹10)      | 2,64,00,81,408        | 2,640.08            | 2,64,00,81,408        | 2,640.08            | 2,64,00,81,408        | 2,640.08            |
| (C)     | <b>Reconciliation of Equity Share Capital</b>       |                       |                     |                       |                     |                       |                     |
|         | Opening Equity Share Capital                        | 2,64,00,81,408        | 2,640.08            | 2,64,00,81,408        | 2,640.08            | 2,64,00,81,408        | 2,640.08            |
|         | Changes during the period                           | -                     | -                   | -                     | -                   | -                     | -                   |
|         | <b>Closing Equity Share Capital</b>                 | <b>2,64,00,81,408</b> | <b>2,640.08</b>     | <b>2,64,00,81,408</b> | <b>2,640.08</b>     | <b>2,64,00,81,408</b> | <b>2,640.08</b>     |

**23.1 Rights, preferences and restriction attached to equity shares**

The Company had issued equity shares having par value of ₹10 per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their shareholding at the meeting of the shareholders.

**23.2 Reformatted Shares in the Company held by each shareholder holding more than 5% of the shares**

| Sr. No. | Particulars                         | As at 31.03.2023 |                           | As at 31.03.2022 |                           | As at 31.03.2021 |                           |
|---------|-------------------------------------|------------------|---------------------------|------------------|---------------------------|------------------|---------------------------|
|         |                                     | Number of Shares | % of Equity Share Capital | Number of Shares | % of Equity Share Capital | Number of Shares | % of Equity Share Capital |
| (i)     | President of India (Promoters)      | 1,47,82,91,778   | 55.99%                    | 1,47,82,91,778   | 55.99%                    | 1,47,82,91,778   | 55.99%                    |
| (ii)    | HDFC Trustee Company Ltd            | 16,38,70,959     | 6.21%                     | 22,85,47,160     | 8.66%                     | 23,81,25,247     | 9.02%                     |
| (iii)   | Life Insurance Corporation of India | 12,37,62,976     | 4.69%                     | 13,21,17,474     | 5.00%                     | 15,75,97,304     | 5.97%                     |

**23.3** Shares reserved for issue under options and contract / commitment for the sale of shares or disinvestment, including the terms and amount : Nil

**23.4** Terms of any securities convertible into equity shares issued along with the earliest date of conversion in descending order starting from the farthest such date : Nil

**23.5** Calls unpaid (showing aggregate value of calls unpaid by directors and officers) : Nil

**23.6** Forfeited shares (amount originally paid up) : Nil

**23.7** Refer Note 39 for Capital Management.

**24 Reformatted Other Equity**

(₹ in crore)

| Sr. No. | Particulars   | As at<br>31.03.2023 | As at<br>31.03.2022 | As at<br>31.03.2021 |
|---------|---|---------------------|---------------------|---------------------|
| (i)     | Securities Premium (Refer note 24.1 (i) )   | 2,776.54            | 2,776.54            | 2,776.54            |
| (ii)    | Foreign Currency Monetary Item Translation Difference Account (Refer note 24.1 (ii) )   | (467.57)            | (513.80)            | (634.33)            |
| (iii)   | Special Reserve created u/s 45-IC of Reserve Bank of India Act, 1934 (Refer note 24.1 (iii) )                                     | 8,559.23            | 6,238.14            | 4,233.76            |
| (iv)    | Reserve for Bad & doubtful debts u/s 36(1)(viii)(c) of Income-Tax Act,1961 (Refer note 24.1 (iv) )                                | 529.39              | 576.44              | 287.25              |
| (v)     | Special Reserve created u/s 36(1)(viii) of Income Tax Act, 1961 up to Financial Year 1996-97                                      | 599.85              | 599.85              | 599.85              |
| (vi)    | Special Reserve created and maintained u/s 36(1)(viii) of Income Tax Act, 1961 from Financial Year 1997-98 (Refer note 24.1 (v) ) | 26,511.31           | 24,139.00           | 21,715.55           |
| (vii)   | Interest Differential Reserve - KFW Loan (Refer note 24.1 (vi) )  | 64.97               | 64.07               | 62.65               |
| (viii)  | General Reserve (Refer note 24.1 (vii) )  | 14,691.55           | 14,115.11           | 13,827.86           |
| (ix)    | Retained Earnings (Refer note 24.1 (viii) )   | 12,648.64           | 8,863.49            | 7,203.86            |
| (x)     | Reserve for Equity Instruments through Other Comprehensive Income (Refer note 24.1 (ix) )   | 55.54               | (54.23)             | (183.37)            |
| (xi)    | Reserve for Effective portion of Cash Flow Hedges (Refer note 24.1 (x) )  | 492.20              | 200.34              | (113.34)            |
| (xii)   | Cost of Hedging Reserve (Refer note 24.1 (xi) )   | (899.50)            | (294.75)            | (23.24)             |
|         | <b>Total Other Equity</b>   | <b>65,562.15</b>    | <b>56,710.20</b>    | <b>49,753.04</b>    |

**24.1 Nature , purpose and movement of reserves :**

 (i) Reformatted Securities Premium:

It represents amount of premium received on issue of equity share capital net of expense incurred on issue of equity shares. This amount can be utilised in accordance with the provisions of the Companies Act, 2013.

**Details of Movement during the year:**

(₹ in crore)

| Particulars                                    | As at<br>31.03.2023 | As at<br>31.03.2022 | As at<br>31.03.2021 |
|--|---------------------|---------------------|---------------------|
| <b>Balance as at the beginning of the year</b> | <b>2,776.54</b>     | <b>2,776.54</b>     | <b>2,776.54</b>     |
| Add: Transferred from Retained Earnings        | -                   | -                   | -                   |
| Less: Transferred to General Reserve           | -                   | -                   | -                   |
| <b>Balance as at the end of the year</b>       | <b>2,776.54</b>     | <b>2,776.54</b>     | <b>2,776.54</b>     |

 (ii) Reformatted Foreign Currency Monetary Item Translation Difference Account:

It represents unamortized foreign exchange gain/loss on Long-term Foreign Currency Borrowings (raised up to 31.03.2018) and are amortized over the tenure of the respective borrowings.

**Details of Movement during the year:**

(₹ in crore)

| Particulars  | As at<br>31.03.2023 | As at<br>31.03.2022 | As at<br>31.03.2021 |
|--|---------------------|---------------------|---------------------|
| <b>Balance as at the beginning of the year</b>   | <b>(513.80)</b>     | <b>(634.33)</b>     | <b>(1,441.18)</b>   |
| Add: Foreign Currency Translation Gain/ Loss (-) on long term monetary items during the year | (721.29)            | (270.87)            | 287.07              |
| Less: Amortisation during the year   | 767.52              | 391.40              | 519.78              |
| <b>Balance as at the end of the year</b>   | <b>(467.57)</b>     | <b>(513.80)</b>     | <b>(634.33)</b>     |

 (iii) Reformatted Special Reserve created u/s 45-IC of Reserve Bank of India Act, 1934:

It represents transfer from retained earning @ 20 % of net profit after tax for the year as disclosed in profit and loss account and before any dividend is declared. No appropriation is allowed to be made from the reserve fund except for the purpose as may be specified by the Reserve Bank of India (RBI) from time to time and further, any such appropriation is also required to be reported to the RBI within 21 days from the date of such withdrawal.

**Details of Movement during the year:**

(₹ in crore)

| Particulars                                    | As at<br>31.03.2023 | As at<br>31.03.2022 | As at<br>31.03.2021 |
|--|---------------------|---------------------|---------------------|
| <b>Balance as at the beginning of the year</b> | <b>6,238.14</b>     | <b>4,233.76</b>     | <b>2,544.96</b>     |
| Add: Transferred from Retained Earnings        | 2,321.09            | 2,004.38            | 1,688.80            |
| Less: Transferred to General Reserve           | -                   | -                   | -                   |
| <b>Balance as at the end of the year</b>       | <b>8,559.23</b>     | <b>6,238.14</b>     | <b>4,233.76</b>     |

(iv) Reformatted Reserve for Bad & doubtful debts u/s 36(1)(viii)(c) of Income-Tax Act,1961:

It has been created to enable the Company to avail income tax deduction. The reserve so maintained is primarily utilised for adjustment of actual bad debts or part thereof. As per section 36(1)(viii)(c) of Income Tax Act, 1961, the Company is eligible to avail deduction in respect of any provision / reserve made for bad and doubtful debts, not exceeding five percent of the total income as per Income Tax Act.

**Details of Movement during the year:**

| Particulars                                    | (₹ in crore)        |                     |                     |
|--|---------------------|---------------------|---------------------|
|  | As at<br>31.03.2023 | As at<br>31.03.2022 | As at<br>31.03.2021 |
| <b>Balance as at the beginning of the year</b> | 576.44              | 287.25              | 2,514.17            |
| Add: Transferred from Retained Earnings        | 590.10              | 576.44              | 617.13              |
| Less: Transferred to General Reserve           | (576.44)            | (287.25)            | (2,844.05)          |
| Less: Adjustments during the year              | (60.71)             | -                   |                     |
| <b>Balance as at the end of the year</b>       | <b>529.39</b>       | <b>576.44</b>       | 287.25              |

(v) Reformatted Special Reserve created u/s 36(1)(viii) of Income Tax Act, 1961

It is maintained in order to enable the Company to avail tax benefits. As per section 36(1)(viii) of the Income Tax Act, 1961, the company is eligible for deduction not exceeding 20% of profit derived from long term finance activity, provided such amount is transferred and maintained in special reserve account.

**Details of Movement during the year:**

| Particulars                                    | (₹ in crore)        |                     |                     |
|--|---------------------|---------------------|---------------------|
|  | As at<br>31.03.2023 | As at<br>31.03.2022 | As at<br>31.03.2021 |
| <b>Balance as at the beginning of the year</b> | 24,139.00           | 21,715.55           | 18,848.40           |
| Add: Transferred from Retained Earnings        | 2,363.47            | 2,423.45            | 2,867.15            |
| Less: Transferred to General Reserve           | -                   | -                   |                     |
| Add: Adjustments during the year               | 8.84                | -                   |                     |
| <b>Balance as at the end of the year</b>       | <b>26,511.31</b>    | <b>24,139.00</b>    | 21,715.55           |

(vi) Reformatted Interest Differential Reserve - KFW Loan:

It represents difference between the interest due and interest paid on KFW loan as per the loan agreement. Exchange gain/loss upon re-statement of loan balance, in accordance with the terms of the foreign currency borrowing from KFW, is adjusted against this reserve. The Company is not required to repay the unadjusted balance in the reserve after complete repayment of KFW Loan. Any unadjusted balance in the reserve after complete repayment of KFW Loan shall be used for further lending by the Company after consulting with KFW.

**Details of Movement during the year:**

| Particulars                                    | (₹ in crore)        |                     |                     |
|--|---------------------|---------------------|---------------------|
|  | As at<br>31.03.2023 | As at<br>31.03.2022 | As at<br>31.03.2021 |
| <b>Balance as at the beginning of the year</b> | 64.07               | 62.65               | 61.40               |
| Add: Addition during the year                  | 2.17                | 2.34                | 2.55                |
| Less: Deletion during the year                 | (1.27)              | (0.92)              | (1.29)              |
| <b>Balance as at the end of the year</b>       | <b>64.97</b>        | <b>64.07</b>        | 62.65               |

(vii) Reformatted General Reserve:

General Reserve includes the amounts appropriated from the profits of the Company before declaration of dividend (as was required under erstwhile Companies Act, 1956). It also includes the amount transferred from Statutory Reserves on utilization / reversal of such Reserves. Further the Company appropriates profit to General Reserve in order to avail full eligible deduction of Special Reserve under section 36(1)(viii) of the Income Tax Act, 1961.

**Details of Movement during the year:**

| Particulars   | (₹ in crore)        |                     |                     |
|---|---------------------|---------------------|---------------------|
|   | As at<br>31.03.2023 | As at<br>31.03.2022 | As at<br>31.03.2021 |
| <b>Balance as at the beginning of the year</b>  | 14,115.11           | 13,827.86           | 10,983.81           |
| Add: Transferred from Reserve for Bad & Doubtful Debts u/s 36(1) (viii) of the Income Tax Act, 1961 | 576.44              | 287.25              | 2,844.05            |
| <b>Balance as at the end of the year</b>  | <b>14,691.55</b>    | <b>14,115.11</b>    | 13,827.86           |

(viii) Reformatted Retained Earnings:

It represent profits and specified items of other comprehensive income recognised directly in retained earnings earned by the Company after transfer to and from other reserves and dividend distributions.

**Details of Movement during the year:**

(₹ in crore)

| Particulars   | As at<br>31.03.2023 | As at<br>31.03.2022 | As at<br>31.03.2021 |
|---|---------------------|---------------------|---------------------|
| <b>Balance as at the beginning of the year</b>  | <b>8,863.49</b>     | <b>7,203.86</b>     | <b>6,042.40</b>     |
| Add: Profit for the year  | 11,605.47           | 10,021.90           | 8,444.01            |
| Add: Remeasurement of Defined Benefit Plans (net of taxes)  | (2.68)              | (3.70)              | (3.13)              |
| Add: Reclassification of gain/ (loss) on sale/ extinguishment of FVOCI equity instrument              | 46.13               | 13.22               | 6.98                |
| Add: Transferred from Reserve for Bad & doubtful debts u/s 36(1)(vii)(c) of Income-Tax Act, 1961      | 60.71               | -                   | -                   |
| Less: Transferred to Special Reserve created and maintained u/s 36(1)(viii) of Income Tax Act, 1961   | (8.84)              | -                   | -                   |
| Less: Transferred to Special Reserve created u/s 36(1) (viii) of the Income Tax Act, 1961             | (2,363.47)          | (2,423.45)          | (2,867.15)          |
| Less: Transferred to Reserve for Bad and doubtful debts u/s 36(1)(vii)(a) of the Income Tax Act, 1961 | (590.10)            | (576.44)            | (617.13)            |
| Less: Transferred to Reserve Fund u/s 45-IC of Reserve Bank of India Act, 1934                        | (2,321.09)          | (2,004.38)          | (1,688.80)          |
| Less: Transferred to Interest Differential Reserve - KFW Loan   | (0.90)              | (1.42)              | (1.25)              |
| Less: Dividend paid during the year   | (2,640.08)          | (3,366.10)          | (2,112.07)          |
| <b>Balance as at the end of the year</b>  | <b>12,648.64</b>    | <b>8,863.49</b>     | <b>7,203.86</b>     |

(ix) Reformatted Reserve for Equity Instruments through Other Comprehensive Income :

The Company elected to recognise changes in the fair value of certain investment in equity instruments through other comprehensive income. It represents cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income. When the asset is derecognized, amounts in the reserve are subsequently transferred to retained earnings and not to standalone statement of profit and loss. Dividends on such investments are recognized in statement of profit & loss unless the dividend clearly represents a recovery of part of the cost of the investment.

**Details of Movement during the year:**

(₹ in crore)

| Particulars  | As at<br>31.03.2023 | As at<br>31.03.2022 | As at<br>31.03.2021 |
|--|---------------------|---------------------|---------------------|
| <b>Balance as at the beginning of the year</b>   | <b>(54.23)</b>      | <b>(183.37)</b>     | <b>(313.64)</b>     |
| Add: Recognition through Other Comprehensive Income / (Expense) (net of taxes)                           | 155.90              | 142.36              | 137.25              |
| Less: Reclassification of (gain)/ loss on sale/ extinguishment of FVOCI equity instrument (net of taxes) | (46.13)             | (13.22)             | (6.98)              |
| <b>Balance as at the end of the year</b>   | <b>55.54</b>        | <b>(54.23)</b>      | <b>(183.37)</b>     |

(x) Reformatted Reserve for Effective portion of Cash Flow Hedges

The intrinsic value of hedging instruments which meets the qualifying criteria for hedge accounting & are designated and qualify as cash flow hedges is recognized in this reserve. The amounts recognized in such reserve are reclassified to the Statement of Profit or Loss when the hedged item affects profit or loss.

**Details of Movement during the year:**

(₹ in crore)

| Particulars  | As at<br>31.03.2023 | As at<br>31.03.2022 | As at<br>31.03.2021 |
|--|---------------------|---------------------|---------------------|
| <b>Balance as at the beginning of the year</b>                                 | <b>200.34</b>       | <b>(113.34)</b>     | <b>(92.66)</b>      |
| Add: Recognition through Other Comprehensive Income / (Expense) (net of taxes) | 291.86              | 313.68              | (20.68)             |
| <b>Balance as at the end of the year</b>                                       | <b>492.20</b>       | <b>200.34</b>       | <b>(113.34)</b>     |

(xi) Reformatted Cost of Hedging Reserve:

The fair value of the time value of a hedging instruments which meets the qualifying criteria for hedge accounting & are designated and qualify as cash flow hedges is recognized in this reserve. The amounts recognized in such reserve are amortized to the Statement of Profit and Loss on a systematic basis.

**Details of Movement during the year:**

(₹ in crore)

| Particulars  | As at<br>31.03.2023 | As at<br>31.03.2022 | As at<br>31.03.2021 |
|--|---------------------|---------------------|---------------------|
| <b>Balance as at the beginning of the year</b>                                 | <b>(294.75)</b>     | <b>(23.24)</b>      | <b>-</b>            |
| Add: Recognition through Other Comprehensive Income / (Expense) (net of taxes) | (604.75)            | (271.51)            | (23.24)             |
| <b>Balance as at the end of the year</b>                                       | <b>(899.50)</b>     | <b>(294.75)</b>     | <b>(23.24)</b>      |

24.2 Reformatted Dividend declared/ proposed by the Company for Equity Shares of ₹ 10/- each

| Particulars           | FY 2022-23         |                      |                     | FY 2021-22         |                      |                     | FY 2020-21         |                      |                     |
|-----------------------|--------------------|----------------------|---------------------|--------------------|----------------------|---------------------|--------------------|----------------------|---------------------|
|                       | % of Share Capital | Per equity share (₹) | Amount (₹ in crore) | % of Share Capital | Per equity share (₹) | Amount (₹ in crore) | % of Share Capital | Per equity share (₹) | Amount (₹ in crore) |
| Interim Dividend      | 87.50%             | 8.75                 | 2,310.07            | 107.50%            | 10.75                | 2,838.09            | 80%                | 8.00                 | 2,112.07            |
| Final Dividend        | 45.00%             | 4.50                 | 1,188.04            | 12.50%             | 1.25                 | 330.01              | 20%                | 2.00                 | 528.02              |
| <b>Total Dividend</b> | <b>132.50%</b>     | <b>13.25</b>         | <b>3,498.11</b>     | <b>120%</b>        | <b>12.00</b>         | <b>3,168.10</b>     | <b>100%</b>        | <b>10.00</b>         | <b>2,640.09</b>     |

During the current year ended 31.03.2023, an amount of ₹ 1,478.29 crores (Previous year ₹ 1,884.82 crore) has been paid to Government of India as dividend (being proportionate share in final dividend for FY 21-22 and interim dividend for FY 22-23 ).

(ii) **Events occurring after Balance Sheet date:**

Board of Directors in its meeting held on 27.05.2023 has recommended final dividend @ 45% on the paid up equity share capital i.e. ₹ 4.50 per equity share of ₹ 10 each for the FY 2022-23 subject to approval of shareholders in ensuing Annual General Meeting.

Board of Directors in its meeting held on 25.05.2022 has recommended final dividend @ 12.50% on the paid up equity share capital i.e. ₹ 1.25 /- per equity share of ₹ 10/- each for the FY 2021-22 subject to approval of shareholders in ensuing Annual General Meeting.

Board of Directors in its meeting held on 15.06.2021 has recommended final dividend @ 20% on the paid up equity share capital i.e. ₹ 2/- per equity share of ₹ 10/- each for the FY 2020-21 subject to approval of shareholders in ensuing Annual General Meeting.

(iii) The Dividend Paid/Proposed is in compliance with the provisions of section 123 of Companies Act 2013, as applicable



**25 Reformatted Interest Income**

(₹ in crore)

| Sr. No.    | Particulars  | Year ended<br>31.03.2023 | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|------------|--|--------------------------|--------------------------|--------------------------|
| <b>(A)</b> | <b>On Financial Assets measured at Amortised Cost</b>                      |                          |                          |                          |
| (i)        | Interest on Loans  | 37,659.34                | 36,780.13                | 36,058.44                |
|            | Less : Rebate for Timely Payment to Borrowers                              | (282.32)                 | (386.71)                 | (331.27)                 |
| (ii)       | Interest on Deposits with Banks  | 171.27                   | 246.50                   | 289.80                   |
| (iii)      | Interest on Investment   | 52.44                    | 8.52                     |                          |
| (iv)       | Other Interest Income  | 29.36                    | 26.73                    | 33.91                    |
|            | <b>Subtotal (A)</b>  | <b>37,630.09</b>         | <b>36,675.17</b>         | <b>36,050.88</b>         |
| <b>(B)</b> | <b>On Financial Assets Classified at Fair Value Through Profit or Loss</b> |                          |                          |                          |
| (i)        | Interest on Investment   | 9.07                     | 20.67                    | 90.93                    |
| (ii)       | Other Income   | 6.15                     | 5.38                     | 3.95                     |
|            | <b>Subtotal (B)</b>  | <b>15.22</b>             | <b>26.05</b>             | <b>94.88</b>             |
|            | <b>Total Interest Income ((A)+(B))</b>                                     | <b>37,645.31</b>         | <b>36,701.22</b>         | <b>36,145.76</b>         |

## 26 Dividend income

(₹ in crore)

| Sr. No. | Particulars   | Year ended 31.03.2023 | Year ended 31.03.2022 | Year ended 31.03.2021 |
|---------|---|-----------------------|-----------------------|-----------------------|
| (i)     | Dividend on equity investments designated at FVTOCI   |                       |                       |                       |
|         | - held at the end of the year                         | 90.19                 | 64.36                 | 60.13                 |
|         | - derecognized during the year                        | 0.90                  | 0.29                  | 0.64                  |
|         | <b>Sub-Total</b>                                      | <b>91.09</b>          | <b>64.65</b>          | <b>60.77</b>          |
| (ii)    | Dividend on equity investments at cost (Subsidiaries) | 1,653.70              | 1,282.77              | 1,143.44              |
| (iii)   | Dividend on preference Shares                         | 0.02                  | 0.00                  | -                     |
|         | <b>Total Dividend Income (i+ii+iii)</b>               | <b>1,744.81</b>       | <b>1,347.42</b>       | <b>1,204.21</b>       |

## 27 Reformatted Fees and Commission Income

(₹ in crore)

| Sr. No. | Particulars   | Year ended<br>31.03.2023 | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|---------|---|--------------------------|--------------------------|--------------------------|
| (i)     | Prepayment Premium on Loans                           | 67.03                    | 351.60                   | 330.46                   |
| (ii)    | Fee based Income on Loans                             | 123.02                   | 136.56                   | 59.79                    |
| (iii)   | Fee for implementation of GoI Schemes (Refer note 51) | 71.58                    | 8.60                     | 4.65                     |
|         | <b>Total Fees and Commission Income</b>               | <b>261.63</b>            | <b>496.76</b>            | <b>394.90</b>            |

## 28 Reformatted Other Income

(₹ in crore)

| Sr. No. | Particulars   | Year ended<br>31.03.2023 | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|---------|---|--------------------------|--------------------------|--------------------------|
| (i)     | Excess Liabilities written back                     | -                        | 2.38                     |                          |
| (ii)    | Gain on cessation of joint control in Joint Venture | -                        | 32.66                    |                          |
| (iii)   | Miscellaneous Income                                | 13.88                    | 10.73                    | 21.70                    |
|         | <b>Total Other Income</b>                           | <b>13.88</b>             | <b>45.77</b>             | <b>21.70</b>             |

## 29 Reformatted Finance Costs

(₹ in crore)

| Sr. No. | Particulars  | Year ended<br>31.03.2023 | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|---------|--|--------------------------|--------------------------|--------------------------|
|         | <b>On Financial Liabilities Measured At Amortised Cost</b> |                          |                          |                          |
| (i)     | <b>Interest on Borrowings</b>                              |                          |                          |                          |
|         | - Term Loans and Others                                    | 5,225.78                 | 4,264.34                 | 4,694.63                 |
|         | - Interest on Lease Liability (Refer note 45.1)            | 0.77                     | 0.77                     | 0.77                     |
| (ii)    | <b>Interest on Debt Securities</b>                         |                          |                          |                          |
|         | - Bonds / Debentures                                       | 16,371.05                | 16,706.94                | 17,081.20                |
|         | - Commercial Papers  | -                        | 39.97                    | 129.42                   |
| (iii)   | <b>Interest on Subordinated Liabilities</b>                | 850.84                   | 850.80                   | 850.04                   |
| (iv)    | <b>Other Interest Expense</b>                              |                          |                          |                          |
|         | - Interest on Interest Subsidy Fund                        | -                        | 1.13                     | 1.41                     |
|         | - Interest on Application Money - Bonds                    | 0.01                     | 0.29                     | 0.04                     |
|         | - Interest on advances received from Subsidiaries          | 4.66                     | 2.87                     | 2.88                     |
|         | - Interest under Income Tax Act, 1961                      | 0.88                     | 1.91                     | 2.19                     |
| (v)     | <b>Swap Premium ( Net )</b>                                | 828.58                   | 802.28                   | 431.91                   |
|         | <b>Total Finance Costs</b>                                 | <b>23,282.57</b>         | <b>22,671.30</b>         | <b>23,194.49</b>         |

30 Net Translation/Transaction Exchange Loss /(Gain)

(₹ in crore)

| Sr. No. | Particulars  | Year ended 31.03.2023 | Year ended 31.03.2022 | Year ended 31.03.2021 |
|---------|--|-----------------------|-----------------------|-----------------------|
|         | <b>Net Translation/Transaction Exchange Loss /(Gain) on account of</b>   |                       |                       |                       |
| (i)     | Translation of Long-term foreign currency monetary item (LTFCMI) recognised on or after 01.04.2018                               | 1,359.59              | 514.18                | (683.84)              |
| (ii)    | Translation of Long-term foreign currency monetary item (LTFCMI) (including Amortisation of FCMITDA) recognised up to 31.03.2018 | 615.64                | 391.40                | 519.78                |
|         | <b>Total Translation/Transaction Exchange Loss /(Gain)</b>   | <b>1,975.23</b>       | <b>905.58</b>         | <b>(164.06)</b>       |

30.1 The foreign currency monetary items are translated at prevailing rate at the year-end as below:

| Exchange Rates | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2021 |
|----------------|------------------|------------------|------------------|
| USD / INR      | 82.2169          | 75.8071          | 73.5047          |
| Euro / INR     | 89.6076          | 84.6599          | 86.0990          |
| JPY / INR      | 0.6180           | 0.6223           | 0.6636           |

### 31 Reformatted Fees and Commission Expense

(₹ in crore)

| Sr. No. | Particulars                              | Year ended<br>31.03.2023 | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|---------|--|--------------------------|--------------------------|--------------------------|
| (i)     | Agency Fees                              | 1.45                     | 1.63                     | 1.28                     |
| (ii)    | Guarantee, Listing and Trusteeship fees  | 2.40                     | 2.41                     | 2.31                     |
| (iii)   | Credit Rating Fees                       | 7.18                     | 5.72                     | 9.36                     |
| (iv)    | Other Finance Charges                    | 1.03                     | 0.42                     | 1.33                     |
|         | <b>Total Fees and Commission Expense</b> | <b>12.06</b>             | <b>10.18</b>             | <b>14.28</b>             |

### 32 Reformatted Net Loss / (Gain) on Fair Value changes

(₹ in crore)

| Sr. No. | Particulars   | Year ended<br>31.03.2023 | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|---------|---|--------------------------|--------------------------|--------------------------|
|         | <b>On financial instruments at Fair value through Profit or Loss:</b> |                          |                          |                          |
| (i)     | - Change in Fair Value of Derivatives                                 | (123.36)                 | (39.77)                  | 542.78                   |
| (ii)    | - Change in Fair Value of Investments                                 | 52.80                    | 30.35                    | (23.83)                  |
|         | <b>Total Net Loss / (Gain) on Fair Value changes</b>                  | <b>(70.56)</b>           | <b>(9.42)</b>            | <b>518.95</b>            |
|         | <b>Fair value changes:</b>  |                          |                          |                          |
| (i)     | - Realised  | 97.47                    | 213.16                   | 258.50                   |
| (ii)    | - Unrealised  | (168.03)                 | (222.58)                 | 260.45                   |
|         | <b>Total Net Loss / (Gain) on Fair Value changes</b>                  | <b>(70.56)</b>           | <b>(9.42)</b>            | <b>518.95</b>            |

32.1 Fair value changes in this note are other than those arising on account of accrued interest income/expense.

### 33 Reformatted Impairment on Financial Instruments

(₹ in crore)

| Sr. No.  | Particulars  | Year ended<br>31.03.2023 | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|----------|--|--------------------------|--------------------------|--------------------------|
| <b>A</b> | <b>On Financial Assets measured at Amortised Cost:</b> |                          |                          |                          |
| (i)      | Loans *  | (319.98)                 | 2,126.68                 | 3,617.79                 |
| (ii)     | Investment   | -                        | 72.95                    | -                        |
| (iii)    | Other Financial Assets                                 | (6.41)                   | 2.33                     | 2.05                     |
| (iv)     | Letter of Comfort & Guarantee                          | (26.28)                  | 20.18                    | (123.44)                 |
| <b>B</b> | <b>On Financial Assets measured at Cost</b>            |                          |                          |                          |
| (i)      | Investment   | (0.20)                   | -                        | -                        |
| <b>C</b> | <b>On Financial Assets measured through P&amp;L</b>    |                          |                          |                          |
| (i)      | Write Off - Investments*                               | 56.66                    | -                        | -                        |
|          | <b>Total Impairment on Financial Instruments</b>       | <b>(296.21)</b>          | <b>2,222.14</b>          | <b>3,496.40</b>          |

\* including write off of loans and investment acquired under loan settlement of ₹ 957.91 crore (previous year ₹ 1396.13 crore) and corresponding reversal of impairment loss allowance of ₹ 2,700.33 crore (previous year ₹ 1817.78 crore).

33.1 Refer Note 40.1 for details of impairment on financial assets.

### 34 Reformatted Employee Benefit Expenses

(₹ in crore)

| Sr. No. | Particulars  | Year ended<br>31.03.2023 | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|---------|--|--------------------------|--------------------------|--------------------------|
| (i)     | Salaries and Wages                                 | 151.16                   | 150.68                   | 141.31                   |
| (ii)    | Contribution to Provident and other Funds/ Schemes | 18.99                    | 17.75                    | 15.19                    |
| (iii)   | Staff Welfare Expenses                             | 40.24                    | 38.22                    | 32.28                    |
| (iv)    | Rent for Residential Accommodation of Employees    | 8.62                     | 6.46                     | 5.84                     |
|         | <b>Total Employee Benefit Expenses</b>             | <b>219.01</b>            | <b>213.11</b>            | <b>194.62</b>            |

34.1 Disclosures as per Ind AS 19 'Employee Benefits' in respect of provision made towards various employee benefits are provided in Note

### 35. Corporate Social Responsibility

In accordance with the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 notified w.e.f 22.01.2021, any unspent amount pursuant to any ongoing project shall be transferred to unspent CSR Account in any scheduled bank within a period of thirty days from the end of the financial year, to be utilised within a period of three financial years from the date of such transfer. Any unspent CSR amount, other than for any ongoing project, shall be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year. Further, if the company spends an amount in excess of the requirement under statute, the excess amount may be carried forward and set off in three succeeding financial years against the amount to be spent.

As the notification was made effective during FY 2020-21, the Company complied with the amended provisions of Section 135 of the Companies Act, 2013 with effect from the FY 2020-21. Accordingly, the unspent CSR amount as at 31.03.2020 would continue to be dealt with in accordance with the pre-amendment framework.

#### 35.1 Details of amount required to be spent by the Company on CSR activities during the year:

(₹ in crore)

| Sr. no. | Particulars   | FY 2022-23          |                             |        | FY 2021-22         |                             |        |
|---------|---|---------------------|-----------------------------|--------|--------------------|-----------------------------|--------|
|         |   | For FY 2022-23      | For period up to 31.03.2020 | Total  | For FY 2021-22     | For period up to 31.03.2020 | Total  |
| (i)     | Opening unspent / (Excess) amount   | 54.87               | 99.15*                      | 154.02 | (39.39)            | 143.43*                     | 104.04 |
| (ii)    | Amount transferred to unspent CSR bank account out of opening unspent amount      | 54.87               | -                           | 54.87  |                    |                             |        |
| (iii)   | Balance Opening unspent / (Excess) amount (i-ii)                                  | -                   | 99.15                       | 99.15  |                    |                             |        |
| (iv)    | Amount required to be spent as per Section 135 (5) of Companies Act, 2013         | 178.58              | -                           | 178.58 | 170.43             | -                           | 170.43 |
| (v)     | Amount approved by the Board out of (iv) above to be spent during the year        | 178.58              | -                           | 178.58 | 170.43             | -                           | 170.43 |
| (vi)    | Surplus arising out of the CSR projects   | -                   | -                           | -      | 0.01               | -                           | 0.01   |
| (vii)   | Sub-Total (v + vi)  | 178.58              | -                           | 178.58 | 170.44             | -                           | 170.44 |
| (viii)  | Amount required to be spent after set off excess spent of earlier years (iii+vii) | 178.58              | 99.15                       | 277.73 | 131.05             | 143.43                      | 274.48 |
| (ix)    | Amount spent during the year  | 72.24 <sup>§</sup>  | 46.72                       | 118.96 | 76.18 <sup>§</sup> | 44.28                       | 120.46 |
| (x)     | Closing Unspent / (Excess) amount(viii – ix)                                      | 106.34 <sup>@</sup> | 52.43                       | 158.77 | 54.87 <sup>@</sup> | 99.15                       | 154.02 |

\*Sanctioned to various projects where disbursement is being made as per agreed terms.

<sup>§</sup> includes ₹ 6.52 crore (Previous year - ₹ 15.49 crore) disbursed where utilisation is pending.

<sup>@</sup> Since amount pertains to ongoing projects, it has been transferred to unspent CSR Account on 28.04.2023(FY 21-22 on 29.04.2022).

#### FY 2020-21

(₹ in crore)

| Sr. no. | Particulars  | For period up to 31.03.2020 | For FY 2020-21 | Total  |
|---------|--|-----------------------------|----------------|--------|
| (i)     | Opening unspent amount   | 217.59                      | -              | 217.59 |
| (ii)    | Amount required to be spent for FY 2020-21 as per Section 135 (5) of Companies Act, 2013 | -                           | 148.45         | 148.45 |
| (iii)   | Amount approved by the Board out of (ii) above to be spent during the year               | -                           | 148.45         | 148.45 |
| (iv)    | Amount spent during the year   | 74.16                       | 187.84         | 262.00 |
| (v)     | Unspent / (Excess)   | 143.43*                     | (39.39)        | 104.04 |

**35.2** Unspent CSR amount of ₹ 106.34 crore (FY 2021-22 ₹ 54.87 crore) pertains to multi-year (ongoing) projects where payment is made in tranches upon achievement of milestone. Accordingly, the said amount has been deposited in unspent CSR Account with State Bank of India as per requirements of Section 135(6) of Companies Act, 2013.

**35.3** Activity wise detail of amount spent during the year on CSR activities:

(₹ in crore)

| Sr. No. | Particulars   | FY 2022-23      |                |                 | FY 2021-22      |                |               | FY 2020-21      |                |               |
|---------|---|-----------------|----------------|-----------------|-----------------|----------------|---------------|-----------------|----------------|---------------|
|         |   | Paid or settled | Yet to be paid | Total           | Paid or settled | Yet to be paid | Total         | Paid or settled | Yet to be paid | Total         |
| (i)     | Construction / acquisition of any assets  | -               | -              | -               | -               | -              | -             | -               | -              | -             |
| (ii)    | On purposes other than (i) above  |                 |                |                 |                 |                |               |                 |                |               |
| (iia)   | Sanitation / Waste Management / Drinking water  | 2.27            |                | 2.27            | 4.93            | -              | 4.93          | 11.69           | -              | 11.69         |
| (iib)   | Education / Vocational Skill development  | 16.81           |                | 16.81           | 21.72           | -              | 21.72         | 15.91           | -              | 15.91         |
| (iic)   | Environmental Sustainability (Solar Applications / Afforestation / Energy efficient LED lighting)                             | 0.50            |                | 0.50            | 7.36            | -              | 7.36          | 8.17            | -              | 8.17          |
| (iid)   | Sports  |                 |                |                 | 0.95            | -              | 0.95          | 0.15            | -              | 0.15          |
| (iie)   | Others #  | 92.55           |                | 92.55           | 81.10           | -              | 81.10         | 221.23          | -              | 221.23        |
| (iif)   | Administrative overheads including training, impact assessment etc. limited to 5% of total amount required to be spent on CSR | 6.83            |                | 6.83            | 4.40            | -              | 4.40          | 4.85            | -              | 4.85          |
| (iii)   | <b>Total Amount Spent during FY (i +ii)</b>   | <b>118.96</b>   | -              | <b>118.96</b> * | <b>120.46</b>   | -              | <b>120.46</b> | <b>262.00</b>   | -              | <b>262.00</b> |
| (iv)    | Add: To be transferred to Unspent CSR Account   |                 |                | <b>106.34</b>   |                 |                | 54.87         |                 |                | -             |
| (v)     | Add/Less: Excess amount adjusted/(spent)  |                 |                | -               |                 |                | 39.39         |                 |                | (39.39)       |
| (vi)    | <b>CSR Expenses charged to Standalone Statement of Profit and Loss (iii + iv + v)</b>   |                 |                | <b>225.30</b>   |                 |                | <b>214.72</b> |                 |                | <b>222.61</b> |

# includes a contribution of ₹ 51.94 crore to PM CARES Fund (FY 21-22 ₹ 50 crore, FY 20-21 ₹ 200 crore).

\*includes ₹ 46.72 crore (Previous year ₹ 44.28 crore) for the period up to 31.03.2020.

**35.4** Details of Unspent CSR amount as per requirements of Section 135(6) of Companies Act, 2013:-

For FY 2022-23

(₹ in crore)

| Opening Balance |                             | Amount required to be spent during the year | Interest earned on balance in Unspent CSR A/c | Amount spent during the year |                               | Closing Balance |                             | For ongoing projects pertaining to | Details of ongoing projects |
|-----------------|-----------------------------|---|---|------------------------------|-------------------------------|-----------------|-----------------------------|------------------------------------|-----------------------------|
| With Company    | In Separate CSR Unspent A/c |   |   | From Company's Bank A/c      | From Separate CSR Unspent A/c | With Company    | In Separate CSR Unspent A/c |                                    |                             |
|                 |                             |   |   |                              |                               |                 |                             |                                    |                             |

|   |       |        |      |       |       |         |       |            |  |
|---|-------|--------|------|-------|-------|---------|-------|------------|--|
| - | -     | 178.58 | NA   | 72.24 | -     | 106.34* | -     | FY 2022-23 | Various projects to support research, training, solar power, sanitation, skill development, Health care etc. |
| - | 54.87 | NA     | 1.65 | -     | 13.93 | -       | 42.59 | FY 2021-22 |  |

\* Transferred on 28.04.2023 to unspent CSR Account with State Bank of India

**For FY 2021-22**

(₹ in crore)

| Opening Balance |                             | Amount required to be spent during the year | Interest earned on balance in Unspent CSR A/c | Amount spent during the year |                               | Closing Balance |                             | For ongoing projects pertaining to | Details of ongoing projects  |
|-----------------|-----------------------------|---|---|------------------------------|-------------------------------|-----------------|-----------------------------|------------------------------------|--|
| With Company    | In Separate CSR Unspent A/c |   |   | From Company's Bank A/c      | From Separate CSR Unspent A/c | With Company    | In Separate CSR Unspent A/c |                                    |  |
| -               | -                           | 131.05                                      | NA  | 76.18                        | -                             | 54.87*          | -                           | FY 2021-22                         | Various projects to support research, training, solar power, sanitation, skill development, Health care etc. |

\* Transferred on 29.04.2022 to unspent CSR Account with State Bank of India.

**For FY 2021-22**

(₹ in crore)

| Opening Balance |                             | Amount required to be spent during the year | Interest earned on balance in Unspent CSR A/c | Amount spent during the year |                               | Closing Balance |                             | For ongoing projects pertaining to | Details of ongoing projects |
|-----------------|-----------------------------|---|---|------------------------------|-------------------------------|-----------------|-----------------------------|------------------------------------|-----------------------------|
| With Company    | In Separate CSR Unspent A/c |   |   | From Company's Bank A/c      | From Separate CSR Unspent A/c | With Company    | In Separate CSR Unspent A/c |                                    |                             |
| NA              | NA                          | NA  | NA  | NA                           | NA                            | NA              | NA                          | NA                                 | NA                          |



**36 Reformatted Other Expenses**

(₹ in crore)

| Sr. No. | Particulars                                    | Year ended<br>31.03.2023 | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|---------|--|--------------------------|--------------------------|--------------------------|
| (i)     | Rent, Taxes and Energy Cost                    | 5.45                     | 3.95                     | 4.43                     |
| (ii)    | Repairs and Maintenance                        | 5.65                     | 9.93                     | 4.63                     |
| (iii)   | Communication Costs                            | 2.53                     | 2.40                     | 2.09                     |
| (iv)    | Printing and Stationery                        | 1.55                     | 1.11                     | 0.92                     |
| (v)     | Advertisement and Publicity                    | 13.79                    | 11.29                    | 8.30                     |
| (vi)    | Directors Fees, Allowance and Expenses         | 0.41                     | 0.28                     | 0.20                     |
| (vii)   | Auditor's fees and expenses (Refer note 36.1)  | 1.29                     | 1.45                     | 1.19                     |
| (viii)  | Legal & Professional charges                   | 18.67                    | 9.83                     | 8.11                     |
| (ix)    | Insurance                                      | 0.35                     | 0.23                     | 0.27                     |
| (x)     | Travelling and Conveyance                      | 20.45                    | 13.01                    | 11.09                    |
| (xi)    | Net Loss / (Gain) on sale/derecognition of PPE | 2.88                     | 2.91                     | 1.12                     |
| (xii)   | Govt. scheme monitoring expense                | 7.63                     | -                        | -                        |
| (xiii)  | Conference And Meeting Expenses                | 7.27                     | 1.74                     | -                        |
| (xiv)   | Security Expenses                              | 3.63                     | 3.69                     | -                        |
| (xv)    | Other Expenditure                              | 37.00                    | 60.89                    | 28.45                    |
|         | <b>Total Other Expenses</b>                    | <b>128.55</b>            | <b>122.71</b>            | <b>70.80</b>             |

**36.1 Reformatted Auditor's fees and expenses are as under :**

(₹ in crore)

| Sr. No. | Particulars                                      | Year ended<br>31.03.2023 | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|---------|--|--------------------------|--------------------------|--------------------------|
|         | Fee paid to Statutory Auditors:                  |                          |                          |                          |
| (i)     | as Auditor                                       | 0.58                     | 0.58                     | 0.46                     |
| (ii)    | for Taxation matters                             | 0.15                     | 0.15                     | 0.12                     |
| (iii)   | for Company Law Matters (includes Limited Review | 0.35                     | 0.32                     | 0.28                     |
| (iv)    | for Other services                               | 0.11                     | 0.29                     | 0.24                     |
|         | <b>Sub-total</b>                                 | <b>1.19</b>              | <b>1.34</b>              | <b>1.10</b>              |
| (v)     | auditors   | 0.10                     | 0.11                     | 0.09                     |
|         | <b>Total Auditor's fees and expenses</b>         | <b>1.29</b>              | <b>1.45</b>              | <b>1.19</b>              |

**37. Disclosures related to 'Income Taxes':**

**37.1** Income tax expense recognised in Standalone Statement of Profit and Loss:

(₹ in crore)

| Particulars                                       | FY 2022-23      | FY 2021-22      | FY 2020-21        |
|---|-----------------|-----------------|-------------------|
| <b>Current Tax expense:</b>                       |                 |                 |                   |
| Current Year                                      | 2,381.18        | 2,418.91        | 2,613.09          |
| Earlier Years                                     | (50.94)         | (36.05)         | 178.94            |
| <b>(A) Total Current Tax Expense</b>              | <b>2,330.24</b> | <b>2,382.86</b> | <b>2,792.03</b>   |
| <b>Deferred Tax Expense/(Income)</b>              |                 |                 |                   |
| Origination and reversal of temporary differences | 234.91          | (177.11)        | (1,028.73)        |
| <b>(B) Total Deferred Tax Expense/(Income)</b>    | <b>234.91</b>   | <b>(177.11)</b> | <b>(1,028.73)</b> |
| <b>Total Income Tax Expense (A+B)</b>             | <b>2,565.15</b> | <b>2,205.75</b> | <b>1,763.30</b>   |

**37.2** Income tax expense recognised in Other Comprehensive Income:

(₹ in crore)

| Particulars   | FY 2022-23      | FY 2021-22   | FY 2020-21     |
|---|-----------------|--------------|----------------|
| <b>Current Tax Expense/(Income)</b>   |                 |              |                |
| <b>Items that will not be reclassified to Profit and Loss</b>                   |                 |              |                |
| Re-measurement of Defined Benefit Plans   | 0.06            | 0.35         | -              |
| <b>(A) Total Current Tax Expense/(Income)</b>                                   | <b>0.06</b>     | <b>0.35</b>  | <b>-</b>       |
| <b>Deferred Tax Expense/(Income)</b>  |                 |              |                |
| <b>(B) Items that will not be reclassified to Profit and Loss</b>               |                 |              |                |
| Re-measurement of Defined Benefit Plans   | (1.00)          | (1.72)       | (1.13)         |
| Net Gain / (Loss) on Fair Value of Equity Instruments                           | (10.16)         | 9.58         | -              |
| <b>(C) Items that will be reclassified to Profit and Loss</b>                   |                 |              |                |
| Effective portion of Gains and Losses on Hedging Instruments in Cash flow Hedge | 98.16           | 105.50       | (6.96)         |
| Cost of hedging reserve   | (203.39)        | (91.31)      | (7.82)         |
| <b>(D) Total Deferred Tax Expense/(Income) (B+C)</b>                            | <b>(116.39)</b> | <b>22.05</b> | <b>(15.91)</b> |
| <b>Total Tax Expense/(Income) recognised in OCI (A+D)</b>                       | <b>(116.33)</b> | <b>22.40</b> | <b>(15.91)</b> |

**37.3** Reconciliation of tax expense and accounting profit

Reconciliation of tax expense and product of profit before tax and corporate tax rate:

(₹ in crore)

| Particulars  | FY 2022-23       | FY 2021-22       | FY 2020-21       |
|--|------------------|------------------|------------------|
| <b>Profit before Tax</b>                           | <b>14,170.62</b> | <b>12,227.65</b> | <b>10,207.31</b> |
| Corporate Tax Rate                                 | 25.168%          | 25.168%          | 25.168%          |
| <b>Tax expense using the Corporate tax rate</b>    | <b>3,566.46</b>  | <b>3,077.45</b>  | <b>2,568.98</b>  |
| Increase/(Decrease) on account of:                 |                  |                  |                  |
| Non-deductible tax expenses                        | 50.56            | 97.41            | 8.09             |
| Deduction u/s 80M of Income Tax Act 1961           | (439.13)         | (339.12)         | (303.08)         |
| Deduction under 36(1)(viii) of Income Tax Act 1961 | (594.84)         | (609.93)         | (637.95)         |
| Others   | 33.04            | 15.99            | (51.68)          |

|   |                 |                 |                 |
|---|-----------------|-----------------|-----------------|
| Tax expense pertaining to earlier years                                 | (50.94)         | (36.05)         | 178.94          |
| <b>Total tax expense in the Standalone Statement of Profit and Loss</b> | <b>2,565.15</b> | <b>2,205.75</b> | <b>1,763.30</b> |

**37.4** Deductible temporary differences / unused tax losses / unused tax credits carried forward

| Particulars   | As at<br>31.03.2023<br>(₹ in crore) | Expiry<br>date | As at<br>31.03.2022<br>(₹ in crore) | Expiry<br>date | As at<br>31.03.2021<br>(₹ in crore) | Expiry<br>date |
|---|-------------------------------------|----------------|-------------------------------------|----------------|-------------------------------------|----------------|
| Deductible temporary differences / unused tax losses / unused tax credits for which no deferred tax asset has been recognised in the Standalone Balance Sheet | -                                   | -              | 1.25                                | 31.03.2024     | 1.25                                | 31.03.2024     |
|   | -                                   | -              | 2.54                                | 31.03.2025     | 2.54                                | 31.03.2025     |
|   | -                                   | -              | 0.03                                | 31.03.2028     | 0.03                                | 31.03.2028     |
|   | -                                   | -              | 0.07                                | 31.03.2029     | -                                   | -              |

**37.5** Movement in Deferred Tax balances:

**FY 2022-23**

(₹ in crore)

| Description   | Opening<br>balance as at<br>01.04.2022 | Recognised in<br>Profit and Loss | Recognised in<br>OCI | Closing<br>balance as at<br>31.03.2023 |
|---|--|----------------------------------|----------------------|--|
| <b>(A) Deferred Tax Asset</b>   |  |                                  |                      |  |
| (i) Provision for expenses deductible on payment basis under Income Tax Act | 28.94                                  | 0.57                             | 1.00                 | 30.52                                  |
| (ii) Unamortised income on loans to borrowers                               | 62.61                                  | 20.09                            | -                    | 82.70                                  |
| (iii) Impairment loss allowance on Financial instruments in excess of RBDD  | 4,227.43                               | (310.14)                         | -                    | 3,917.29                               |
| (iv) Depreciation and amortisation  | 2.95                                   | 2.05                             | -                    | 5.00                                   |
| (v) Fair value of derivatives (Net)   | 16.56                                  | 47.85                            | 105.23               | 169.64                                 |
| (vi) Others   | 26.39                                  | 13.04                            | 10.16                | 49.59                                  |
| <b>(B) (Deferred Tax Liabilities)</b>                                       |  |                                  |                      |  |
| (i) Unamortised Exchange Loss (Net)   | (129.87)                               | 11.61                            | -                    | (118.26)                               |
| (ii) Unamortised expenditure on loan liabilities                            | (83.16)                                | (19.98)                          | -                    | (103.14)                               |
| (iii) Others  | (0.03)                                 | -                                | -                    | (0.03)                                 |
| <b>Net Deferred Tax Assets / (liabilities)</b>                              | <b>4,151.82</b>                        | <b>(234.91)</b>                  | <b>116.39</b>        | <b>4,033.31</b>                        |

**FY 2021-22**

(₹ in crore)

| Description   | Opening<br>balance as at<br>01.04.2021 | Recognised in<br>Profit and Loss | Recognised<br>in OCI | Closing<br>balance as<br>at<br>31.03.2022 |
|---|--|----------------------------------|----------------------|---|
| <b>(A) Deferred Tax Asset</b>   |  |                                  |                      |   |
| (i) Provision for expenses deductible on payment basis under Income Tax Act | 24.26                                  | 2.96                             | 1.72                 | 28.94                                     |
| (ii) Unamortised income on loans to borrowers                               | 58.71                                  | 3.90                             | -                    | 62.61                                     |
| (iii) Impairment loss allowance on Financial instruments in excess of RBDD  | 4,110.68                               | 116.75                           | -                    | 4,227.43                                  |
| (iv) Depreciation and amortisation  | 2.35                                   | 0.60                             | -                    | 2.95                                      |
| (v) Fair value of derivatives (Net)   | 18.67                                  | 12.08                            | (14.19)              | 16.56                                     |
| (vi) Others   | 24.38                                  | 11.59                            | (9.58)               | 26.39                                     |
| <b>(B) (Deferred Tax Liabilities)</b>                                       |  |                                  |                      |   |
| (i) Unamortised Exchange Loss (Net)   | (160.46)                               | 30.59                            | -                    | (129.87)                                  |

|  |                 |               |                |                 |
|--|-----------------|---------------|----------------|-----------------|
| (ii) Unamortised expenditure on loan liabilities | (81.80)         | (1.36)        | -              | (83.16)         |
| (iii) Others                                     | (0.03)          | -             | -              | (0.03)          |
| <b>Net Deferred Tax Assets / (liabilities)</b>   | <b>3,996.76</b> | <b>177.11</b> | <b>(22.05)</b> | <b>4,151.82</b> |

#### FY 2020-21

(₹ in crore)

| Description   | Net balance at 01.04.2020 | Recognised in Profit and Loss | Recognised in OCI | Net balance at 31.03.2021 |
|---|---------------------------|-------------------------------|-------------------|---------------------------|
| <b>(A) Deferred Tax Asset</b>   |                           |                               |                   |                           |
| (i) Provision for expenses deductible on payment basis under Income Tax Act | 20.42                     | 2.71                          | 1.13              | 24.26                     |
| (ii) Unamortised income on loans to borrowers                               | 51.99                     | 6.72                          | -                 | 58.71                     |
| (iii) Impairment loss allowance on Financial instruments in excess of RBDD  | 3,390.19                  | 720.49                        | -                 | 4,110.68                  |
| (iv) Depreciation and amortisation  | 1.49                      | 0.86                          | -                 | 2.35                      |
| (v) Fair value of derivatives (Net)   | 10.88                     | (6.99)                        | 14.78             | 18.67                     |
| (vi) Others   | 20.60                     | 3.78                          | -                 | 24.38                     |
| <b>(B) (Deferred Tax Liabilities)</b>                                       |                           |                               |                   |                           |
| (i) Lease income  | (47.99)                   | 47.99                         | -                 | -                         |
| (ii) Unamortised Exchange Loss (Net)  | (365.07)                  | 204.61                        | -                 | (160.46)                  |
| (iii) Unamortised expenditure on loan liabilities                           | (80.04)                   | (1.76)                        | -                 | (81.80)                   |
| (iv) Others   | (50.35)                   | 50.32                         | -                 | (0.03)                    |
| <b>Net Deferred Tax Assets / (liabilities)</b>                              | <b>2,952.12</b>           | <b>1,028.73</b>               | <b>15.91</b>      | <b>3,996.76</b>           |

#### 38. Disclosure as per Ind AS 33 "Earnings per Share"

| Sr. No. | Particulars  | FY 2022-23     | FY 2021-22     | FY 2020-21     |
|---------|--|----------------|----------------|----------------|
| (A)     | Profit for the period used as numerator (basic & diluted) (₹ in crore):        |                |                |                |
| (i)     | from continuing operations   | 11,605.47      | 10,021.90      | 8,444.01       |
| (ii)    | from discontinued operations   | -              | -              | -              |
| (iii)   | from continuing and discontinued operations                                    | 11,605.47      | 10,021.90      | 8,444.01       |
| (B)     | Weighted average number of equity shares used as denominator (basic & diluted) | 2,64,00,81,408 | 2,64,00,81,408 | 2,64,00,81,408 |
| (C)     | Earning per equity share (basic & diluted), face value ₹ 10 each ( in ₹):      |                |                |                |
| (i)     | for continuing operations  | 43.96          | 37.96          | 31.98          |
| (ii)    | for discontinued operations  | -              | -              | -              |
| (iii)   | for continuing and discontinued operations                                     | 43.96          | 37.96          | 31.98          |

#### 39. Capital Management

The Company maintains a capital base that is adequate to support the Company's risk profile, regulatory and business needs. The Company sources funds from domestic and international financial markets, inter-alia leading to diverse investor base and optimised cost of capital. Refer Note 17, 18 and 19 for details w.r.t. sources of funds and refer Standalone Statement of Changes in Equity for details w.r.t Equity.

As contained in RBI Master Directions - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time (hereinafter referred to as "RBI Master Directions"), the Company is required to maintain a capital ratio consisting of Tier I and Tier

II capital not less than 15% of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet items. Out of this, Tier I capital shall not be less than 10%. The Company regularly monitors the maintenance of prescribed levels of Capital to Risk Weighted Assets Ratio (CRAR). Further, with regard to capital restructuring, the Company is also guided, inter alia, by guidelines on “Capital Restructuring of Central Public Sector Enterprises” issued by Department of Investment and Public Asset Management (DIPAM), Ministry of Finance, Department of Public Enterprises in respect of issue of bonus shares, dividend distribution, buy back of equity shares etc.

**39.1** Certain key financial parameters of the Company are as under:

| Ratios   | Numerator*                       | Denominator*            | As at<br>31.03.2023<br>(A) | As at<br>31.03.2022<br>(B) | As at<br>31.03.2021<br>(C) | % variance<br>(A vs B) | % variance<br>(B vs C) |
|--|----------------------------------|-------------------------|----------------------------|----------------------------|----------------------------|------------------------|------------------------|
| Total Capital to risk-weighted assets ratio (CRAR) | Tier I Capital + Tier II Capital | Risk Weighted assets    | 24.37%                     | 23.48%                     | 18.83%                     | 3.79 %                 | 24.69%                 |
| CRAR – Tier I Capital                              | Tier I Capital                   | Risk Weighted assets    | 21.61%                     | 20.00%                     | 15.46%                     |                        |                        |
| CRAR – Tier II Capital                             | Tier II Capital                  | Risk Weighted assets    | 2.76%                      | 3.48%                      | 3.37%                      |                        |                        |
| Liquidity Coverage Ratio(LCR) (Refer Note 55.6)    | Total High Quality Liquid Assets | Total Net Cash Outflows | 70.00%                     | 60.00%                     | 50.00%                     | NA                     | 20.00%                 |

\* Computed as per applicable RBI guidelines.

**39.2** During FY 2022-23, the Company has not raised any subordinated debt as Tier-II capital and Perpetual Debt (FY 2021-22 and FY 2020-21 – Nil)

**39.3** Dividend Distribution Policy

The Company has a well-defined dividend distribution policy. Dividend distribution policy focuses on various factors including but not limited to GoI guidelines, RBI circulars / guidelines, future capital expenditure plans, profits earned during the financial year, cost of raising funds from alternate sources, cash flow position and applicable taxes if any, subject to the guidelines as applicable from time to time.

As per the extant guidelines issued by Department of Investment and Public Asset Management (DIPAM), Government of India, the Company is required to pay a minimum annual dividend of 30% of Profit after Tax or 5% of the net-worth, whichever is higher subject to the maximum dividend permitted under extant legal provisions. Though, the Company endeavours to declare dividend as per these guidelines, it may propose to MoP, a lower dividend after analysis of various financial parameters like net-worth, CAPEX/business expansion needs; additional investments in subsidiaries / associates of the Company; other regulatory requirements etc. For details of dividend paid/recommended during the year, refer Note 24.2

**40. Financial Risk Management**

The Company is exposed to several risks which are inherent to the environment that it operates in. The Company is into business of extending financial assistance to power, logistics and infrastructure sector. The principal risks which are inherent with the Company’s business model and from its use of financial instruments include credit risk, liquidity risk and market risk (currency risk, interest rate risk and price risk).

The following table broadly explains sources of risks which the Company is exposed to and how it manages the same and related impact in the financial statements:

| Note | Risk        | Exposure arising from   | Measurement     | Risk Management  |
|------|-------------|---|-----------------|--|
| 40.1 | Credit Risk | Loans, investments, cash and cash equivalents, other financial assets | Ageing analysis | Detailed appraisal process, credit concentration limits and collateral including |

|      |                                     |  |                            |   |
|------|-------------------------------------|--|----------------------------|---|
|      |                                     |  |                            | government guarantee  |
| 40.2 | Liquidity Risk                      | Debt securities, borrowings, subordinated liabilities and other financial liabilities      | Cash flow forecasts        | Availability of committed credit lines and borrowing facilities   |
| 40.3 | Market Risk – Foreign Currency Risk | Recognised financial liabilities not denominated in Indian Rupee (INR)                     | Sensitivity Analysis       | Derivative contracts for hedging currency risk  |
| 40.4 | Market Risk – Interest Rate Risk    | Debt securities, Borrowings, subordinated liabilities and loans at variable interest rates | Interest rate gap analysis | Mix of loan arrangements with varied interest rate terms, derivative contract like interest rate swaps etc. |
| 40.5 | Market Risk – Price Risk            | Investments in quoted equity instruments   | Sensitivity Analysis       | Diversification of portfolio, with focus on strategic investments   |

For managing these risks, the Company has put in place an integrated enterprise-wide risk management mechanism to ensure that these risks are monitored carefully and managed efficiently. In accordance with the RBI Master Direction in order to augment risk management practices in the Company, the Company has a Chief Risk Officer (CRO) who is involved in the process of identification, measurement and mitigation of risks. The Company also has a Board level Risk Management Committee(RMC) headed by an Independent Director, whose main function is to monitor and review the risk management plan of the Company and to make recommendations to the Board of Directors for taking up various risk management activities. The Chief Risk Officer (CRO) is a permanent invitee to all the meetings of Risk Management Committee. The risk management approach i.e., Company's objectives, policies and processes for identifying, measuring and managing each of above risk is set out in the subsequent paragraphs.

#### 40.1 Credit Risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Company by failing to discharge its obligation. Details of financial assets that expose the Company to credit risk are:

(₹ in crore)

| Particulars   | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2021 |
|---|------------------|------------------|------------------|
| <b>Low Credit Risk</b>  |                  |                  |                  |
| Cash and cash equivalents <sup>(a)</sup>                                      | 22.14            | 720.91           | 3,717.62         |
| Bank balances other than included in cash and cash equivalents <sup>(a)</sup> | 1,595.96         | 3,240.31         | 1,044.58         |
| Loans (Principal Outstanding) <sup>(c)</sup>                                  | 3,89,559.35      | 3,25,704.99      | 3,02,100.27      |
| Investments (Excluding equity investments) <sup>(a)</sup>                     | 1011.32          | 265.93           | 324.81           |
| Other financial assets <sup>(b)</sup>   | 5,389.03         | 5,382.67         | 5,336.77         |
| <b>Moderate Credit Risk</b>   |                  |                  |                  |
| Loans (Principal Outstanding) <sup>(c)</sup>                                  | 16,436.73        | 26,514.34        | 47,520.56        |
| <b>High Credit Risk</b>   |                  |                  |                  |
| Investments (Excluding equity investments) <sup>(a)</sup>                     | 72.95            | 72.95            | -                |
| Loans (Principal Outstanding) <sup>(c)</sup>                                  | 16501.65         | 20,915.28        | 21,150.16        |
| Other financial assets <sup>(b)</sup>   | 18.38            | 24.79            | 22.46            |

<sup>(a)</sup> Credit risk on cash and cash equivalents and other bank balances is limited as these are held with scheduled commercial public sector banks, high rated private sector banks and mutual fund houses, which meets the empanelment criteria as set out in the Company's policy. The Company has also set exposure limits for deployment of funds in various types of instruments with respective banks/ mutual fund houses.

For its investments, the Company manages its exposure to credit risk by periodically monitoring such investments, and applying the appropriate valuation techniques to arrive at the carrying value.

<sup>(b)</sup> Credit risk on other financial assets is evaluated based on Company's knowledge of the credit worthiness of those parties and managed by monitoring the recoverability of such amounts. The Company carries an impairment loss allowance of ₹ 18.38 crore on its other financial assets as at 31.03.2023 (as at 31.03.2022 ₹ 24.79 crore, as at 31.03.2021 ₹ 22.46 crore).

- (c) The Company is exposed to credit risk primarily through its lending operations. The same is explained in the paragraphs below.

#### **40.1.1 Credit Risk Management for Lending Operations**

The Company has put in place key policies and processes for managing credit risk, which include formulating credit policies, guiding the Company's appetite for credit risk exposures, undertaking reviews & objective assessment of credit risk, and monitoring performance and management of portfolios. All the procedures and processes of the Company are ISO 9001:2015 certified.

The credit risk management covers two key areas, i.e., project appraisal & project monitoring. The Company selects the borrowers in accordance with the Company's approved credit policy, which inter alia, defines factors to be considered for rating of the borrower/ project. The Company's customer selection procedure assesses viability of project along with that of its promoting entity. Rate of interest and maximum admissible exposure is, inter alia, based on internal rating awarded by the Company.

##### **(i) Appraisal of Projects**

The Company follows a systematic, institutional project appraisal process to assess the credit risk before financing any project.

###### **(a) Appraisal for Private Sector Projects**

For private sector projects, a two-stage appraisal process is followed. Initially a preliminary appraisal is carried out in order to decide the prima facie preparedness of the project to be taken up for detailed appraisal. Detailed appraisal is carried out for those projects shortlisted on the basis of preliminary appraisal.

The Company along with evaluation of project viability also assesses the ability of its promoter(s) to contribute equity and complete the project. The Company follows an integrated rating methodology whereby Integrated Rating (IR) is calculated using the weighted average of the scores of the project grading and promoter grading. Based on the IR of the project, terms and conditions (including security package, interest rate and debt-equity ratio) are stipulated.

###### **(b) Appraisal for State Sector Projects**

State sector projects are taken up for detailed appraisal to determine, inter-alia, if they are techno economically sound and compatible with integrated power development & expansion plans of the State.

The Company classifies state power generation utilities into various risk rating grades based on the evaluation of utility's performance against specific parameters covering operational and financial performance. With regards to transmission utilities, the Company adopts the categorisation of its subsidiary RECL as per its policy. With regard to State Power Distribution utilities including integrated utilities, the Company's categorisation policy provides for adoption of Ministry of Power's (MoP's) Integrated Ratings by aligning such ratings/ grading with that of Company's rating structure.

Such categories/ ratings are used to determine credit exposure limits, security requirements and pricing of loans given to the State Sector Borrowers. The Company also has a mechanism in place for monitoring the exposure to single borrower and exposure within a State.

The detailed project appraisal involves technical and financial appraisal covering various aspects such as project inputs, statutory and non-statutory clearances, contracts, project linkages, financial modelling/ projections, calculation of returns, sensitivity analysis etc.

After detailed analysis indicated above, the overall viability of the project and entity is assessed and various conditions in the form of pre-commitment, pre-disbursement and other conditions are stipulated so as to ensure tying up of funds (debt and equity both), all physical inputs, appropriateness of all the contracts, compliance of conditions precedent in agreements/ contracts/ statutory and non- statutory clearances related to the project etc. and in general to ensure bankability of the project & protection of the interest of the Company as a lender for timely servicing of debt. The Company has an authorisation/ delegation structure for the approval of credit facilities commensurating with the size of the loan.

## **(ii) Security and Covenants**

The Company stipulates a package of security measures/covenants to mitigate risks during the construction and post COD (commercial operation date) stage of the project. Based on the risk appetite and appraisal of the project, the Company adopts a combination of the following measures:

- (a) Primary Security -Charge on Project Assets or State Government Guarantees
- (b) Collateral Securities - Corporate guarantee, Personal guarantee of promoters, Pledge of shares, Charge on assets / revenues of group/other companies
- (c) Payment Security Mechanism - Escrow Account / Letter of Credit, Trust and Retention Account (TRA)
- (d) Other covenants - Assignment of all project contracts, documents, insurance policies in favour of the Company, Upfront equity requirement, Debt Service Reserve Account (DSRA), Debt Equity ratio, shareholders' agreements, financial closure, etc.

## **(iii) Project Monitoring**

The Company has comprehensive project/loan monitoring guidelines that captures aspects relating to monitoring, tracking of project construction, implementation, identifies risks where intervention is required to minimize the time /cost overruns/ consequent slippages in disbursements and including progress of commissioned projects.

For State sector projects, monitoring is carried out based on project progress details obtained regularly from borrowers through progress monitoring reports, site visits, discussions with the borrowers, information/reports available on Central Electricity Authority's (CEA) website etc.

For private sector, where the Company is Lead Financial Institution (FI), the Company engages Lenders' Engineers (LEs) and Lenders' Financial Advisors (LFAs), which are independent agencies to act on behalf of various lenders / consortium members. The LEs conduct periodic site visits, review relevant documents, discusses with the borrowers and submit its reports on progress of the project. LFAs submit the statements of fund flow and utilization of funds in the project periodically. In cases the Company is not the lead FI, the tasks related to LEs and LFAs services are coordinated with the concerned lead lender. From FY 2022-23 onwards the Company has started empanelling Project Management Agency (PMA), as a single entity, for private sector projects, thereby facilitating better coordination of project monitoring activities.

Also, the consolidated periodic progress report of certain projects is prepared comprising important observations/ issues viz. areas of concern, reasons for delay, issues affecting project construction/implementation etc. and is reviewed by the Company on a regular basis.

The Company continuously monitors delays and/or default of borrowers and their recoverability. On occurrence of default in the borrower's account, the Company initiates necessary steps which may involve action(s) including, but not limited to, Special Mention Account (SMA) reporting to RBI, credit information reporting to Central Repository of Information on Large Credits (CRILC) etc., regularization of the account by recovering all over dues, invocation of guarantees/ securities to recover the dues, conversion of loan into equity as per loan agreement, restructuring of loan account, formulating resolution plan with the borrower, change in ownership, Corporate Insolvency Resolution Process (CIRP) under IBC -2016, sale of the exposures to other entities/investors, other recovery mechanisms like referring the case for legal action before Debt Recovery Tribunal (DRT), SARFAESI, etc. and other actions as specified under regulatory/legal framework.

### **40.1.2 Credit Risk Measurement - Impairment Assessment for Lending Operations**

#### **(i) Staging of loans**

Ind-AS 109 outlines a three staged model for measurement of impairment based on changes in credit risk since initial recognition. For classification of its borrowers into various stages, the Company uses the following basis:

- A financial asset that is not credit impaired on initial recognition is classified in 'Stage 1'.
- If a significant increase in credit risk (SICR) is identified, the financial asset is moved to 'Stage 2'.



An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting date by considering the change in the risk of default occurring over the remaining life of the financial assets. In accordance with Ind AS 109 'Financial Instruments', the Company has applied rebuttable presumption that considers more than 30 days past due as a parameter for determining significant increase in credit risk.

- If the financial asset is credit-impaired, it is moved to 'Stage 3' category.

In case of Stage 3 financial assets, after implementation of the resolution plan (except for change of ownership and/or resolution through NCLT), the financial asset is upgraded and classified as Stage 2 for two quarters from the date of implementation of resolution plan.

(ii) **Default**

In accordance with Ind AS 109 'Financial Instruments', the Company considers the rebuttable presumption to define a financial asset as in default, i.e. when the loan account is more than 90 days past due on its contractual payments. Credit impaired financial assets are aligned with the definition of default.

(iii) **Measurement of Expected Credit Loss (ECL)**

The Company recognises impairment loss allowance for the financial assets in accordance with a Board-approved expected credit loss (ECL) policy. ECL is measured on either a 12 month or lifetime basis depending on whether there is significant increase in credit risk since initial recognition. ECL is the product of Probability of default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). The Company has appointed an independent agency, CRISIL Ltd., during FY 2022-23 for assessment of ECL in accordance with Ind AS 109 'Financial Instruments'. The brief methodology of computation of ECL is as follows:

(a) Probability of default (PD)

PD is an estimate of the likelihood of default over a given time horizon. It is estimated as at a point in time. For assessing 12-month PD, probability of a loan defaulting in next 12 months is ascertained and similarly for assessing lifetime PD, probability of a loan defaulting in its remaining lifetime is ascertained.

For Stage 1 accounts, 12 months PD is used.

For Stage 2 (significantly increased credit risk accounts), Lifetime PD is used.

For Stage 3 (credit impaired accounts), 100% PD is taken.

12-month PD: In case of State Sector borrowers, for the purpose of PD calculation, the risk rating grades of the utilities are considered. For Gencos/Transcos/Others, PFC's internal rating grades have been considered. For Discoms / Power Department borrowers, PFC has adopted the MoP ratings. The ratings as above has been mapped with the standard external rating benchmarks. The PD factor associated with the mapped external rating as given in the PD transition matrix published by various CRAs have been used for PD calculation.

In case of Private sector borrowers, the latest external rating as published by various Credit Rating Agencies have been referred to compute PD using the PD transition matrix published by various CRAs . If external rating is not available, the PD has been computed through Proxy Risk Scoring Model on a 10-point scale with 1 suggesting minimum risk and 10 suggesting the highest risk. The said model uses the Quantitative financial ratios like Gearing (Debt/Equity), Return on Capital Employed, Interest Coverage ratio, Debt to EBITDA ratio and qualitative factors like PLF, ACS/ ARR ratio or LAF to arrive at the final Risk score. The financial risk score obtained have been mapped to external rating benchmarks. This mapped rating has been referred to compute PD associated with the rating using the PD transition matrix published by various CRAs.

For Lifetime PD: Markov Chain Model has been used to compute Lifetime PDs of the rating grade.

(b) Loss Given Default (LGD)

LGD is the loss factor which the Company may experience in case the default occurs.

For State sector borrowers, the company considers the credit worthiness of the states on various parameters while estimating the LGD for state utilities. For estimating the credit worthiness of the state, parameters like

State GDP per capita, Fiscal deficit/GDP ratio and Proportion on Revenue Expenditure on Energy Sector, etc. are used as key inputs. The state utilities are bifurcated into Low, Medium and High-risk category based on the state category. In case of Private sector borrowers, LGD has been assessed considering factors related to the project to arrive at realisable value of the plant such as generation capacity, project cost per MW, percentage completion of the plant, and book value of the assets etc. A stress factor was also applied as a haircut to arrive at the realisable value.

For Stage 3 borrowers, LGD has been assessed project wise based on Bid value/resolution plan amount/OTS amount/any other value/ discounted cash flows etc. as applicable.

(c) Exposure at Default (EAD)

Exposure at Default is the outstanding exposure on which ECL is computed. EAD includes outstanding principal and interest accrued (including delayed charges) in respect of the loan. As per Note no.6.1.(ii) , income on credit impaired assets is recognised as and when received or on accrual basis when expected realisation is higher than the loan amount outstanding, therefore, the same is not used in computation of Exposure at default.

(d) Key assumptions used in measurement of ECL

- The Company considers the date of initial recognition as the base date from which significant increase in credit risk is determined.
- Since the Company has a right to cancel any sanctioned but undrawn limits to any of its borrowers, EAD is assumed to be outstanding balance and interest of the loan as on the reporting date.

(e) The assessment of significant increase in risk and the calculation of ECL both incorporate forward-looking information. Further, the independent agency appointed to assist the Company in ECL assessment also consider the forward-looking information in the determination of the impairment allowance to be assigned to the borrower, by taking into consideration various project operational parameters, project financial ratios, extension of the project completion and also possibility of stressed and favourable economic conditions. Further, the independent agency has also added some additional macroeconomic parameters such as Power demand, GDP growth, monthly weighted average prices of traded power and current account to arrive at a weighted shock factor to the base PD term structure for ECL computation so as to reflect the right risk assessment of the utilities.

### 40.1.3 Credit risk analysis for Lending Operations

(i) Exposure to credit risk

For loans recognized in the balance sheet, the gross exposure to credit risk equals their carrying amount. Refer Note 10 'Loans' for Company's exposure to credit risk arising from loans.

For financial guarantee issued, the maximum exposure to credit risk is the maximum amount that the Company would have to pay if the guarantees are called upon. For irrevocable loan commitments, the maximum exposure to credit risk is the full amount of the commitment facilities. Refer Note 46 for exposure of Guarantee and Outstanding Disbursement Commitments.

The credit quality and maximum exposure (Principal outstanding) to credit risk based on days past due and year end stage classification of loans is tabulated below.

(₹ in crore)

| Days past Due (DPD) | As at 31.03.2023 |                     |         |             | As at 31.03.2022 |          |         |             |
|---------------------|------------------|---------------------|---------|-------------|------------------|----------|---------|-------------|
|                     | Stage 1          | Stage 2             | Stage 3 | Total       | Stage 1          | Stage 2  | Stage 3 | Total       |
| No overdue          | 3,89,559.28      | 674.51 <sup>#</sup> | -       | 3,90,233.79 | 3,20,384.30      | 594.09 * | -       | 3,20,978.39 |
| 1-30 days           | 0.07             | -                   | -       | 0.07        | 5,320.69         | -        | -       | 5,320.69    |

|                   |                    |                     |                  |                    |                    |                      |                  |                    |
|-------------------|--------------------|---------------------|------------------|--------------------|--------------------|----------------------|------------------|--------------------|
| 31-60 days        | -                  | -                   | -                | -                  | -                  | 2,190.12             | -                | 2,190.12           |
| 61-90 days        | -                  | 15,111.71           | -                | 15,111.70          | -                  | 21,477.77            | -                | 21,477.77          |
| More than 90 days | -                  | 650.51 <sup>@</sup> | 16501.65         | 17152.16           | -                  | 2252.36 <sup>@</sup> | 20,915.28        | 23,167.64          |
| <b>Total</b>      | <b>3,89,559.35</b> | <b>16,436.73</b>    | <b>16,501.65</b> | <b>4,22,497.73</b> | <b>3,25,704.99</b> | <b>26,514.34</b>     | <b>20,915.28</b> | <b>3,73,134.61</b> |

# Pending transfer of ownership, the account has been classified as Stage 2.

\* Since the borrower is in stage 2 in other loans, these loans (which otherwise would have been categorised in stage 1) have also been categorised in stage 2.

@Refer Note 40.1.6.

(₹ in crore)

| Days past Due (DPD) | As at 31.03.2021   |                      |                  |                    |
|---------------------|--------------------|----------------------|------------------|--------------------|
|                     | Stage 1            | Stage 2              | Stage 3          | Total              |
| No overdue          | 3,01,686.14        | 13,178.38            | -                | 3,14,864.52        |
| 1-30 days           | 414.13             | -                    | -                | 414.13             |
| 31-60 days          | -                  | 14,261.70            | -                | 14,261.70          |
| 61-90 days          | -                  | 18,313.31            | -                | 18,313.31          |
| More than 90 days   | -                  | 1767.16 <sup>@</sup> | 21,150.16        | 22,917.32          |
| <b>Total</b>        | <b>3,02,100.27</b> | <b>47,520.56</b>     | <b>21,150.16</b> | <b>3,70,770.99</b> |

(ii) Concentration of credit risk

Credit concentration risk refers to risk associated with large credit/investment exposure to a single company or a group of companies based on its ownership, sector, region etc. that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions, with the potential to adversely affect lender's core operations.

The following table sets out an analysis of risk concentration of overall loan portfolio on the basis of similar risk characteristics:

(₹ in crore)

| Particulars  | As at 31.03.2023      |                            | As at 31.03.2022      |                            | As at 31.03.2021      |                            |
|--|-----------------------|----------------------------|-----------------------|----------------------------|-----------------------|----------------------------|
|  | Principal outstanding | Impairment loss allowance* | Principal outstanding | Impairment loss allowance* | Principal outstanding | Impairment loss allowance* |
| <b>Concentration by ownership</b>  |                       |                            |                       |                            |                       |                            |
| Loans to state sector (i.e., entities under the control of state and /or central government) | 3,49,765.78           | 2,551.42                   | 3,14,004.35           | 1,525.46                   | 3,11,386.55           | 1,335.17                   |
| Loans to private sector  | 72,731.95             | 13,524.18                  | 59,130.26             | 15,823.06                  | 59,384.44             | 15,262.62                  |
| <b>Total</b>   | <b>4,22,497.73</b>    | <b>16,075.60</b>           | <b>3,73,134.61</b>    | <b>17,348.52</b>           | <b>3,70,770.99</b>    | <b>16,597.79</b>           |

\*including impairment loss allowance on Letter of Comfort and Guarantee of ₹ 50.93 crore (as at 31.03.2022 ₹ 77.21 crore, as at 31.03.2021 ₹ 57.03 crore).

Loans to state sector are well diversified as these are extended to multiple entities under the control of various State Governments and Central Government. The Company considers that these loans have a low credit risk in comparison to lending to private sector mainly due to low default / loss history in state sector and availability of government guarantee in certain loans. Presence of Government interest in these projects also lowers the risk of non-recoverability of dues.

Further, the Company has a lending portfolio comprising of loans to generation, renewable, transmission, distribution, power projects & other infrastructure projects spread across diverse geographical areas.

(₹ in crore)

| Particulars                     | As at 31.03.2023      |                            | As at 31.03.2022      |                            | As at 31.03.2021      |                            |
|---------------------------------|-----------------------|----------------------------|-----------------------|----------------------------|-----------------------|----------------------------|
|                                 | Principal outstanding | Impairment loss allowance* | Principal outstanding | Impairment loss allowance* | Principal outstanding | Impairment loss allowance* |
| <b>Concentration by schemes</b> |                       |                            |                       |                            |                       |                            |
| Generation                      | 1,74,660.92           | 11,219.39                  | 1,75,434.21           | 12,318.35                  | 1,89,577.54           | 12,775.90                  |
| Renewable                       | 48,197.75             | 3,120.12                   | 36,777.49             | 2,833.98                   | 37,474.49             | 2,016.49                   |
| Transmission                    | 30,841.01             | 152.35                     | 30,499.70             | 1,298.11                   | 29,344.59             | 1,194.83                   |
| Distribution                    | 1,55,871.68           | 1,484.10                   | 1,28,006.79           | 892.46                     | 1,12,298.51           | 572.90                     |
| Others                          | 12,926.37             | 99.64                      | 2,416.42              | 5.62                       | 2,075.85              | 37.67                      |
| <b>Total</b>                    | <b>4,22,497.73</b>    | <b>16,075.60</b>           | <b>3,73,134.61</b>    | <b>17,348.52</b>           | <b>3,70,770.99</b>    | <b>16,597.79</b>           |

\*including impairment loss allowance on Letter of Comfort and Guarantee of ₹ 50.93 crore (as at 31.03.2022 ₹ 77.21 crore, as at 31.03.2021 ₹ 57.03 crore).

The Company's exposure to various projects and borrowers is constantly monitored in line with the applicable Credit Concentration Norms.

(iii) Details regarding Concentration of Loans and Exposures:

(a) Concentration of Loans:

| Particulars   | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2021 |
|---|------------------|------------------|------------------|
| Total Loans (Principal Outstanding) to twenty largest borrowers (₹ in crore)  | 2,57,648.80      | 2,39,932.52      | 2,31,514.64      |
| Percentage of Loans to twenty largest borrowers to Total Loans of the Company | 60.98%           | 64.30%           | 62.44%           |

(b) Concentration of Credit impaired accounts (Stage 3 accounts):

(₹ in crore)

| Particulars  | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2021 |
|--|------------------|------------------|------------------|
| Principal outstanding of top four Stage 3 accounts | 10,296.14        | 10,939.56        | 10,939.56        |

(iv) Details of Stage wise Principal outstanding and Impairment loss Allowance:

(₹ in crore)

| Particulars  | As at 31.03.2023      |                            |  | As at 31.03.2022      |                            |  | As at 31.03.2021      |                            |  |
|--------------|-----------------------|----------------------------|--|-----------------------|----------------------------|--|-----------------------|----------------------------|--|
|              | Principal Outstanding | Impairment loss allowance* | Impairment loss allowance Coverage (%) | Principal Outstanding | Impairment loss allowance* | Impairment loss allowance Coverage (%) | Principal Outstanding | Impairment loss allowance* | Impairment loss allowance Coverage (%) |
| Stage 1      | 3,89,559.35           | 2,893.68                   | 0.74                                   | 3,25,704.99           | 2,058.82                   | 0.63                                   | 3,02,100.27           | 1,236.19                   | 0.41                                   |
| Stage 2      | 16,436.73             | 1,182.54                   | 7.19                                   | 26,514.34             | 945.32                     | 3.57                                   | 47,520.56             | 1,945.24                   | 4.09                                   |
| Stage 3      | 16,501.65             | 11,999.38                  | 72.72                                  | 20,915.28             | 14,344.38                  | 68.58                                  | 21,150.16             | 13,416.36                  | 63.43                                  |
| <b>Total</b> | <b>4,22,497.73</b>    | <b>16,075.60</b>           | <b>3.80</b>                            | <b>3,73,134.61</b>    | <b>17,348.52</b>           | <b>4.65</b>                            | <b>3,70,770.99</b>    | <b>16,597.79</b>           | <b>4.48</b>                            |

\*including impairment loss allowance on Letter of Comfort and Guarantee of ₹ 50.93 crore (as at 31.03.2022 ₹ 77.21 crore, as at 31.03.2021 ₹ 57.03 crore).

- (v) The following tables explain the changes in the loans and the corresponding impairment loss allowance (including impairment loss allowance on Letter of Comfort and Guarantees) between the beginning and the end of the reporting period:

(₹ in crore)

| FY 2022-23  | Stage 1               |                           | Stage 2               |                           | Stage 3               |                           | Total                 |                           |
|---|-----------------------|---------------------------|-----------------------|---------------------------|-----------------------|---------------------------|-----------------------|---------------------------|
|   | Principal Outstanding | Impairment loss allowance | Principal Outstanding | Impairment loss allowance | Principal Outstanding | Impairment loss allowance | Principal Outstanding | Impairment loss allowance |
| <b>Opening Balance</b>  | <b>3,25,704.99</b>    | <b>2,058.82</b>           | <b>26,514.34</b>      | <b>945.32</b>             | <b>20,915.28</b>      | <b>14,344.38</b>          | <b>3,73,134.61</b>    | <b>17,348.52</b>          |
| Transfer to Stage 1   | 9,221.57              | 348.13                    | (9,221.56)            | (348.13)                  | -                     | -                         | -                     | -                         |
| Transfer to Stage 2   | -                     | -                         | -                     | -                         | -                     | -                         | -                     | -                         |
| Transfer to Stage 3   | (24.64)               | (2.52)                    | (13.67)               | (3.36)                    | 38.31                 | 5.88                      | -                     | -                         |
| Net change in Principal/ECL during the year                           | (8,952.62)            | 368.70                    | (708.96)              | 588.78                    | (55.53)               | 345.34                    | (9,717.11)            | 1,302.82                  |
| New financial assets originated                                       | 67,807.42             | 400.68                    | -                     | -                         | -                     | -                         | 67,807.42             | 400.68                    |
| Financial assets derecognised (loans repaid/pre-payment)              | (4,197.36)            | (280.12)                  | (133.42)              | (0.08)                    | (2,916.51)            | (1,512.61)                | (7,247.30)            | (1,792.81)                |
| Financial Assets derecognised (Write Off)                             | -                     | -                         | -                     | -                         | (901.25)              | (901.25)                  | (901.25)              | (901.25)                  |
| Financial Assets derecognised during the period (Investment Received) | -                     | -                         | -                     | -                         | (578.64)              | (282.36)                  | (578.64)              | (282.36)                  |
| <b>Closing Balance</b>  | <b>3,89,559.35</b>    | <b>2,893.68</b>           | <b>16,436.73</b>      | <b>1,182.54</b>           | <b>16,501.65</b>      | <b>11,999.38</b>          | <b>4,22,497.73</b>    | <b>16,075.60</b>          |

(₹ in crore)

| FY 2021-22   | Stage 1               |                           | Stage 2               |                           | Stage 3               |                           | Total                 |                           |
|--|-----------------------|---------------------------|-----------------------|---------------------------|-----------------------|---------------------------|-----------------------|---------------------------|
|  | Principal Outstanding | Impairment loss allowance | Principal Outstanding | Impairment loss allowance | Principal Outstanding | Impairment loss allowance | Principal Outstanding | Impairment loss allowance |
| <b>Opening Balance</b>                                   | <b>3,02,100.27</b>    | <b>1,236.19</b>           | <b>47,520.56</b>      | <b>1,945.24</b>           | <b>21,150.16</b>      | <b>13,416.36</b>          | <b>3,70,770.99</b>    | <b>16,597.79</b>          |
| Transfer to Stage 1                                      | 19,077.60             | 1,115.88                  | (17,707.20)           | (374.52)                  | (1,370.40)            | (741.36)                  | -                     | -                         |
| Transfer to Stage 2                                      | (812.08)              | (3.96)                    | 828.71                | 8.05                      | (16.63)               | (4.09)                    | -                     | -                         |
| Transfer to Stage 3                                      | (1,140.42)            | (114.62)                  | (1,120.58)            | (852.23)                  | 2,261.00              | 966.86                    | -                     | -                         |
| Net change in Principal/ECL during the year              | 13,582.41             | 445.65                    | (1,394.27)            | 222.87                    | 5.91                  | 1,242.94                  | 12,194.04             | 1,911.47                  |
| New financial assets originated                          | 13,967.24             | 120.77                    | 80.00                 | 0.07                      | -                     | -                         | 14,047.24             | 120.84                    |
| Financial assets derecognised (loans repaid/pre-payment) | (21,070.03)           | (741.09)                  | (1,230.23)            | 543.77                    | (181.28)              | 334.89                    | (22,481.54)           | 137.57                    |
| Financial Assets derecognised (Write Off)                | -                     | -                         | (462.65)              | (547.93)                  | (933.48)              | (871.22)                  | (1,396.13)            | (1,419.15)                |
| <b>Closing Balance</b>                                   | <b>3,25,704.99</b>    | <b>2,058.82</b>           | <b>26,514.34</b>      | <b>945.32</b>             | <b>20,915.28</b>      | <b>14,344.38</b>          | <b>3,73,134.61</b>    | <b>17,348.52</b>          |

(₹ in crore)

| FY 2020-21  | Stage I               |                            | Stage II              |                            | Stage III             |                            | Total                 |                            |
|---|-----------------------|----------------------------|-----------------------|----------------------------|-----------------------|----------------------------|-----------------------|----------------------------|
| Particulars   | Principal Outstanding | Impairment loss allowance* | Principal Outstanding | Impairment loss allowance* | Principal Outstanding | Impairment loss allowance* | Principal Outstanding | Impairment loss allowance* |
| <b>Opening Balance</b>  | 2,84,211.50           | 441.67                     | 32,821.37             | 773.90                     | 27,871.70             | 14,748.46                  | 3,44,904.58           | 15,964.03                  |
| Transfer to Stage I   | 26,498.71             | 198.33                     | (25,837.68)           | (127.94)                   | (661.03)              | (70.39)                    | -                     | -                          |
| Transfer to Stage II  | (37,317.79)           | (37.93)                    | 40,425.43             | 316.05                     | (3,107.64)            | (278.12)                   | -                     | -                          |
| Transfer to Stage III   | (151.59)              | (3.28)                     | -                     | -                          | 151.59                | 3.28                       | -                     | -                          |
| Net change in Principal/ECL during the year                           | 5,745.50              | 417.94                     | (958.63)              | 976.38                     | 51.36                 | 1,806.06                   | 4,838.23              | 3,200.38                   |
| New financial assets originated                                       | 48,620.96             | 239.42                     | 1,657.09              | 6.89                       | -                     | -                          | 50,278.05             | 246.31                     |
| Derecognised financial assets (loans repaid)                          | (25,440.44)           | (17.28)                    | (587.02)              | (0.04)                     | (201.68)              | (43.42)                    | (26,229.14)           | (60.75)                    |
| Financial Assets derecognised during the period (Write Off)           | (66.59)               | (2.67)                     | -                     | -                          | (286.39)              | (286.39)                   | (352.98)              | (289.06)                   |
| Financial Assets derecognised during the period (Investment Received) | -                     | -                          | -                     | -                          | (2,667.74)            | (2,463.13)                 | (2,667.74)            | (2,463.13)                 |
| <b>Closing Balance</b>  | <b>3,02,100.27</b>    | <b>1,236.19</b>            | <b>47,520.56</b>      | <b>1,945.24</b>            | <b>21,150.16</b>      | <b>13,416.36</b>           | <b>3,70,770.99</b>    | <b>16,597.79</b>           |

(vi) Movement of Credit Impaired Accounts (Stage 3 accounts):

(₹ in crore)

| Sr. No. | Description   | As at 31.03.2023  | As at 31.03.2022  | As at 31.03.2021  |
|---------|---|-------------------|-------------------|-------------------|
| (i)     | Net Credit Impaired accounts to Gross Loans (%)                   | 1.07              | 1.76              | 2.09              |
| (ii)    | Net Credit Impaired accounts to Net Loans (%)                     | 1.10              | 1.83              | 2.16              |
|         |   | <b>FY 2022-23</b> | <b>FY 2021-22</b> | <b>FY 2020-21</b> |
| (iii)   | Movement of Gross Credit Impaired accounts                        |                   |                   |                   |
| (a)     | Opening balance   | 20,915.28         | 21,150.16         | 27,871.70         |
| (b)     | Additions during the year   | 45.78             | 1,486.68          | 205.11            |
| (c)     | Reductions during the year  | (4,459.42)        | (1,721.56)        | (6,926.65)        |
| (d)     | Closing balance   | 16,501.65         | 20,915.28         | 21,150.16         |
| (iv)    | Movement of Net Credit Impaired accounts                          |                   |                   |                   |
| (a)     | Opening balance   | 6,570.90          | 7,733.80          | 13,123.24         |
| (b)     | Additions during the year   | 28.13             | 809.71            | 131.53            |
| (c)     | Reductions during the year  | (2096.76)         | (1,972.61)        | (5,520.97)        |
| (d)     | Closing balance   | 4,502.27          | 6,570.90          | 7,733.80          |
| (v)     | Movement of impairment loss allowance on Credit Impaired accounts |                   |                   |                   |
| (a)     | Opening balance   | 14,344.38         | 13,416.36         | 14,748.46         |
| (b)     | Provisions made during the year                                   | 425.99            | 1,913.99          | 1,809.86          |

|  |     |   |           |           |            |
|--|-----|---|-----------|-----------|------------|
|  | (c) | Write-off / write-back of excess provisions | (2770.99) | (985.97)  | (3,141.96) |
|  | (d) | Closing balance                             | 11,999.38 | 14,344.38 | 13,416.36  |

(vii) Percentage of Gross Credit Impaired Assets (Stage 3) to Gross Loans – sector wise

| Description   | As at<br>31.03.2023 | As at<br>31.03.2022 | As at<br>31.03.2021 |
|---|---------------------|---------------------|---------------------|
| Financing to power, logistics and infrastructure sector | 3.91%               | 5.61%               | 5.70%               |

#### 40.1.4 Write off of Loan Assets

The company writes off Loan assets in whole or in part in line with its write off policy, when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include ceasure of enforcement activity or where the Company's recovery method is foreclosing on collateral and the value of collateral is such that there is no reasonable expectation of recovery in full. The waiver/write off is done in whole or in part as per the restructuring/settlement/resolution process.

#### 40.1.5 Policy on sales out of amortised cost business model portfolio

The Company does not resort to the sale of financial assets, in ordinary course of business. However, the Company has an approved policy that it may proceed for resolution of stressed assets by either restructuring, change of ownership, settlement or otherwise. The assets are then assessed for derecognition as per Ind AS 109 'Financial Instruments'

#### 40.1.6 Disclosure in respect of accounts that are beyond 90 days overdue but not treated as credit impaired

| Particulars                                      | As at<br>31.03.2023 | As at<br>31.03.2022 | As at<br>31.03.2021 |
|--|---------------------|---------------------|---------------------|
| Number of Borrowers                              | 1                   | 4                   | 2                   |
| Amount of loan outstanding (₹ in crore)          | 650.51              | 2,252.36            | 1,767.16            |
| Amount overdue *(₹ in crore)                     | 160.91              | 188.18              | 100.91              |
| Amount of Impairment Loss allowance (₹ in crore) | 422.68              | 815.87              | 1,086.48            |

\*excluding overdue interest of ₹ 186.06 crore as at 31.03.2023 (As at 31.03.2022 ₹ 242.87 crore, As at 31.03.2021 ₹ 249.65 crore).

Pursuant to Ad-interim order from Hon'ble High Court(s) these borrower(s) accounts have not been classified as Credit impaired. The Company holds adequate impairment loss allowance with respect to these loan accounts and has categorised them in Stage 2. The interest income is also not been recognized on these loan accounts on accrual basis since these loans are more than 90 days past due.

#### 40.1.7 Details of provision required as per Income Recognition, Asset Classification & Provisioning Norms (IRACP) of RBI and impairment allowance as per Ind AS 109 'Financial Instruments'

(₹ in crore)

| As at 31.03.2023                      |  |                                     |   |                     |  |  |
|---------------------------------------|--|-------------------------------------|---|---------------------|--|--|
| Asset Classification as per RBI Norms | Asset classification as per Ind AS 109 | Gross Carrying Amount as per Ind AS | Loss Allowances (Provisions) as required under Ind AS 109 | Net Carrying Amount | Provisions required as per IRACP norms | Difference between Ind AS 109 provisions and IRACP norms |
| (1)                                   | (2)                                    | (3)                                 | (4)   | (5)=(3)-(4)         | (6)                                    | (7) = (4)-(6)  |
| <b>Performing Assets</b>              |  |                                     |   |                     |  |  |
| Standard                              | Stage 1                                | 3,89,880.43                         | 2,542.86  | 3,87,337.57         | 2,062.73                               | 480.13   |
|                                       | Stage 2                                | 16,956.30                           | 1,182.54  | 15,773.76           | 390.50                                 | 792.04   |
|                                       | Stage 3                                | -                                   | -   | -                   | -                                      | -  |

|   |                |                    |                  |                    |                  |                 |
|---|----------------|--------------------|------------------|--------------------|------------------|-----------------|
| <b>Sub-total</b>  |                | <b>4,06,836.73</b> | <b>3,725.40</b>  | <b>4,03,111.33</b> | <b>2,453.23</b>  | <b>1,272.16</b> |
| <b>Non-Performing Assets (NPA)</b>  |                |                    |                  |                    |                  |                 |
| Substandard   | Stage 1        | 453.88             | 1.82             | 452.06             | 45.30            | (43.48)         |
|   | Stage 2        | -                  | -                | -                  | -                | -               |
|   | Stage 3        | 37.04              | 16.38            | 20.66              | 3.70             | 12.68           |
| <b>Sub-total for Substandard</b>  |                | <b>490.92</b>      | <b>18.20</b>     | <b>472.72</b>      | <b>49.01</b>     | <b>(30.80)</b>  |
| Doubtful - up to 1 year   | Stage 1        | -                  | -                | -                  | -                | -               |
| 1 to 3 years  | Stage 1        | 79.76              | 0.04             | 79.72              | 23.43            | (23.39)         |
| More than 3 years   | Stage 1        | 2,981.80           | 298.03           | 2,683.77           | 1,462.20         | (1,164.17)      |
| Doubtful - up to 1 year   | Stage 3        | 1,142.64           | 572.64           | 570.00             | 256.41           | 316.23          |
| 1 to 3 years  | Stage 3        | 170.10             | 133.51           | 36.59              | 89.70            | 43.80           |
| More than 3 years   | Stage 3        | 12,066.17          | 8,191.15         | 3,875.02           | 8,329.22         | (138.07)        |
| <b>Sub-total for doubtful</b>   |                | <b>16,440.46</b>   | <b>9,195.37</b>  | <b>7,245.10</b>    | <b>10,160.96</b> | <b>(965.59)</b> |
| Loss  | Stage 3        | 3,085.70           | 3,085.70         | -                  | 3,085.70         | -               |
| <b>Sub-total for NPA</b>  |                | <b>20,017.09</b>   | <b>12,299.27</b> | <b>7,717.82</b>    | <b>13,295.66</b> | <b>(996.40)</b> |
| Other items (whose exposure forms part of contingent liability) such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current IRACP norms | Stage 1        | -                  | 50.93            | (50.93)            | -                | 50.93           |
|   | Stage 2        |                    |                  |                    |                  |                 |
|   | Stage 3        |                    |                  |                    |                  |                 |
| <b>Sub-total</b>  |                |                    | <b>50.93</b>     | <b>(50.93)</b>     | <b>-</b>         | <b>50.93</b>    |
| <b>Total</b>  | <b>Stage 1</b> | <b>3,93,395.86</b> | <b>2,893.68</b>  | <b>3,90,502.18</b> | <b>3,593.67</b>  | <b>(699.98)</b> |
|   | <b>Stage 2</b> | <b>16,956.30</b>   | <b>1,182.54</b>  | <b>15,773.76</b>   | <b>390.50</b>    | <b>792.04</b>   |
|   | <b>Stage 3</b> | <b>16,501.65</b>   | <b>11,999.38</b> | <b>4,502.27</b>    | <b>11,764.73</b> | <b>234.65</b>   |
|   | <b>Total</b>   | <b>4,26,853.81</b> | <b>16,075.60</b> | <b>4,10,778.22</b> | <b>15,748.90</b> | <b>326.70</b>   |

(₹ in crore)

| As at 31.03.2022                      |  |                                     |   |                     |  |  |
|---------------------------------------|--|-------------------------------------|---|---------------------|--|--|
| Asset Classification as per RBI Norms | Asset classification as per Ind AS 109 | Gross Carrying Amount as per Ind AS | Loss Allowances (Provisions) as required under Ind AS 109 | Net Carrying Amount | Provisions required as per IRACP norms | Difference between Ind AS 109 provisions and IRACP norms |
| (1)                                   | (2)                                    | (3)                                 | (4)   | (5)=(3)-(4)         | (6)                                    | (7) = (4)-(6)  |
| <b>Performing Assets</b>              |  |                                     |   |                     |  |  |
| Standard                              | Stage 1                                | 3,26,133.66                         | 1,676.69  | 3,24,456.96         | 1,331.16                               | 345.54   |
|                                       | Stage 2                                | 27,458.63                           | 944.20  | 26,514.44           | 637.72                                 | 306.48   |
|                                       | Stage 3                                | -                                   | -   | -                   | -                                      | -  |
| <b>Sub-total</b>                      |  | <b>3,53,592.29</b>                  | <b>2,620.89</b>   | <b>3,50,971.40</b>  | <b>1,968.88</b>                        | <b>652.01</b>  |
| <b>Non-Performing Assets</b>          |  |                                     |   |                     |  |  |



|   |                |                    |                  |                    |                  |                 |
|---|----------------|--------------------|------------------|--------------------|------------------|-----------------|
| <b>(NPA)</b>  |                |                    |                  |                    |                  |                 |
| Substandard   | Stage 1        | 296.48             | 1.33             | 295.15             | 29.62            | (28.29)         |
|   | Stage 2        | 151.37             | 1.12             | 150.25             | 14.83            | (13.70)         |
|   | Stage 3        | 1,142.64           | 332.93           | 809.71             | 114.26           | 218.66          |
| <b>Sub-total for Substandard</b>  |                | <b>1,590.49</b>    | <b>335.38</b>    | <b>1,255.11</b>    | <b>158.71</b>    | <b>176.68</b>   |
|   |                |                    |                  |                    |                  |                 |
| Doubtful - up to 1 year   | Stage 1        | 32.80              | 0.01             | 32.78              | 6.44             | (6.42)          |
| 1 to 3 years  | Stage 1        | 107.00             | 0.10             | 106.91             | 31.40            | (31.30)         |
| More than 3 years   | Stage 1        | 3,105.80           | 310.93           | 2,794.87           | 1,522.95         | (1,212.02)      |
| Doubtful - up to 1 year   | Stage 3        | 170.10             | 133.43           | 36.67              | 78.22            | 55.21           |
| 1 to 3 years  | Stage 3        | 3,743.76           | 1,770.31         | 1,973.45           | 1,189.36         | 580.95          |
| More than 3 years   | Stage 3        | 12,779.39          | 9,181.94         | 3,597.46           | 9,120.21         | 61.73           |
| <b>Sub-total for doubtful</b>   |                | <b>19,938.85</b>   | <b>11,396.72</b> | <b>8,542.14</b>    | <b>11,948.57</b> | <b>(551.85)</b> |
|   |                |                    |                  |                    |                  |                 |
| Loss  | Stage 3        | 3,079.39           | 2,918.31         | 161.08             | 3,079.39         | (161.08)        |
| <b>Sub-total for NPA</b>  |                | <b>24,608.74</b>   | <b>14,650.41</b> | <b>9,958.33</b>    | <b>15,186.66</b> | <b>(536.25)</b> |
|   |                |                    |                  |                    |                  |                 |
| Other items (whose exposure forms part of contingent liability) such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current IRACP norms | Stage 1        | -                  | 69.75            | (69.75)            | -                | 69.75           |
|   | Stage 2        | -                  | -                | -                  | -                | -               |
|   | Stage 3        | -                  | 7.47             | (7.47)             | -                | 7.47            |
| <b>Sub-total</b>  |                | <b>-</b>           | <b>77.21</b>     | <b>(77.21)</b>     | <b>-</b>         | <b>77.21</b>    |
|   |                |                    |                  |                    |                  |                 |
| <b>Total</b>  | <b>Stage 1</b> | <b>3,29,675.75</b> | <b>2,058.82</b>  | <b>3,27,616.93</b> | <b>2,921.55</b>  | <b>(862.74)</b> |
|   | <b>Stage 2</b> | <b>27,610.01</b>   | <b>945.32</b>    | <b>26,664.69</b>   | <b>652.55</b>    | <b>292.77</b>   |
|   | <b>Stage 3</b> | <b>20,915.28</b>   | <b>14,344.38</b> | <b>6,570.90</b>    | <b>13,581.44</b> | <b>762.95</b>   |
|   | <b>Total</b>   | <b>3,78,201.04</b> | <b>17,348.52</b> | <b>3,60,852.51</b> | <b>17,155.54</b> | <b>192.98</b>   |

| <b>As at 31.03.2021</b>                      |   |  |  |                            |   |   |
|--|---|--|--|----------------------------|---|---|
| <b>Asset Classification as per RBI Norms</b> | <b>Asset classification as per Ind AS 109</b> | <b>Gross Carrying Amount as per Ind AS</b> | <b>Loss Allowances (Provisions) as required under Ind AS 109</b> | <b>Net Carrying Amount</b> | <b>Provisions required as per IRACP norms</b> | <b>Difference between Ind AS 109 provisions and IRACP norms</b> |
| <b>(1)</b>                                   | <b>(2)</b>                                    | <b>(3)</b>                                 | <b>(4)</b>   | <b>(5)=(3)-(4)</b>         | <b>(6)</b>                                    | <b>(7) = (4)-(6)</b>  |
| <b>Performing Assets</b>                     |   |  |  |                            |   |   |
| Standard                                     | Stage 1                                       | 3,05,410.67                                | 1,193.00   | 3,04,217.67                | 1,586.86                                      | (393.86)  |
|  | Stage 2                                       | 49,037.04                                  | 1,901.40   | 47,135.64                  | 2,226.57                                      | (325.17)  |
|  | Stage 3                                       | -  | -  | -                          | -   | -   |
| Subtotal                                     |   | <b>3,54,447.71</b>                         | <b>3,094.40</b>  | <b>3,51,353.31</b>         | <b>3,813.43</b>                               | <b>(719.03)</b>   |
| <b>Non-Performing Assets (NPA)</b>           |   |  |  |                            |   |   |
| Substandard                                  | Stage 1                                       | 321.79                                     | 29.33  | 292.46                     | 32.17   | (2.84)  |
|  | Stage 2                                       | -  | -  | -                          | -   | -   |

|   |                |                    |                  |                    |                  |                 |
|---|----------------|--------------------|------------------|--------------------|------------------|-----------------|
|   | Stage 3        | 170.10             | 40.24            | 129.86             | 17.01            | 23.23           |
| <b>Subtotal for Substandard</b>   |                | <b>491.89</b>      | <b>69.57</b>     | <b>422.32</b>      | <b>49.18</b>     | <b>20.39</b>    |
|   |                |                    |                  |                    |                  |                 |
| Doubtful - up to 1 year   | Stage 1        | 115.49             | 0.05             | 115.44             | 22.59            | (22.55)         |
| 1 to 3 years  | Stage 1        | 313.92             | 0.50             | 313.42             | 94.35            | (93.85)         |
| More than 3 years   | Stage 1        | 316.45             | 0.11             | 316.34             | 154.45           | (154.34)        |
| Doubtful - up to 1 year   | Stage 3        | -                  | -                | -                  | -                | -               |
| 1 to 3 years  | Stage 3        | 13,863.97          | 7,703.23         | 6,160.75           | 6,357.63         | 1,345.59        |
| More than 3 years   | Stage 3        | 5,874.82           | 4,431.62         | 1,443.19           | 4,650.66         | (219.04)        |
| <b>Subtotal for doubtful</b>  |                | <b>20,484.65</b>   | <b>12,135.51</b> | <b>8,349.14</b>    | <b>11,279.68</b> | <b>855.81</b>   |
|   |                |                    |                  |                    |                  |                 |
| Loss  | Stage 3        | 1,241.27           | 1,241.27         | -                  | 1,241.27         | -               |
| <b>Subtotal for NPA</b>   |                | <b>22,217.85</b>   | <b>13,446.35</b> | <b>8,771.50</b>    | <b>12,570.14</b> | <b>876.21</b>   |
|   |                |                    |                  |                    |                  |                 |
| Other items (whose exposure forms part of contingent liability) such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current IRACP norms | Stage 1        | -                  | 13.20            | (13.20)            | -                | 13.20           |
|   | Stage 2        | -                  | 43.83            | (43.83)            | -                | 43.83           |
|   | Stage 3        | -                  | -                | -                  | -                | -               |
| <b>Subtotal</b>   |                | <b>-</b>           | <b>57.03</b>     | <b>(57.03)</b>     | <b>-</b>         | <b>57.03</b>    |
|   |                |                    |                  |                    |                  |                 |
| <b>Total</b>  | <b>Stage 1</b> | <b>3,06,478.32</b> | <b>1,236.19</b>  | <b>3,05,242.13</b> | <b>1,890.43</b>  | <b>(654.24)</b> |
|   | <b>Stage 2</b> | <b>49,037.04</b>   | <b>1,945.24</b>  | <b>47,091.81</b>   | <b>2,226.57</b>  | <b>(281.33)</b> |
|   | <b>Stage 3</b> | <b>21,150.16</b>   | <b>13,416.36</b> | <b>7,733.80</b>    | <b>12,266.57</b> | <b>1,149.79</b> |
|   | <b>Total</b>   | <b>3,76,665.52</b> | <b>16,597.79</b> | <b>3,60,067.74</b> | <b>16,383.57</b> | <b>214.22</b>   |

**40.1.8 In accordance with RBI's Master Direction-Non-Banking Financial Company- Systemically Important Non-Deposit Taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 as amended from time to time, NPA ratios duly considering the loans which would have been otherwise required to be classified as NPA as per RBI norms is as under:**

| Particulars              | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2021 |
|--------------------------|------------------|------------------|------------------|
| Gross NPA to Gross Loans | 4.72%            | 6.58%            | 5.99%            |
| Net NPA to Net Loans     | 1.87%            | 2.76%            | 2.45%            |

#### 40.2 Liquidity Risk

Liquidity risk is the risk that the Company doesn't have sufficient financial resources to meet its obligations as and when they fall due. The risk arises from the mismatches in the timing of the cash flows which are inherent in all financing operations and can be affected by a range of company specific and market wide events.

In order to effectively manage liquidity risk, the Company endeavours to maintain sufficient cash flows to cover maturing liabilities without incurring unacceptable losses or risking damage to the Company's reputation and also endeavours to maintain a diversified fund base by raising resources through different funding instruments. The adequacy of the Company's liquidity position is determined keeping in view the current liquidity position, anticipated future funding needs, present and future earning capacity and available sources of funds.

The Company manages its day to day liquidity to ensure that the company has sufficient liquidity to meet its financial obligation as & when due. The long term liquidity is managed keeping in view the long term fund position and the

market factors. This is in line with the Board approved framework and breaches, if any, are to be reported as per approved framework. The Company has never defaulted in servicing of its borrowings.

Further, for overall liquidity monitoring and supervision, the Company has an Asset Liability Committee (ALCO) headed by Director (Finance). The ALCO tracks the liquidity risk by analysing the maturity or cash flow mismatches of its financial assets and liabilities. The mismatches are analysed by way of liquidity statements prescribed by RBI, wherein the cumulative surplus or deficit of funds is arrived at by distributing the cash flows against outstanding financial assets and financial liabilities according to the maturity ladder.

- (i) The following table analyses the maturity pattern of items of financial liabilities(debt securities, borrowings and subordinated liabilities) by remaining maturity of contractual principal and interest on an undiscounted basis:

(₹ in crore)

| Particulars*                       | Upto 1 year      | 1 – 5 years        | More than 5 years  | Total              |
|------------------------------------|------------------|--------------------|--------------------|--------------------|
| <b>As at 31.03.2023</b>            |                  |                    |                    |                    |
| <b>Domestic borrowings</b>         |                  |                    |                    |                    |
| Principal                          | 46,280.00        | 1,35,581.86        | 1,16,221.48        | <b>2,98,083.34</b> |
| Interest                           | 21,838.37        | 59,803.45          | 37,412.88          | <b>1,19,054.71</b> |
| <b>Foreign Currency borrowings</b> |                  |                    |                    |                    |
| Principal                          | 9,101.96         | 19,834.55          | 35,617.98          | <b>64,554.49</b>   |
| Interest                           | 2,361.78         | 6,508.92           | 2,026.65           | <b>10,897.35</b>   |
| <b>Total</b>                       | <b>79,582.11</b> | <b>2,21,728.78</b> | <b>1,91,278.99</b> | <b>4,92,589.88</b> |
|                                    |                  |                    |                    |                    |
| <b>As at 31.03.2022</b>            |                  |                    |                    |                    |
| <b>Domestic borrowings</b>         |                  |                    |                    |                    |
| Principal                          | 28,934.60        | 1,28,392.62        | 1,06,554.59        | <b>2,63,881.81</b> |
| Interest                           | 18,797.58        | 52,004.68          | 33,379.09          | <b>1,04,181.35</b> |
| <b>Foreign Currency borrowings</b> |                  |                    |                    |                    |
| Principal                          | 9,222.97         | 17,958.25          | 29,107.15          | <b>56,288.37</b>   |
| Interest                           | 1,745.64         | 5,804.15           | 2,999.03           | <b>10,548.82</b>   |
| <b>Total</b>                       | <b>58,700.79</b> | <b>2,04,159.70</b> | <b>1,72,039.86</b> | <b>4,34,900.36</b> |
|                                    |                  |                    |                    |                    |
| <b>As at 31.03.2021</b>            |                  |                    |                    |                    |
| <b>Domestic borrowings</b>         |                  |                    |                    |                    |
| Principal                          | 40,237.18        | 1,21,261.97        | 1,13,894.40        | <b>2,75,393.55</b> |
| Interest                           | 20,451.25        | 54,751.33          | 37,843.56          | <b>1,13,046.14</b> |
| <b>Foreign Currency borrowings</b> |                  |                    |                    |                    |
| Principal                          | 2,091.66         | 21,970.46          | 25,773.68          | <b>49,835.80</b>   |
| Interest                           | 1,476.91         | 5,322.99           | 3,938.05           | <b>10,737.95</b>   |
| <b>Total</b>                       | <b>64,257.00</b> | <b>2,03,306.75</b> | <b>1,81,449.69</b> | <b>4,49,013.44</b> |

\* In the above table, bonds with put & call option have been shown considering the earliest exercise date. Further, the commercial papers and zero-coupon bonds have been shown at the maturity value.

- (ii) The following table analyses the maturity pattern of Derivative financial liabilities\*:

(₹ in crore)

| Particulars             | Upto 1 year  | 1 – 5 years  | More than 5 years | Total         |
|-------------------------|--------------|--------------|-------------------|---------------|
| <b>As at 31.03.2023</b> |              |              |                   |               |
| Forward                 | 21.06        | -            | -                 | 21.06         |
| Option/ swaps           | 3.26         | -            | -                 | 3.26          |
| <b>Total</b>            | <b>24.32</b> | -            | -                 | <b>24.32</b>  |
|                         |              |              |                   |               |
| <b>As at 31.03.2022</b> |              |              |                   |               |
| Forward                 | -            | -            | -                 | -             |
| Option/ swaps           | 56.75        | 46.50        | -                 | 103.25        |
| <b>Total</b>            | <b>56.75</b> | <b>46.50</b> | -                 | <b>103.25</b> |
|                         |              |              |                   |               |
| <b>As at 31.03.2021</b> |              |              |                   |               |
| Forward                 | 40.53        | -            | -                 | 40.53         |

|               |              |               |   |               |
|---------------|--------------|---------------|---|---------------|
| Option/ swaps | 15.48        | 438.03        | - | 453.51        |
| <b>Total</b>  | <b>56.01</b> | <b>438.03</b> | - | <b>494.04</b> |

\* The above table details the Company's liquidity analysis for its derivative financial liabilities based on MTMs received from counterparty banks. Maturity buckets are as per the remaining tenor of the respective derivative instrument.

- (iii) Significant cash flows required for meeting the financial liabilities shall be funded through cash flows (principal and interest repayments) generated from loan assets. The following table analyses the maturity pattern of loans by remaining maturity of contractual principal and interest on an undiscounted basis:

(₹ in crore)

| Particulars*            | Upto 1 year      | 1 – 5 years        | More than 5 years  | Total              |
|-------------------------|------------------|--------------------|--------------------|--------------------|
| <b>As at 31.03.2023</b> |                  |                    |                    |                    |
| <b>Loan assets</b>      |                  |                    |                    |                    |
| Principal               | 52,942.67        | 1,41,277.13        | 2,16,278.54        | <b>4,10,498.35</b> |
| Interest                | 37,705.85        | 1,11,246.88        | 97,226.08          | <b>2,46,178.81</b> |
| <b>Total</b>            | <b>90,648.52</b> | <b>2,52,524.01</b> | <b>3,13,504.62</b> | <b>6,56,677.16</b> |
| <b>As at 31.03.2022</b> |                  |                    |                    |                    |
| <b>Loan assets</b>      |                  |                    |                    |                    |
| Principal               | 28,263.46        | 1,28,615.86        | 2,01,918.38        | <b>3,58,797.70</b> |
| Interest                | 34,703.91        | 1,06,907.01        | 1,00,935.58        | <b>2,42,546.50</b> |
| <b>Total</b>            | <b>62,967.37</b> | <b>2,35,522.87</b> | <b>3,02,853.96</b> | <b>6,01,344.20</b> |
| <b>As at 31.03.2021</b> |                  |                    |                    |                    |
| <b>Loan assets</b>      |                  |                    |                    |                    |
| Principal               | 33,603.33        | 1,19,449.05        | 2,04,302.25        | <b>3,57,354.63</b> |
| Interest                | 34,823.78        | 1,08,997.32        | 1,20,916.68        | <b>2,64,737.78</b> |
| <b>Total</b>            | <b>68,427.11</b> | <b>2,28,446.37</b> | <b>3,25,218.93</b> | <b>6,22,092.41</b> |

\* The principal cash flows net of impairment loss allowance relating to Stage 3 assets have been considered in over 5 years bucket irrespective of the maturity date.

- (iv) The Company has access to cash credit, overdraft, line of credits and working capital demand loans from banks to meet unanticipated liquidity need. Further, the Company has the highest domestic Credit Rating of AAA, thereby enabling it to mobilize funds from the domestic market within a short span of time. The Company has access to the following undrawn short term borrowing facilities :

(₹ in crore)

| Particulars                | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2021 |
|----------------------------|------------------|------------------|------------------|
| CC/ OD/ LoC / WC DL limits | 8116.17          | 5,398.00         | 8,098.00         |

- (v) The Company also maintains sufficient liquidity buffer in the form of High-Quality Liquid Assets (HQLA) as prescribed by RBI for NBFCs. Refer note 55.6 for disclosure in this regard.

#### 40.3 Market Risk – Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument, denominated in currency other than functional currency, will fluctuate because of changes in foreign exchange rates.

- (i) The Company is exposed to foreign currency risk mainly on its borrowings denominated in foreign currency. The carrying amount of the Company's foreign currency denominated borrowings is as follows:

| Description       | As at 31.03.2023             |                  | As at 31.03.2022             |                  | As at 31.03.2021             |                  |
|-------------------|------------------------------|------------------|------------------------------|------------------|------------------------------|------------------|
|                   | Crore in respective currency | ₹ in Crore       | Crore in respective currency | ₹ in Crore       | Crore in respective currency | ₹ in Crore       |
| <b>USD Loans</b>  | <b>584.12</b>                | <b>48,024.91</b> | <b>678.27</b>                | <b>51,417.51</b> | <b>630.91</b>                | <b>46,374.92</b> |
| - Hedged          | 403.50                       | 33,174.52        | 407.50                       | 30,891.39        | 280.00                       | 20,581.32        |
| - Unhedged        | 180.62                       | 14,850.39        | 270.77                       | 20,526.12        | 350.91                       | 25,793.60        |
| <b>Euro Loans</b> | <b>93.17</b>                 | <b>8,348.44</b>  | <b>30.83</b>                 | <b>2,609.67</b>  | <b>0.97</b>                  | <b>83.69</b>     |

|                  |                  |                  |                 |                  |                 |                  |
|------------------|------------------|------------------|-----------------|------------------|-----------------|------------------|
| - Hedged         | 56.61            | 5,072.98         | -               | -                | -               | -                |
| - Unhedged       | 36.56            | 3,275.46         | 30.83           | 2,609.67         | 0.97            | 83.69            |
|                  |                  |                  |                 |                  |                 |                  |
| <b>JPY Loans</b> | <b>13,238.08</b> | <b>8,181.14</b>  | <b>3,633.60</b> | <b>2,261.19</b>  | <b>5,089.20</b> | <b>3,377.19</b>  |
| - Hedged         | 4,090.53         | 2,527.96         | -               | -                | -               | -                |
| - Unhedged #     | 9,147.55         | 5,653.18         | 3,633.60        | 2,261.19         | 5,089.20        | 3,377.19         |
|                  |                  |                  |                 |                  |                 |                  |
| <b>Total</b>     |                  | <b>64,554.49</b> |                 | <b>56,288.37</b> |                 | <b>49,835.80</b> |
| - Hedged         |                  | <b>40,775.46</b> |                 | <b>30,891.39</b> |                 | <b>20,581.32</b> |
| - Unhedged       |                  | <b>23,779.03</b> |                 | <b>25,396.98</b> |                 | <b>29,254.48</b> |

#includes JPY loan liability hedged for one leg (USD/JPY) for ₹ 5,653.18 crore as at 31.03.2023 (As at 31.03.2022 – Nil, as at 31.03.2021, JPY loan partly hedged through forwards covering USD/ INR exposure for ₹ 940.86 crore)

## (ii) Foreign currency risk monitoring and management

The Company has put in place a Board approved “Policy for Management of Risks on Foreign Currency Borrowings” to manage and hedge risks associated with foreign currency borrowings which prescribes the structure and organization for management of associated risks.

The Company enters into various derivative transactions viz. principal only swaps, options and forward contracts for hedging the exchange rate risk. As per extant policy, a system for reporting and monitoring of risks is in place wherein Committee for Management of Risks on Foreign Currency Borrowings, consisting of senior executives of the Company, monitors the foreign currency exchange rate. These derivative transactions are done for hedging purpose and not for trading or speculative purpose. The policy lays down the appropriate systems and controls to identify, measure and monitor, the currency risk for reporting to the Management.

## (iii) Foreign Currency Sensitivity Analysis

The following table presents the impact on total equity [Gain / (Loss)] for 5% change in foreign currency exchange rate against INR on unhedged portfolio of outstanding foreign currency borrowings:

(₹ in crore)

| Foreign Liabilities | Currency | As at 31.03.2023                              |                   | As at 31.03.2022 |                   | As at 31.03.2021 |                   |
|---------------------|----------|---|-------------------|------------------|-------------------|------------------|-------------------|
|                     |          | Decrease                                      | Increase          | Decrease         | Increase          | Decrease         | Increase          |
|                     |          | on account of change in foreign exchange rate |                   |                  |                   |                  |                   |
| USD                 |          | 742.52  | (742.52)          | 1,026.31         | (1,026.31)        | 1,289.68         | (1,289.68)        |
| Euro                |          | 163.77  | (163.77)          | 130.48           | (130.48)          | 4.18             | (4.18)            |
| JPY                 |          | 282.66  | (282.66)          | 113.06           | (113.06)          | 168.86           | (168.86)          |
| <b>Total</b>        |          | <b>1,188.95</b>                               | <b>(1,188.95)</b> | <b>1,269.85</b>  | <b>(1,269.85)</b> | <b>1,462.72</b>  | <b>(1,462.72)</b> |

## 40.4 Market Risk – Interest Rate Risk

**40.4.1** Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in interest rates. The impact may be beneficial or adverse depending on the direction of change in interest rates and whether assets or liabilities re-price faster.

- (i) Interest rate risk is managed with the objective to control market risk exposure while optimizing the return.

The Asset Liability Committee (ALCO) tracks the interest rate risk through the gap analysis i.e. by analysing the mismatches between Rate Sensitive Assets and Rate Sensitive Liabilities. For gap analysis, the interest rate sensitivity statement prescribed by RBI is used, wherein the gap is measured between the Rate Sensitive Assets and Rate Sensitive Liabilities which are distributed based on the maturity date or the re-pricing date whichever is earlier.

Further, for managing the interest rate risk, the Company reviews its interest rates periodically based on prevailing market conditions, borrowing cost, yield, spread, competitors’ rates, etc. The asset mix is managed by the Company through its interest rate & credit policies which inter-alia covers aspects like reset periods; repayment periods, prepayment premium etc. The liabilities are managed keeping in view factors like cost, market appetite, timing,

market scenario, ALM gap position etc. The Company also enters into various derivatives transactions like interest rate swaps, cross-currency interest rate swaps to hedge its interest rate risk.

(ii) Interest Rate Sensitivity Analysis

As per RBI Guidelines, Earning at Risk (EaR) is an important focal point for interest risk management. For Interest Rate Sensitivity analysis, the impact of movement of interest rates has been measured on the Earning at Risk derived from the gap statements. The impact has been worked out considering 25 basis upward/downward shocks to interest rates over a one-year period, assuming a constant balance sheet. The analysis shows that if rates are increased/decreased by 25 bps, the impact on EaR will be (+/-) ₹ 194.52 crore. (As at 31.03.2022 (+/-) ₹ 118.77 crore, As at 31.03.2021(+/-) ₹ 58.00 crore).

The analysis assumes that the Rate Sensitive Assets and Rate Sensitive Liabilities are being re-priced at the same time. Further, the analysis considers the earliest/first re-pricing date of the Rate Sensitive Assets and Rate Sensitive Liabilities.

Note: A 25 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

**40.4.2 Disclosures in respect of Interest Rate Benchmark Reform**

The Company has variable interest rate borrowings whose interest rate is based on interest rate benchmarks. Also, to hedge the variability of cash flows on these borrowings, the Company has entered into multiple interest rate swaps with key terms (principal amount, payment dates, repricing dates, currency) that match those of the debt on which it pays a fixed rate and receives a variable rate. Significant interest rate benchmark used in the Company's borrowings is 6 month USD LIBOR (London Interbank offer rate).

(i) Exposure directly affected by the interest rate benchmark reform

The total amount of exposure that is directly affected by Interest Rate Benchmark Reform (IBOR) i.e. after June 2023 is USD 656.24 million (Amount in INR ₹ 5395.44 crores) as on 31.03.2023. Out of this, the amount of the derivative exposure linked with such liabilities and accounted for under hedge accounting is USD 650 million (Amount in INR ₹ 5344.10 Crores).

Following is the detail of the foreign currency borrowings which will be impacted based on LIBOR transition from 6-month USD LIBOR as planned after June 2023: -

| Benchmark                                   | As at 31.03.2023                        |                      |   |                      | As at 31.03.2022                        |                      |   |                      |
|---|---|----------------------|---|----------------------|---|----------------------|---|----------------------|
|   | Amount in respective currency (million) | Amount (₹ in crores) | Of which, have yet to transition to an alternative benchmark rate |                      | Amount in respective currency (million) | Amount (₹ in crores) | Of which, have yet to transition to an alternative benchmark rate |                      |
|   |   |                      | Amount in respective currency (million)                           | Amount (₹ in crores) |   |                      | Amount in respective currency (million)                           | Amount (₹ in crores) |
| <b>Non-derivative financial liabilities</b> |   |                      |   |                      |   |                      |   |                      |
| 6 month USD LIBOR                           | 656.24                                  | 5,395.44             | 650.00  | 5,344.10             | 657.67                                  | 4,985.66             | 650.00  | 4,927.46             |
| <b>Derivatives</b>                          |   |                      |   |                      |   |                      |   |                      |
| 6 month USD LIBOR                           | 650.00                                  | 5,344.10             | 650.00  | 5,344.10             | 650.00                                  | 4,927.46             | 650.00  | 4,927.46             |

| Benchmark                                   | As at 31.03.2021                        |                      |   |                      |
|---|---|----------------------|---|----------------------|
|   | Amount in respective currency (million) | Amount (₹ in crores) | Of which, have yet to transition to an alternative benchmark rate |                      |
|   |   |                      | Amount in respective currency (million)                           | Amount (₹ in crores) |
| <b>Non-derivative financial liabilities</b> |   |                      |   |                      |

|                    |           |          |           |          |
|--------------------|-----------|----------|-----------|----------|
| 6 month USD LIBOR  | 659.11    | 4,844.76 | 659.11    | 4,844.76 |
| 6 month JPY LIBOR* | 30,966.75 | 2,054.95 | 30,966.75 | 2,054.95 |
| <b>Derivatives</b> |           |          |           |          |
| 6 month USD LIBOR  | 650.00    | 4,777.81 | 650.00    | 4,777.81 |

(ii) Managing the process of transition to alternative benchmark rates

The Company has in place a Board approved Policy for undertaking Libor Transition namely “Framework for transition from London Inter Bank Offered Rate (LIBOR) to Alternative Reference Rate (ARR)’. The framework inter-alia covers aspects such as assessment of exposure linked to LIBOR, identification of risk arising out of LIBOR transition, contracts remediation, operational readiness, governing structure, regulatory compliance & reporting, etc. Further, the company shall undertake all transition activities as per the process/ guidelines detailed in the policy. The process of transition from 6 month USD LIBOR to Alternative Reference Rate has been initiated & shall be completed within available timelines.

(iii) Significant assumptions for exposure affected by the interest rate benchmark reform

Ind AS 109 provides temporary exceptions to all the hedging relationships directly impacted by the interest rate benchmark reform. The alternative reference rate / benchmarks for the LIBOR linked loans and their derivatives are yet to be agreed with the lenders and the derivative bankers. However, it has been assumed that as a result of such reform there shall be no change in the relationship of the hedged items, hedged instruments and its corresponding hedge effectiveness.

#### 40.5 Market Risk - Price risk

(i) The Company is exposed to price risks arising from investments in listed equity shares. Refer Note 11 ‘Investments’ for Company’s exposure to the same.

(ii) Sensitivity Analysis

The table below represents the impact on Statement of Profit and Loss for 5% increase or decrease in the respective prices on Company’s equity investments, outside the group:

(₹ in crore)

| Particulars   | As at 31.03.2023 |            | As at 31.03.2022 |            | As at 31.03.2021 |            |
|---------------|------------------|------------|------------------|------------|------------------|------------|
|               | Increase         | (Decrease) | Increase         | (Decrease) | Increase         | (Decrease) |
| Impact on P&L | 3.47             | (3.47)     | 6.29             | (6.29)     | 3.00             | (3.00)     |
| Impact on OCI | 56.50            | (56.50)    | 47.48            | (47.48)    | 42.10            | (42.10)    |

#### 41. Hedge Accounting

The hedging instruments which meets the qualifying criteria for hedge accounting are designated as cash flow hedge. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in Other Comprehensive Income. The change in intrinsic value of hedging instruments is recognized in ‘Effective Portion of Cash Flow Hedges’. The amounts recognized in such reserve are reclassified to the Statement of Profit or Loss when the hedged item affects profit or loss. Further, the change in fair value of the time value of a hedging instruments is recognized in ‘Cost of Hedging Reserve’. The amounts recognized in such reserve are amortized to the Statement of Profit and Loss on a systematic basis.

(i) Hedge Effectiveness

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company applies the following effectiveness testing strategies:

- a) For derivatives other than options that exactly match the terms of the hedged item, the economic relationship and hedge effectiveness are based on the qualitative factors using critical terms match method (where principal terms of the hedging instrument and the hedged item are same).

- b) For option structures, the Company analyses the relationship of changes in value of the hedging instrument and hedged item using regression analysis based dollar offset method.

(ii) The effects of hedging instruments designated as Cash-flow hedge on the Standalone Balance Sheet:

| Sr. No.                 | Particulars               | Nominal Amount (₹ in Crore) | Carrying Amount <sup>(1)</sup> |                          | Date of maturity | Weighted Average Rate / Strike Price |  |
|-------------------------|---------------------------|-----------------------------|--------------------------------|--------------------------|------------------|--------------------------------------|--|
|                         |                           |                             | Assets (₹ in Crore)            | Liabilities (₹ in Crore) |                  |                                      |  |
| <b>As at 31.03.2023</b> |                           |                             |                                |                          |                  |                                      |  |
| 1.                      | Currency Derivatives      | Forwards                    | 507.09                         | 20.40                    | -                | Feb 2024                             | 0.6303   |
|                         |                           | Principal Only Swaps        | 4,521.93                       | 460.12                   | -                | Sep 2023-Sep 2024                    | 71.91  |
|                         |                           | Call Spread Option          | 13,705.76                      | 679.45                   | -                | Oct 2023-Dec 2024                    | 76.99  |
|                         |                           | Seagull Option              | 29,169.51                      | 2,826.19                 | 3.26             | Dec 2023-Dec 2027                    | USD/INR76.5202<br>EUR/USD- 1.0775<br>USD/JPY- 130.83 |
| <b>Sub Total</b>        |                           | <b>47,904.29</b>            | <b>3,986.16</b>                | <b>3.26</b>              |                  |                                      |  |
| 2.                      | Interest rate Derivatives | Interest Rate Swap          | 7,399.52                       | 364.11                   | -                | Sep 2023-Jun 2024                    | 1.27%  |
| <b>Sub Total</b>        |                           | <b>7,399.52</b>             | <b>364.11</b>                  | <b>-</b>                 |                  |                                      |  |
| 3.                      | <b>Total (1+2)</b>        |                             | <b>55,303.81</b>               | <b>4,350.27</b>          | <b>3.26</b>      |                                      |  |
| <b>As at 31.03.2022</b> |                           |                             |                                |                          |                  |                                      |  |
| 1.                      | Currency Derivatives      | Forward                     | -                              | -                        | -                | -                                    | -  |
|                         |                           | Principal Only Swaps        | 6,064.57                       | 277.61                   | -                | Jun 2022-Sep 2024                    | 71.09  |
|                         |                           | Call Spread Option          | 7,959.75                       | 70.55                    | 21.55            | Oct-2023-Dec-2024                    | 73.90  |
|                         |                           | Seagull Option              | 10,802.51                      | 1,453.26                 | -                | May 2026-Nov-2026                    | 73.96  |
| <b>Sub Total</b>        |                           | <b>24,826.83</b>            | <b>1,801.42</b>                | <b>21.55</b>             |                  |                                      |  |
| 2.                      | Interest rate Derivatives | Interest Rate Swap          | 8,717.82                       | 198.86                   | 39.15            | Sep 2023-Jun 2024                    | 1.38%  |
| <b>Sub Total</b>        |                           | <b>8,717.82</b>             | <b>198.86</b>                  | <b>39.15</b>             |                  |                                      |  |
| 3.                      | <b>Total (1+2)</b>        |                             | <b>33,544.65</b>               | <b>2,000.28</b>          | <b>60.70</b>     |                                      |  |
| <b>As at 31.03.2021</b> |                           |                             |                                |                          |                  |                                      |  |
| 1.                      | Currency Derivatives      | Forward                     | 91.08                          | 0.17                     | -                | Jun 2021                             | 73.70  |
|                         |                           | Principal Only Swaps        | 5,880.38                       | 198.60                   | -                | Jun 2022-Sep 2024                    | 71.09  |
|                         |                           | Call Spread Option          | 7,717.99                       | -                        | 51.92            | Oct-2023-Dec-2024                    | 73.90  |
|                         |                           | <b>Sub Total</b>            |                                | <b>13,689.45</b>         | <b>198.77</b>    | <b>51.92</b>                         |  |
| 2.                      | Interest rate Derivatives | Interest Rate Swap          | 8,453.04                       | 4.10                     | 178.32           | Jun 2022-Jun 2024                    | 1.38%  |
| <b>Sub Total</b>        |                           | <b>8,453.04</b>             | <b>4.10</b>                    | <b>178.32</b>            |                  |                                      |  |
| 3.                      | <b>Total (1+2)</b>        |                             | <b>22,142.49</b>               | <b>202.87</b>            | <b>230.24</b>    |                                      |  |

<sup>(1)</sup> forms part of the line item 'Derivative Financial Instruments' in the Standalone Balance Sheet.

(iii) Profile of timing of nominal amount of hedging instrument designated as Cash-flow hedge\*



(₹ in crore)

| Description                      | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2021 |
|----------------------------------|------------------|------------------|------------------|
| <b>Currency derivatives</b>      |                  |                  |                  |
| Upto 1 year                      | 16,901.55        | 1,895.18         | 91.08            |
| 1 – 5 years                      | 31,002.74        | 22,931.65        | 13,598.37        |
| More than 5 years                | -                | -                | -                |
| <b>Sub Total (A)</b>             | <b>47,904.29</b> | <b>24,826.83</b> | <b>13,689.45</b> |
| <b>Interest rate derivatives</b> |                  |                  |                  |
| Upto 1 year                      | 2,055.42         | 1,895.18         | -                |
| 1 – 5 years                      | 5,344.10         | 6,822.64         | 8,453.04         |
| More than 5 years                | -                | -                | -                |
| <b>Sub Total (B)</b>             | <b>7,399.52</b>  | <b>8,717.82</b>  | <b>8,453.04</b>  |
| <b>Total (A+B)</b>               | <b>55,303.81</b> | <b>33,544.65</b> | <b>22,142.49</b> |

\*Maturity buckets in the above table are as per the remaining tenor of the respective derivative instrument.

(iv) The effects of hedging instruments designated as Cash-flow hedge on the Standalone Statement of Profit and Loss:

(₹ in Crore)

| Sr. No.                 | Particulars               | Change in value of hedging instrument recognised in other comprehensive income | Hedge ineffectiveness recognised in Statement of P& L | Amount reclassified from OCI to P&L | Line item in P&L affected on Reclassification from OCI to P&L |
|-------------------------|---------------------------|--|---|-------------------------------------|---|
| <b>As at 31.03.2023</b> |                           |  |   |                                     |   |
| 1.                      | Currency Derivatives      | 504.02   | -   | 945.75                              | Finance Costs   |
|                         |                           |  |   | (1,972.41)                          | Net Translation / Transaction Exchange Loss / (Gain)          |
| 2.                      | Interest rate Derivatives | 221.69   | -   | (117.17)                            | Finance Costs   |
| <b>As at 31.03.2022</b> |                           |  |   |                                     |   |
| 1.                      | Currency Derivatives      | (451.84)   | -   | 702.18                              | Finance Costs   |
|                         |                           |  |   | (532.79)                            | Net Translation / Transaction Exchange Loss / (Gain)          |
| 2.                      | Interest rate Derivatives | 238.72   | -   | 100.10                              | Finance Costs   |
| <b>As at 31.03.2021</b> |                           |  |   |                                     |   |
| 1.                      | Currency Derivatives      | (621.69)   | -   | 365.46                              | Finance Costs   |
|                         |                           |  |   | 129.89                              | Net Translation / Transaction Exchange Loss / (Gain)          |
| 2.                      | Interest rate Derivatives | 1.18   | -   | 66.46                               | Finance Costs   |

(v) Reconciliation of Effective Portion of Cash Flow Hedges and Cost of Hedging Reserve

(₹ in crore)

| Sr. No.                                      | Particulars   | FY 2022-23    | FY 2021-22      |
|--|---|---------------|-----------------|
| <b>Effective Portion of Cash flow Hedges</b> |   |               |                 |
| (a)  | <b>Opening balance of Reserves (net of tax)</b>                 | <b>200.34</b> | <b>(113.34)</b> |
| (b)  | Changes in intrinsic value of options contracts                 | 2026.95       | 428.72          |
| (c)  | Changes in fair value of PoS/Forwards/IRS contracts             | 452.66        | 423.15          |
| (d)  | Amount reclassified from OCI to P&L                             | (2089.59)     | (432.69)        |
| (e)  | <b>Net amount recognised in OCI during the year (b + c + d)</b> | <b>390.02</b> | <b>419.18</b>   |

|     |  |                 |                 |
|-----|--|-----------------|-----------------|
| (f) | Deferred Tax on (e) above  | (98.16)         | (105.50)        |
| (g) | <b>Net amount recognised in OCI during the year (Net of Tax) (e + f)</b> | <b>291.86</b>   | <b>313.68</b>   |
| (h) | <b>Closing balance of Reserves (net of Tax) (a + g)</b>                  | <b>492.20</b>   | <b>200.34</b>   |
|     | <b>Cost of Hedging Reserve</b>   |                 |                 |
| (a) | <b>Opening balance of Reserves (net of tax)</b>                          | <b>(294.75)</b> | <b>(23.24)</b>  |
| (b) | Changes in deferred time value of options/PoS/Forward contracts          | (1753.90)       | (1065.00)       |
| (c) | Amortisation of time value   | 945.76          | 702.18          |
| (d) | <b>Net amount recognised in OCI during the year (b + c)</b>              | <b>(808.14)</b> | <b>(362.82)</b> |
| (e) | Deferred Tax on (d) above  | 203.39          | 91.31           |
| (f) | <b>Net amount recognised in OCI during the year (Net of Tax) (d + e)</b> | <b>(604.75)</b> | <b>(271.51)</b> |
| (g) | <b>Closing balance of Reserves (net of Tax) (a + f)</b>                  | <b>(899.50)</b> | <b>(294.75)</b> |

| Sr. No. | Particulars  | FY 2020-21              |                          |
|---------|--|-------------------------|--------------------------|
|         |  | Currency Derivative     | Interest rate Derivative |
| (a)     | <b>Opening balance of Reserves (net of tax)</b>                          | <b>82.30</b>            | <b>(174.96)</b>          |
| (b)     | Hedge ineffectiveness recognised in P&L                                  | -                       | -                        |
| (c)     | Amount recognised in OCI during the year                                 | (621.69) <sup>(a)</sup> | 1.18 <sup>(b)</sup>      |
| (d)     | Amount reclassified from OCI to P&L                                      | 495.35                  | 66.46                    |
| (e)     | <b>Net amount recognised in OCI during the year (c + d)</b>              | <b>(126.34)</b>         | <b>67.64</b>             |
| (f)     | Deferred Tax on (e) above  | 31.80                   | (17.02)                  |
| (g)     | <b>Net amount recognised in OCI during the year (Net of Tax) (e + f)</b> | <b>(94.54)</b>          | <b>50.62</b>             |
| (h)     | <b>Closing balance of Reserves (net of Tax) (a + g)</b>                  | <b>(12.24)</b>          | <b>(124.34)</b>          |

<sup>(a)</sup> Comprises of changes in intrinsic value and time value of options contracts, changes in fair value of PoS/Forwards contracts

<sup>(b)</sup> Comprises of changes in fair value of IRS contracts

#### 42. Fair Value Measurements

- (i) Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

(₹ in crore)

| Sr. No. | Financial asset/ Financial Liability - Recurring fair value | Fair Value as at |            |            | Fair value hierarchy (Refer Note 5.1) | Valuation technique(s) & Key input(s)  |
|---------|---|------------------|------------|------------|---------------------------------------|--|
|         |   | 31.03.2023       | 31.03.2022 | 31.03.2021 |                                       |  |
| 1)      | <b>Quoted Equity investments</b>                            |                  |            |            |                                       |  |
|         | - PTC India Limited   | 102.06           | 98.70      | 93.30      | Level 1                               | Quoted market price  |
|         | - Coal India Limited  | 298.35           | 255.62     | 182.03     |                                       |  |
|         | - NHPC Limited  | 624.40           | 517.88     | 524.39     |                                       |  |
|         | - Suzlon Energy Limited                                     | 105.15           | 77.42      | 42.31      |                                       |  |
|         | - RattanIndia Power Limited                                 | 69.36            | 125.79     | 59.96      |                                       |  |
| 2)      | <b>Un-Quoted Equity investments</b>                         |                  |            |            |                                       |  |
|         | - Power Exchange India Limited                              | 3.59             | 0.00       | 0.00       | Level 3                               | Fair value has been determined using the Ind AS financials of the investee company.  |
|         | - RKM PowerGen Pvt. Ltd                                     | 0.00             | 0.00       | 0.00       |                                       | Allotted pursuant to restructuring, valued at ₹ 1 on prudent basis   |
|         | - Energy Efficiency Services Ltd (EESL)                     | 158.08           | 241.73     | NA         |                                       | EESL ceases to be a jointly controlled entity w.e.f 01.09.2021. Accordingly, the investment in EESL has been designated at fair value and the fair value has been determined |

|    |   |          |          |          |         |  |   |
|----|---|----------|----------|----------|---------|--|---|
|    |   |          |          |          |         | using the financials of the investee company.  |   |
|    | - Jhabua Power Limited                                    | 429.40   | -        |          |         | Fair value has been determined using the Ind AS financials of the investee company.  |   |
|    | - Ind Barath Energy Utkal Limited                         | 1.18     | -        |          |         |  |   |
| 3) | <b>Investment in preference shares</b>                    |          |          |          |         |  |   |
|    | - RattanIndia Power Limited- OCCRPS                       | 0.00     | 0.00     | 96.19    | Level 3 | Owing to default in redemption of RPS of RattanIndia Power Ltd., PFC estimates no material amount may be realized from the investment.   |   |
|    | - Suzlon Global Services Limited -CCPS                    | -        | 0.00     | 0.00     |         | Converted into equity shares pursuant to resolution.   |   |
| 4) | <b>Investment in debentures</b>                           |          |          |          |         |  |   |
|    | - Essar Power Transmission Company Ltd. - Series A3 - OCD | 35.64    | 37.80    | 40.88    | Level 3 | Fair valued using discounted future cash flow as per terms of agreement.   |   |
|    | - Essar Power Transmission Company Ltd. - Series B3 - OCD | 14.36    | 15.23    | 16.47    |         |  |   |
|    | - Suzlon Energy Limited - OCD                             | -        | 102.69   | 94.28    |         |  | During FY 2022-23, OCD of the Company was converted into Equity Shares of the Company.  |
|    | - Essar Power Transmission Company Ltd. - Series C - OCD  | 0.00     | 0.00     | 0.00     |         |  | Fair valued a ₹ 1 due to the non-availability of structured repayment schedule. The debentures are unsustainable in nature and future cash flows are uncertain. |
|    | - RKM Powergen Pvt. Ltd. - Series A - OCD                 | 0.00     | 0.00     | 0.00     |         |  |   |
|    | - RKM Powergen Pvt. Ltd. - Series B - OCD                 | 0.00     | 0.00     | 0.00     |         |  |   |
|    | - RKM Powergen Pvt. Ltd. - Series AI - OCD                | 0.00     | 0.00     | 0.00     |         |  |   |
| 5) | <b>Derivative Financial Instruments</b>                   |          |          |          |         |  |   |
|    | - Assets  | 4,803.40 | 3,080.56 | 1,251.45 | Level 2 | The fair value of these contracts is obtained from counterparty banks, who determines it using valuation models that use inputs which are observable for the contracts, such as interest rates and yield curves, implied volatilities etc. |   |
|    | - Liability   | 24.32    | 103.25   | 494.04   |         |  |   |
| 6) | Units of 'Small Is Beautiful' Fund of KSK                 | -        | -        | 0.00     | Level 3 | Pursuant to the completion of liquidation proceedings, investment has been derecognised from the books during the FY 2021-22.  |   |

(ii) There were no transfers between Level 1 and Level 2 during the year.

(iii) Reconciliation of Financial Instruments fair valued through Level 3 inputs:

The following tables show the reconciliation of the opening and closing amounts of financial assets and liabilities measured at fair value using Level 3 inputs:

(₹ in crore)

| Particulars | FVTOCI | FVTPL |
|-------------|--------|-------|
|-------------|--------|-------|

|   | Investment in Units of SIB fund of KSK | Investment in Un-quoted Equity Shares | Investment in Bonds of Union Bank | Investment in Preference Shares | Investment in Debentures |
|---|--|---------------------------------------|-----------------------------------|---------------------------------|--------------------------|
| <b>FY 2022-23</b>   |  |                                       |                                   |                                 |                          |
| <b>Opening Balance</b>  | -                                      | <b>241.73</b>                         | -                                 | -                               | <b>155.72</b>            |
| Investment made during the year                               | -                                      | 451.17                                | -                                 | -                               | -                        |
| Settlement  | -                                      | -                                     | -                                 | -                               | -                        |
| Transfer in Level 3   | -                                      | -                                     | -                                 | -                               | -                        |
| Transfer from Level 3   | -                                      | -                                     | -                                 | -                               | -                        |
| Interest income <sup>(1)</sup>                                | -                                      | -                                     | -                                 | -                               | 9.07                     |
| Fair Value gain/ (loss)                                       | -                                      | (100.65) <sup>(2)</sup>               | -                                 | -                               | (114.79)                 |
| <b>Closing Balance</b>  | -                                      | <b>592.25</b>                         | -                                 | -                               | <b>50.00</b>             |
| Unrealized gains/(loss) on assets held at the end of the year |  | (100.65)                              | -                                 | -                               | 4.24                     |
|   |  |                                       |                                   |                                 |                          |
| <b>FY 2021-22</b>   |  |                                       |                                   |                                 |                          |
| <b>Opening Balance</b>  | <b>0.00</b>                            | <b>0.00</b>                           | -                                 | <b>96.19</b>                    | <b>151.63</b>            |
| Investment made during the year                               | -                                      | -                                     | -                                 | -                               | -                        |
| Settlement  | (0.95)                                 | -                                     | -                                 | -                               | (16.58)                  |
| Transfer in Level 3   | -                                      | 278.16                                | -                                 | -                               | -                        |
| Transfer from Level 3   | -                                      | -                                     | -                                 | -                               | -                        |
| Interest income <sup>(1)</sup>                                | -                                      | -                                     | -                                 | -                               | 20.67                    |
| Fair Value gain/ (loss)                                       | 0.95 <sup>(2)</sup>                    | (36.43) <sup>(2)</sup>                | -                                 | (96.19) <sup>(3)</sup>          |                          |
| <b>Closing Balance</b>  | -                                      | <b>241.73</b>                         | -                                 | -                               | <b>155.72</b>            |
| Unrealized gains/(loss) on assets held at the end of the year | -                                      | (36.43)                               | -                                 | (96.19)                         | 16.92                    |
|   |  |                                       |                                   |                                 |                          |
| <b>FY 2020-21</b>   |  |                                       |                                   |                                 |                          |
| <b>Opening Balance</b>  | -                                      | 0.00                                  | <b>810.05</b>                     | <b>100.58</b>                   | -                        |
| Investment made during the year                               | -                                      | -                                     | -                                 | -                               | 157.06                   |
| Settlement  | -                                      | -                                     | (887.60)                          | -                               | (18.81)                  |
| Transfer in Level 3   | 6.12                                   | 0.00                                  | -                                 | -                               | -                        |
| Transfer from Level 3   | -                                      | -                                     | -                                 | -                               | -                        |
| Interest income <sup>(1)</sup>                                | -                                      | -                                     | 77.55                             | -                               | 13.38                    |
| Fair Value gain/ (loss)                                       | (6.12) <sup>(2)</sup>                  | -                                     | -                                 | (4.39) <sup>(3)</sup>           | -                        |
| <b>Closing Balance</b>  | <b>0.00</b>                            | <b>0.00</b>                           | -                                 | <b>96.19</b>                    | <b>151.63</b>            |
| Unrealized gains/(loss) on assets held at the end of the year | (6.12)                                 | -                                     | -                                 | (4.39)                          | -                        |

<sup>(1)</sup> Forms part of line item 'Interest Income' in the Standalone Statement of Profit and Loss.

<sup>(2)</sup> Fair value gain/ (loss) on Investments at FVTOCI forms part of line item 'Net Gain/(Loss) on Fair Value of Equity Instruments' in the Other Comprehensive section of Standalone Statement of Profit and Loss.

<sup>(3)</sup> Fair value gain/ (loss) on Investments at FVTPL forms part of line item 'Net Loss/(Gain) on Fair Value changes' in the Standalone Statement of Profit and Loss.

(iv) Fair Value of financial assets/ liabilities measured at amortized cost:

The fair value of the following financial assets and liabilities have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant input being the discount rate that reflects the credit risk of counterparties except for the cases where quoted market prices are available. These fair values were calculated for disclosure purposes only.

(₹ in crore)

| Asset/Liability | Fair value hierarchy | As at 31.03.2023 |            | As at 31.03.2022 |            | As at 31.03.2021 |            |
|-----------------|----------------------|------------------|------------|------------------|------------|------------------|------------|
|                 |                      | Amortized Cost   | Fair Value | Amortized Cost   | Fair Value | Amortized Cost   | Fair Value |

|  |             |             |             |             |             |             |             |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Loans  | Level 3     | 4,10,829.15 | 4,19,054.16 | 3,60,929.74 | 3,67,609.10 | 3,60,124.77 | 3,63,723.47 |
| Investments <sup>(a)</sup>                           | Level 1/3   | 961.32      | 967.04      | 110.21      | 110.60      | -           | -           |
| Other Financial Assets                               | Level 2     | 5,389.03    | 5,398.09    | 5,382.67    | 5,391.78    | 5,336.77    | 5,346.27    |
| Debt Securities <sup>(a)</sup>                       | Level 1 / 2 | 2,59,827.05 | 2,55,207.19 | 2,30,156.95 | 2,36,861.56 | 2,42,811.54 | 2,53,736.40 |
| Borrowings other than debt securities <sup>(b)</sup> | Level 2     | 1,01,228.89 | 96,575.09   | 87,965.42   | 84,205.44   | 80,837.60   | 79,334.36   |
| Subordinated Liabilities                             | Level 2     | 9,311.84    | 9,625.45    | 9,311.27    | 9,960.39    | 9,310.20    | 10,215.26   |

<sup>(a)</sup> Includes listed instruments with Level 1 fair value hierarchy  
Investment in G-Sec being fair valued using market price as at reporting date.  
Foreign currency Notes (GMTN issuances) being fair valued as per closing prices as per Reuters.

<sup>(b)</sup> Includes foreign currency loans linked to LIBOR/Alternative reference rate and multilateral agencies loans being valued at par.

The carrying amounts of financial assets and financial liabilities other than those shown in the above table are considered to be a reasonable approximation of their fair values.

### 43. Related Party Disclosures

#### 43.1 Related Parties

| <b>Subsidiaries:</b>  |  |    |   |
|-----------------------|--|----|---|
| 1                     | PFC Consulting Limited (PFCCCL)  | 2  | REC Limited (RECL) (formerly Rural Electrification Corporation Limited)   |
| 3                     | REC Power Development & Consultancy Limited (through RECL) (formerly REC Power Distribution Company Ltd.)            | 4  | PFC Projects Limited (formerly Coastal Karnataka Power Ltd.) (w.e.f 01.07.2022)   |
| <b>Associates:</b>    |  |    |   |
| 1                     | Bihar Mega Power Limited   | 2  | Sakhigopal Integrated Power Company Limited   |
| 3                     | Orissa Integrated Power Limited  | 4  | Ghogarpalli Integrated Power Company Limited  |
| 5                     | Jharkhand Infrapower Limited   | 6  | Odisha Infrapower Limited   |
| 7                     | Coastal Tamil Nadu Power Limited   | 8  | Deoghar Mega Power Limited  |
| 9                     | Bihar Infrapower Limited   | 10 | Cheyyur Infra Limited   |
| 11                    | Deoghar Infra Limited  | 12 | Tatiya Andhra Mega Power Limited (Struck off from the records of Registrar of Companies on 27.09.2022)                    |
| 13                    | Chhattisgarh Surguja Power Limited (Struck off from the records of Registrar of Companies on 11.01.2023)             | 14 | Coastal Maharashtra Mega Power Limited (Struck off from the records of Registrar of Companies on 29.09.2022)              |
| 15                    | Coastal Karnataka Power Ltd. (upto 30.06.2022)   |    |   |
| <b>Through PFCCCL</b> |  |    |   |
| 16                    | Mohanlalganj Transmission Limited (transferred on 30.05.2022)  | 17 | Chhatarpur Transmission Limited   |
| 18                    | Shongtong Karcham-Wangtoo Transmission Limited (Struck off from the records of Registrar of Companies on 13.01.2023) | 19 | Bijawar-Vidarbha Transmission Limited (under process of striking off the name from the records of Registrar of Companies) |
| 20                    | Bhadla Sikar Transmission Limited (transferred on 28.03.2023)  | 21 | Tanda Transmission Company Limited (Struck off from the records of Registrar of Companies on 13.01.2023)                  |
| 22                    | Fatehgarh III Beawar Transmission Limited (incorporated on 05.05.2022)   | 23 | Ananthpuram Kurnool Transmission Limited  |
| 24                    | Siot Transmission Limited (incorporated on 27.04.2022)   | 25 | Khetri-Narela Transmission Limited (transferred on 11.05.2022)  |
| 26                    | Bhadla III Transmission Limited (incorporated on 27.05.2022)   | 27 | Kishtwar Transmission Limited (transferred on 06.12.2022)   |
| 28                    | Dharamjaigarh Transmission Limited (incorporated on 18.11.2022 and transferred on 28.03.2023)                        | 29 | Beawar Dausa Transmission Limited (incorporated on 06.05.2022)  |
| 30                    | Khandukhal Rampura Transmission Limited (incorporated on 13.05.2022 and transferred on 07.10.2022)                   | 31 | Fatehgarh III Transmission Limited (incorporated on 18.05.2022)   |
| 32                    | Raipur Pool Dhamtari Transmission Limited (incorporated on 18.11.2022 and transferred on 28.03.2023)                 | 33 | Fatehgarh IV Transmission Limited (incorporated on 08.06.2022)  |

|  |  |   |   |
|--|--|---|---|
| 34   | Karur Transmission Limited (transferred on 18.01.2022)   | 35  | Koppal-Narendra Transmission Limited (transferred on 13.12.2021)                            |
| 36   | Nangalbibra-Bongaigaon Transmission Limited (incorporated on 09.04.2021 and transferred on 16.12.2021)   | 37  | Sikar-II Aligarh Transmission Limited (transferred on 08.06.2021)                           |
| 38   | Khavda-Bhuj Transmission Limited (incorporated on 18.05.2021 and transferred on 18.01.2022)  |   |   |
| <b>Through RECL</b>  |  |   |   |
| 34   | Dumka Transmission Limited   | 35  | Chandil Transmission Limited  |
| 36   | Koderma Transmission Limited   | 37  | Bidar Transmission Limited  |
| 38   | Mandar Transmission Limited  | 39  | Beawar Transmission Limited (incorporated on 27.04.2022)                                    |
| 40   | Ramgarh II Transmission Limited (incorporated on 20.04.2022)   | 41  | Luhri Power Transmission Limited (incorporated on 28.10.2022)                               |
| 42   | Sikar Khetri Transmission Limited (incorporated on 06.05.2022)   | 43  | NERES XVI Power Transmission Limited (incorporated on 10.01.2023)                           |
| 44   | Meerut Shamli Power Transmission Limited (incorporated on 14.12.2022)  | 45  | Rajgarh Transmission Limited (transferred on 30.05.2022)                                    |
| 46   | Khavda II-D Transmission Limited (incorporated on 25.04.2022 and under the process of striking off the name of Company from the records of Registrar of Companies) | 47  | ER NER Transmission Limited (transferred on 10.10.2022)                                     |
| 48   | Neemuch Transmission Limited (incorporated on 12.04.2022 and transferred on 24.08.2022)  | 49  | MP Power Transmission Package-I Limited (transferred on 21.01.2023)                         |
| 50   | WRSR Power Transmission Ltd. (incorporated on 22.09.2022 and transferred on 17.01.2023)  | 51  | Khavda II-C Transmission Limited (incorporated on 22.04.2022 and transferred on 21.03.2023) |
| 52   | Khavda II-B Transmission Limited (incorporated on 21.04.2022 and transferred on 21.03.2023)  | 53  | Khavda RE Transmission Limited (incorporated on 02.05.2022 and transferred on 21.03.2023)   |
| 54   | KPS3 Transmission Limited (incorporated on 29.04.2022 and transferred on 21.03.2023)   | 55  | ERWR Power Transmission Ltd. (incorporated on 27.09.2022 and transferred on 21.03.2023)     |
| 56   | KPS2 Transmission Limited (incorporated on 04.05.2022 and transferred on 21.03.2023)   | 57  | KPS1 Transmission Limited (incorporated on 06.05.2022 and transferred on 20.04.2023)        |
| 58   | Khavda II-A Transmission Limited (incorporated on 19.04.2022 and transferred on 28.03.2023)  | 59  | GADAG II-A Transmission Limited (transferred on 18.11.2022)                                 |
| 60   | Dinchang Transmission Limited (struck off from the RoC vide MCA letter dated 17.08.2021)   | 61  | Sikar New Transmission Limited (transferred on 04.06.2021)                                  |
| 62   | MP Power Transmission Package-II Limited (transferred on 01.11.2021)   | 63  | Kallam Transmission Limited (transferred on 28.12.2021)                                     |
| 64   | Fatehgarh Bhadla Transco Limited (transferred on 04.06.2021)   |   |   |
| <b>Key Managerial Personnel (KMP) of the Company &amp; their relatives :</b> |  | <b>Designation</b>                          |   |
| 1  | Shri Ravinder Singh Dhillon  | Chairman and Managing Director              |   |
| 2  | Smt Parminder Chopra   | Director (Finance)                          |   |
| 3  | Shri Rajiv Ranjan Jha  | Director (Projects)                         |   |
| 4  | Shri Manoj Sharma (w.e.f 29.08.2022)   | Director (Commercial)                       |   |
| 5  | Shri Ajay Tewari (w.e.f 09.06.2022)  | Government Nominee Director                 |   |
| 6  | Shri Vishal Kapoor (upto 08.06.2022)   | Government Nominee Director                 |   |
| 7  | Shri Ram Chandra Mishra (upto 11.07.2022)  | Part Time Non-Official Independent Director |   |
| 8  | Adv. Bhaskar Bhattacharya  | Part Time Non-Official Independent Director |   |
| 9  | Shri Prasanna Tantri   | Part Time Non-Official Independent Director |   |
| 10   | Smt Usha Sanjeev Nair  | Part Time Non-Official Independent Director |   |
| 11   | Shri Manohar Balwani (up to 30.04.2023)  | CGM & Company Secretary                     |   |
| 12   | Shri P K Singh (superannuated on 31.01.2022)   | Director (Commercial)                       |   |
| 13   | Shri Tanmay Kumar (upto 06.09.2021)  | Government Nominee Director                 |   |
| <b>Trusts / Funds under control of the Company</b>                           |  |   |   |
| 1  | PFC Employees Provident Fund   | 2   | PFC Employees Gratuity Fund   |
| 3  | PFC Defined Contribution Pension Scheme 2007   | 4   | PFC Superannuation Medical Fund   |
| <b>Companies in which Key Managerial Personnel are Directors</b>             |  |   |   |

|                       |  |   |  |
|-----------------------|--|---|--|
| 1                     | PTC India Limited  | 2 | Energy Efficiency Services Limited (EESL) (w.e.f 29.09.2022)                 |
| 3                     | SJVN Limited (w.e.f 01.12.2022) & (upto 06.09.2021)                          | 4 | NHPC Limited ((upto 06.09.2021)  |
| 5                     | Kholongchhu Hydro Energy Limited (upto 06.09.2021)                           | 6 | Punatsangchhu-I, Hydroelectric Project Authority in Bhutan (upto 06.09.2021) |
| 7                     | Punatsangchhu-II Hydroelectric Project Authority in Bhutan (upto 06.09.2021) | 8 | Mangdechhu Hydroelectric Project Authority in Bhutan (upto 06.09.2021)       |
| <b>Joint Ventures</b> |  |   |  |
| 1                     | Energy Efficiency Services Limited (EESL) (upto 31.08.2021)                  |   |  |

#### 43.2 Transactions with the Related Parties are as follows:

(₹ in crore)

| Particulars  | During FY 2022-23 | During FY 2021-22 | During FY 2020-21 |
|--|-------------------|-------------------|-------------------|
| <b>Subsidiaries:</b>                                     |                   |                   |                   |
| <b>REC Ltd</b>   |                   |                   |                   |
| Loan given   | -                 | -                 | 3,000.00          |
| Repayment of Loan  | -                 | 3,000.00          | -                 |
| Dividend Income  | 1,642.40          | 1,269.22          | 1,143.44          |
| Interest income on Loan                                  | -                 | 14.47             | 0.49              |
| Directors' sitting fee received                          | -                 | 0.09              | 0.10              |
| Sharing of Expense incurred in Government Programme      | 0.46              | -                 | -                 |
| <b>PFC Consulting Ltd</b>                                |                   |                   |                   |
| Loans given  | -                 | 9.52              | -                 |
| Interest income on Loan                                  | 1.27              | 0.00              | -                 |
| Advances given (including interest)                      | -                 | 0.29              | 2.13              |
| Repayment of Advances by subsidiary (including interest) | 2.91              | -                 | -                 |
| Purchase of PPE  | 0.06              | 0.10              | -                 |
| Sale of PPE  | 0.14              | 0.04              | -                 |
| Dividend Income  | 11.30             | 13.55             | -                 |
| Allocation of employee benefits                          | 5.72              | 1.11              | 1.04              |
| <b>PFC Projects Ltd</b>                                  |                   |                   |                   |
| Amount Recoverable from subsidiary                       | 1.42              | -                 | -                 |
| <b>Joint Venture</b>                                     |                   |                   |                   |
| Lease rental on vehicles                                 | -                 | 0.09              | 0.21              |
| <b>Associates</b>  |                   |                   |                   |
| Repayment of advance taken from Associate                | 2.27              | 1.12              | -                 |
| Repayment of advances (including interest) by associates | -                 | -                 | 33.21             |
| Advances taken from Associates                           | -                 | -                 | 6.81              |
| Interest income on advances to associates                | 17.97             | 16.43             | 15.70             |
| Interest expenses on advances from associates            | 4.66              | 2.87              | 2.88              |
| <b>Trusts/Funds under control of the Company</b>         |                   |                   |                   |
| Contributions made during the year                       | 17.39             | 7.38              | 8.25              |
| Redemption of bonds                                      | -                 | 2.60              | -                 |
| Finance cost on bonds paid                               | 0.10              | 0.34              | 0.34              |
| <b>Key managerial personnel</b>                          |                   |                   |                   |
| (i) Short term employee benefits                         | 3.68              | 3.17              | 3.42              |
| (ii) Post-employment benefits                            | 0.50              | 0.42              | 0.38              |
| (iii) Other long-term benefits                           | 0.14              | 0.41              | 0.45              |
| <b>Sub Total (i+ii+iii)</b>                              | <b>4.32</b>       | <b>4.00</b>       | <b>4.25</b>       |
| Repayment/ Recovery of loans and advances                | 0.51              | 0.33              | 0.30              |
| Subscription of bonds                                    | -                 | 0.17              | -                 |
| Redemption of bonds(net of subscription)                 | -                 | -                 | 0.36              |
| Directors' Sitting Fees paid                             | 0.42              | 0.28              | 0.19              |

|  |      |      |      |
|--|------|------|------|
| Finance cost on bonds paid                                       | 0.01 | 0.01 | 0.04 |
| <b>Companies in which Key Managerial Personnel are Directors</b> |      |      |      |
| Dividend Income – PTC India Limited                              | 6.96 | 9.00 | 9.00 |
| Directors’ Sitting Fee received– PTC India Limited               | 0.08 | 0.05 | 0.02 |
| Lease rental on vehicles   | 0.17 | -    | -    |

**43.3 Outstanding balances with Related Parties are as follows:**

(₹ in crore)

| Particulars  | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2021 |
|--|------------------|------------------|------------------|
| <b>Amount recoverable towards loans &amp; advances (including interest) and others from:</b>     |                  |                  |                  |
| <b>Subsidiaries</b>  |                  |                  |                  |
| PFC Consulting Ltd.  | 12.72            | 13.83            | 3,003.39         |
| PFC Projects Ltd.  | 1.42             | -                | -                |
| <b>Associates</b>  | 197.43           | 181.42           | 166.19           |
| <b>Key managerial personnel</b>  | 0.31             | 0.48             | 0.57             |
| <b>Amount payable towards loans &amp; advances (including interest) and others to:</b>           |                  |                  |                  |
| <b>Associates</b>  | 177.10           | 177.13           | 176.86           |
| <b>Subsidiaries</b>  |                  |                  |                  |
| REC Ltd.   | 0.46             | -                | -                |
| PFC Consulting Ltd.  | 0.06             | -                | -                |
| <b>Debt Securities of the Company held by :</b>  |                  |                  |                  |
| Key managerial personnel   | 0.13             | 0.21             | 0.04             |
| Trusts/ Funds under control of the Company   | 1.10             | 1.10             | 3.70             |
| <b>Provisions made w.r.t Trusts/ Funds under control of the Company</b>                          | 15.27            | 13.33            | -                |
| <b>Investments made in:</b>  |                  |                  |                  |
| <b>Subsidiaries</b>  | 14,500.70        | 14,500.65        | 14,500.65        |
| <b>Associates</b>  | 0.55             | 0.75             | 0.75             |
| <b>Companies in which Key Managerial Personnel are Directors (PTC India Limited &amp; EESL )</b> | 260.14           | 98.70            | 93.30            |

**43.4 Maximum amount of loans / investments outstanding are as follows:**

(₹ in crore)

| Particulars  | Loans             |                   |                   | Investments       |                   |                   |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|  | During FY 2022-23 | During FY 2021-22 | During FY 2020-21 | During FY 2022-23 | During FY 2021-22 | During FY 2020-21 |
| REC  | -                 | 3,000.00          | 3,000.00          | 14,500.50         | 14,500.50         | 14,500.50         |
| PFCCCL   | 9.52              | 9.52              | -                 | 0.15              | 0.15              | 0.15              |
| PFC Projects Limited*  | -                 | -                 | -                 | 0.05              | -                 | -                 |
| Associates   | -                 | -                 | -                 | 0.75              | 0.75              | 0.75              |
| Companies in which Key Managerial Personnel are Directors - EESL | -                 | -                 | -                 | 241.73            | 278.16            | 245.50            |

\*Subsidiary w.e.f 01.07.2022

**43.5 Disclosure in respect of entities under the control of the same government (Government related entities)**

The Company is a Central Public Sector Undertaking (CPSU) controlled by Central Government. During the year, the Company had transactions with the related entities under the control/ joint control of the same government including but not limited to

|                                     |                                       |
|-------------------------------------|---------------------------------------|
| Bhartiya Rail Bijlee Company Ltd.   | Damodar Valley Corporation            |
| Tehri Hydro Development Corporation | Mumbai Metro Rail Corporation Limited |
| Neyveli UP Power Ltd.               | Bihar Grid Company Ltd.               |
| Meja Urja Nigam Pvt Ltd.            | Coal India Ltd.                       |
| Raichur Power Corporation Ltd.      | NHPC Ltd.                             |



|  |                                   |
|--|-----------------------------------|
| NLC Tamil Nadu Power Ltd.                    | Sardar Sarovar Narmada Nigam Ltd. |
| National High Power Test Laboratory Pvt Ltd. | Neyveli Lignite Corporation Ltd.  |
| Power Foundation of India                    | SJVN Thermal Pvt Ltd.             |

Significant transactions with entities under the control of same government:

| Nature of Transaction           | (₹ in crore)      |                   |                   |
|---------------------------------|-------------------|-------------------|-------------------|
|                                 | During FY 2022-23 | During FY 2021-22 | During FY 2020-21 |
| Dividend Income                 | 62.89             | 55.65             | 51.77             |
| Disbursement of loans           | 5,362.77          | 772.59            | 3,034.61          |
| Interest Income received        | 2,435.11          | 2,976.13          | 3,920.30          |
| Repayment of principal received | 2,213.85          | 5,875.14          | 15,789.64         |
| Membership Fees Paid            | 5.40              | -                 | -                 |

Refer Note 12, 18, 20.1, 24.2 and 51 in respect of material transactions with the Central Govt.

Above transactions with the Government related entities cover transactions that are significant individually and collectively. The Company has also entered into other transactions such as telephone expenses and deposits etc. with other CPSUs. They are insignificant individually & collectively and hence not disclosed. All the transactions have been carried out on market terms.

#### 43.6 Major terms and conditions of transactions with related parties

- (i) Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.
- (ii) The remuneration to Key Managerial Personnel are in line with the HR policies of the Company.
- (iii) Loans and advances given to Directors/KMPs have specified terms / period of repayment and are in line with the HR Policies of the Company.
- (iv) The Company makes advances to its associate companies which are incorporated as SPVs to meet the preliminary expenditure. Such advances carry interest rates at the rate applicable to Term Loans as per the Company's policy.
- (v) The interest and/or dividend paid to the Trusts and Key Managerial Personnel are on account of their investments in the debt securities and/or equity shares of the Company and the interest and/or dividend paid on such securities is uniformly applicable to all the holders.
- (vi) Outstanding balances of group companies at the year-end are unsecured except loan given to PFCCL amounting to ₹ 9.52 crore.

#### 44. Employee Benefits

##### 44.1 Defined contribution plans:

###### (a) Pension

The Company pays fixed contribution to National Pension Scheme (NPS) for its pension obligation towards employees at pre-determined rates into the Tier-I NPS Account (Pension Account) of the employees.

###### (b) Provident Fund

The Company pays fixed contribution on account of provident fund at prescribed rates to a separate trust, which invests the funds in permitted securities. The trust has to ensure, a minimum rate of return to the members as specified by GoI. However, any shortfall for payment of interest to members as per specified rate of return has to be compensated by the Company. The Company estimates that no liability will arise in this regard in the near future and hence, no further provision is considered necessary.

An amount of ₹ 17.10 crore (FY 21-22 ₹ 14.87 crore, FY 20-21 ₹ 13.10 crore) for the year is recognized as expense in the Standalone Statement of Profit and Loss on account of the Company's contribution to the defined contribution plans.

#### 44.2 Defined benefit plans:

##### (a) Gratuity

The Company has a defined gratuity scheme which is managed by a separate trust. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary for each completed year of service subject to a maximum of ₹ 0.20 crore on superannuation, resignation, termination, disablement or on death, considering the provisions of the Payment of Gratuity Act, 1972, as amended. The liability for the same is recognised on the basis of actuarial valuation.

(₹ in crore)

| Particulars                                      | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2021 |
|--|------------------|------------------|------------------|
| (a) Present value of Defined benefit obligation  | 29.54            | 27.53            | 28.67            |
| (b) Fair Value of Plan Assets                    | 28.42            | 27.50            | 26.88            |
| (c) Net Defined Benefit (Asset)/ Liability (a-b) | 1.12             | 0.03             | 1.79             |

#### Movement in net defined benefit (asset)/ liability

(₹ in crore)

| Particulars   | Present value of Defined Benefit Obligation |              |              | Fair Value of Plan Assets |              |              | Net Defined Benefit (Asset)/ Liability |             |             |
|---|---|--------------|--------------|---------------------------|--------------|--------------|--|-------------|-------------|
|   | For the year ended                          |              |              | For the year ended        |              |              | For the year ended                     |             |             |
|   | 31.03.2023                                  | 31.03.2022   | 31.03.2021   | 31.03.2023                | 31.03.2022   | 31.03.2021   | 31.03.2023                             | 31.03.2022  | 31.03.2021  |
| <b>I. Opening Balance</b>   | <b>27.53</b>                                | <b>28.67</b> | <b>28.43</b> | <b>27.50</b>              | <b>26.88</b> | <b>25.67</b> | <b>0.03</b>                            | <b>1.79</b> | <b>2.76</b> |
| <b>Included in profit and loss</b>                                  |   |              |              |                           |              |              |  |             |             |
| Current service Cost  | 1.48  | 1.65         | 1.85         | -                         | -            | -            | 1.48                                   | 1.65        | 1.85        |
| Past service cost   | -   | -            | -            | -                         | -            | -            | -                                      | -           | -           |
| Interest cost / income  | 2.04  | 2.03         | 1.92         | 2.05                      | 1.90         | 1.74         | (0.01)                                 | 0.13        | 0.18        |
| <b>II. Total amount recognised in profit and loss</b>               | <b>3.52</b>                                 | <b>3.68</b>  | <b>3.77</b>  | <b>2.05</b>               | <b>1.90</b>  | <b>1.74</b>  | <b>1.47</b>                            | <b>1.78</b> | <b>2.03</b> |
| <b>Included in OCI</b>  |   |              |              |                           |              |              |  |             |             |
| Re-measurement loss/ (gain):  |   |              |              |                           |              |              |  |             |             |
| Actuarial loss (gain) arising from changes in financial assumptions | 0.30  | (0.89)       | (0.81)       | -                         | -            | -            | 0.30                                   | (0.89)      | (0.81)      |
| Actuarial loss (gain) arising from experience adjustment            | (0.21)                                      | (1.40)       | 0.12         | -                         | -            | -            | (0.21)                                 | (1.40)      | 0.12        |
| Actuarial loss (gain) arising                                       | -   | -            | -            | -                         | -            | -            | -                                      | -           | -           |

|   |              |               |               |              |               |               |               |               |               |
|---|--------------|---------------|---------------|--------------|---------------|---------------|---------------|---------------|---------------|
| from changes in demographic assumptions         |              |               |               |              |               |               |               |               |               |
| Return on plan assets excluding interest income | -            | -             | -             | 0.44         | (0.54)        | (0.45)        | (0.44)        | 0.54          | 0.45          |
| <b>III. Total amount recognised in OCI</b>      | <b>0.09</b>  | <b>(2.29)</b> | <b>(0.69)</b> | <b>0.44</b>  | <b>(0.54)</b> | <b>(0.45)</b> | <b>(0.35)</b> | <b>(1.75)</b> | <b>(0.24)</b> |
| <b>IV. Contribution by participants</b>         | -            | -             | -             | -            | -             | -             | -             | -             | -             |
| <b>V. Contribution by employer</b>              | -            | -             | -             | 0.03         | 1.79          | 2.76          | (0.03)        | (1.79)        | (2.76)        |
| <b>VI. Benefits paid</b>                        | (1.60)       | (2.53)        | (2.84)        | (1.60)       | (2.53)        | (2.84)        | -             | -             | -             |
| <b>VII. Closing Balance (I+II+III+IV+V+VI)</b>  | <b>29.54</b> | <b>27.53</b>  | <b>28.67</b>  | <b>28.42</b> | <b>27.50</b>  | <b>26.88</b>  | <b>1.12</b>   | <b>0.03</b>   | <b>1.79</b>   |

**(b) Post-Retirement Medical Scheme (PRMS)**

The Company has a Post-Retirement Medical Scheme (PRMS) to provide medical facilities to superannuated employees, dependent family members of superannuated and deceased employees. The liability for PRMS is recognised on the basis of actuarial valuation.

This scheme is managed by a separate trust. The trust has to ensure adequate corpus for meeting the medical expenditure incurred by the eligible employees. However, any short fall has to be compensated by the Company. The Company estimates that no liability will arise in this regard in the near future and hence, no further provision is considered necessary.

(₹ in crore)

| Particulars                                      | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2021 |
|--|------------------|------------------|------------------|
| (a) Present value of Defined benefit obligation  | 64.31            | 56.39            | 48.37            |
| (b) Fair Value of Plan Assets                    | 58.80            | 50.12            | 43.40            |
| (c) Net Defined Benefit (Asset)/ Liability (a-b) | 5.51             | 6.27             | 4.97             |

**Movement in net defined benefit (asset)/ liability**

(₹ in crore)

| Particulars                        | Present value of Defined Benefit Obligation |              |              | Fair Value of Plan Assets |              |              | Net Defined Benefit (Asset)/ Liability |             |             |
|------------------------------------|---|--------------|--------------|---------------------------|--------------|--------------|--|-------------|-------------|
|                                    | For the year ended                          |              |              | For the year ended        |              |              | For the year ended                     |             |             |
|                                    | 31.03.2023                                  | 31.03.2022   | 31.03.2021   | 31.03.2023                | 31.03.2022   | 31.03.2021   | 31.03.2023                             | 31.03.2022  | 31.03.2021  |
| <b>I. Opening Balance</b>          | <b>56.39</b>                                | <b>48.37</b> | <b>42.00</b> | <b>50.12</b>              | <b>43.40</b> | <b>37.07</b> | <b>6.27</b>                            | <b>4.97</b> | <b>4.93</b> |
| <b>Included in profit and loss</b> |   |              |              |                           |              |              |  |             |             |
| Current service Cost               | 3.10  | 2.59         | 2.16         | -                         | -            | -            | 3.10                                   | 2.59        | 2.16        |
| Past service cost                  | -   | -            | -            | -                         | -            | -            | -                                      | -           | -           |
| Interest cost / income             | 4.24  | 3.46         | 2.85         | 3.75                      | 3.07         | 2.51         | 0.50                                   | 0.39        | 0.34        |
| <b>II. Total</b>                   | <b>7.34</b>                                 | <b>6.05</b>  | <b>5.01</b>  | <b>3.75</b>               | <b>3.07</b>  | <b>2.51</b>  | <b>3.60</b>                            | <b>2.98</b> | <b>2.50</b> |

|   |              |              |              |              |              |               |             |             |             |
|---|--------------|--------------|--------------|--------------|--------------|---------------|-------------|-------------|-------------|
| amount recognised in profit and loss                                  |              |              |              |              |              |               |             |             |             |
| Included in OCI   |              |              |              |              |              |               |             |             |             |
| Re-measurement loss/ (gain)   |              |              |              |              |              |               |             |             |             |
| Actuarial loss (gain) arising from changes in financial assumptions   | 1.29         | (1.26)       | (2.53)       | -            | -            | -             | 1.29        | (1.26)      | (2.53)      |
| Actuarial loss (gain) arising from Experience adjustment              | 1.64         | 0.34         | 5.30         | -            | -            | -             | 1.64        | 0.34        | 5.30        |
| Actuarial loss (gain) arising from changes in demographic assumptions | -            | 5.55         | -            | -            | -            | -             | -           | 5.55        | -           |
| Return on plan assets excluding interest income                       | -            | -            | -            | 0.10         | 0.33         | (0.37)        | (0.10)      | (0.33)      | 0.37        |
| <b>III. Total amount recognised in OCI</b>                            | <b>2.93</b>  | <b>4.63</b>  | <b>2.77</b>  | <b>0.10</b>  | <b>0.33</b>  | <b>(0.37)</b> | <b>2.83</b> | <b>4.30</b> | <b>3.14</b> |
| <b>IV.</b> Contribution by participants                               | 0.33         | -            | -            | 0.04         | 0.04         | 0.04          | 0.29        | (0.04)      | (0.04)      |
| <b>V.</b> Contribution by employer                                    | -            | -            | -            | 7.53         | 5.59         | 5.49          | (7.53)      | (5.59)      | (5.49)      |
| <b>VI.</b> Benefits paid  | (2.68)       | (2.66)       | (1.41)       | (2.74)       | (2.31)       | (1.34)        | 0.06        | (0.35)      | (0.07)      |
| <b>VII. Closing Balance (I+II+III+IV+V+VI)</b>                        | <b>64.31</b> | <b>56.39</b> | <b>48.37</b> | <b>58.80</b> | <b>50.12</b> | <b>43.40</b>  | <b>5.51</b> | <b>6.27</b> | <b>4.97</b> |

**(c) Economic Rehabilitation Scheme (ERS)**

The Company has an Economic Rehabilitation Scheme (ERS) to provide monetary benefit in case of permanent disability/ death of an employee. This scheme is unfunded and the liability is determined based on actuarial valuation.  
(₹ in crore)

| Particulars                                 | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2021 |
|---|------------------|------------------|------------------|
| Present value of Defined benefit obligation | 7.82             | 6.76             | 4.53             |

**Movement in defined benefit obligation**

(₹ in crore)

| Particulars               | Present value of Defined Benefit Obligation for the year ended |             |             |
|---------------------------|--|-------------|-------------|
|                           | 31.03.2023   | 31.03.2022  | 31.03.2021  |
| <b>I. Opening Balance</b> | <b>6.76</b>  | <b>4.53</b> | <b>2.89</b> |

|   |               |               |               |
|---|---------------|---------------|---------------|
| <b>Included in profit and loss</b>                                    |               |               |               |
| Current service Cost  | 0.42          | 0.37          | 0.36          |
| Past service cost   | -             | -             | -             |
| Interest cost / income  | 0.49          | 0.32          | 0.20          |
| <b>II. Total amount recognised in profit and loss</b>                 | <b>0.91</b>   | <b>0.69</b>   | <b>0.56</b>   |
| <b>Included in OCI</b>  |               |               |               |
| Actuarial loss (gain) arising from changes in financial assumptions   | 0.20          | (0.24)        | (0.10)        |
| Actuarial loss (gain) arising from Experience adjustment              | 0.96          | 2.75          | 1.47          |
| Actuarial loss (gain) arising from changes in demographic assumptions | -             | -             | -             |
| Return on plan assets excluding interest income                       | -             | -             | -             |
| <b>III. Total amount recognised in OCI</b>                            | <b>1.16</b>   | <b>2.51</b>   | <b>1.37</b>   |
| <b>IV. Contribution by participants</b>                               | -             | -             | -             |
| <b>V. Contribution by employers</b>                                   | -             | -             | -             |
| <b>VI. Benefits paid</b>  | <b>(1.01)</b> | <b>(0.97)</b> | <b>(0.29)</b> |
| <b>VII. Closing Balance (I+II+III+IV+V+VI)</b>                        | <b>7.82</b>   | <b>6.76</b>   | <b>4.53</b>   |

#### (d) Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

##### i) Investment risk

Most of the plan asset investments are in government securities, other fixed income securities with high rating grades and mutual funds. The fair value of these assets is subject to volatility due to change in interest rates and other market & macro-economic factors. There is also a risk of asset liability matching i.e. the cash flow for plan assets does not match with cash flow for plan liabilities.

##### ii) Changes in discount rate

The present value of defined benefit plan liabilities is calculated using a discount rate which is determined by reference to government bonds' yields at the end of the reporting period. A decrease (increase) in discount rate will increase (decrease) present values of plan liabilities, although this will be partially offset by an increase in the value of the plans' investments.

##### iii) Mortality rate risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

##### iv) Salary escalation risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

##### v) Turnover rate/Withdrawal rate of employee

If the actual employee withdrawal rate in the future turns out to be more or less than expected then it may result in increase/decrease in the liability.

#### (e) Plan Assets

The value of plan assets for each category is as follows:

(₹ in Crores)

| Particulars | As at 31.03.2023 |      | As at 31.03.2022 |      | As at 31.03.2021 |      |
|-------------|------------------|------|------------------|------|------------------|------|
|             | Gratuity         | PRMS | Gratuity         | PRMS | Gratuity         | PRMS |
|             |                  |      |                  |      |                  |      |

|   |              |              |              |              |              |              |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| Cash & Cash Equivalents                   | 0.21         | 0.96         | 0.02         | 0.09         | 0.15         | 0.44         |
| State/ Central Government Debt Securities | 15.43        | 35.60        | 14.15        | 30.10        | 14.47        | 22.54        |
| Corporate Bonds/ Debentures               | 11.34        | 22.24        | 12.08        | 19.93        | 11.25        | 20.42        |
| Others                                    | 1.44         | -            | 1.25         | -            | 1.01         | -            |
| <b>Total</b>                              | <b>28.42</b> | <b>58.80</b> | <b>27.50</b> | <b>50.12</b> | <b>26.88</b> | <b>43.40</b> |

As at 31.03.2023 - Nil (as at 31.03.2022 – Nil, as at 31.03.2021 ` 0.50 crore) is included in the value of plan assets in respect of the Company's own financial instruments (corporate bonds).

Actual return on plan assets is ₹ 6.32 crore (FY 21-22 ₹ 4.77 crore, FY 20-21 ₹ 3.43 crore).

**(f) Significant actuarial assumptions**

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at 31.03.2023 by TransValue Consultants. The present value of the defined benefit obligation, and the related current service cost, were measured using the projected unit credit method. The principal assumptions used for actuarial valuation are: -

| Particulars   | Gratuity                       |                                |                                | PRMS                           |                                |                                | ERS                            |                                |                                |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
|   | As at 31.03.2023               | As at 31.03.2022               | As at 31.03.2021               | As at 31.03.2023               | As at 31.03.2022               | As at 31.03.2021               | As at 31.03.2023               | As at 31.03.2022               | As at 31.03.2021               |
| Discount Rate & expected return on plan assets, if funded | 7.33%                          | 7.45%                          | 7.08%                          | 7.33%                          | 7.45%                          | 7.08%                          | 7.33%                          | 7.45%                          | 7.08%                          |
| Salary Escalation Rate/ Medical inflation rate            | 6.00%                          | 6.00%                          | 6.00%                          | 6.00%                          | 6.00%                          | 6.00%                          | 6.00%                          | 6.00%                          | 6.00%                          |
| Mortality Rate  | As per IALM (2012-14) Ultimate | As per IALM (2012-14) Ultimate | As per IALM (2012-14) Ultimate | As per IALM (2012-14) Ultimate | As per IALM (2012-14) Ultimate | As per IALM (2012-14) Ultimate | As per IALM (2012-14) Ultimate | As per IALM (2012-14) Ultimate | As per IALM (2012-14) Ultimate |
| Withdrawal rate   | 0.01%                          | 0.01%                          | 0.01%                          | 0.01%                          | 0.01%                          | 0.01%                          | 0.01%                          | 0.01%                          | 0.01%                          |

**(g) Sensitivity Analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

(₹ in crore)

| Particulars  | As at 31.03.2023 |          | As at 31.03.2022 |          | As at 31.03.2021 |          |
|--|------------------|----------|------------------|----------|------------------|----------|
|  | Increase         | Decrease | Increase         | Decrease | Increase         | Decrease |
| Discount rate (0.50% movement)                             |                  |          |                  |          |                  |          |
| - Gratuity   | (1.21)           | 1.30     | (1.12)           | 1.21     | (1.24)           | 1.27     |
| - PRMS   | (4.62)           | 5.33     | (4.28)           | 4.82     | (3.67)           | 4.13     |
| - ERS  | (0.28)           | 0.31     | (0.24)           | 0.27     | (0.16)           | 0.18     |
| Salary Escalation/ Medical inflation Rate (0.50% movement) |                  |          |                  |          |                  |          |
| - Gratuity   | 0.19             | (0.14)   | 0.14             | (0.19)   | 0.16             | (0.16)   |
| - PRMS   | 2.72             | (2.51)   | 4.60             | (4.23)   | 3.95             | (3.63)   |
| - ERS  | 0.29             | (0.25)   | 0.25             | (0.22)   | 0.17             | (0.15)   |
| Medical Cost (10% movement)                                |                  |          |                  |          |                  |          |
| - PRMS   | 5.79             | (5.09)   | 6.17             | (5.15)   | 5.29             | (4.41)   |

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

The Company actively monitors how the duration and expected yield of investments are matching the expected cash outflows arising from employee benefit obligations. Investments are well diversified, such that the failure of any single investment would not have a material impact on overall level of assets. There has been no change in the process used by the Company to manage its risks from prior periods.

**(h) Expected maturity analysis of the defined benefit plans in future years**

(₹ in crore)

| Particulars  | Gratuity     |              |              | PRMS         |              |              | ERS          |              |             |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|
|              | 31.03.2023   | 31.03.2022   | 31.03.2021   | 31.03.2023   | 31.03.2022   | 31.03.2021   | 31.03.2023   | 31.03.2022   | 31.03.2021  |
| Up to 1 year | 1.85         | 1.72         | 1.91         | 2.26         | 2.01         | 1.60         | 0.99         | 0.82         | 0.54        |
| 1 to 5 years | 10.77        | 10.64        | 8.84         | 15.25        | 13.56        | 10.76        | 3.17         | 3.30         | 2.17        |
| Over 5 years | 52.82        | 49.54        | 49.61        | 72.45        | 64.37        | 51.09        | 8.72         | 7.70         | 5.07        |
| <b>Total</b> | <b>65.44</b> | <b>61.90</b> | <b>60.36</b> | <b>89.96</b> | <b>79.94</b> | <b>63.45</b> | <b>12.88</b> | <b>11.82</b> | <b>7.78</b> |

The table above is drawn on the basis of expected cash flows.

**(i) Expected contributions to post-employment benefit plans**

(₹ in crore)

| Particulars           | Gratuity         |                  |                  | PRMS             |                  |                  |
|-----------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|                       | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2021 | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2021 |
| Expected contribution | 2.49             | 1.51             | 3.58             | 8.61             | 9.36             | 7.55             |

(j) The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 13.14 years (as at 31.03.2022: 13.98 years, as at 31.03.2021: 15.94 years).

**44.3 Other long term employee benefits**

**(a) Leave**

The Company provides for earned leave benefit and half-pay leave benefit to the credit of the employees, which accrues on half-yearly basis at 15 days and 10 days respectively. A maximum of 300 days of earned leave can be accumulated at any point of time during the service. There is no limit for accumulation of half pay leave. On separation after 10 years of service or on superannuation, earned leave plus half pay leave taken together can be encashed subject to a maximum of 300 days. However, there is no restriction on the number of years of service for encashment of earned leave on separation from the service. Provision based on actuarial valuation amounting to ₹ 6.84 crore (FY 21-22 ₹ 11.62 crore, FY 2021 ` 8.85 crore) for the year has been made at the year end and debited to the Standalone Statement of Profit and Loss.

**(b) Other employee benefits**

Provision for settlement allowance and long service awards amounting to ₹ 4.57 crore for the year (FY 21-22 ₹ 1.14 crore, FY 20-21 ` 2.68 crore) has been made on the basis of actuarial valuation and debited to the Standalone Statement of Profit and Loss.

**44.4** Employee benefits (including Gratuity, PRMS, Terminal Benefits, leave encashment and other employee benefits) in respect of Company's employees working in its wholly-owned subsidiary on deputation / secondment basis are being allocated based on a fixed percentage of employee cost.

#### 45. Leases

The Company has recognised a Right of Use Asset and Lease Liability with respect to leasehold land being used as office premises.

45.1 The table below shows the movement of lease liabilities during the year:

(₹ in crore)

| Particulars                            | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2021 |
|--|------------------|------------------|------------------|
| Opening balance                        | 8.81             | 8.81             | 8.81             |
| Additions during the year              | -                | -                | -                |
| Finance cost accrued during the period | 0.77             | 0.77             | 0.77             |
| Payment of lease liabilities           | (0.77)           | (0.77)           | (0.77)           |
| Closing balance                        | 8.81             | 8.81             | 8.81             |

45.2 The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

(₹ in crore)

| Particulars       | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2021 |
|-------------------|------------------|------------------|------------------|
| Upto 1 year       | 0.77             | 0.77             | 0.77             |
| 1-5 years         | 3.09             | 3.09             | 3.09             |
| More than 5 years | 54.74            | 55.51            | 56.29            |

45.3 During the year 2022-23, the expenses relating to short-term/low value leases amounting to ₹ 9.81 crore (FY 21-22 ₹ 7.20 crore, FY 20-21 ₹ 6.49 crore) has been charged to Standalone statement of Profit and Loss. Included in the amount above are leases pertaining to residential accommodation of employees, space for official use, hiring of EDP equipment & other office equipment etc. These leases are usually renewable on mutually agreed terms and are cancellable.

45.4 The total cash outflow towards all leases, including Right-of-Use Assets is ₹ 10.11 crore. (FY 21-22 ₹ 8.10 crore, FY 2021 ₹ 7.14 crore)

#### 46. Contingent Liabilities and Commitments

(₹ in crore)

| Sr. No.                       | Description   | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2021 |
|-------------------------------|---|------------------|------------------|------------------|
| <b>Contingent Liabilities</b> |   |                  |                  |                  |
| (i)                           | Guarantees <sup>(a) &amp; (b)</sup>   | -                | 8.29             | 44.65            |
| (ii)                          | Claims against the Company not acknowledged as debts  | -                | -                | -                |
| (iii)                         | Additional demands raised by the Income Tax Department of earlier years which are being contested   | 91.78            | 91.78            | 62.23            |
| (iv)                          | Service Tax demand or show cause notices raised by Service Tax Department in respect of earlier years which are being contested.  | 25.98            | 24.53            | 22.51            |
|                               | Service Tax Department has filed appeals before CESTAT against the order of Commissioner (CE&ST) who had dropped a demand of service tax. The same is also being contested. | 50.90            | 53.40            | 50.07            |
| (v) <sup>(b)</sup>            | Outstanding disbursement commitments to the borrowers by way of Letter of Comfort against loans sanctioned  | 2,427.96         | 7,032.45         | 3,913.01         |
| <b>Commitments</b>            |   |                  |                  |                  |
| (i)                           | Estimated amount of contracts (excluding GST) remaining to be executed on capital account and not provided for  | 139.52           | 174.53           | 335.65           |



|              |  |                 |                 |                 |
|--------------|--|-----------------|-----------------|-----------------|
| (ii)         | Other Commitments – CSR unspent amount pertaining to the period up to 31.03.2020 | 52.43           | 99.15           | 143.43          |
| <b>Total</b> |  | <b>2,788.57</b> | <b>7,484.13</b> | <b>4,571.55</b> |

<sup>(a)</sup> Default payment guarantee given by the Company in favour of a borrower company. The amount paid/payable against this guarantee is reimbursable by Government of Madhya Pradesh.

<sup>(b)</sup> Necessary impairment loss allowance has been made. Refer note 21.

**47.** There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31.03.2023 (Nil as at 31.03.2022 & 31.03.2021). This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been to the extent the status of such parties could be identified on the basis of information available with the Company.

**48.** In the context of reporting business / geographical segment as required by Ind AS 108 - 'Operating Segments', the Company's operations comprise of only one business segment - lending to power, logistics and infrastructure sector entities. All activities revolve around the main business. Hence, there are no reportable segments as per Ind AS 108.

**49. Modifications in the significant accounting policies:**

In FY 2022-23, no modifications have been carried out in the significant accounting policies.

In FY 2021-22, a policy on Offsetting of financial assets and financial liabilities has been incorporated in line with Ind AS 32. Further, certain accounting policies have also been reworded to bring in more clarity and align with Company's practice. There is no financial impact of such modifications carried out in the accounting policies.

50. Amount expected to be recovered/ settled within 12 months and beyond for each line item under asset and liabilities:

(₹ in crore)

|          | Particulars   | As at 31.03.2023 |                     |                    | As at 31.03.2022 |                     |                    | As at 31.03.2021 |                     |                    |
|----------|---|------------------|---------------------|--------------------|------------------|---------------------|--------------------|------------------|---------------------|--------------------|
|          |   | Within 12 months | More than 12 months | Total              | Within 12 months | More than 12 months | Total              | Within 12 months | More than 12 months | Total              |
|          | <b>ASSETS</b>   |                  |                     |                    |                  |                     |                    |                  |                     |                    |
| <b>1</b> | <b>Financial Assets</b>                                     |                  |                     |                    |                  |                     |                    |                  |                     |                    |
| (a)      | Cash and Cash Equivalents                                   | 22.14            | -                   | <b>22.14</b>       | 720.91           | -                   | <b>720.91</b>      | 3,717.62         | -                   | <b>3,717.62</b>    |
| (b)      | Bank Balance other than included in Cash & Cash Equivalents | 1,595.96         | -                   | <b>1,595.96</b>    | 3,240.31         | -                   | <b>3,240.31</b>    | 1,044.58         | -                   | <b>1,044.58</b>    |
| (c)      | Derivative Financial Instruments                            | 605.51           | 4,197.89            | <b>4,803.40</b>    | 980.64           | 2,099.92            | <b>3,080.56</b>    | 5.33             | 1,246.12            | <b>1,251.45</b>    |
| (d)      | Loans   | 68,452.06        | 3,42,377.09         | <b>4,10,829.15</b> | 48,146.53        | 3,12,783.21         | <b>3,60,929.74</b> | 55,541.19        | 3,04,583.58         | <b>3,60,124.77</b> |
| (e)      | Investments   | 1,219.11         | 16,085.03           | <b>17,304.14</b>   | 1,084.80         | 14,999.47           | <b>16,084.27</b>   | 882.65           | 15,090.85           | <b>15,973.50</b>   |
| (f)      | Other Financial Assets                                      | 84.93            | 5,304.10            | <b>5,389.03</b>    | 102.08           | 5,280.59            | <b>5,382.67</b>    | 138.30           | 5,198.47            | <b>5,336.77</b>    |
|          | <b>Total financial assets (1)</b>                           | <b>71,979.71</b> | <b>3,67,964.11</b>  | <b>4,39,943.82</b> | <b>54,275.27</b> | <b>3,35,163.19</b>  | <b>3,89,438.46</b> | <b>61,329.67</b> | <b>3,26,119.02</b>  | <b>3,87,448.69</b> |
|          |   |                  |                     |                    |                  |                     |                    |                  |                     |                    |
| <b>2</b> | <b>Non-Financial Assets</b>                                 |                  |                     |                    |                  |                     |                    |                  |                     |                    |
| (a)      | Current Tax Assets (Net)                                    | -                | 210.28              | <b>210.28</b>      | -                | 273.65              | <b>273.65</b>      | -                | 260.64              | <b>260.64</b>      |
| (b)      | Deferred Tax Assets (Net)                                   | -                | 4,033.31            | <b>4,033.31</b>    | -                | 4,151.82            | <b>4,151.82</b>    | -                | 3,996.76            | <b>3,996.76</b>    |
| (c)      | Property, Plant and Equipment                               | -                | 44.00               | <b>44.00</b>       | -                | 44.72               | <b>44.72</b>       | -                | 37.21               | <b>37.21</b>       |
| (d)      | Other Intangible Assets                                     | -                | 0.04                | <b>0.04</b>        | -                | 0.13                | <b>0.13</b>        | -                | 0.24                | <b>0.24</b>        |
| (e)      | Intangible assets under development                         | -                | 11.20               | <b>11.20</b>       | -                | -                   | <b>-</b>           | -                | -                   | <b>-</b>           |
| (f)      | Right of use asset  | -                | 34.40               | <b>34.40</b>       | -                | 34.85               | <b>34.85</b>       | -                | 35.30               | <b>35.30</b>       |
| (g)      | Other Non-Financial   | 129.87           | 426.14              | <b>556.01</b>      | 92.16            | 374.22              | <b>466.38</b>      | 112.55           | 192.68              | <b>305.23</b>      |

|          |  |                  |                    |                    |                  |                    |                    |                  |                    |                    |
|----------|--|------------------|--------------------|--------------------|------------------|--------------------|--------------------|------------------|--------------------|--------------------|
|          | Assets                                     |                  |                    |                    |                  |                    |                    |                  |                    |                    |
|          | <b>Total non-financial assets (2)</b>      | <b>129.87</b>    | <b>4,759.37</b>    | <b>4,889.24</b>    | <b>92.16</b>     | <b>4,879.39</b>    | <b>4,971.55</b>    | <b>112.55</b>    | <b>4,522.83</b>    | <b>4,635.38</b>    |
|          | <b>Total Asset (1+2)</b>                   | <b>72,109.58</b> | <b>3,72,723.48</b> | <b>4,44,833.06</b> | <b>54,367.43</b> | <b>3,40,042.58</b> | <b>3,94,410.01</b> | <b>61,442.22</b> | <b>3,30,641.85</b> | <b>3,92,084.07</b> |
|          |  |                  |                    |                    |                  |                    |                    |                  |                    |                    |
|          | <b>LIABILITIES</b>                         |                  |                    |                    |                  |                    |                    |                  |                    |                    |
| <b>1</b> | <b>Financial Liabilities</b>               |                  |                    |                    |                  |                    |                    |                  |                    |                    |
| (a)      | Derivative Financial Instruments           | 24.32            | -                  | <b>24.32</b>       | 56.76            | 46.49              | <b>103.25</b>      | 56.01            | 438.03             | <b>494.04</b>      |
| (b)      | Debt Securities                            | 23,522.04        | 2,36,305.01        | <b>2,59,827.05</b> | 25,518.09        | 2,04,638.86        | <b>2,30,156.95</b> | 38,118.69        | 2,04,692.85        | <b>2,42,811.54</b> |
| (c)      | Borrowings (other than Debt Securities)    | 32,211.00        | 69,017.89          | <b>1,01,228.89</b> | 23,265.32        | 64,700.10          | <b>87,965.42</b>   | 11,220.79        | 69,616.81          | <b>80,837.60</b>   |
| (d)      | Subordinated Liabilities                   | 3,902.30         | 5,409.54           | <b>9,311.84</b>    | 102.33           | 9,208.94           | <b>9,311.27</b>    | 101.80           | 9,208.40           | <b>9,310.20</b>    |
| (d)      | Other Financial Liabilities                | 432.60           | 5,105.08           | <b>5,537.68</b>    | 1,618.05         | 5,185.94           | <b>6,803.99</b>    | 683.31           | 5,144.74           | <b>5,828.05</b>    |
|          | <b>Total financial liabilities (1)</b>     | <b>60,092.26</b> | <b>3,15,837.52</b> | <b>3,75,929.78</b> | <b>50,560.55</b> | <b>2,83,780.33</b> | <b>3,34,340.88</b> | <b>50,180.60</b> | <b>2,89,100.83</b> | <b>3,39,281.43</b> |
|          |  |                  |                    |                    |                  |                    |                    |                  |                    |                    |
| <b>2</b> | <b>Non-Financial Liabilities</b>           |                  |                    |                    |                  |                    |                    |                  |                    |                    |
| (a)      | Current Tax Liabilities (Net)              | -                | 105.02             | <b>105.02</b>      | -                | 194.92             | <b>194.92</b>      | -                | 43.24              | <b>43.24</b>       |
| (b)      | Provisions                                 | 272.72           | 50.93              | <b>323.65</b>      | 106.57           | 140.43             | <b>247.00</b>      | 99.61            | 55.54              | <b>155.15</b>      |
| (c)      | Other Non-Financial Liabilities            | 248.19           | 24.19              | <b>272.38</b>      | 250.67           | 26.26              | <b>276.93</b>      | 181.19           | 29.94              | <b>211.13</b>      |
|          | <b>Total non-financial liabilities (2)</b> | <b>520.91</b>    | <b>180.14</b>      | <b>701.05</b>      | <b>357.24</b>    | <b>361.61</b>      | <b>718.85</b>      | <b>280.80</b>    | <b>128.72</b>      | <b>409.52</b>      |
|          |  |                  |                    |                    |                  |                    |                    |                  |                    |                    |
|          | <b>Total liabilities (1+2)</b>             | <b>60,613.17</b> | <b>3,16,017.66</b> | <b>3,76,630.83</b> | <b>50,917.79</b> | <b>2,84,141.94</b> | <b>3,35,059.73</b> | <b>50,461.40</b> | <b>2,89,229.55</b> | <b>3,39,690.95</b> |

## 51. Government of India (GoI) schemes being implemented by the Company

The Company has been designated as Nodal Agency for operationalization and implementation of RDSS Scheme and IPDS (R-APDRP subsumed in it). Role of Nodal Agency *inter-alia* includes pass through of loans/grants to eligible utilities under schemes of GOI. The release of the funds under GoI schemes is ensured through Treasury Single Account (TSA) maintained with RBI, as per office memorandum issued by MoF, GoI dated 09<sup>th</sup> March 2022. This ensures that funds of these schemes are released 'Just in time' from the Consolidated Fund of India (CFI) to the beneficiaries.

### 51.1 Revamped Distribution Sector Scheme (RDSS)

This Scheme was launched by GoI in July, 2021 (FY 2021-22) to improve the operational efficiencies and financial sustainability of DISCOMs, by providing financial assistance to DISCOMs. It is a Reform based and result linked Distribution sector scheme. PFC along with REC is the nodal agency for operationalization of the scheme. The implementation period of the Scheme is 5 Years (FY 2021-22 to FY 2025-26) with the sunset date of 31.03.2026. The key objectives of the scheme is to:

- i) Improve the quality, reliability and affordability of power supply to consumers through a financially sustainable and operationally efficient distribution sector.
- ii) Reduce AT&C losses to pan-India levels of 12-15% by 2024-25.
- iii) Reduce ACS-ARR gap to zero by 2024-25.

The Scheme has an outlay of ₹ 3,03,758 crore with an estimated gross budgetary support of ₹ 97,631 crore from the GoI. The amount of grant received and administered to the eligible entities during FY 2022-23 is ₹ 1319.86 crore (FY 21-22 ₹ 359 crore) and the cumulative grant administered till 31.03.2023 is ₹ 1,678.86 crore (till 31.03.2022 is ₹ 359 crore).

Further, No amount of grant remained undisbursed as on 31.03.2023 and 31.03.2022.

The Company is eligible for nodal agency fee at the rate of 0.50% of the sum total of the gross budgetary component of the various projects approved by Monitoring Committee. The total amount of nodal agency fee income from this scheme for FY 2022-23 stands at ₹.71.58 crore. (Previous year Nil)

### 51.2 Integrated Power Development Scheme (IPDS) (with Restructured Accelerated Power Development and Reform Programme (R-APDRP) subsumed)

IPDS scheme was launched in December 2014 to extend financial assistance against capital expenditure for addressing the gaps in sub transmission & distribution network and metering in urban areas to supplement the resources of DISCOMs/ Power Departments. This scheme has the sunset date of 31.03.2022 and the ongoing approved projects have been subsumed as a separate component under the new RDSS scheme.

The estimated outlay of the scheme was ₹ 32,612 crore including a budgetary support of ₹ 25,354 crore from GoI. R-APDRP scheme cost of ₹ 44,011 crore including budgetary support of ₹ 22,727 crore have also been carried forward to IPDS scheme. The amount of fund received and administered to the eligible entities during FY 2022-23 is ₹ 474.46 crore (FY 21-22 ₹ 2125.01 crore) and the cumulative grant administered till 31.03.2023 is ₹ 18,381.91 crore (till 31.03.2022 ₹ 17,907.45 crore, till 31.03.2021 ₹ 15782.44 crore).

The amount of fund received under R-APDRP (subsumed with IPDS) and administered to the eligible entities during FY 2022-23 is ₹ 65.00 crore (previous year ₹ 326.64 crore) and the cumulative grant administered till 31.03.2023 is ₹ 13,562.07 crore (till 31.03.2022 ₹ 13,497.07 crore).

Further, no fund remained undisbursed as on 31.03.2023 and 31.03.2022.

The total amount of nodal agency fee income from this scheme for FY 2022-23 stands at Nil (FY 21-22 ₹ 8.60 crore, FY 20-21 ₹ 4.65 crore). Additionally, the Company has also received Nil (FY 21-22 ₹ 28.20 crore, FY 20-21 ₹ 6.29 crore) as reimbursement of expenditure from MoP under the said scheme.

**52. (a) Status of documentation subsequent to reorganization of the State of Jammu & Kashmir**

After the bifurcation of the State of Jammu & Kashmir into two Union territories- Jammu & Kashmir UT and Ladakh UT, the existing entities pertaining to the erstwhile state of Jammu & Kashmir have been restructured vide unbundling order dated 23.10.19. The addendums to the agreements with new restructured departments are yet to be executed. Pending the execution of such documents, the existing loans are being serviced/repaid in line with the existing loan agreement.

**(b) Status of documentation subsequent to reorganization of the State of Andhra Pradesh**

Subsequent to the reorganization of erstwhile Andhra Pradesh, the State of Telangana has been formed on 02.06.2014. However, the assets and liabilities are yet to be transferred to the respective power utilities through a formal gazette notification except for assets and liabilities of TSSPDCL which have been transferred to APSPDCL for R-APDRP loans only amounting to ₹.8.95 crore.

Once the final transfer scheme is notified through Gazette Notification by Govt. duly indicating the transfer of assets and liabilities among the power utilities, action for execution of documentation formalities will be taken up in respect of all the outstanding loans (except for above R-APDRP loans) with the new / name changed utilities. Till that time, the demand for payment of interest / principal is being segregated by the utilities and the respective portions are being paid by utilities in Telangana and Andhra Pradesh.

**53. Disclosures as required under RBI's Master Direction-Non-Banking Financial Company- Systemically Important Non-Deposit Taking Company and Deposit taking Company (Reserve Bank ) Directions, 2016 as amended from time to time read with Scale Based Regulations and disclosures in Notes to Accounts thereto as issued by RBI vide Circular dated 22.10.2021 and 19.04.2022.**

Being a Government owned NBFC the Company is subject to guidelines as prescribed under Scale based Regulation as applicable for the NBFC-ML (Middle Layer).

**53.1 Asset Liability Management - Maturity pattern of items of Assets and Liabilities:**

In the tables below, the principal cash flows net of impairment loss allowance relating to Stage 3 assets have been considered in over 5 years bucket irrespective of the maturity date. Further, Bonds with put & call option have been shown considering the earliest exercise date. Further, the commercial papers and zero-coupon bonds have been shown at the maturity value.

(₹ in crore)

| Bucket as at<br>31.03.2023    | Deposits/<br>Investments | Advances           | Domestic<br>Borrowings | Foreign Currency Items |                  |
|-------------------------------|--------------------------|--------------------|------------------------|------------------------|------------------|
|                               |                          |                    |                        | Assets                 | Liabilities      |
| 1 to 7 days                   | -                        | 588.78             | -                      | -                      | -                |
| 8 to 14 days                  | -                        | 2,500.44           | 2,955.28               | -                      | -                |
| 15 days to 30/31 Days         | 1,471.96                 | 3,324.89           | 6,472.54               | -                      | 5.89             |
| Over 1 Month upto 2 Months    | 1,199.36                 | 2,248.07           | 2,652.04               | -                      | -                |
| Over 2 Months upto 3 Months   | 5.09                     | 2,982.71           | 10,963.41              | -                      | 6.57             |
| Over 3 Months & upto 6 Months | 5.00                     | 15,115.04          | 9,325.88               | -                      | 2,055.42         |
| Over 6 Months & upto 1 Year   | 9.71                     | 26,182.74          | 13,910.84              | -                      | 7,034.08         |
| Over 1 Year & upto 3 Years    | 100.24                   | 72,751.80          | 70,458.74              | -                      | 11,261.13        |
| Over 3 Years & upto 5 Years   | 105.43                   | 68,525.33          | 65,123.12              | -                      | 8,573.42         |
| Over 5 Years                  | 15,879.32                | 2,16,278.55        | 1,16,221.48            | -                      | 35,617.98        |
| <b>Total</b>                  | <b>18,776.11</b>         | <b>4,10,498.35</b> | <b>2,98,083.33</b>     | -                      | <b>64,554.49</b> |

(₹ in crore)

| Bucket as at<br>31.03.2022 | Deposits/<br>Investments | Advances | Domestic<br>Borrowings | Foreign Currency Items |             |
|----------------------------|--------------------------|----------|------------------------|------------------------|-------------|
|                            |                          |          |                        | Assets                 | Liabilities |
| 1 to 7 days                | 374.80                   | -        | 86.09                  | -                      | 0.00        |
| 8 to 14 days               | 460.83                   | 1933.65  | 184.70                 | -                      | 0.00        |

|                               |                  |                    |                    |          |                  |
|-------------------------------|------------------|--------------------|--------------------|----------|------------------|
| 15 days to 30/31 Days         | 2,510.53         | 3,565.02           | 1,067.50           | -        | 5.43             |
| Over 1 Month upto 2 Months    | 1,075.65         | 655.95             | 3,605.00           | -        | 0.00             |
| Over 2 Months upto 3 Months   | 2.03             | 970.23             | 2,268.75           | -        | 2,235.52         |
| Over 3 Months & upto 6 Months | 2.39             | 6,607.24           | 7,733.04           | -        | 0.00             |
| Over 6 Months & upto 1 Year   | 4.49             | 14,531.37          | 13,989.53          | -        | 6,982.03         |
| Over 1 Year & upto 3 Years    | 14.74            | 65,323.48          | 83,967.36          | -        | 10,160.98        |
| Over 3 Years & upto 5 Years   | 9.50             | 63,292.38          | 44,425.26          | -        | 7,797.27         |
| Over 5 Years                  | 14,975.23        | 2,01,918.38        | 1,06,554.59        | -        | 29,107.15        |
| <b>Total</b>                  | <b>19,430.19</b> | <b>3,58,797.70</b> | <b>2,63,881.81</b> | <b>-</b> | <b>56,288.37</b> |

(₹ in crore)

| Bucket as at<br>31.03.2021    | Deposits/<br>Investments | Advances           | Domestic<br>Borrowings | Foreign Currency Items |                  |
|-------------------------------|--------------------------|--------------------|------------------------|------------------------|------------------|
|                               |                          |                    |                        | Assets                 | Liabilities      |
| 1 to 7 days                   | 2,308.02                 | 1,000.00           | 2,008.04               | -                      | -                |
| 8 to 14 days                  | -                        | 2,130.70           | -                      | -                      | -                |
| 15 days to 30/31 Days         | 1,392.13                 | 3,933.99           | 2,000.00               | -                      | 5.26             |
| Over 1 Month upto 2 Months    | 799.72                   | 3,729.18           | 600                    | -                      | -                |
| Over 2 Months upto 3 Months   | -                        | 1,328.74           | 3,796.65               | -                      | 6.32             |
| Over 3 Months & upto 6 Months | -                        | 7,340.85           | 15,228.15              | -                      | 1,102.57         |
| Over 6 Months & upto 1 Year   | -                        | 14,139.88          | 16,604.34              | -                      | 977.51           |
| Over 1 Year & upto 3 Years    | -                        | 57,861.78          | 66,122.35              | -                      | 12,012.31        |
| Over 3 Years & upto 5 Years   | -                        | 61,587.27          | 55,139.62              | -                      | 9,958.15         |
| Over 5 Years                  | 15,173.78                | 2,04,302.25        | 1,13,894.40            | -                      | 25,773.68        |
| <b>Total</b>                  | <b>19,673.65</b>         | <b>3,57,354.63</b> | <b>2,75,393.55</b>     | <b>-</b>               | <b>49,835.80</b> |

## 53.2 Exposures

53.2.1 The Company does not have any exposure to real estate sector.

53.2.2 Exposure to Capital Market:

(₹ in crore)

| Sr. No. | Description   | Amount as at<br>31.03.2023 | Amount as at<br>31.03.2022 | Amount as at<br>31.03.2021 |
|---------|---|----------------------------|----------------------------|----------------------------|
| (i)     | Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt (includes investment in fully convertible preference shares);   | 16,342.82                  | 15,974.26                  | 15,896.71                  |
| (ii)    | Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;  | -                          | -                          | -                          |
| (iii)   | Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;   | -                          | -                          | -                          |
| (iv)    | Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e., where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances; | -                          | -                          | -                          |
| (v)     | Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market   | -                          | -                          | -                          |

|   |   |                  |                  |                  |
|---|---|------------------|------------------|------------------|
|   | makers;   |                  |                  |                  |
| (vi)                                    | Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources; | 2,898.97         | 2,699.02         | 2,705.94         |
| (vii)                                   | Bridge loans to companies against expected equity flows / issues;   | -                | -                | -                |
| (viii)                                  | All exposures to Venture Capital Funds (both registered and unregistered)   | -                | -                | -                |
| (ix)                                    | Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds  | -                | -                | -                |
| (x)                                     | Financing to stockbrokers for margin trading  | -                | -                | -                |
| (xi)                                    | All exposures to Alternative Investment Funds: (i) Category I (ii) Category II (iii) Category III   | -                | -                | -                |
| <b>Total Exposure to Capital Market</b> |   | <b>19,241.79</b> | <b>18,673.28</b> | <b>18,602.65</b> |

### 53.2.3 Details of financing of parent company products:

The Company does not have a parent company.

### 53.2.4 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the Company:

In respect of Private sector entities, the Company has been following RBI's Credit Concentration Norms. In respect of Central/State Government entities, RBI had exempted the Company from applicability of RBI's Credit Concentration Norms till 31.03.2022. Further, RBI vide its letter dated 24.08.2022 has allowed the existing exposure of Central/State Government entities of the company as on date of letter to run off till maturity without invoking any regulatory violation.

As per RBI's Scale Based Regulations, the Credit Concentration Limits need to be calculated based on Tier I Capital from 01.10.2022 as against Owned Funds. RBI vide its letter dated 20.03.2023 has, inter-alia, directed the Company to reckon Tier I Capital as on March 31st (based on annual results) while computing exposure. However during the year, for the purpose of Credit Concentration Limits, the Company has worked out the Owned Fund / Tier I Capital based on quarterly financial results till 21.03.2023.

As on 31.03.2023, the exposure of the Company to Private / Government Sector entities are within the RBI's prescribed Credit Concentration Limits.

### 53.3 Details of registrations with regulators:

| Sr. No. | Regulator  | Particulars                     | Registration Details  |
|---------|--|---------------------------------|-----------------------|
| 1.      | Ministry of Corporate Affairs  | Corporate Identification Number | L65910DL1986GOI024862 |
| 2.      | Reserve Bank of India  | Registration Number             | B- 14.00004           |
| 3.      | Legal Entity Identifier India Ltd  | LEI Number                      | 3358003Q6D9LIJZ1614   |
| 4.      | Central Registry of Securitisation Asset Reconstruction and Security Interest of India | Registration Number             | F0084                 |

### 53.4 Disclosure of Penalties imposed by RBI and other regulators during the year:

During FY 2022-23, NSE and BSE have levied fine on the Company for non-compliance in regard to composition of the Board of Directors.

The Company in its reply to NSE and BSE has stated that being a Central Public Sector Undertaking and in terms of Article 86 of Articles of Association of the Company, the Directors on the board of the Company are appointed by President of India through Ministry of Power, Government of India and had requested both the exchanges to waive the above said penalty. Revert on the matter is awaited.

The Company has also taken up the matter with Ministry of Power to expedite the process of appointment of balance number of Independent Directors.

During FY 2021-22, NSE and BSE had levied fine on the Company for non-compliance in regard to composition of the Board of Directors, Audit Committee and Nomination & Remuneration Committee of the Board of Directors. The Company is in compliance in regard to composition of the said committees on appointment of three independent directors on 15.11.2021. Accordingly, Company in its reply had requested both the exchanges to waive the said penalty. Revert on the matter is awaited.

During FY 2020-21, NSE and BSE have levied fine on the Company for non-compliance in regard to composition of Board of Directors and Nomination & Remuneration Committee of the Board of Directors. The Company in its reply to NSE & BSE has stated that being a Central Public Sector Undertaking and in terms of Article 86 of Articles of Association of the Company, the Directors on the board of the Company are appointed by President of India through Ministry of Power, Government of India. The Company has taken up the matter with Ministry of Power to expedite the process of appointment of balance number of Independent Directors on the Board of the Company for compliance of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. During the previous year, NSE & BSE had also levied fine on the Company for the similar reason. BSE vide its email dated 24th September, 2020 and 19th April, 2021 has waived the penalty imposed for the above periods.

### 53.5 Credit Ratings

#### 53.5.1 Ratings assigned by domestic credit rating agencies as at 31.03.2023:

| Sr. No. | Rating Agency | Long Term Rating | Short Term Rating |
|---------|---------------|------------------|-------------------|
| 1.      | CRISIL        | CRISIL AAA       | CRISIL A1+        |
| 2.      | ICRA          | ICRA AAA         | ICRA A1+          |
| 3.      | CARE          | CARE AAA         | CARE A1+          |

#### 53.5.2 Long term foreign currency issuer rating assigned by international credit rating agencies as at 31.03.2023:

| Sr. No. | Rating Agency | Rating |
|---------|---------------|--------|
| 1.      | Fitch Ratings | BBB-   |
| 2.      | Moody's       | Baa3   |

#### 53.5.3 In respect of the above, there has been no migration of ratings during the year.

### 53.6 Provisions, Contingencies and Impairment loss allowances debited to Standalone Statement of Profit and Loss

| (₹ in crore) |   |            |            |            |
|--------------|---|------------|------------|------------|
| Sr. No.      | Particulars   | FY 2022-23 | FY 2021-22 | FY 2020-21 |
| 1            | Impairment loss allowance towards loans, investments acquired under loan settlement, letter of comfort and guarantees * | (289.60)   | 2,146.86   | 3,494.35   |
| 2            | Impairment loss allowance on other financial assets   | (6.41)     | 2.33       | 2.05       |
| 3            | Impairment loss allowance on investment   | (0.20)     | 72.95      | -          |
| 4            | Provision for unspent CSR on ongoing Projects   | 106.34     | 54.87      | -          |
| 5            | Provision made towards Income tax   | 2,330.24   | 2,382.86   | 2,792.03   |

\* including write off of loans and investment acquired under loan settlement of ₹ 957.91 crore (FY 2021-22 ₹ 1396.13 crore and FY 2020-21 ₹ 2,860.60 crore) and corresponding reversal of impairment loss allowance of ₹ 2,700.33 crore (FY 2021-22 ₹ 1,817.78 crore and FY 2020-21 ₹ 3,017.25 crore).

### 53.7 Draw Down from reserves

Refer to Note 24.

### 53.8 Others



(a) The Company is preparing Consolidated Financial Statements in accordance with Ind AS – 110 ‘Consolidated Financial Statements’.

(b) The Company does not have any Overseas Assets in the form of Joint Ventures / Subsidiaries abroad.

(c) There are no Off-Balance Sheet SPVs sponsored by the Company which are required to be consolidated as per accounting norms.

### 53.9 Customer Complaints for FY 2022-23

No complaints have been received by the Company from its borrowers during the year ended 31.03.2023. (Nil for FY 21-22 and FY 20-21).

### 53.10 Concentration of Exposures:

| Particulars  | As at<br>31.03.2023 | As at<br>31.03.2022 | As at<br>31.03.2021 |
|--|---------------------|---------------------|---------------------|
| Total Exposure at Default (EAD)* to twenty largest borrowers / customers (₹ in crore)  | 2,60,886.64         | 2,43,423.52         | 2,35,682.35         |
| Percentage of Exposures at Default to twenty largest borrowers / customers to Total Exposure of the Company on borrowers / customers | 61.10%              | 63.17%              | 62.56%              |

\* Exposure at Default is Principal outstanding & Accrued Interest thereon.

### 53.11 Large Industrial Sectoral Exposure –

(₹ in crore)

| As at 31.03.2023      |   |                      |  |  |   |
|-----------------------|---|----------------------|--|--|---|
| Infrastructure Sector | Principal outstanding (including LoC) (A) | Interest Accrued (B) | Total Exposure at Default (EAD) including off balance sheet exposure viz LOC (C) = (A+B) | Gross Credit Impaired accounts (Stage 3) (D)                         | Percentage of Gross Credit Impaired accounts (Stage 3) to EAD E = (D/C)       |
| Power                 | 4,23,910.11                               | 4,492.68             | 4,28,402.79  | 16,501.65  | 3.85%   |
| Ports                 | 1,015.58                                  | 2.81                 | 1,018.39   | -  | 0.00%   |
| <b>Total</b>          | <b>4,24,925.69</b>                        | <b>4,495.50</b>      | <b>4,29,421.18</b>   | <b>16,501.65</b>   | <b>3.84%</b>  |
| As at 31.03.2022      |   |                      |  |  |   |
| Infrastructure Sector | Principal outstanding (including LoC) (A) | Interest Accrued (B) | Total Exposure at Default (EAD) including off balance sheet exposure viz LOC (C) = (A+B) | Gross Credit Impaired accounts (Stage 3) excl. LoC and Guarantee (D) | Percentage of Gross Credit Impaired accounts (Stage 3) to Total EAD E = (D/C) |
| Power                 | 3,80,175.35                               | 5,156.24             | 3,85,331.59  | 14,336.91  | 3.72%   |
| As at 31.03.2021      |   |                      |  |  |   |
| Power                 | 3,74,684.00                               | 5,979.11             | 3,80,663.11  | 21,150.16  | 5.56%   |

### 53.12 Intra-group exposures

| Particulars | As at 31.03.2023 | As at 31.03.2022 | As at 31.03.2021 |
|-------------|------------------|------------------|------------------|
|-------------|------------------|------------------|------------------|

|  |       |       |          |
|--|-------|-------|----------|
| Total amount of intra-group Exposures at Default (EAD) (₹ in crore)              | 9.70  | 9.52  | 3,000.49 |
| Total amount of top 20 intra-group Exposures at Default (EAD) (₹ in crore)       | 9.70  | 9.52  | 3,000.49 |
| Percentage of intra-group EAD to Total EAD of the Company on borrowers/customers | 0.00% | 0.00% | 0.80%    |

\* Exposure at Default is Principal outstanding & Accrued Interest thereon.

- 53.13** Regulatory ratios, limits and disclosures are based on Ind AS figures in accordance with RBI circular dated March 13, 2020 relating to Implementation of Ind AS.
- 53.14** During FY 2022-23, there has been no instances of breach of covenants of loan availed or debt securities issued. (FY 21-22 and FY 20-21 - Nil)
- 53.15** There has been no divergence in Asset Classification and Provisioning assessed by RBI vis a vis as reported by the Company as on 31.03.2022 and 31.03.2021 during the last annual inspection conducted by RBI for FY 2021-22 and FY 2020-21.

(₹ in Crore)

| Particulars  |  | Amount as on 31.03.2023        |                             | Amount as on 31.03.2022                     |                             | Amount as on 31.03.2021        |   |                    |                    |
|--|--|--------------------------------|-----------------------------|---|-----------------------------|--------------------------------|---|--------------------|--------------------|
| Liabilities Side   |  | outstanding                    | overdue                     | outstanding                                 | overdue                     | outstanding                    | overdue                                     |                    |                    |
| <b>(1) Loans and Advances availed by the Company inclusive of interest accrued thereon but not paid:</b>   |  |                                |                             |   |                             |                                |   |                    |                    |
| (a)  | Bonds : Secured  | 19,920.79                      | -                           | 17,980.13                                   | -                           | 15,617.62                      | -   |                    |                    |
|  | : Unsecured  | 2,49,218.10                    | -                           | 2,21,335.61                                 | -                           | 2,33,619.99                    | -   |                    |                    |
| (b)  | Deferred Credits   | -                              | -                           | -   | -                           | -                              | -   |                    |                    |
| (c)  | Term Loans   | -                              | -                           | -   | -                           | -                              | -   |                    |                    |
|  | (i) Rupee Term Loans                                       | 69,716.78                      | -                           | 65,507.07                                   | -                           | 61,332.50                      | -   |                    |                    |
|  | (ii) Foreign Currency Loans                                | 27,528.28                      | -                           | 22,000.10                                   | -                           | 19,013.86                      | -   |                    |                    |
| (d)  | Inter-corporate loans & borrowings                         | -                              | -                           | -   | -                           | -                              | -   |                    |                    |
| (e)  | Commercial Paper   | -                              | -                           | -   | -                           | 3,080.23                       | -   |                    |                    |
| (f)  | Public Deposits  | -                              | -                           | -   | -                           | -                              | -   |                    |                    |
| (g)  | Others   | -                              | -                           | -   | -                           | -                              | -   |                    |                    |
|  | (i) Other Loans from Banks                                 | 3,983.83                       | -                           | 228.62                                      | -                           | 683.23                         | -   |                    |                    |
| <b>Assets Side</b>   |  |                                |                             |   |                             |                                |   |                    |                    |
|  |  | Amount as on 31.03.2023        |                             | Amount as on 31.03.2022                     |                             | Amount as on 31.03.2021        |   |                    |                    |
| <b>(2) Break-up of Loans and Advances including bills receivables (Net of Provisions) :</b>  |  |                                |                             |   |                             |                                |   |                    |                    |
| (a)  | Secured  | 1,93,369.31                    |                             | 1,87,185.54                                 |                             | 1,91,256.29                    |   |                    |                    |
| (b)  | Unsecured  | 2,29,128.42                    |                             | 1,85,949.07                                 |                             | 1,79,559.82                    |   |                    |                    |
| (c)  | Less: Impairment loss allowance                            | (16,024.67)                    |                             | (17,271.30)                                 |                             | (16,410.98)                    |   |                    |                    |
| <b>Loans and advances (net of provision)</b>   |  | <b>4,06,473.06</b>             |                             | <b>3,55,863.31</b>                          |                             | <b>3,54,405.13</b>             |   |                    |                    |
| <b>Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities (Net of Provisions) :</b>                                    |  |                                |                             |   |                             |                                |   |                    |                    |
| (i)  | Lease assets including lease rentals under sundry debtors: |                                |                             |   |                             |                                |   |                    |                    |
| (a)  | Financial lease  |                                |                             |   |                             | 94.00                          |   |                    |                    |
| (b)  | Operating lease  |                                |                             |   |                             | 0.00                           |   |                    |                    |
| <b>(3) Break-up of Investments (Net of Provisions)</b>   |  |                                |                             |   |                             |                                |   |                    |                    |
| <b>Investments carried at Cost/ Amortised Cost</b>   |  |                                |                             |   |                             |                                |   |                    |                    |
| <b>1. Quoted</b>   |  |                                |                             |   |                             |                                |   |                    |                    |
| (i)  | Shares   |                                |                             |   |                             |                                |   |                    |                    |
| (a)  | Equity   | 14500.50                       |                             | 14500.50                                    |                             | 14500.50                       |   |                    |                    |
| (ii)   | Government securities                                      | 526.25                         |                             | 98.69                                       |                             |                                |   |                    |                    |
| (iii)  | Debentures and Bonds                                       | 300.08                         |                             | -   |                             |                                |   |                    |                    |
| <b>2. Unquoted</b>   |  |                                |                             |   |                             |                                |   |                    |                    |
| (i)  | Shares   |                                |                             |   |                             |                                |   |                    |                    |
| (a)  | Equity   | 0.75                           |                             | 0.90  |                             | 246.40                         |   |                    |                    |
| (b)  | Preference   | 85.78                          |                             | 84.47                                       |                             | 76.99                          |   |                    |                    |
| (c)  | Less: Impairment Loss allowance                            | (72.95)                        |                             | (73.15)                                     |                             | (0.20)                         |   |                    |                    |
| <b>Unquoted Shares ( net of Provision)</b>   |  | <b>13.58</b>                   |                             | <b>12.22</b>                                |                             | <b>323.19</b>                  |   |                    |                    |
| (ii)   | Debentures and Bonds                                       | 122.16                         |                             | -   |                             | -                              |   |                    |                    |
| <b>Investments carried at Fair Value</b>   |  |                                |                             |   |                             |                                |   |                    |                    |
| <b>1. Quoted</b>   |  |                                |                             |   |                             |                                |   |                    |                    |
| (i)  | Shares   |                                |                             |   |                             |                                |   |                    |                    |
| (a)  | Equity   | 1,199.32                       |                             | 1,075.41                                    |                             | 901.99                         |   |                    |                    |
| <b>2. Unquoted</b>   |  |                                |                             |   |                             |                                |   |                    |                    |
| (i)  | Shares   |                                |                             |   |                             |                                |   |                    |                    |
| (a)  | Equity   | 592.25                         |                             | 241.73                                      |                             | -                              |   |                    |                    |
| (b)  | Preference   | -                              |                             | -   |                             | 96.19                          |   |                    |                    |
| (ii)   | Debentures and Bonds                                       | 50.00                          |                             | 155.72                                      |                             | 151.63                         |   |                    |                    |
| <b>(4) Borrower group-wise classification of assets financed as in (2) above:</b>  |  |                                |                             |   |                             |                                |   |                    |                    |
| Category   | Amount Net of Provisions (as on 31.03.2023)                |                                |                             | Amount Net of Provisions (as on 31.03.2022) |                             |                                | Amount Net of Provisions (as on 31.03.2021) |                    |                    |
|  | Secured  | Unsecured                      | Total                       | Secured                                     | Unsecured                   | Total                          | Secured                                     | Unsecured          | Total              |
| 1. Related Parties   |  |                                |                             |   |                             |                                |   |                    |                    |
| (a) Subsidiaries and Associates  | 9.52   | -                              | 9.52                        | 9.52  | -                           | 9.52                           | -   | 3,168.51           | 3,168.51           |
| (b) Other related parties  | -  | -                              | -                           | -   | -                           | -                              | 0.57  | -                  | 0.57               |
| 2. Other than related parties  | 1,93,359.79  | 2,29,128.42                    | 4,22,488.21                 | 1,87,176.02                                 | 1,85,949.07                 | 3,73,125.09                    | 1,91,349.72                                 | 1,76,391.31        | 3,67,741.03        |
| <b>Total</b>   | <b>1,93,369.31</b>   | <b>2,29,128.42</b>             | <b>4,22,497.73</b>          | <b>1,87,185.54</b>                          | <b>1,85,949.07</b>          | <b>3,73,134.61</b>             | <b>1,91,350.29</b>                          | <b>1,79,559.82</b> | <b>3,70,910.11</b> |
| <b>(5) Investor group-wise classification of all investments (at cost/amortised cost and fair value) in shares and securities (both quoted and unquoted)</b> |  |                                |                             |   |                             |                                |   |                    |                    |
| Category   | As on 31.03.2023   |                                | As on 31.03.2022            |   | As on 31.03.2021            |                                |   |                    |                    |
|  | Break up value <sup>5</sup>                                | Book Value (Net of Provisions) | Break up value <sup>5</sup> | Book Value (Net of Provisions)              | Break up value <sup>5</sup> | Book Value (Net of Provisions) |   |                    |                    |
| 1. Related Parties   |  |                                |                             |   |                             |                                |   |                    |                    |
| (a) Subsidiaries   | 30,459.95  | 14,500.70                      | 26,824.33                   | 14,500.65                                   | 22,825.70                   | 14,500.65                      |   |                    |                    |
| (b) Companies in the same group  | 0.51   | 0.55                           | 0.50                        | 0.55  | 290.37                      | 246.05                         |   |                    |                    |
| 2. Other than related parties  | 2,802.89   | 2,802.89                       | 1,583.07                    | 1,583.07                                    | 1,226.80                    | 1,226.80                       |   |                    |                    |
| <b>Total</b>   | <b>33,263.35</b>   | <b>17,304.14</b>               | <b>28,407.90</b>            | <b>16,084.27</b>                            | <b>24,342.87</b>            | <b>15,973.50</b>               |   |                    |                    |
| <b>(6) Other information</b>   |  |                                |                             |   |                             |                                |   |                    |                    |
| Particulars  |  | Amount (as on 31.03.2023)      |                             | Amount (as on 31.03.2022)                   |                             | Amount (as on 31.03.2021)      |   |                    |                    |
| (i)  | Gross Stage III Assets                                     |                                |                             |   |                             |                                |   |                    |                    |
| (a)  | Other than related parties                                 | 16,501.65                      |                             | 20,915.28                                   |                             | 21,150.16                      |   |                    |                    |
| (ii)   | Net Stage III Assets                                       |                                |                             |   |                             |                                |   |                    |                    |
| (a)  | Other than related parties                                 | 4,502.27                       |                             | 6,570.91                                    |                             | 7,733.80                       |   |                    |                    |
| (iii)  | Assets acquired in satisfaction of debt                    | 790.08                         |                             | 370.45                                      |                             | 467.96                         |   |                    |                    |

<sup>5</sup>In case of negative break-up value, Nil value has been considered.

55. Disclosures in accordance with guidelines on Liquidity Risk Management Framework and Liquidity Coverage Ratio as per RBI's Master Direction-Non-Banking Financial Company- Systemically Important Non-Deposit Taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 as amended from time to time.

55.1 Funding Concentration based on significant counterparty (borrowings)

| Particulars      | Number of significant counterparties* | Amount (₹ crore) | % of Total Liabilities |
|------------------|---------------------------------------|------------------|------------------------|
| As at 31.03.2023 | 7                                     | 61,507.08        | 16.33%                 |
| As at 31.03.2022 | 7                                     | 59,447.08        | 17.74%                 |
| As at 31.03.2021 | 7                                     | 52,897.08        | 15.57%                 |

\*Significant counterparty/significant instrument/product is defined as a single counterparty or group of connected or affiliated counter parties accounting in aggregate for more than 1% of the total liabilities.

55.2 Top 10 borrowings (amount in ₹ crore & % of total borrowings)

| Sr. No. | Particulars*                                  | As at 31.03.2023 |                       |
|---------|---|------------------|-----------------------|
|         |   | Amount (₹ crore) | % of Total Borrowings |
| 1       | RTL FROM HDFC BANK                            | 10,750.00        | 2.96%                 |
| 2       | RTL FROM STATE BANK OF INDIA                  | 9,569.98         | 2.64%                 |
| 3       | RTL FROM CANARA BANK                          | 9,075.00         | 2.50%                 |
| 4       | RTL FROM UNION BANK OF INDIA                  | 6,800.00         | 1.88%                 |
| 5       | RTL FROM NATIONAL SMALL SAVINGS SCHEME (NSSF) | 7,500.00         | 2.07%                 |
| 6       | 3.95 USD BONDS 2030                           | 6,166.27         | 1.70%                 |
| 7       | SYNDICATED JPY FOREIGN CURRENCY TERM LOAN 32A | 5,513.05         | 1.52%                 |
| 8       | SYNDICATED USD FOREIGN CURRENCY TERM LOAN 31  | 5,138.56         | 1.42%                 |
| 9       | 8.65 TX USC BND SRS 126                       | 5,000.00         | 1.38%                 |
| 10      | 8.41 TX USC BND SRS 131 C                     | 5,000.00         | 1.38%                 |

\*Based on size of bond issuance / term loans from banks

| Sr. No. | Particulars*                                  | As at 31.03.2022 |                       |
|---------|---|------------------|-----------------------|
|         |   | Amount (₹ crore) | % of Total Borrowings |
| 1       | RTL from State Bank of India                  | 10,999.98        | 3.44%                 |
| 2       | RTL from HDFC Bank                            | 9,750.00         | 3.05%                 |
| 3       | RTL from National Small Savings Scheme (NSSF) | 7,500.00         | 2.34%                 |
| 4       | RTL from Union Bank of India                  | 6,675.00         | 2.09%                 |
| 5       | RTL from Canara Bank                          | 6,200.00         | 1.94%                 |
| 6       | 3.95% USD BONDS 2030                          | 5,685.53         | 1.78%                 |
| 7       | RTL from Bank of Baroda                       | 5,344.00         | 1.67%                 |
| 8       | 8.65% Taxable Bond Series 126                 | 5,000.00         | 1.56%                 |
| 9       | 8.41% Taxable Bond Series 131 C               | 5,000.00         | 1.56%                 |
| 10      | 7.62% Taxable Bond Series 171                 | 5,000.00         | 1.56%                 |

\*Based on size of bond issuance / term loans from banks

| Sr. No. | Particulars*                                       | As at 31.03.2021 |                       |
|---------|--|------------------|-----------------------|
|         |  | Amount (₹ crore) | % of Total Borrowings |
| 1       | RTL from State Bank of India                       | 10,999.98        | 3.38%                 |
| 2       | RTL from Canara Bank                               | 8,250.00         | 2.54%                 |
| 3       | RTL from National Small Savings Scheme Fund (NSSF) | 7,500.00         | 2.31%                 |
| 4       | RTL from Bank of Baroda                            | 6,300.00         | 1.94%                 |
| 5       | RTL from Union Bank of India                       | 6,100.00         | 1.88%                 |
| 6       | 3 95 USD Bonds 2030                                | 5,512.85         | 1.70%                 |

|    |                                |          |       |
|----|--------------------------------|----------|-------|
| 7  | 7 41 Taxable Bond Series 197   | 5,000.00 | 1.54% |
| 8  | 7 62 Taxable Bond Series 171   | 5,000.00 | 1.54% |
| 9  | 8 41 Taxable Bond Series 131 C | 5,000.00 | 1.54% |
| 10 | 8 65 Taxable Bond Series 126   | 5,000.00 | 1.54% |

\*Based on size of bond issuance / term loans from banks

### 55.3 Funding Concentration based on significant instrument /product

| Sr No | Significant instrument /product  | As at 31.03.2023   |                        | As at 31.03.2022   |                        | As at 31.03.2021   |                        |
|-------|--|--------------------|------------------------|--------------------|------------------------|--------------------|------------------------|
|       |  | Amount (₹ crore)   | % of Total Liabilities | Amount (₹ crore)   | % of Total Liabilities | Amount (₹ crore)   | % of Total Liabilities |
| 1     | <b>Debt Securities</b>   |                    |                        |                    |                        |                    |                        |
|       | - Infrastructure Bonds   | 38.51              | 0.01%                  | 38.51              | 0.01%                  | 119.56             | 0.04%                  |
|       | - Tax Free Bonds   | 8,259.12           | 2.19%                  | 8,983.03           | 2.68%                  | 12,275.11          | 3.61%                  |
|       | - 54EC Capital Gain Tax Exemption Bonds                                  | 6,599.69           | 1.75%                  | 3,998.82           | 1.19%                  | 2,564.18           | 0.75%                  |
|       | - Taxable Bonds  | 2,00,172.79        | 53.15%                 | 1,75,616.83        | 52.41%                 | 1,86,226.10        | 54.82%                 |
|       | - Foreign Currency Notes   | 37,219.33          | 9.88%                  | 34,378.78          | 10.26%                 | 30,871.97          | 9.09%                  |
|       | - Commercial Paper   | -                  | -                      | -                  | -                      | 3,080.23           | 0.91%                  |
|       | <b>Sub-Total (i)</b>   | <b>2,52,289.44</b> | <b>66.99%</b>          | <b>2,23,015.97</b> | <b>66.56%</b>          | <b>2,35,137.15</b> | <b>69.22%</b>          |
| 2     | <b>Borrowings (other than Debt Securities)</b>                           |                    |                        |                    |                        |                    |                        |
|       | - Foreign Currency Loans   | 6,615.94           | 1.76%                  | 128.07             | 0.04%                  | 150.65             | 0.04%                  |
|       | - Syndicated Foreign Currency Loans                                      | 20,719.21          | 5.50%                  | 21,781.52          | 6.50%                  | 18,813.18          | 5.54%                  |
|       | - Rupee Term Loan  | 62,317.90          | 16.55%                 | 58,262.48          | 17.39%                 | 53,598.98          | 15.78%                 |
|       | - Rupee Term Loan - Gol  | 7,500.00           | 1.99%                  | 7,500.00           | 2.24%                  | 7,500.00           | 2.21%                  |
|       | - Loan against Term Deposits   |                    |                        | 228.59             | 0.07%                  | 683.04             | 0.20%                  |
|       | - Working Capital Demand Loan / Overdraft / Cash Credit / Line of Credit | 3,983.83           | 1.06%                  | -                  | -                      | -                  | 0.00%                  |
|       | <b>Sub-Total (ii)</b>  | <b>1,01,136.88</b> | <b>26.85%</b>          | <b>87,900.66</b>   | <b>26.23%</b>          | <b>80,745.85</b>   | <b>23.77%</b>          |
| 3     | <b>Subordinated Liabilities</b>  | 9,211.50           | 2.45%                  | 9,211.50           | 2.75%                  | 9,211.50           | 2.71%                  |
|       | <b>Sub-Total (iii)</b>   | <b>9,211.50</b>    | <b>2.45%</b>           | <b>9,211.50</b>    | <b>2.75%</b>           | <b>9,211.50</b>    | <b>2.71%</b>           |
|       | <b>Total (i+ii+iii)</b>  | <b>3,62,637.83</b> | <b>96.28%</b>          | <b>3,20,128.13</b> | <b>95.54%</b>          | <b>3,25,094.50</b> | <b>95.70%</b>          |

### 55.4 Stock Ratios

| Sr. No.                 | Particulars   | % to total public funds | % to total liabilities | % to total assets |
|-------------------------|---|-------------------------|------------------------|-------------------|
| <b>As at 31.03.2023</b> |   |                         |                        |                   |
| 1                       | Non-convertible debentures (original maturity less than 1 year) | -                       | -                      | -                 |
| 2                       | Commercial papers   | -                       | -                      | -                 |
| 3                       | Other short-term liabilities                                    | 3.57%                   | 3.44%                  | 2.91%             |
| <b>As at 31.03.2022</b> |   |                         |                        |                   |
| 1                       | Non-convertible debentures (original maturity less than 1 year) | -                       | -                      | -                 |
| 2                       | Commercial papers   | -                       | -                      | -                 |
| 3                       | Other short-term liabilities                                    | 0.07%                   | 0.07%                  | 0.06%             |
| <b>As at 31.03.2021</b> |   |                         |                        |                   |
| 1                       | Non-convertible debentures (original maturity less than 1 year) | -                       | -                      | -                 |
| 2                       | Commercial papers   | 0.95%                   | 0.91%                  | 0.79%             |
| 3                       | Other short-term liabilities                                    | 0.21%                   | 0.20%                  | 0.17%             |

55.5 Refer Note 40.2 for Institutional set up for management of liquidity risk in the Company.

55.6 Liquidity Coverage Ratio

(₹ in Crore)

| Particulars   | Quarter ended 31.03.2023         |                                | Quarter ended 31.12.2022         |                                |                                  |                                | Quarter ended 30.09.2022         |                                |
|---|----------------------------------|--------------------------------|----------------------------------|--------------------------------|----------------------------------|--------------------------------|----------------------------------|--------------------------------|
|   | Total Unweighted Value (Average) | Total weighted Value (Average) | Total Unweighted Value (Average) | Total weighted Value (Average) | Total Unweighted Value (Average) | Total weighted Value (Average) | Total Unweighted Value (Average) | Total weighted Value (Average) |
| <b>High Quality Liquid Assets</b>   |                                  |                                |                                  |                                |                                  |                                |                                  |                                |
| 1 Total High Quality Liquid Assets (HQLA) <sup>(a)</sup>                                  | 1,318.83                         | 1,318.83                       | 1,168.02                         | 1,168.02                       | 1,883.65                         | 1,883.65                       | 1,086.53                         | 1,086.53                       |
| <b>Cash Outflows</b>  |                                  |                                |                                  |                                |                                  |                                |                                  |                                |
| 2 Outflows related to derivative exposures and other collateral requirements              |                                  |                                |                                  |                                |                                  |                                |                                  |                                |
| 3 Other contractual funding obligations   | 5,752.95                         | 6,615.89                       | 5,593.60                         | 6,432.64                       | 7,813.96                         | 8,986.05                       | 5,173.18                         | 5,949.16                       |
| 4 Other contingent funding obligations  | 800.25                           | 920.28                         | 1,177.53                         | 1,354.16                       | 1,545.79                         | 1,777.66                       | 1,125.53                         | 1,294.36                       |
| 5 <b>TOTAL CASH OUTFLOWS</b>  | 6,553.20                         | 7,536.17                       | 6,771.13                         | 7,786.80                       | 9,359.75                         | 10,763.71                      | 6,298.71                         | 7,243.52                       |
| <b>Cash Inflows</b>   |                                  |                                |                                  |                                |                                  |                                |                                  |                                |
| 6 Lines of credit – Credit or liquidity facilities or other contingent funding facilities | 5,031.32                         | 3,773.49                       | 4,945.10                         | 3,708.82                       | 3,444.29                         | 2,583.22                       | 5,650.07                         | 4,237.55                       |
| 7 Inflows from fully performing exposures   | 8,429.01                         | 6,321.76                       | 6,065.21                         | 4,548.91                       | 9,338.81                         | 7,004.11                       | 5,707.29                         | 4,280.46                       |
| 8 Other cash inflows  | 2,502.22                         | 1,876.67                       | 1,400.00                         | 1,050.00                       | 4,843.25                         | 3,632.44                       |                                  |                                |
| 9 <b>TOTAL CASH INFLOWS</b>   | 15,962.55                        | 11,971.91                      | 12,410.31                        | 9,307.73                       | 17,626.34                        | 13,219.76                      | 11,357.36                        | 8,518.02                       |
|   |                                  | <b>Total Adjusted Value</b>    |                                  | <b>Total Adjusted Value</b>    |                                  | <b>Total Adjusted Value</b>    |                                  | <b>Total Adjusted Value</b>    |
| 9 <b>TOTAL HQLA</b>   |                                  | 1,318.83                       |                                  | 1,168.02                       |                                  | 1,883.65                       |                                  | 1,086.53                       |

|    |  |  |          |  |          |  |          |  |          |
|----|--|--|----------|--|----------|--|----------|--|----------|
| 10 | <b>TOTAL NET CASH OUTFLOWS</b><br>[[Total Weighted Cash Outflows]- Minimum of (75% of Total Weighted Cash outflow or Total Weighted Cash inflows)] |  |          |  |          |  |          |  |          |
|    |  |  | 1,884.04 |  | 1,946.70 |  | 2,690.93 |  | 1,810.88 |
| 11 | <b>LIQUIDITY COVERAGE RATIO (%)</b>  |  | 70.00%   |  | 60.00%   |  | 70.00%   |  | 60.00%   |

(a) The Company is having adequate HQLA. However, for the above disclosure, HQLA amount required to meet the required LCR level of 70% ( w.e.f. 01.12.2022 and 60% (up to 30.11.2022) has been considered.

(₹ in Crore)

| Particulars                |  | Quarter ended 30.06.2022         |                                | Quarter ended 31.03.2022 |                             |
|----------------------------|--|----------------------------------|--------------------------------|--------------------------|-----------------------------|
|                            |  | Total Unweighted Value (Average) | Total weighted Value (Average) |                          |                             |
| High Quality Liquid Assets |  |                                  |                                |                          |                             |
| 1                          | Total High Quality Liquid Assets (HQLA) <sup>(b)</sup>   | 1,591.88                         | 1,591.88                       | 3,460.28                 | 3,460.28                    |
| Cash Outflows              |  |                                  |                                |                          |                             |
| 2                          | Outflows related to derivative exposures and other collateral requirements   | -                                | -                              | -                        | -                           |
| 3                          | Other contractual funding obligations  | 5,420.80                         | 6,233.92                       | 5,827.99                 | 6,702.19                    |
| 4                          | Other contingent funding obligations   | 3,807.51                         | 4,378.64                       | 6,920.18                 | 7,958.20                    |
| 5                          | <b>TOTAL CASH OUTFLOWS</b>   | 9,228.31                         | 10,612.55                      | 12,748.17                | 14,660.39                   |
| Cash Inflows               |  |                                  |                                |                          |                             |
| 6                          | Lines of credit – Credit or liquidity facilities or other contingent funding facilities  | 6,106.79                         | 4,580.10                       | 6,122.75                 | 4,592.06                    |
| 7                          | Inflows from fully performing exposures  | 5,376.39                         | 4,032.30                       | 5,617.12                 | 4,212.84                    |
| 8                          | Other cash inflows   |                                  |                                | 117.81                   | 88.36                       |
| 9                          | <b>TOTAL CASH INFLOWS</b>  | 11,483.19                        | 8,612.39                       | 11,857.68                | 8,893.26                    |
|                            |  |                                  | Total Adjusted Value           |                          | <b>Total Adjusted Value</b> |
| 10                         | <b>TOTAL HQLA</b>  |                                  | 1,591.88                       |                          | 3,460.28                    |
| 11                         | <b>TOTAL NET CASH OUTFLOWS</b><br>[[Total Weighted Cash Outflows]- Minimum of (75% of Total Weighted Cash outflow or Total Weighted Cash inflows)] |                                  | 2,653.14                       |                          | 5,767.13                    |
| 12                         | <b>LIQUIDITY COVERAGE RATIO (%)</b>  |                                  | 60.00%                         |                          | 60.00%                      |

(b) The Company is having adequate HQLA. However, for the above disclosure, HQLA amount required to meet the LCR level of 60% has been considered.

| Particulars                | Quarter ended 31.03.2022                               |                                | Quarter ended 31.12.2021         |                                |                                  |                                | Quarter ended 30.09.2021         |                                |          |
|----------------------------|--|--------------------------------|----------------------------------|--------------------------------|----------------------------------|--------------------------------|----------------------------------|--------------------------------|----------|
|                            |  |                                | From 01.10.2021 to 30.11.2021    |                                | From 01.12.2021 to 31.12.2021    |                                |                                  |                                |          |
|                            | Total Unweighted Value (Average)                       | Total weighted Value (Average) | Total Unweighted Value (Average) | Total weighted Value (Average) | Total Unweighted Value (Average) | Total weighted Value (Average) | Total Unweighted Value (Average) | Total weighted Value (Average) |          |
| High Quality Liquid Assets |  |                                |                                  |                                |                                  |                                |                                  |                                |          |
| 1                          | Total High Quality Liquid Assets (HQLA) <sup>(a)</sup> | 3,460.28                       | 3,460.28                         | 1,197.07                       | 1,197.07                         | 1,643.33                       | 1,643.33                         | 1,723.60                       | 1,723.60 |

| Cash Outflows |  |           |                             |           |                             |           |                             |           |                             |
|---------------|--|-----------|-----------------------------|-----------|-----------------------------|-----------|-----------------------------|-----------|-----------------------------|
| 2             | Outflows related to derivative exposures and other collateral requirements   | -         | -                           | -         | -                           | -         | -                           | -         | -                           |
| 3             | Other contractual funding obligations  | 5,827.99  | 6,702.19                    | 2,882.16  | 3,314.48                    | 3,717.79  | 4,275.46                    | 7,459.28  | 8,578.18                    |
| 4             | Other contingent funding obligations   | 6,920.18  | 7,958.20                    | 5,445.29  | 6,262.08                    | 5,808.74  | 6,680.05                    | 4,416.87  | 5,079.40                    |
| 5             | <b>TOTAL CASH OUTFLOWS</b>   | 12,748.17 | 14,660.39                   | 8,327.45  | 9,576.57                    | 9,526.53  | 10,955.51                   | 11,876.15 | 13,657.58                   |
| Cash Inflows  |  |           |                             |           |                             |           |                             |           |                             |
| 6             | Lines of credit – Credit or liquidity facilities or other contingent funding facilities  | 6,122.75  | 4,592.06                    | 8,248.64  | 6,186.48                    | 7,765.19  | 5,823.90                    | 8,276.46  | 6,207.34                    |
| 7             | Inflows from fully performing exposures  | 5,617.12  | 4,212.84                    | 4,257.79  | 3,193.34                    | 7,604.30  | 5,703.23                    | 5,247.89  | 3,935.92                    |
| 8             | Other cash inflows   | 117.81    | 88.36                       | 300.08    | 225.06                      | 121.12    | 90.84                       | 89.48     | 67.11                       |
| 9             | <b>TOTAL CASH INFLOWS</b>  | 11,857.68 | 8,893.26                    | 12,806.50 | 9,604.87                    | 15,490.62 | 11,617.96                   | 13,613.83 | 10,210.37                   |
|               |  |           | <b>Total Adjusted Value</b> |           | <b>Total Adjusted Value</b> |           | <b>Total Adjusted Value</b> |           | <b>Total Adjusted Value</b> |
| 9             | <b>TOTAL HQLA</b>  |           | 3,460.28                    |           | 1,197.07                    |           | 1,643.33                    |           | 1,723.60                    |
| 10            | <b>TOTAL NET CASH OUTFLOWS</b><br>[(Total Weighted Cash Outflows)- Minimum of (75% of Total Weighted Cash outflow or Total Weighted Cash inflows)] |           | 5,767.13                    |           | 2,394.14                    |           | 2,738.88                    |           | 3,447.21                    |
| 11            | <b>LIQUIDITY COVERAGE RATIO (%)</b>  |           | 60.00%                      |           | 50.00%                      |           | 60.00%                      |           | 50.00%                      |

(a) The Company is having adequate HQLA. However, for the above disclosure, HQLA amount required to meet the required LCR level of 60% (w.e.f 01.12.2021) and 50%(upto 30.11.2021) has been considered.

| Particulars  | Quarter ended 30.06.2021         |                                | Quarter ended 31.03.2021         |                                | Quarter ended 31.12.2020         |                                |
|--|----------------------------------|--------------------------------|----------------------------------|--------------------------------|----------------------------------|--------------------------------|
|  | Total Unweighted Value (Average) | Total weighted Value (Average) | Total Unweighted Value (Average) | Total weighted Value (Average) | Total Unweighted Value (Average) | Total weighted Value (Average) |
| High Quality Liquid Assets   |                                  |                                |                                  |                                |                                  |                                |
| 1 Total High Quality Liquid Assets (HQLA) <sup>(a)</sup>                     | 1,211.59                         | 1,211.59                       | 1,393.57                         | 1,393.57                       | 733.75                           | 733.75                         |
| Cash Outflows  |                                  |                                |                                  |                                |                                  |                                |
| 2 Outflows related to derivative exposures and other collateral requirements |                                  | -                              |                                  | -                              | 8.15                             | 9.37                           |



|              |   |          |                             |          |                             |          |                             |
|--------------|---|----------|-----------------------------|----------|-----------------------------|----------|-----------------------------|
| 3            | Other contractual funding obligations   | 3,860.18 | 4,439.21                    | 4,008.29 | 4,609.54                    | 2,940.22 | 3,381.25                    |
| 4            | Other contingent funding obligations  | 4,132.23 | 4,752.07                    | 2,990.66 | 3,439.26                    | 2,155.96 | 2,479.35                    |
| 5            | <b>TOTAL CASH OUTFLOWS</b>  | 7,992.42 | 9,191.28                    | 6,998.95 | 8,048.80                    | 5,104.33 | 5,869.97                    |
| Cash Inflows |   |          |                             |          |                             |          |                             |
| 6            | Lines of credit – Credit or liquidity facilities or other contingent funding facilities   | 2,786.31 | 2,089.73                    | -        | -                           | -        | -                           |
| 7            | Inflows from fully performing exposures   | 6,231.83 | 4,673.87                    | 6,717.70 | 5,038.28                    | 8,787.09 | 6,590.32                    |
| 8            | Other cash inflows  | 6.00     | 4.50                        | 297.85   | 223.39                      | 4.01     | 3.01                        |
| 9            | <b>TOTAL CASH INFLOWS</b>   | 9,024.14 | 6,768.10                    | 7,015.55 | 5,261.67                    | 8,791.10 | 6,593.33                    |
|              |   |          | <b>Total Adjusted Value</b> |          | <b>Total Adjusted Value</b> |          | <b>Total Adjusted Value</b> |
| 10           | <b>TOTAL HQLA</b>   |          | 1,211.59                    |          | 1,393.57                    |          | 733.75                      |
| 11           | <b>TOTAL NET CASH OUTFLOWS</b><br>[[Total Weighted Cash Outflows]-<br>Minimum of (75% of Total Weighted Cash outflow or Total Weighted Cash inflows)] |          | 2,423.18                    |          | 2,787.14                    |          | 1,467.49                    |
| 12           | <b>LIQUIDITY COVERAGE RATIO (%)</b>   |          | 50.00%                      |          | 50.00%                      |          | 50.00%                      |

(a) The Company is having adequate HQLA. However, for the above disclosure, HQLA amount required to meet the LCR level of 50% has been considered.

**55.6.1** RBI vide its Master Direction-NBFC- Systemically Important Non-Deposit Taking Company,2016 issued the guidelines covering liquidity risk management for NBFCs wherein RBI introduced Liquidity Coverage Ratio (LCR) applicable on all non-deposit taking NBFCs with asset size of more than ₹ 5,000 crore. The guidelines aim to maintain a liquidity buffer in terms of LCR by ensuring that they have sufficient High Quality Liquid Asset (HQLA) to survive any acute liquidity stress scenario lasting for next 30 days. As per the guideline, LCR is represented by Stock of High-Quality Liquid Assets (HQLA) divided by Total Net Cash Outflows (stressed outflow less stressed inflows) over the next 30 calendar days. HQLA are defined by RBI as the liquid assets that can be readily sold or immediately convertible into cash at little / no loss of value or can be used as collateral to obtain funds in stress situations.

The company has complied with LCR requirement w.e.f. 01.12.2020 against stipulated requirement of minimum LCR of 50%, progressively increasing up to the required level of 100% by December 1, 2024. The HQLA is being maintained by the company as balance with Banks in Current Account and Fixed Deposits with Scheduled Commercial Banks and eligible securities. The Company is maintaining LCR in INR only; hence there is no currency mismatch.

**55.6.2** The position of HQLA holding is as follows

| HQLA items                     | % of Overall HQLA |                  |                  |
|--------------------------------|-------------------|------------------|------------------|
|                                | As at 31.03.2023  | As at 31.03.2022 | As at 31.03.2021 |
| <b>Assets without Haircut</b>  |                   |                  |                  |
| Cash and Cash Equivalentents   | 37.78%            | 93.75%           | 100.00%          |
| Term/Demand Deposits           |                   |                  |                  |
| G-Sec                          | 39.26%            | 2.86%            | -                |
| <b>Assets with 15% Haircut</b> | -                 | -                | -                |
| <b>Assets with 50% Haircut</b> |                   |                  |                  |
| Coal India Ltd shares          | 11.58%            | 3.39%            | -                |
| UPPCL Bond                     | 11.38%            | -                | -                |
| <b>Total</b>                   | 100.00%           | 100.00%          | 100.00%          |

**56.** There are no reportable cases of loans transferred/ acquired during the FY 2022-23 (FY 21-22 and FY 20-21 Nil) under Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated 24th September 2021.

57. The disclosures as required under Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 as amended from time to time read with Scale Based Regulations and disclosures in Notes to Accounts thereto as issued by RBI vide Circular dated 22.10.2021 and 19.04.2022, have been made in Note 5, 9.1 to 9.4, 11.2, 39.1, 39.2, 40.1.3(iii), 40.1.3(vi), 40.1.3(vii), 40.1.5, 40.1.6, 40.1.7, 40.1.8, 40.3, 40.4, 49, 53, 54, 55 and 56.
58. The Company is a 'Large Corporate' in terms of the Chapter XII of SEBI Operational Circular dated 10.08.2021 on "Fund raising by Issuances of Debt Securities by Large Entities". Disclosures required under the said circular is as under:

(all figures in ₹ crore)

| Particulars   | FY 2022-23                         | FY 2021-22  | FY 2020-21  |
|---|------------------------------------|-------------|-------------|
| Name of Company   | Power Finance Corporation Limited  |             |             |
| CIN   | L65910DL1986GOI024862              |             |             |
| Outstanding borrowings of company as on 31 <sup>st</sup> March of FY (₹ in crore) (in line with Chapter XII of SEBI Operational Circular dated August 10, 2021)   | 2,91,099.50                        | 2,63,611.19 | 2,71,495.44 |
| Highest Credit Rating During the previous FY along with name of the Credit Rating Agency  | AAA by CRISIL, ICRA & CARE         |             |             |
| Name of Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework  | Bombay Stock Exchange (BSE)        |             |             |
| <b>Disclosure for FY 2022-23</b>  |                                    |             |             |
| 3-year block period (specify financial years)   | FY 2022-23, FY 2023-24, FY 2024-25 |             |             |
| Incremental borrowing done in FY (2022-23) (a)  | 59,297.47                          |             |             |
| Mandatory borrowing to be done through debt securities in FY (2022-23)<br>(b) = (25% of a)  | 14,824.37                          |             |             |
| Actual borrowing done through debt securities in FY (2022-23)<br>(c)  | 44,697.47                          |             |             |
| Shortfall in the borrowing through debt securities, if any, for FY (2021-22) carried forward to FY (2022-23) (d) = (b) - (c)  | NIL                                |             |             |
| Quantum of (d), which has been met from (c) (e)   | N.A                                |             |             |
| Shortfall, if any, in the mandatory borrowing through debt securities for FY (2022-23) {after adjusting for any shortfall in borrowing for FY (2021-22) which was carried forward to FY (2022-23)}<br>(f) = (b) - [(c) - (e)] | NIL                                |             |             |
| <b>Details of penalty to be paid, if any, in respect to previous block</b>  |                                    |             |             |
| 3-year block period (Specify financial years)   | FY 2021-22, FY 2022-23, FY 2023-24 |             |             |
| Amount of fine to be paid for the block, if applicable<br>Fine = 0.2% of {(d) - (e)}  | N.A                                |             |             |
| <b>Disclosure for FY 2021-22</b>  |                                    |             |             |
| 2-year block period   | FY 2021-22, FY 2022-23             |             |             |
| <b>Details of incremental borrowings:</b>   |                                    |             |             |
| Incremental borrowing done in FY (2021-22) (a)  | 28,671.83                          |             |             |
| Mandatory borrowing to be done through issuance of debt securities in FY (2021-22) (b) = (25% of a)   | 7,167.96                           |             |             |

|   |           |
|---|-----------|
| Actual borrowings done through debt securities in FY (2021-22) (c)  | 14,666.83 |
| Shortfall in the borrowing through debt securities if any, for FY 2020-21 carried forward to FY 2021-22 (d) = (b) – (c)   | Nil       |
| Quantum of (d), which has been met from (c) (e)   | N.A       |
| Shortfall, if any, in the mandatory borrowing through debt securities for FY (2020-21) {after adjusting for any shortfall in borrowing for FY (2020-21) which was carried forward to FY (2021-22)} (f) = (b)-[(c)- (e)] | Nil       |
| <b>Disclosure for FY 2020-21</b>  |           |
| <b>Details of incremental borrowings: (₹ in crore)</b>  |           |
| Incremental borrowing done in FY (a)  | 66,732.37 |
| Mandatory borrowing to be done through issuance of debt securities (b) = (25% of a)   | 16,683.09 |
| Actual borrowings done through debt securities in FY  | 46,332.37 |
| Shortfall in the mandatory borrowing through debt securities, if any (d) = (b)-(c)  | NIL       |
| Reasons for shortfalls  | N.A.      |

59. Disclosure in compliance with Regulation 52 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as under:

| Particulars   | As at / Year ended<br>31.03.2023 | As at / Year ended<br>31.03.2022 | As at / Year ended<br>31.03.2021 |
|---|----------------------------------|----------------------------------|----------------------------------|
| Debt to Equity Ratio (times)                            | 5.32                             | 5.38                             | 6.13                             |
| Outstanding Redeemable Preference Shares                | -                                | -                                | -                                |
| Capital redemption reserve/debenture redemption reserve | -                                | -                                | -                                |
| Net Worth (₹ in crore)                                  | 68,202.23                        | 59,350.28                        | 52,393.12                        |
| Total Debt to Total Assets (times)                      | 0.82                             | 0.81                             | 0.83                             |
| Operating Margin (%)                                    | 35.70%                           | 31.60%                           | 26.99%                           |
| Net Profit Margin (%)                                   | 29.26%                           | 25.97%                           | 22.36%                           |

Note:

- 1) Debt = Principal outstanding of {Debt Securities + Borrowings (other than debt securities) + Subordinated Liabilities} less cash and cash equivalents.
  - 2) Net worth = Equity Share Capital + Other Equity.
  - 3) Total debt to Total assets = Principal outstanding of {Debt Securities + Borrowings (other than debt securities) + Subordinated Liabilities} / Total assets.
  - 4) Operating Margin = (Profit before Tax - Other Income) / Total Revenue from operations.
  - 5) Net profit margin = Net profit After Tax/Total Income.
  - 6) Debt service coverage ratio, Interest service coverage ratio, Current ratio, Current Liability Ratio, Long term debt to working capital, Bad debts to Account receivable ratio, Debtors turnover, Inventory turnover ratio are not applicable to the Company.
  - 7) Other disclosures required under Regulation 52(4) are presented at Note no 38, 39.1.
60. Figures of the previous year have been regrouped/ rearranged wherever necessary, in order to make them comparable.
61. Figures have been rounded off to the nearest crore of rupees with two decimals.

## MATERIAL DEVELOPMENTS

Other than as disclosed elsewhere in this Draft Shelf Prospectus and hereinafter below, since March 31, 2023 till the date of filing this Draft Shelf Prospectus, there have been no event/ development or change having implications on the financials/credit quality (e.g., any material regulatory proceedings against the Company/ Promoter/ Directors, litigations resulting in material liabilities, corporate restructuring event etc.) at the time of the Issue which may affect the Issue or the investor's decision to invest / continue to invest in the debt securities.

### *Incorporation of Project SPVs after April 1, 2023*

As on date of this Draft Shelf Prospectus, PFCCL has incorporated the following SPVs:

| <b>Name of Project SPV</b>                   | <b>Date of Incorporation</b> |
|--|------------------------------|
| Tirwa Transmission Limited                   | June 14, 2023                |
| Bikaner III Neemrana Transmission Limited    | June 8, 2023                 |
| Neemrana II Kotputli Transmission Limited    | June 19, 2023                |
| Bikaner III Neemrana II Transmission Limited | June 13, 2023                |
| Neemrana II Bareilly Transmission Limited    | June 8, 2023                 |
| Joda Barbil Transmission Limited             | June 20, 2023                |

## FINANCIAL INDEBTEDNESS

As on June 30, 2023, our Company had outstanding Total Borrowings of ₹ 3,66,377.43 crore (excluding interest accrued but not due and unamortised transaction cost).

(in ₹ crore, except percentages)

| Sr. No.                 | Nature of Borrowings | Amount Outstanding <sup>#</sup> | % of Total Borrowings |
|-------------------------|----------------------|---------------------------------|-----------------------|
| 1.                      | Secured borrowings   | 33,277.28                       | 9.08%                 |
| 2.                      | Unsecured borrowings | 3,33,100.15                     | 90.92%                |
| <b>Total Borrowings</b> |                      | <b>3,66,377.43</b>              | <b>100.00%</b>        |

<sup>#</sup>principal o/s

Set forth below, is a summary of the borrowings by our Company outstanding as on June 30, 2023, together with a brief description of certain significant terms of such financing arrangements.

### A. Details of secured borrowings:

Set forth below is a brief summary of the rupee term loans taken by our Company from various banks and the amounts outstanding therein as of June 30, 2023:

#### i. Term Loans from Banks/ Financial Institutions:

(₹ in crore)

| S No. | Name of the lender   | Type of the Facility and Documentation       | Total amount of loan Sanctioned | Principal Amount Outstanding <sup>#</sup> | Rate of interest (% p.a.)              | Repayment Date/ Schedule and prepayment penalty (if any)  | Penalty   | Security   |
|-------|----------------------|--|---------------------------------|---|--|---|---|--|
| 1.    | Punjab National Bank | Term loan agreement dated February 22, 2019  | 1,500.00                        | 750.00                                    | 7.85% (REPO + spread payable monthly)  | The loan is to be repaid in two annual instalments of ₹ 375 crore each starting from February 25, 2024 and ending on February 25, 2025          | Penal Interest @ 2% p.a. over & above the normal rate on overdue portion shall be charged.  | 1 <sup>st</sup> <i>Pari passu</i> Charge on receivables within assets coverage ratio of 1:1 to be maintained at all the times during currency of bank finance. |
| 2.    | Indian Bank          | Term loan agreement dated September 28, 2020 | 1,500.00                        | 937.50                                    | 8.00% (REPO + spread payable monthly). | The loan is to be repaid in 05 half yearly instalments of ₹ 187.50 crore each starting from September 28, 2023 and ending on September 28, 2025 | In case of failure/delay in repayment of advances/ interest or default or irregularity in observances of the terms and conditions, the bank is entitled to charge additional interest at the rate of 1 % (one percent) p.a. | <i>Pari passu</i> charge over the receivables of the Company except those on which specific charge has been created.   |
| 3.    | Indian Bank          | Term loan agreement dated June 24, 2019      | 1,800                           | 1,800                                     | 8.00% (REPO + spread payable monthly). | The loan is to be repaid in 12 quarterly instalments of ₹ 150 crore each starting from September 29, 2023 and ending on June 29, 2026           | In case of failure/delay in repayment of advances/ interest or default or irregularity in observances of the terms and conditions, the bank is entitled to charge additional interest at the rate                           | <i>Pari passu</i> charge over the receivables of the Company except those on which specific charge has been created.   |

(₹ in crore)

| S No. | Name of the lender | Type of the Facility and Documentation                   | Total amount of loan Sanctioned | Principal Amount Outstanding <sup>#</sup> | Rate of interest (% p.a.)                  | Repayment Date/ Schedule and prepayment penalty (if any)   | Penalty   | Security  |
|-------|--------------------|--|---------------------------------|---|--|--|---|---|
|       |                    |  |                                 |   |  |  | of 1 % (one percent) p.a.   |   |
| 4.    | Union Bank         | Agreement relating to term loan dated March 14, 2019     | 800.00                          | 200.00                                    | 7.56% (3M Tbill + spread payable monthly). | The loan is to be repaid in 1 annual instalment of ₹ 200 crore on March 15, 2024<br><br>Prepayment:<br><br>Prepayment penalty waived   | In case of failure to pay monthly interest and/or any instalment due, the arrears of interest and/or instalments in the loan shall bear penal interest @ 2% p.a.. on the amount of default until the amount of interest and/or instalment in arrears are paid.                        | First pari passu charge on the receivables of the Company limited to the payment/ repayment of the term loan including interest, additional interest, cost and expenses related to the term loan except for those receivables already charged in favour of the trustee. |
| 5.    | Union Bank         | Agreement relating to term loan dated September 22, 2019 | 400.00                          | 200.00                                    | 7.56% (3M Tbill + spread payable monthly). | The loan is to be repaid in two annual instalments of ₹ 100 crore each starting from September 30, 2023 and ending on September 30, 2024   | In case of failure to create and perfect security within 3 (three) months from the date of first disbursement, the bank will be entitled to charge 1% (one percent) penal interest on the entire outstanding balance for the default period of creation and perfection of security.   | Pari passu charge on receivables of the Company to the extent of 100% outstanding term loan balance excluding receivables exclusively charged to trustee.   |
| 6.    | Canara Bank        | Agreement for term loan dated February 19, 2019          | 1,000.00                        | 1,000.00                                  | 7.85 (STRLLR + spread payable monthly).    | Principal to be repaid by way of bullet repayments at the end of respective tenor.<br><br>Prepayment:<br>Prepayment penalty is waived if the loan is prepaid after 4 months from the date of first disbursement. | if monthly interest and / or any other instalment is not paid on due date, the arrears of interest and / or instalments in the loan shall bear penal interest @ 2.00% p.a. on the amount of default until the interest and / or the instalment of the principal, in arrears are paid. | Hypothecation on receivable of PFC on pari passu basis to the extent of 100% of the outstanding loan balance.   |
| 7.    | Canara             | Agreement for  | 2,000.00                        | 2,000.00                                  | 7.85%                                      | Principal to be  | if monthly  | Hypothecation on  |

(₹ in crore)

| S No. | Name of the lender   | Type of the Facility and Documentation           | Total amount of loan Sanctioned | Principal Amount Outstanding <sup>#</sup> | Rate of interest (% p.a.)   | Repayment Date/ Schedule and prepayment penalty (if any)  | Penalty   | Security   |
|-------|----------------------|--|---------------------------------|---|---|---|---|--|
|       | Bank                 | term loan dated June 19, 2019                    |                                 |   | (STRLLR + spread payable monthly)                                   | repaid by way of bullet repayments at the end of respective tenor.<br><br>Prepayment: Prepayment penalty is waived if the loan is prepaid after 4 months from the date of first disbursement.   | interest and / or any other instalment is not paid on due date, the arrears of interest and / or instalments in the loan shall bear penal interest @ 2.00% p.a. on the amount of default until the interest and / or the instalment of the principal, in arrears are paid | receivable of PFC on pari passu basis to the extent of 100% of the outstanding loan balance.   |
| 8.    | Bank of India        | Term Loan Agreement dated March 1, 2019          | 1,000.00                        | 1000.00                                   | 7.80% (RBLR + spread payable monthly).                              | 2 equal instalments at the end of 5 <sup>th</sup> year and 6 <sup>th</sup> year from the date of first disbursement.<br><br>Prepayment: Prepayment penalty is waived if the loan is prepaid after 6 months from the date of avilment of loan or September 30, 2019, whichever is later.<br><br>The company is required to provide a notice of 2 days failing which the bank shall be entitled to charge prepayment penalty at 1%. | In case of a default in payment of any instalment/ interest, the Company shall be liable to pay penal interest at 2% p.a.   | Hypothecation on receivable of PFC on pari passu basis to the extent of 100% of the outstanding loan balance.  |
| 9.    | Indian Bank          | Term Loan Agreement dated November 15, 2019      | 500                             | 500.00                                    | 8.00 % (Interest at the rate of 1 (one) year MCLR payable monthly). | Bullet Repayment at the end of the tenor<br><br>Prepayment: Prepayment penalty waived   | In case of a default in payment of any instalment/ interest, the Company shall be liable to pay penal interest at 1% p.a.   | First pari passu charge on the receivables of the PFC in the form of financial assets except the receivables on which specific charge has been created in favour of debenture trustee. |
| 10.   | Punjab National Bank | Agreement for Term Loan dated September 26, 2019 | 225                             | 168.75                                    | 7.85 % (REPO + spread payable                                       | The loan is to be repaid in 03 annual instalments of ₹ 56.25 crore each   | If the monthly interest and/or any instalment is not paid on due  | First pari passu charge on receivable within assets coverage   |

(₹ in crore)

| S No.        | Name of the lender  | Type of the Facility and Documentation               | Total amount of loan Sanctioned | Principal Amount Outstanding <sup>#</sup> | Rate of interest (% p.a.)                  | Repayment Date/ Schedule and prepayment penalty (if any)   | Penalty   | Security  |
|--------------|---------------------|--|---------------------------------|---|--|--|---|---|
|              |                     |  |                                 |   | monthly).                                  | starting from September 30, 2023 and ending on September 30, 2025<br><br>Prepayment: Borrower can prepay the loan in full/part after 4 months from the first date of disbursement without any prepayment penalty and notice.                                   | date, the arrears of interest and/or instalments in the loan shall bear penal interest of 2%  | ratio of 1.10:1 to be maintained at all the times of currency of the bank.  |
| 11.          | State Bank of India | Rupee Term Loan Agreement dated July 7, 2020         | 5000                            | 3570.00                                   | 8.18% (3M Tbill + spread payable monthly). | The loan is to be repaid in 5 quarterly instalments comprising 4 instalments of ₹ 715 crore each and thereafter final instalment of ₹ 710 crore each starting from July 10, 2023 and ending on July 10, 2025   | If the monthly interest and/or any instalment is not paid on due date, the arrears of interest and/or instalments in the loan shall bear penal interest of 3.5% | First pari passu charge over the receivables of PFC (1.50 times)  |
| 12.          | Union Bank of India | General Term Loan Agreement dated September 30, 2020 | 2000                            | 1350                                      | 7.56% (3M Tbill + spread payable monthly). | The loan is to be repaid in three annual instalments of ₹ 450 crore each starting from September 30, 2023 and ending on September 30, 2025<br><br>Prepayment: Borrower can prepay the loan in full/part at any time without any prepayment penalty and notice. | If the monthly interest and/or any instalment is not paid on due date, the arrears of interest and/or instalments in the loan shall bear penal interest of 2%   | First pari passu charge 100%) over the Book Debts/receivables of PFC in the form of financial assets except the book debts/receivables on which specific charge has been created in favour of Catalyst Trusteeship Limited. |
| <b>Total</b> |                     |  | <b>17,725.00</b>                | <b>13,476.25</b>                          |  |  |   |   |

**Rescheduling:** None of the facilities mentioned above has rescheduling clause.

**Events of Default:** The facility documents executed by the Company stipulates certain events as “Events of Default”, pursuant to which the Company may be required to immediately repay the entire loan facility availed by it and be subject to additional penalties by the relevant lenders. Such events include, but are not limited to:

- Non-payment:** If the Company fails to pay to the lender any amount on its due date, whether principal/ interest/s /fees/costs/charges/expenses or otherwise due from it hereunder and/or in accordance with terms of any of the transaction documents;
- General default:** The breach of, or omission to observe, or default by the Company in observing any of its obligations, covenants or undertakings or any term, condition, provision of the transaction documents;



- c. **Cross default:** The company fails to repay the obligation towards any bank or financial institution under the financial documents of any amount under any loan facility.
- d. **Misrepresentation:** Any representation or warranty or assurance or covenant on the part of the Company made or deemed to be made or repeated in pursuance to the agreement or in any notice, certificate or statement or other writing referred to herein or delivered hereunder is or proves to be incorrect or misleading;
- e. **Inability to pay debts:** The Company is/are unable generally to pay its debts as they fall due and/or commences readjustment or rescheduling, in the light of financial difficulties or in contemplation of any default, event of default or potential event of default under any agreement relating to the same (howsoever described), of any indebtedness, and/or makes a general assignment for the benefit of or a composition with its creditors and/or admits or is ordered to pay any liability and such liability is not paid when due (provided that for the avoidance of doubt any reference in the sub-clause to any Indebtedness shall not include any Indebtedness which is being bona fide disputed by the Company and in respect of which no adverse court order has been made against the Company);
- f. **Levy of execution or distress:** Any execution or distress is levied against, or an officer takes possession of the whole or any part of the property, undertaking or assets of the Company or any encumbrance over the whole or any part of the property, undertaking or assets of the Company becomes enforceable;
- g. **Cessation of business:** The Company ceases or threatens to cease to carry on the business it carries on at the date hereof;
- h. **Insolvency:** The Company takes any action or any legal action or proceedings are applied for or an application for the same is submitted or started or other steps taken for (i) the Company to be adjudicated or found insolvent or bankrupt, (ii) the winding-up or dissolution of the Company, or (iii) the appointment of a liquidator, administrator, trustee or receiver or similar officer or institution in respect of the Company or the whole or any part of its undertaking, assets and properties; or
- i. An application is filed by any of the Company, obligors, financial creditors (as defined under IBC) or operational creditor (as defined under IBC) before the relevant authority under IBC; or
- j. An application filed by the Company/obligor, financial creditor (as defined under IBC) or operational creditor (as defined under IBC) is admitted by the relevant authority.
- k. There occurs a material adverse effect in the opinion of the lender.
- l. Any insolvency notice or a winding-up notice is served on the Company, or a receiver is appointed, or attachment is levied on any of the Company's properties or assets.

**ii. Secured bond issued by our Company**

**a. Secured taxable Infrastructure bonds**

Set forth below is a brief summary of the capital gain tax exemption bonds/ debentures issued by our Company and the amounts outstanding thereon as of June 30, 2023:

| <i>(₹ in crore)</i> |   |               |                    |   |  |   |   |
|---------------------|---|---------------|--------------------|---|--|---|---|
| Sr. No.             | Details of bonds                            | Amount Raised | Amount outstanding | Date of allotment/ Deemed date of allotment | Coupon rate (per annum) and maturity and redemption                              | Security  | Credit Rating applicable for all bonds listed below |
| 1.                  | Infrastructure Bonds (2010-11) - Series III | 6.13          | 5.27               | March 31, 2011                              | Repayable at the end of 15 years from the deemed date of allotment at 8.50% p.a. | Secured by charge on specific book debt of ₹ 254.91 crore as on March 31, 2023 of the Company along-with first charge on immovable property situated at Jangpura, New Delhi | AAA from CRISIL, ICRA and CARE                      |
| 2.                  | Infrastructure Bonds (2010-                 | 22.75         | 19.33              | March 31, 2011                              | Repayable at the end of  | First pari passu charge by mortgage of the right, title and   |   |

(₹ in crore)

| Sr. No.      | Details of bonds                            | Amount Raised | Amount outstanding | Date of allotment/ Deemed date of allotment | Coupon rate (per annum) and maturity and redemption                              | Security   | Credit Rating applicable for all bonds listed below |
|--------------|---|---------------|--------------------|---|--|--|---|
|              | 11) - Series IV                             |               |                    |   | 15 years from the deemed date of allotment at 8.50% p.a.                         | interest in the immovable property as specifically, detailed in the First Schedule of trust deed and first pari passu charge on all the present and future receivables excluding those receivables which are specifically charged for infra bonds issue Fiscal 2011 (charged in favour of trustee)   |   |
| 3.           | Infrastructure Bonds (2011-12) - Series III | 3.23          | 2.86               | November 21, 2011                           | Repayable at the end of 15 years from the deemed date of allotment at 8.75% p.a. | Redeemable at par on a date falling Fifteen years from the date of allotment   |   |
| 4.           | Infrastructure Bonds (2011-12) - Series IV  | 8.83          | 7.77               | November 21, 2011                           | Repayable at the end of 15 years from the deemed date of allotment at 8.75% p.a. | Redeemable at par with cumulative interest compounded annually, on a date falling fifteen years from the date of allotment   |   |
| 5.           | Infrastructure Bonds 86 C - Series          | 0.95          | 0.87               | March 30, 2012                              | Repayable at the end of 15 years from the deemed date of allotment at 8.72% p.a. | Secured by first pari-passu charge of present and future receivables (excluding hose receivables which are specifically charged for infra bond issue during the Fiscal 2011) along-with first pari passu charge on immovable property situated at Guidny, Chennai  |   |
| 6.           | Infrastructure Bonds 86 D - Series          | 2.75          | 2.40               | March 30, 2012                              | Repayable at the end of 15 years from the deemed date of allotment at 8.72% p.a. | First pari passu charge by mortgage of the right, title and interest in the immovable property as specifically detailed in the First Schedule of the trust deed and first pari passu charge on all the present and future receivables excluding those receivables which are specifically charged for infra bonds issue Fiscal 2011 (charged in favour of trustee). |   |
| <b>Total</b> |   | <b>44.64</b>  | <b>38.51</b>       |   |  |  |   |

#### b. Secured Tax free bonds

Set forth below is a brief summary of the secured tax free bonds issued by our Company and the amounts outstanding therein as of June 30, 2023:

(₹ in crore)

| S. No. | Details of bonds                                  | Amount Raised | Amount outstanding# | Deemed date of allotment/ Date of Allotment | Coupon rate and maturity and redemption  | Security  | Credit Rating applicable for all bonds listed below |
|--------|---|---------------|---------------------|---|--|---|---|
| 1.     | Debenture Series 79-B                             | 217.99        | 217.99              | October 15, 2011                            | At the end of 15 years from the date of allotment at 7.75% p.a.  | First pari- passu charge over Company's   | AAA from CRISIL, ICRA and CARE                      |
| 2.     | Debenture Series 80-B                             | 209.34        | 209.34              | November 25, 2011                           | Repayable at the end of 15 years from the date of allotment at 8.16% p.a.  | Immovable properties as described in the first schedule of debenture agreement and first pari- passu charge over all present and future receivables excluding receivables on which specific charge has already been created by Company. |   |
| 3.     | Debenture Series 94-B                             | 25.00         | 25.00               | November 22, 2012                           | Repayable at the end of 15 years from the date of allotment at 7.38% p.a.  |   |   |
| 4.     | Debenture Series 95-B                             | 100.00        | 100.00              | November 29, 2012                           | Repayable at the end of 15 years from the date of allotment at 7.38% p.a.  |   |   |
| 5.     | 8.30% Tax Free Bonds Series 2 2011-12             | 1,280.58      | 1,280.58            | February 01, 2012                           | Repayable at the end of 15 years from the date of allotment at 8.30% p.a.  | First pari passu charge over Company's Immovable properties as described in the first schedule of debenture trust deed and first pari- passu the Hypothecated Properties as described in the second schedule of debenture trust deed.   |   |
| 6.     | 7.36% Tax Free Bonds Tranche 1 Series 2 2012-13   | 176.21        | 176.21              | January 04, 2013                            | Repayable at the end of 15 years from the deemed date of allotment at 7.36% p.a. for Category I, II and III investors.         | First pari passu charge over Company's Immovable properties as described in the first schedule of debenture trust deed and first pari- passu the Hypothecated Properties as described in the second schedule of debenture trust deed.   |   |
| 7.     | 7.86% Tax Free Bonds Tranche 1 Series 2 2012-13   | 180.78        | 180.78              | January 04, 2013                            | Repayable at the end of 15 years from the deemed date of allotment at 7.86% p.a. for Category IV investors.                    |   |   |
| 8.     | 7.04% Tax Free Bond Tranche- II Series II 2012-13 | 13.35         | 13.35               | March 28, 2013                              | Coupon Rate: 7.04% p.a. for non-retail investors<br>Maturity and Redemption: At the end of 15 years from the date of allotment |   |   |
| 9      | 7.54% Tax Free Bond Tranche- II Series II 2012-13 | 55.85         | 55.85               | March 28, 2013                              | Coupon Rate: 7.54% for retail investors<br>Maturity and Redemption: At the end of 15 years from the date of allotment          | First pari passu charge over Company's Immovable properties as described in the first schedule of debenture trust deed and first pari- passu the Hypothecated Properties as   |   |

(₹ in crore)

| S. No. | Details of bonds                        | Amount Raised | Amount outstanding# | Deemed date of allotment/ Date of Allotment | Coupon rate and maturity and redemption   | Security   | Credit Rating applicable for all bonds listed below |
|--------|---|---------------|---------------------|---|---|--|---|
|        |   |               |                     |   |   | described in the second schedule of debenture trust deed.  |   |
| 10.    | 8.18% Tax Free Bonds Series 1 A 2013-14 | 325.07        | 325.08              | November 16, 2013                           | Repayable at the end of 10 years from the deemed date of allotment at 8.18% p.a.  | First pari passu charge over Company's Hypothecated Properties as described in part A of first schedule of debenture trust deed. |   |
| 11.    | 8.43% Tax Free Bonds Series 1 B 2013-14 | 335.47        | 335.47              | November 16, 2013                           | Repayable at the end of 10 years from the deemed date of allotment at 8.43% p.a.  |  |   |
| 12.    | 8.54% Tax Free Bonds Series 2 A 2013-14 | 932.70        | 932.70              | November 16, 2013                           | Repayable at the end of 15 years from the deemed date of allotment at 8.54% p.a.  |  |   |
| 13.    | 8.79% Tax Free Bonds Series 2 B 2013-14 | 353.32        | 353.32              | November 16, 2013                           | Repayable at the end of 15 years from the deemed date of allotment at 8.79% p.a.  |  |   |
| 14.    | 8.67% Tax Free Bonds Series 3 A 2013-14 | 1067.38       | 1067.38             | November 16, 2013                           | Repayable at the end of 20 years from the deemed date of allotment at 8.67% p.a.. | First pari passu charge over Company's Hypothecated Properties as described in part A of first schedule of debenture trust deed. |   |
| 15     | 8.92% Tax Free Bonds Series 3 B 2013-14 | 861.96        | 861.96              | November 16, 2013                           | Repayable at the end of 20 years from the deemed date of allotment at 8.92% p.a.  |  |   |
| 16.    | 7.11% Tax Free Bonds Series 1 A 2015-16 | 75.10         | 75.10               | October 17, 2015                            | Repayable at the end of 10 years from the deemed date of allotment at 7.11% p.a.  | First pari passu charge over Company's Hypothecated Properties as described in part A of first schedule of debenture trust deed. |   |
| 17.    | 7.36% Tax Free Bonds Series 1 B 2015-16 | 79.35         | 79.35               | October 17, 2015                            | Repayable at the end of 10 years from the deemed date of allotment at 7.36% p.a.  |  |   |
| 18.    | 7.27% Tax Free Bonds Series 2 A 2015-16 | 131.33        | 131.33              | October 17, 2015                            | Repayable at the end of 15 years from the deemed date of allotment at 7.27% p.a.  |  |   |
| 19.    | 7.52% Tax Free Bonds Series 2 B 2015-16 | 45.18         | 45.18               | October 17, 2015                            | Repayable at the end of 15 years from the deemed date of allotment at 7.52% p.a.  |  |   |
| 20     | 7.35% Tax Free Bonds Series 3 A 2015-16 | 213.57        | 213.57              | October 17, 2015                            | Repayable at the end of 20 years from the deemed date of allotment at 7.35% p.a.  | First pari passu charge over Company's Hypothecated Properties as described in part A of first schedule of debenture trust deed. |   |
| 21.    | 7.60% Tax Free Bonds Series 3 B 2015-16 | 155.48        | 155.48              | October 17, 2015                            | Repayable at the end of 20 years from the deemed date of allotment at 7.60% p.a.  |  |   |
| 22.    | Debenture Series 107-A                  | 113.00        | 113.00              | August 30, 2013                             | Repayable at the end of 10 years from the date of allotment at 8.01% p.a.         | First pari passu charge, on total receivables of our Company as  |   |

(₹ in crore)

| S. No.       | Details of bonds       | Amount Raised   | Amount outstanding# | Deemed date of allotment/ Date of Allotment | Coupon rate and maturity and redemption                                   | Security   | Credit Rating applicable for all bonds listed below |
|--------------|------------------------|-----------------|---------------------|---|---|--|---|
| 23.          | Debenture Series 107-B | 1,011.10        | 1,011.10            | August 30, 2013                             | Repayable at the end of 15 years from the date of allotment at 8.46% p.a. | mentioned in, First Schedule of the debenture agreement, excluding receivables on which specific charge has already been created by our Company limited to payment/ repayment of bonds including interest, additional interest, cost and expenses and all other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under / pursuant to the Transaction Documents. |   |
| 24.          | Debenture Series 136   | 300.00          | 300.00              | July 17, 2015                               | Repayable at the end of 10 years from the date of allotment at 7.16% p.a. |  |   |
| <b>Total</b> |                        | <b>8,259.11</b> | <b>8,259.12</b>     |   |   |  |   |

### c. 54EC Capital Gains Tax Exemption Bonds

Set forth below is a brief summary of the capital gain tax exemption bonds/ debentures issued by our Company and the amounts outstanding thereon as of June 30, 2023:

(₹ in crore)

| Sr. No. | Details of Bonds     | Amount Raised | Amount Outstanding# | Date of allotment | Coupon rate, tenor and redemption date   | Security   | Credit Rating for all the bonds listed below |
|---------|----------------------|---------------|---------------------|-------------------|--|--|--|
| 1.      | Series II (2018-19)  | 468.26        | 468.26              | On tap            | Coupon Rate: 5.75% p.a.<br><br>Maturity and Redemption:<br>At the end of 5 years from the deemed date of allotment | First ranking pari passu charge on total receivables of the Company, excluding the Receivables on which specific charge has already been created by the Company, limited to the extent of payment / repayment of the Bonds including interest, additional interest, cost and expenses and all other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under / pursuant to the Transaction Documents. |  |
| 2.      | Series III (2019-20) | 1134.44       | 1134.44             | On tap            | Coupon Rate: 5.75% p.a.<br><br>Maturity and  | First ranking pari passu charge on total receivables of the Company, excluding the receivables on which specific   |  |

(₹ in crore)

| Sr. No. | Details of Bonds           | Amount Raised | Amount Outstanding <sup>#</sup> | Date of allotment | Coupon rate, tenor and redemption date  | Security   | Credit Rating for all the bonds listed below |
|---------|----------------------------|---------------|---------------------------------|-------------------|---|--|--|
|         |                            |               |                                 |                   | Redemption:<br>At the end of 5 years from the deemed date of allotment  | charge has already been created by the Company, limited to the extent of payment / repayment of the Bonds including interest, additional interest, cost and expenses and all other monies whatsoever payable / repayable by the Company to the Bondholders and/or others under / pursuant to the Transaction Documents.  |  |
| 3.      | Series IV (2020-21)        | 937.78        | 937.78                          | On tap            | Coupon Rate: 04-07 Series (258.62) at 5.75% p.a. till July 31, 2020<br>08-11 Series (184.41) at 5% p.a. w.e.f. August 01, 2020<br>Maturity and Redemption:<br>At the end of 5 years from the deemed date of allotment | First ranking pari passu charge on total receivables of the Company, excluding the receivables on which specific charge has already been created by the Company, limited to the extent of payment/repayment of the Bonds including interest, additional interest, cost and expenses and all other monies whatsoever payable / repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction Documents. |  |
| 4       | Series V (2021-22)         | 1434.64       | 1434.64                         | On tap            | Coupon Rate: 5.00% p.a.<br><br>Maturity and Redemption:<br>At the end of 5 years from the deemed date of allotment  |  |  |
| 5       | Series VI (2022-23)        | 2600.88       | 2600.87                         | On tap            | Coupon Rate: 5.00% p.a.<br>Maturity and Redemption:<br>At the end of 5 years from the deemed date of allotment  |  |  |
| 6       | Series VII (2023-24)       | 387.64        | 387.64                          | On tap            | Coupon Rate: 5.25% p.a.<br><br>Maturity and Redemption:<br>At the end of 5 years from the deemed date of allotment  | First ranking pari passu charge on total receivables of the Company, excluding the Receivables on which specific charge has already been created by the Company, limited to the extent of  | AAA/Stable by CRISIL, ICRA and CAREEDGE      |
| 7       | Series VII June 23 (01-15) | 110.760       | 110.760                         | 30-June-23        | 5.25%   | payment / repayment of the Bonds including interest, additional interest, cost and expenses and all other monies whatsoever payable/ repayable by the Company to the Bondholders and/or others   |  |

(₹ in crore)

| Sr. No.      | Details of Bonds | Amount Raised  | Amount Outstanding <sup>#</sup> | Date of allotment | Coupon rate, tenor and redemption date | Security                                       | Credit Rating for all the bonds listed below |
|--------------|------------------|----------------|---------------------------------|-------------------|--|--|--|
|              |                  |                |                                 |                   |  | under / pursuant to the Transaction Documents. |  |
| <b>Total</b> |                  | <b>7074.40</b> | <b>7074.41</b>                  |                   |  |  |  |

**d. Secured Public issue of NCDs**

| S. No.       | Details of NCDs   | Amount Raised (Rupees in crore) | Amount outstanding (Rupees in crore) <sup>#</sup> | Date of allotment/ Deemed date of allotment | Coupon rate and maturity and redemption | Tenor/ Period of Maturity | Credit Rating applicable for all bonds listed below |
|--------------|---|---------------------------------|---|---|---|---------------------------|---|
| 1            | 4 80 SEC TAX<br>NCD PI TR I SER I<br>CAT III-IV             | 1.96                            | 1.96  | January 22,<br>2021                         | 4.80% -<br>January 22, 2024             | 3 Years - Annual          | AAA from<br>CRISIL,<br>ICRA and<br>CARE             |
| 2            | 5 65 SEC TAX<br>NCD PI TR I SER<br>II CAT I-II              | 27.05                           | 27.05   | January 22,<br>2021                         | 5.65% -<br>January 22, 2026             | 5 Years - Annual          |   |
| 3            | 5 80 SEC TAX<br>NCD PI TR I SER<br>II CAT III-IV            | 3.50                            | 3.50  | January 22,<br>2021                         | 5.80% -<br>January 22, 2024             | 5 Years - Annual          |   |
| 4            | 6 63 SEC TAX<br>NCD PI TR I SER<br>III CAT I-II             | 0.50                            | 0.50  | January 22,<br>2021                         | 6.63% -<br>January 22, 2031             | 10 Years - Quarterly      |   |
| 5            | 6 82 SEC TAX<br>NCD PI TR I SER<br>III CAT III-IV           | 28.74                           | 28.74   | January 22,<br>2021                         | 6.82% -<br>January 22, 2031             | 10 Years - Quarterly      |   |
| 6            | 6 80 SEC TAX<br>NCD PI TR I SER<br>IV CAT I-II              | 33.67                           | 33.67   | January 22,<br>2021                         | 6.8% -<br>January 22, 2031              | 10 Year – Annual          |   |
| 7            | 7 00 SEC TAX<br>NCD PI TR I SER<br>IV CAT III-IV            | 1,635.53                        | 1,635.53  | January 22,<br>2021                         | 7.00% -<br>January 22, 2031             | 10 Year – Annual          |   |
| 8            | 10YR GSEC LINK<br>SEC TAX NCD PI<br>TR I SER V CAT<br>I-II  | 10.35                           | 10.35   | January 22,<br>2021                         | 7.30% -<br>January 22, 2031             | 10 Year – Annual          |   |
| 9            | 10YR GSEC LNK<br>SEC TAX NCD PI<br>TR I SER V CAT<br>III-IV | 1,250.73                        | 1,250.73  | January 22,<br>2021                         | 7.50% -<br>January 22, 2031             | 10 Year – Annual          |   |
| 10           | 6 78 SEC TAX<br>NCD PI TR I SER<br>VI CAT I-II              | 3.50                            | 3.50  | January 22,<br>2021                         | 6.78% -<br>January 22, 2036             | 15 Year – Annual          |   |
| 11           | 6 97 SEC TAX<br>NCD PI TR I SER<br>VI CAT III-IV            | 53.36                           | 53.36   | January 22,<br>2021                         | 6.97% -<br>January 22, 2036             | 15 Year – Annual          |   |
| 12           | 6 95 SEC TAX<br>NCD PI TR I SER<br>VII CAT I-II             | 50.05                           | 50.05   | January 22,<br>2021                         | 6.95% -<br>January 22, 2036             | 15 Year – Annual          |   |
| 13           | 7 15 SEC TAX<br>NCD PI TR I SER<br>VII CAT III-IV           | 1,330.05                        | 1,330.05  | January 22,<br>2021                         | 7.15% -<br>January 22, 2036             | 15 Year – Annual          |   |
| <b>Total</b> |   | <b>4,428.99</b>                 | <b>4,428.99</b>                                   |   |   |                           |   |

**B. Unsecured Term loans availed by the Company**

Set forth below is a brief summary of the rupee term loans taken by our Company from various banks and the amounts outstanding therein as of June 30, 2023:

(₹ in crore)

| S. No. | Name of the lender                                 | Loan Documentation                               | Total amount of loan sanctioned | Amount Outstanding | Rate of interest (% p.a.)                                  | Repayment schedule  |
|--------|--|--|---------------------------------|--------------------|--|---|
| 1.     | **Bank of Baroda                                   | Term loan agreement dated November 17, 2022      | 5,000.00                        | 5,000.00           | 7.90% (Interest at overnight MCLR payable monthly).        | The loan is to be repaid in 8 half yearly instalments of ₹ 625 crore each starting from 17-May-2026 and ending on 17-Nov-2029                       |
| 2.     | **Bank of Baroda                                   | Term loan agreement dated June 23, 2023          | 82.00                           | 82.00              | 7.45% (Interest at 3M T Bill plus spread payable monthly). | The loan is to be repaid in 3 monthly instalments of ₹ 27.33 crore each starting from 23-Apr-2024 and ending on 23-Jun-2024                         |
| 3.     | **Bank of Baroda                                   | Term loan agreement dated June 23, 2023          | 1,418.00                        | 1,418.00           | 7.53% (Interest at 3M T Bill plus spread payable monthly). | The loan is to be repaid in 3 monthly instalments of ₹ 472.667 crore each starting from 28-Apr-2024 and ending on 28-Jun-2024                       |
| 4.     | ***UCO Bank  | Term Loan Agreement dated February 22, 2019      | 1,000.00                        | 1,000.00           | 7.70% (Interest at 1 (one) month MCLR payable monthly).    | The Company shall make bullet repayment at the end of 36 (thirty six) months from the date of disbursement. Interest is payable on monthly interval |
| 5.     | ****SBI  | Term Loan Agreement dated September 26, 2018     | 3,000.00                        | 3,000.00           | 8.18% (3M T Bills + spread).                               | The Company shall make bullet repayment at the end of 60 months from the date of disbursement   |
| 6.     | *****Canara Bank                                   | Agreement dated September 12, 2018               | 500.00                          | 500.00             | 7.85% (STRLLR+ Spread payable monthly).                    | The Company shall make bullet repayment at the end of 60 (sixty) months from the date of disbursement. Interest is payable on monthly interval      |
| 7.     | *****Canara Bank                                   | Term Loan Agreement dated December 27, 2018      | 500.00                          | 500.00             | 7.85% (STRLLR+ Spread payable monthly).                    | The Company shall make bullet repayment at the end of 60 (sixty) months from the date of disbursement. Interest is payable on monthly interval.     |
| 8.     | \$Bank of India                                    | Term Loan Agreement dated January 09, 2019       | 2,000.00                        | 2,000.00           | 7.80% (STRLLR+Spread payable monthly).                     | The Company shall make bullet repayment at the end of 60 (sixty) months from the date of disbursement. Interest is payable on monthly interval      |
| 9.     | \$\$\$India Infrastructure Finance Company Limited | Memorandum of Agreement dated September 30, 2021 | 1,000.00                        | 1,000.00           | 7.27% (firmed up rate) payable quarterly.                  | Bullet repayment after disbursement.  |
| 10.    | #HDFC Bank   | Loan Agreement dated October 04, 2018            | 750.00                          | 750.00             | 7.90% (REPO+Spread payable monthly).                       | Bullet repayment after 5 years of the first disbursement.   |
| 11.    | ##Punjab National Bank                             | Dated December 21, 2018                          | 995.00                          | 995.00             | 7.85% (REPO + spread payable monthly).                     | Bullet repayment after 5 years of the first disbursement.   |



| S. No. | Name of the lender          | Loan Documentation                                | Total amount of loan sanctioned | Amount Outstanding | Rate of interest (% p.a.)                                   | Repayment schedule   |
|--------|-----------------------------|---|---------------------------------|--------------------|---|--|
| 12.    | National Small Savings Fund | Sanction Letter dated December 04, 2018           | 7,500.00                        | 7,500.00           | 8.11% (Fixed Rate of 8.11% payable half yearly)             | Bullet repayment at the end of 10 years from the first disbursement.   |
| 13.    | ###Union Bank               | Term Loan Agreement dated March 25, 2020          | 800.00                          | 700.00             | 7.56% ((3M Tbill payable monthly)                           | Repayment in 8 (eight) equal quarterly installments starting from April 15, 2020 and ending on January 15, 2025.                       |
| 14.    | #####Bank of India          | Term Loan Agreement dated September 8, 2020       | 1000.00                         | 1000.00            | 7.8% (REPO plus spread)                                     | 4 (four) equal annual installments with 2 (two) years moratorium period.   |
| 15.    | !!Canara Bank               | Agreement for Term Loan dated March 19, 2020      | 500.00                          | 300.00             | 7.85% (STRLLR+Spread payable monthly).                      | The loan is to be repaid in 6 half-yearly instalments of ₹ 50 crore each starting from September 23, 2023 and ending on March 23, 2026 |
| 16.    | !!!Canara Bank              | Agreement for Term Loan dated September 21, 2020  | 2,000.00                        | 1,300.00           | 7.85% ((STRLLR+Spread payable monthly).                     | The loan is to be repaid in 14 quarterly instalments of ₹ 100 crore each starting from June 22, 2023 and ending on September 22, 2026  |
| 17.    | !!!!HDFC Bank               | Agreement for Term Loan dated September 30, 2021  | 1,000.00                        | 1,,000.00          | 7.85% (Interest at the rate of RBI's Repo Rate plus spread) | Bullet Repayment at the end of the tenor   |
| 18.    | !!!!HDFC Bank               | Agreement for Term Loan dated September 30, 2021  | 3,000.00                        | 3,000.00           | 7.85% (Interest at the rate of RBI's Repo Rate plus spread) | Bullet Repayment at the end of the tenor   |
| 19.    | !!!!HDFC Bank               | Sanction dated June 15, 2023                      | 4,160.00                        | 2,631.50           | 7.45% (1M T bill plus spread payable monthly)               | Bullet Repayment at the end of the tenor   |
| 20.    | +++Indian Overseas Bank     | Term Loan Agreement dated September 30, 2022      | 1,000.00                        | 1,000.00           | 7.25% (REPO + spread)                                       | The loan is to be repaid in 2 yearly instalments of ₹ 500 crore each starting from September 30, 2027 and ending on September 30, 2028 |
| 21.    | +++Indian Overseas Bank     | Term Loan Agreement dated March 03, 2023          | 500.00                          | 500.00             | 7.55% (REPO + spread)                                       | The loan is to be repaid in 2 yearly instalments of ₹ 250 crore each starting from March 30, 2028 and ending on March 30, 2029         |
| 22.    | ++++State Bank of India     | Rupee Term Loan Agreement dated December 11, 2019 | 3,000.00                        | 3,000.00           | 8.18% (3M T bill + spread)                                  | Bullet repayment at the end of 60 months from the date of first disbursement.  |
| 23.    | @Canara Bank                | General Agreement dated March 19, 2020            | 1,750.00                        | 656.25             | 7.85% (STRLLR+ spread payable monthly)                      | The loan is to be repaid in 4 quarterly instalments of ₹ 218.75 crore each starting from June 20, 2023 and ending on March 20, 2024.   |
| 24.    | @@Canara Bank               | Term Loan Agreement dated June 27, 2022           | 2,250.00                        | 2,250.00           | 7.85% (STRLLR+ spread payable monthly)                      | The loan is to be repaid in 2 annually instalments of ₹ 1125 crore each starting from June 28, 2027 and ending on June 28, 2028        |

| S. No. | Name of the lender        | Loan Documentation                               | Total amount of loan sanctioned | Amount Outstanding | Rate of interest (% p.a.)                          | Repayment schedule   |
|--------|---------------------------|--|---------------------------------|--------------------|--|--|
| 25.    | @@Canara Bank             | Term Loan Agreement dated June 26, 2022          | 250.00                          | 250.00             | 7.85% (STRLLR+ spread payable monthly))            | The loan is to be repaid in 2 annually instalments of ₹ 125 crore each starting from June 30, 2027 and ending on June 30, 2028         |
| 26.    | @@@UCO Bank               | General Term Loan Agreement dated March 14, 2023 | 1,000.00                        | 1,000.00           | 7.55% (Interest at the rate of 1 (one) month MCLR) | Bullet Repayment at the end of the tenor   |
| 27.    | ^Union Bank of India      | General Term Loan Agreement dated March 19, 2020 | 2,500.00                        | 1,250.00           | 7.56% (3M T bill + spread payable monthly)         | The loan is to be repaid in 2 annual instalments of ₹ 625 crore each starting from March 23, 2024 and ending on March 23, 2025         |
| 28.    | ^^Union Bank of India     | General Term Loan Agreement dated March 30, 2022 | 3,000.00                        | 3,000.00           | 7.56% (3M T bill + spread payable monthly)         | The loan is to be repaid in 2 annual instalments of ₹ 1500 crore each starting from March 31, 2027 and ending on March 31, 2028        |
| 29.    | ^^^Bank of India          | Term Loan Agreement dated June 23, 2021          | 500.00                          | 500.00             | 7.80% (RBLR + Spread Payable monthly)              | The loan is to be repaid in 5 annual instalments of ₹ 100 crore each starting from September 18, 2024 and ending on September 18, 2028 |
| 30.    | ^^^^Punjab National Bank  | Term Loan Agreement dated March 13, 2022         | 1000                            | 666.67             | 7.85% (REPO+ spread Payable monthly)               | The loan is to be repaid in 2 annual instalments of ₹ 333.33 crore each starting from March 20, 2024 and ending on March 20, 2025      |
| 31.    | ^^^^Punjab National Bank  | Agreement dated September 22, 2021               | 500.00                          | 500.00             | 7.85% (REPO+ spread Payable monthly)               | Bullet Repayment at the end of the tenor   |
| 32.    | ^^^^Punjab National Bank  | Agreement dated September 22, 2021               | 900.00                          | 5.00               | 7.85% (REPO+ spread Payable monthly)               | Bullet Repayment at the end of the tenor   |
| 33.    | %Central Bank             | Agreement dated March 25, 2022                   | 1,000.00                        | 1000.00            | 7.49% (REPO+ spread Payable monthly)               | Bullet Repayment at the end of the tenor   |
| 34.    | %%KEB Hana Bank           | Agreement dated November 14, 2022                | 100.00                          | 100.0              | 7.25% (REPO+ spread Payable monthly)               | The loan is to be repaid in 4 half yearly instalments of ₹ 25 crore each starting from May 31, 2024 and ending on November 30, 2025    |
| 35.    | %%%NaBFID                 | Agreement dated March 24, 2023                   | 3,500.00                        | 3,500.00           | 7.70% 6M NaBFID lending Rate Payable monthly)      | The loan is to be repaid in 10 yearly instalments of ₹ 350 crore each starting from March 31, 2029 and ending on March 31, 2038        |
| 36.    | %%%% Punjab and Sind Bank | Agreement dated March 15, 2023                   | 1,000.00                        | 1,000.00           | 7.65% (REPO + spread Payable monthly)              | The loan is to be repaid in 2 yearly instalments of ₹ 500 crore each starting from March 30, 2028 and ending on March 30, 2029         |
| 37.    | South Indian Bank         | Agreement dated May 31, 2023                     | 200.00                          | 200.00             | 7.50% (REPO + spread Payable monthly)              | Bullet Repayment at the end of the tenor   |

| S. No.       | Name of the lender | Loan Documentation | Total amount of loan sanctioned | Amount Outstanding | Rate of interest (% p.a.) | Repayment schedule |
|--------------|--------------------|--------------------|---------------------------------|--------------------|---------------------------|--------------------|
| <b>Total</b> |                    |                    | <b>60,155.00</b>                | <b>54,054.42</b>   |                           |                    |

Provisions pertaining to prepayment and penalty for the aforementioned unsecured term loans:

- \*Penalty: On Company committing default in making payment of any instalment on due date, a default rate of interest will be charged by the bank at the rate which shall be determined by the bank at their discretion and will be charged on the outstanding amount.
- \*Prepayment: permitted after completion of 4 (four) months from the date of disbursement. If our Company makes any prepayment before 4 (four) months prepayment penalty of 1% (one percent) shall be applicable.
- \*\*Prepayment: Allowed without penal interest with 7 (seven) days prior notice. In other cases, 2% of amount prepaid will be charged.
- \*\*Penal Interest: In Case of overdue in the account / non-compliance of major terms and conditions of sanction, company to pay penal interest of 2.00% p.a. on entire outstanding balance under the facilities.
- \*\*\*Prepayment: Allowed without penal interest.
- \*\*\*Penal Interest: Waived.
- \*\*\*\* Penalty: In the event of default in payment of any installment and/or interest, our Company shall be liable to pay an additional interest at the rate of 1% p.a. on the outstanding amount for the period from the due date of installment. Penalty will also be charged for non- submission of review/ renewal data at least 1 month prior to the due date.
- \*\*\*\*\* Prepayment: Waived.
- \*\*\*\*\*Penalty: In the event of default in payment of any installment and/or monthly interest, our Company shall be liable to pay an additional interest at the rate of 2% p.a. on the outstanding amount for the period from the due date of installment.
- \$Prepayment: Company cannot prepay within 6 months from the date of disbursement or before June 30, 2019 whichever is later, after giving a 2 days' prior notice. Non- compliance of this clause will entitle the bank to charge penal interest at 1% on the amount prepaid.
- \$Penalty: In the event of default in payment of any installment and/or interest, our Company shall be liable to pay an additional interest at the rate of 2% p.a. on the outstanding amount for the period from the due date of installment.
- \$\$Prepayment: No prepayment penalty is leviable if our Company prepays after 3 months from the date of disbursement. If prepaid within 3 months, penalty will be levied at 2%p.a. as per bank guidelines.
- \$\$\$Prepayment: Prepayment can be made anytime without any penalty.
- \$\$\$\$ Prepayment: Prepayment penalty @2% p.a. of the outstanding balance of the outstanding amount. Such penalty is waived in case the pre-payment is made within 30 days of the communication of the reset rate by bank.
- \$\$\$\$Penalty: Failure to service debt obligations would attract a penal interest of 2% p.a and IIFCL would have all the rights for recovery of refinance amount along with interest/penal interest/ expenses for recovery, fee, any other expenses in this regard etc. from The Borrower.
- #Penalty: Any default by the Borrower in payment of any instalment of the principal amount of the Loan, Interest or other monies on the respective due dates or any breach by the Borrower of any terms hereof, be deemed to require reassessment of initial credit parameters of the Borrower and as a consequence thereof the Borrower shall, without demur/protest, be liable to pay revised interest at the rate of 1% per annum over and above Applicable Interest Rate computed from the respective due dates until the date of actual payment or cure of such breach, as the case may be.
- #Prepayment: Allowed after June,30 2018 with a 2 day prior notice with no prepayment charges.
- ##Prepayment: No charges if prepaid after 15 days prior notice to bank.
- ##Penalty: Penal interest will be levied s per Banks existing lending policy/circular for :-  
a) Non- compliance of the terms of the sanction,
- ###Prepayment: Prepayment can be made anytime without any penalty.
- ### Penalty: In the event of default in payment of any installment and/or interest, our Company shall be liable to pay an additional interest at the rate of 2% p.a. on the outstanding amount for the period from the due date of installment.
- #####Prepayment: The Company is not allowed to prepay the term loan within 6 (six) months from the date of availment or January 31, 2021, whichever is later and thereafter can prepay full or in parts with a notice of 2 (two) days to the bank without payment of any prepayment penalty else prepayment charges of 1%+GST of the amount prepaid shall be levied.
- ##### Penalty: In case of a default in payment of any instalment and /or interest, the Company shall be liable to pay penal interest at 2% p.a.
- !Prepayment: Prepayment can be made anytime without any penalty.
- !Penalty: In case of a default in payment of any instalment and /or interest, the Company shall be liable to pay additional interest at 2% p.a.
- !! Prepayment: Prepayment can be made anytime without any penalty
- !! Penalty: In case of a default in payment of any instalment and /or interest, the Company shall be liable to pay additional interest at 2% p.a.
- !!! Prepayment: Prepayment can be made anytime without any penalty
- !!! Penalty: In case of a default in payment of any instalment and /or interest, the Company shall be liable to pay additional interest at 2% p.a.

!!!! Prepayment: Prepayment can be made anytime without any penalty with 2 days prior notice

!!!! Penalty: Any default by the Borrower in payment of any instalment of the principal amount of the Loan, Interest or other monies on the respective due dates or any breach by the Borrower of any terms hereof, be deemed to require reassessment of initial credit parameters of the Borrower and as a consequence thereof the Borrower shall, without demur/protest, be liable to pay revised interest at the rate of 1% per annum over and above Applicable Interest Rate computed from the respective due dates until the date of actual payment or cure of such breach, as the case may be.

!!!! Penalty: 2% over and above normal interest rate.

!!!! Prepayment: Permitted without any premium and notice period.

!!!! Penalty: 2% over and above normal interest rate.

+Prepayment: The Borrower shall have the option to prepay the loan with 2% prepayment penalty with prior notice of 3 (three) working days.

++Prepayment: The Borrower shall have the option to prepay the loan with 2% prepayment penalty with prior notice of 3 (three) working days.

+++Prepayment: The Borrower shall have the option to prepay the loan without any cost subject to prior notice of 7 (seven) days.

++++Penalty: Additional interest @ 2% pa, over & above the normal applicable rate, with agreed rests will be charged in case of the following:

a) In case of default in payment of interest and principal on due the due date(s), on the amount in default from the date of default

b) In case the account becomes irregular for any other reasons whatsoever, on the amount outstanding from the date of default! account becomes irregular

++++Prepayment: The Borrower shall have the option to prepay the loan without any penalty at any point of time.

++++Prepayment: If prepayment is done within 90 (ninety) days from the date of disbursement, then prepayment penalty of 2% shall be applicable.

++++Penalty: Any default in payment of interest or instalment to the bank for the period of such default will attract a penal interest of 1.00% p.a. on the irregular portion for the period of irregularity.

@ Penalty: In case of a default - additional interest @ 2% p.a.

@@ Prepayment: The Borrower shall have the option to prepay the loan without any penalty at any point of time.

%% Prepayment: Prepayment is permitted subject to 3 days prior notice to the Bank in writing

@@Penalty: if monthly interest and / or any other installment is not paid on due date, the arrears of interest and / or installments in the loan shall bear penal interest reckoning at the rate of 2% p.a. or such other rate fixed by the Bank from time to time until the interest and / or the installment of the principal, in arrears are paid.

@@@ Prepayment: The Borrower shall have the option to prepay the loan without any penalty at any point of time.

@@@Penalty: If the monthly interest and/or any instalment is not paid on due date, the arrears of interest and/or installments in the loan shall bear penal interest of 2%.

^ Prepayment: The Borrower shall have the option to prepay the loan without any penalty at any point of time subject a prior notice of 7 (seven) days.

^Penalty: If the monthly interest and/or any instalment is not paid on due date, the arrears of interest and/or installments in the loan shall bear penal interest at such rate as the Bank in its discretion determines.

^^Penalty: if default shall be made in payment of any instalment on due dates the Borrower shall pay penal interest at such rate as per sanction letter on the amount then outstanding.

^^Penalty: In case of a default in payment of any instalment and /or interest, the Company shall be liable to pay additional interest at 2% p.a.

^^^Penalty: 2% p.a. over and above shall be charged for overdue portion.

^^^Penalty: If the Borrower commits any default in payment of any Repayment Installment(s), Interest and all other monies (excluding Liquidated Damages), as the case may be, becoming due under this Agreement / other Financing Documents, on their respective Due Dates (the "Defaulted Amounts"), the Borrower shall pay to the Lender, liquidated damages/default interest at the rate of 2.00% (two percent) per annum, on the irregular portion of the Installments / unpaid interest for the period of default to be counted from the due date of interest or installment.

%Penalty: Any default by the Borrower in payment for dues or of any of the terms and conditions herein, would entail an additional interest charge of 2% on the entire loan, leviable from the date of the default without prejudice to the Bank's other rights available as per this agreement and on default/ failure of the Borrower to pay the same.

%%Penalty: If any default shall be committed by the Borrower in payment of the said interest on the due date(s) thereof then the Borrower shall pay to the Bank the overdue interest which had not been paid, with further interest thereon calculated at the rate of 2% p.a. Over and above the applicable rate and in the same manner as aforesaid or may be charged as aforesaid from the date on which the interest has become due till payment.

%%Penalty:- 0.50% over and above the applicable interest rate on the irregular portion for the period of default.

%%Penalty:- the Borrower shall pay Borrower interest at the rate of 2% (two percent) per annum ("Penal Interest") over and above the Applicable Interest Rate, on the entire amounts outstanding from time to time and payable to the Lender under this Agreement and the other Facility Documents, in the following events:-

(a) In the event the Borrower defaults in the payment/repayment of such outstanding amounts on their respective Due Dates.

Prepayment:-Allowed with a notice period of 7 days subject to a lock-in period of 6 months from the date of disbursement.

Penalty:- Nil

### C. Short Term Loans

As on June 30, 2023, short-term loans are outstanding on the books of accounts of the Company as detailed below:

(₹ in crore)

| S No. | Name of the lender  | Types of Facility | Total amount of loan Sanctioned | Amount Outstanding | Rate of interest (% p.a.) | Repayment Date/ Schedule and prepayment penalty (if any) | Penalty | Security  |
|-------|---------------------|-------------------|---------------------------------|--------------------|---------------------------|--|---------|-----------|
| 1.    | State Bank of India | WCL/STL           | 4900.00*                        | 1,500.00           | 7.00                      | July, 14 2023  | Nil     | Unsecured |
| 2.    | State Bank of India | WCL/STL           |                                 | 1,015.21           | 7.10                      | July, 15 2023  | Nil     | Unsecured |
| 3.    | State Bank of India | WCL/STL           |                                 | 756.52             | 7.05                      | July, 10 2023  | Nil     | Unsecured |
| 4.    | State Bank of India | WCL/STL           |                                 | 117.70             | 7.05                      | July, 10 2023  | Nil     | Unsecured |
| 5.    | State Bank of India | Cash credit       |                                 | 129.47             | 8.10                      | July, 1 2023   | Nil     | Unsecured |
| 6.    | IndusInd Bank       | WCL/STL           | 500.00                          | 500.00             | 6.95                      | August 2, 2023   | Nil     | Unsecured |
|       |                     | <b>Total</b>      | <b>5,400.00</b>                 | <b>4,018.90</b>    |                           |  |         |           |

\* Unsecured fund based working capital limit of ₹ 3000 crores sanctioned by State Bank of India on March 9, 2023. Further, One time Short term limit of ₹ 1900 crores sanctioned by State Bank of India on June 9, 2023 to be availed by June 30, 2023 in tranches

### D. Commercial Paper

(₹ in crore)

| Sr. No. | Details of series | Date of Issue | Maturity date      | Face Value      | Number of CPs issued | Amount outstanding | Discount per CP |
|---------|-------------------|---------------|--------------------|-----------------|----------------------|--------------------|-----------------|
| 1.      | Series-116        | June 16, 2023 | September 15, 2023 | 2,000.00        | 40,000               | 1,966.13           | 8,468           |
|         | <b>Total</b>      |               |                    | <b>2,000.00</b> | <b>40,000</b>        | <b>1,966.13</b>    | <b>8,468</b>    |

### E. Foreign Currency borrowings of the Company

Set forth below is a brief summary of the term loans taken by our Company from various international financial institutions in foreign currency as on June 30, 2023:

(₹ in crore)

| Sr. No. | Facility Agent   | Total amount of loan sanctioned           | Amount outstanding | Interest Rate  | Repayment  | Penalty   |
|---------|--|---|--------------------|--|--|---|
| 1.      | *Kreditanstalt Fur Wiederaufbau, Frankfurt am Main ("KfW") | DM 46,500,000<br>Portion I: DM 23,250,000 | 40.05              | Portion I: 12% p.a or lending rate of our Company applicable for the disbursement by our Company minus 3%, whichever is lower. However, minimum applicable interest rate is 0.75%. Current rate at 0.75% p.a | Portion I: payable in 60 instalments payable semi-annually from December 30, 2005  | For overdue Interest payments, shall pay damages in a lump sum of 3% above the discount rate of the Duetsche Bundesbank effective at the due date                                   |
| 2.      | **Asian Development Bank ("ADB")                           | USD150,000,000                            | 39.50              | Interest will be calculated at floating rate, which is the sum of Reference Rate and the Fixed Spread i.e. the Sum of SOFR and the Fixed Spread, currently at 5.17866 % p.a.                                 | Each disbursement of this facility will be repaid in semi-annual instalments payable on April 15 and October 15 of each year, the first and last instalment with respect to such disbursement payable on the eleventh and fortieth interest payment date | No Penalty is payable by our Company in case interest due on the loan is not paid. ADB can withdraw from loan account and pay to itself, any amount due and not paid by our Company |

| Sr. No. | Facility Agent   | Total amount of loan sanctioned | Amount outstanding | Interest Rate   | Repayment   | Penalty  |
|---------|--|---------------------------------|--------------------|---|---|--|
|         |  |                                 |                    |   | respectively with respect to such disbursement. Each instalment shall be 1/30 <sup>th</sup> of the disbursed amount (except the last which shall be equal to the balance outstanding amount) Entire borrowing is due and 6.payable by October 15, 2028.<br><i>Interest payment Date:</i> It is the date immediately after the disbursement. on which amortization schedule for each disbursed amount is established |  |
| 3.      | *** BPI France Assurance Export (formerly known as Natixis / Credit National France) (on behalf of the Government of the Republic of France) | Credit : FRF 167,400,000        | 13.90              | 2%  | Each portion of this facility is repayable in 46 equal and successive half-yearly instalments, the first of which is payable 126 months from the date of the calendar half-year during which such disbursement has been made  | Any sum unpaid on the due date shall automatically carry interest accruing from the maturity date of the debt until the date of the actual payment at day to day Paris Interbank Money Market rate plus 1.5% |
| 4.      | ###EXIM Bank (SLN-30- Tranche I)   | USD 100,000,000                 | 820.43             | 6 Month LIBOR + margin at 1.50% p.a, payable at last day of each Interest Period^^.currently at 5.95329% p.a. | Repayable in full, after five years from the date of first disbursement.  | On failure to pay interest payable on due date, interest shall accrue on the unpaid amount at an additional rate of 2% p.a, for the period of default  |
| 5       | ***** Bank of Baroda, New York (SLN-26)  | USD 250,000,000                 | 2,051.07           | 6 Month LIBOR + margin of 0.90% p.a, payable at last day of each Interest Period^^, currently at 6.04271% p.a | Repayable in full, after five years from the utilisation date   | On failure to pay interest payable on due date, interest shall accrue on the unpaid amount at an additional rate of 2% p.a, for the period of default  |
| 6       | ***** Mizuho Bank Ltd., Singapore (SLN-27)   | JPY 16,410,750,000              | 931.64             | Compounded Reference Rate+ margin of 0.62% p.a, payable at last day   | Repayable in full, after five years   | On failure to pay interest payable on due date, interest shall   |

| Sr. No. | Facility Agent   | Total amount of loan sanctioned  | Amount outstanding | Interest Rate   | Repayment   | Penalty   |
|---------|--|--|--------------------|---|---|---|
|         |  |  |                    | of each Interest Period^^, currently at 0.62% p.a   | from the utilisation date   | accrue on the unpaid amount at an additional rate of 2% p.a, for the period of default  |
| 7       | ##State Bank Of India, Hong Kong Branch (SLN-29)   | USD 250,000,000  | 2051.07            | 6 Month LIBOR + margin at 0.75% p.a, payable at last day of each Interest Period^^, currently at 5.93686 % p.a.                                     | Repayable in full, after five years from the utilisation date                             | On failure to pay interest payable on due date, interest shall accrue on the unpaid amount at an additional rate of 2% p.a, for the period of default   |
| 8       | #####State Bank of India, Hong Kong Branch and Punjab National Bank, DIFC Dubai Branch, DBS Bank (SLN 30)                        | State Bank of India, Hong Kong Branch – USD 150,000,000<br>Punjab National Bank, DIFC Dubai Branch – USD 100,000,000<br>DBS Bank Ltd. - USD 50,000,000 | 2461.28            | 6 month LIBOR + margin at 1.50% p.a, payable at last day of each Interest Period^^ currently at 6.49729%p.a.  | Repayable in full, after five years from the utilisation date                             | On failure to pay interest payable on due date, interest shall accrue on the unpaid amount at an additional rate of 2% p.a, for the period of default   |
| 9       | ##### State Bank of India, Hong Kong Branch, Bank of Baroda, New York Branch & Canara Bank, London Branch as lenders (31-A FCTL) | State Bank of India, Hong Kong Branch USD 275,000,000<br>Bank of Baroda, New York Branch USD 150,000,000<br>Canara Bank, London USD 100,000,000        | 4,307.25           | Fixed rate of 2.52090% p.a, payable at last day of each Interest Period^^   | Repayable in full, after five years from the utilisation date                             | On failure to pay interest payable on due date, interest shall accrue on the unpaid amount at an additional rate of 2% p.a, for the period of default   |
| 10      | Export Import Bank of India (31-B FCTL)  | USD 100,000,000  | 820.43             | Fixed rate of 2.52090% p.a, payable at last day of each Interest Period^^   | Repayable in full, after five years from the utilisation date                             | On failure to pay interest payable on due date, interest shall accrue on the unpaid amount at an additional rate of 2% p.a, for the period of default   |
| 11      | FCNR (B) Loan from SBI – 1 FCNR  | USD 110,000,000  | 902.47             | 12 Month Term SOFR + margin at 44bps payable at last day of each Interest Period (+ 36bps paid upfront on drawal date)^^ currently at 5.22180% p.a. | Repayment after 1 year from drawdown  | On failure to pay interest payable on due date, interest shall accrue on the unpaid amount at an additional rate of 1.5% p.a. for the period of default |
| 12      | State Bank of India acting as facility agent through its branch in Hong Kong on behalf of various lenders (32-A FCTL)            | JPY 89,208,000,000   | 5,064.34           | Overnight TONA (cumulative compounded RFR Rate) + margin payable at last day of each Interest Period^^ currently at 0.70% p.a.                      | Repayable in 3 staggered instalment at the end of 4, 5 & 6 year from the utilisation date | On failure to pay interest payable on due date, interest shall accrue on the unpaid amount at an additional rate of 2%                                  |

| Sr. No. | Facility Agent  | Total amount of loan sanctioned | Amount outstanding | Interest Rate  | Repayment  | Penalty   |
|---------|---|---------------------------------|--------------------|--|--|---|
|         |   |                                 |                    |  |  | p.a, for the period of default  |
| 13      | Sumitomo Mitsui Banking Corporation, Singapore Branch (32-B FCTL) | JPY 26,762,000,000              | 1,519.28           | Overnight TONA (cumulative compounded RFR Rate) + margin payable at last day of each Interest Period^^ currently at 0.75% p.a. | Repayable in full, after seven years from the utilisation date | On failure to pay interest payable on due date, interest shall accrue on the unpaid amount at an additional rate of 2% p.a, for the period of default   |
| 14      | FCNR (B) Loan from ICICI Bank – 2 FCNR                            | EUR 94,241,824.52               | 839.94             | Fixed rate of 4.21% p.a, payable at last day of each Interest Period   | Repayment after 1 year from the utilisation date               | -   |
| 15      | KFW (NEW FACILITY)  | EUR 58,747,000.45               | 523.59             | EURIBOR + margin payable at last day of each Interest Period^^ currently at 2.80% p.a.   | Staggered Semi-Annual Repayment till 15 <sup>th</sup> Nov 31   | On failure to pay interest payable on due date, interest shall accrue on the unpaid amount at an additional rate of 2% p.a. for the period of default   |
| 16      | FCNR (B) Loan from SBI – 3 FCNR                                   | EUR 92,964,450.39               | 828.55             | Fixed rate of 4.71% p.a, payable at last day of each Interest Period   | Repayment after 1 year from the utilisation date               | On failure to pay interest payable on due date, interest shall accrue on the unpaid amount at an additional rate of 1.5% p.a. for the period of default |
| 17      | FCNR (B) Loan from DBS Bank – 4 FCNR                              | EUR 55,746,539.07               | 496.85             | Fixed rate of 4.70% p.a, payable at last day of each Interest Period   | Repayment after 9 months from the utilisation date             | On failure to pay interest payable on due date, interest shall accrue on the unpaid amount at an additional rate of 2% p.a. for the period of default   |
| 18      | FCNR (B) Loan from SBI – 5 FCNR                                   | EUR 92,491,537.02               | 824.34             | Fixed rate of 4.70% p.a, payable at last day of each Interest Period   | Repayment after 1 year from the utilisation date               | On failure to pay interest payable on due date, interest shall accrue on the unpaid amount at an additional rate of 1.5% p.a. for the period of default |
| 19      | FCNR (B) Loan from ICICI – 6 FCNR                                 | EUR 92,790,201.35               | 827.00             | Fixed rate of 4.70% p.a, payable at last day of each Interest Period   | Repayment after 1 year from the utilisation date               |   |
| 20      | FCNR (B) Loan from SBI – 7 FCNR                                   | EUR 137,898,727.37              | 1,229.03           | Fixed rate of 4.76% p.a, payable at last day of each Interest Period   | Repayment after 1 year from the utilisation date               | On failure to pay interest payable on due date, interest shall accrue on the unpaid amount at an additional rate of 1.5% p.a. for the period of default |
| 21      | JBIC  | JPY 2,061,641,210               | 117.04             | Overnight TONA (cumulative   | Repayment in staggered Equal                                   | On failure to pay interest payable on   |



| Sr. No. | Facility Agent                   | Total amount of loan sanctioned  | Amount outstanding | Interest Rate   | Repayment   | Penalty   |
|---------|----------------------------------|--|--------------------|---|---|---|
|         |                                  |  |                    | compounded RFR Rate) + margin payable at last day of each Interest Period^^ currently at 0.65% p.a. | semi-annual instalment from 20th April, 2024 till 20th April,2038 | due date, interest shall accrue on the unpaid amount at an additional rate of 2% p.a. for the period of default |
| 22      | FCNR(B) Loan from ICICI – 8 FCNR | JPY 21,538,500,000   | 1222.74            | Fixed rate of 1.50% p.a, payable at last day of each Interest Period                                | Repayment after 1 year from the utilisation date                  |   |
|         | <b>Total</b>                     | <b>USD 1785,000,000<br/>DM 69,750,000<br/>JPY 155,980,891,210<br/>FRF 167,400,000<br/>EUR 624,880,280.17</b> | <b>27,931.77</b>   |   |   |   |

<sup>#</sup>As per IND AS (includes interest accrued but not due)

### Prepayment Events

#### \*Prepayment Event (KfW):

Pursuant to a 30 days' prior notice, our Company may prematurely repay Portion II only in the amount of one or more repayments instalments together with the payment of a compensation for premature repayment to be determined by KfW and computed on the basis of the capital market situation prevailing at the time and taking into account the lost interest earnings and the reinvestment possibilities for the original remaining term of the loan. Following repayment of Portion II, our Company may at any time prematurely repay Portion I in full or in part.

#### \*\*Prepayment Event (ADB):

Our Company can prepay the entire principal loan amount or principal amount of any one or more maturities of the loan, provided all amounts due have been paid by giving at least 45 days written notice to ADB. In case of partial prepayment, since separate amortization of specified Disbursed Amounts is allowed, such prepayment shall be applied in the inverse order of the Disbursed Amount, with the Disbursed Amount withdrawn last being repaid first. In case of full prepayment, the latest maturity will be repaid first. No penalty payable, but Prepayment premium will be payable, as determined by ADB.

#### \*\*\*Prepayment Event (Credit National):

Upon giving no less than 3 months' written notice to the Lead Bank, our Company may prepay the credit, partially or wholly if it pays to the lenders the cost amounting to the difference, if any, between: the amount of interest which would have accrued in relation to the amounts prepaid from the date of the prepayment to the date initially set for prepayment, and the proceeds from the placing on the PARIS Interbank Money Market by the lenders of such amounts prepaid from the date of the prepayment to the date initially set for prepayment.

#### \*\*\*\*\*Prepayment (SLN-26):

The Borrower may, if it gives the Agent not less than thirty (10) days' (or such shorter period as the Majority Lenders may agree) prior notice, prepay on the last day of an Interest Period, the whole or any part of the Loan (but, if in part, being an amount that reduces the Loan by a minimum amount of fifty million US Dollars (US\$50,000,000) and in an integral multiple of ten million US Dollars (US\$10,000,000)). Any prepayment shall be applied rateably among the participations of all Lenders and shall not be subject to any prepayment fee or penalty.

The Loan may only be prepaid after the last day of the Availability Period and if all other sums then due and payable under the Finance Documents shall have been paid.

#### \*\*\*\*\*Prepayment (SLN-27):

Our Company may, if it gives the Agent not less than thirty (30) days' (or such shorter period as the Majority Lenders may agree) prior notice, prepay on the last day of an Interest Period, the whole or any part of the Loan (but, if in part, being an amount that reduces the Loan by a minimum amount of Japanese Yen Equivalent of fifty million US Dollars (US\$50,000,000) and in an integral multiple of Japanese Yen Equivalent of ten million US Dollars (US\$10,000,000)). Any prepayment shall be applied rateably among the participations of all Lenders and shall not be subject to any prepayment fee or penalty.

#### ##Prepayment (SLN 29)

The Borrower may, if it gives the Agent not less than thirty (30) days' (or such shorter period as the Majority Lenders may agree) prior notice, prepay on the last day of an Interest Period, the whole or any part of the Loan (but, if in part, being an amount that reduces the Loan by a minimum amount of twenty million US Dollars (US\$20,000,000) and in an integral multiple of twenty million US Dollars (US\$20,000,000)). Any prepayment shall be applied rateably among the participations of all Lenders and shall not be subject to any prepayment fee or penalty.

#### ###Prepayment (SLN 30- Tranche I)

The Company shall be entitled to prepay the amounts under this Foreign Currency Term Loan Agreement during the subsistence of this Foreign Currency Term Loan Agreement, in whole or parts, subject to payment of prepayment premium of 1% per annum on the principal amount of the loan repaid, after giving 15 days' prior notice to EXIM Bank.

#### #### Prepayment (SLN 30 – Tranche II)

The Borrower may, if it gives the Agent not less than thirty (30) days' (or such shorter period as the Majority Lenders may agree) prior notice, prepay on the last day of an Interest Period, the whole or any part of any Loan (but, if in part, being an amount that reduces the amount of that Loan by a minimum amount of fifty million US Dollars (US\$50,000,000) in the case of a Facility A Loan or the Singapore Dollar Equivalent of fifty million US Dollars (US\$50,000,000) in the case of a Facility B Loan and in an integral multiple of ten million US Dollars (US\$10,000,000) in the case of a Facility A Loan). Any prepayment under this Clause 7.3 shall be applied rateably among the participations of all Lenders and pro rata with respect to Facility A and Facility B and shall not be subject to any prepayment fee or penalty.

#### Prepayment (SLN 31 EXIM- Tranche I)

PFC shall be entitled to prepay amounts outstanding under this Foreign Currency Term Loan Agreement during the subsistence of this Foreign Currency Term Loan Agreement, in whole or parts, subject to payment of Break Cost after giving 30 days' prior notice to the Exim Bank. The Break Cost is applicable only in case PFC voluntarily and in its own discretion makes a prepayment.

#### Prepayment (SLN 31 Tranche II)

The Borrower may, if it gives the Agent not less than thirty (30) days' (or such shorter period as the Majority Lenders may agree) prior notice, prepay on the last day of an Interest Period, the whole or any part of a Loan (but, if in part, being an amount that reduces that Loan by a minimum amount of twenty million US Dollars (US\$20,000,000) and in an integral multiple of twenty million US Dollars (US\$20,000,000)). Any prepayment under this Clause shall be applied rateably among the participations of all Lenders and shall not be subject to any prepayment fee or penalty.

#### Prepayment (SLN 32)

The Borrower may, if it gives the Agent not less than thirty (30) days' (or such shorter period as the Majority Lenders may agree) prior notice, prepay on the last day of an Interest Period, the whole or any part of a Loan (but, if in part, being an amount that reduces that Loan by a minimum amount of JPY3,000,000,000 and in an integral multiple of JPY500,000,000). Any prepayment under this Clause shall be applied rateably among the participations of all Lenders of that Loan, and shall not be subject to any prepayment fee or penalty.

#### Prepayment (For FCNR (B) Loans availed from State Bank of India)

Penalty at 1.5% p.a. of the amount prepaid on the unexpired period of loan

#### ^^Interest Period

Interest Period shall be monthly / quarterly / half-yearly or any other period as mutually agreed between our Company and the Agent (acting on the instructions of all the Lenders). An Interest Period for a Loan shall not extend beyond the Final Repayment Date.

## F. Foreign Currency Notes

Set forth below is a brief summary of foreign currency notes issued by our Company and the amounts outstanding therein as of June 30, 2023:

(₹ in crore)

| S. No        | Description of Foreign Currency Notes | Loan Documentation                          | Total amount of loan sanctioned | Amount Outstanding (₹ in crore) | Rate of interest (% p.a.)   | Repayment schedule             |
|--------------|---------------------------------------|---|---------------------------------|---------------------------------|---|--------------------------------|
| 1.           | 3.75 USD green bonds 2027             | Pricing supplement dated November 28, 2017  | USD 400,000,000                 | 3,281.71                        | 3.75% p.a. payable semi-annually in arrears on each interest payment date. Interest payment date is June 6 and December 6 in each year.                           | 10 years<br>December 6, 2027   |
| 2.           | 5.25 USD 300MN MTN BONDS 2028         | Pricing supplement dated August 2, 2018     | USD 300,000,000                 | 2,461.28                        | 5.25% p.a. payable semi-annually in arrears on each interest payment date. Interest payment date is February 10 and August 10 in each year.                       | 10 years<br>August 10, 2028    |
| 3.           | 6.15 GMTN BONDS 2028                  | Pricing supplement dated November 28, 2018  | USD 500,000,000                 | 4,102.14                        | 6.150% p.a. payable in arrears on each interest payment date. Interest payment date is June 6 and December 6.   | 10 years<br>December 6, 2028   |
| 4.           | 3.75 USD BONDS 2024                   | Pricing supplement dated June 11, 2019      | USD 400,000,000                 | 3,281.71                        | 3.75 % p.a. payable in arrears on each interest payment date. Interest payment date is June 18 and December 18 in each year up to the maturity date.              | 5 years,<br>June 18, 2024      |
| 5.           | 4.50 USD BONDS 2029                   | Pricing supplement dated June 11, 2019      | USD 600,000,000                 | 4,922.57                        | 4.50% p.a. payable in arrears on each interest payment date. Interest payment date is June 18 and December 18 in each year up to and including the maturity date. | 10 years,<br>June 18, 2029     |
| 6.           | 3.25 USD BONDS 2024                   | Pricing supplement dated September 5, 2019  | USD 300,000,000                 | 2,461.28                        | 3.25% p.a.  | 5 years,<br>September 16, 2024 |
| 7.           | 3.90 USD BONDS 2029                   | Pricing supplement dated September 5, 2019  | USD 450,000,000                 | 3,691.93                        | 3.90% p.a.  | 10 years<br>September 16, 2029 |
| 8.           | 3.95 USD BONDS 2030                   | Pricing supplement dated January 15, 2020   | USD 750,000,000                 | 6,153.21                        | 3.95% p.a.  | 10 years,<br>April 23, 2030    |
| 9.           | 3.35 USD BONDS 2031                   | Pricing supplement dated January 21, 2021   | USD 500,000,000                 | 4,102.14                        | 3.35% p.a.  | May 16, 2031                   |
| 10.          | 1.841 EUR BOND 2028                   | Pricing supplement dated September 13, 2021 | EUR 300,000,000                 | 2,673.77                        | 1.841% p.a  | September 21, 2028             |
| <b>Total</b> |                                       |   |                                 | <b>37,131.75</b>                |   |                                |

## G. Unsecured Bonds

Set forth below is a brief summary of the unsecured bonds/ debentures issued by our Company and the amounts outstanding thereon as of June 30, 2023:

(₹ in crore)

| S. No. | Details of Non-Convertible debentures/ bonds | Amount Raised | Amount Outstanding# | Date of allotment/ Deemed date of allotment | Coupon rate, tenor and redemption date  | Credit Rating for all the bonds provided below |
|--------|--|---------------|---------------------|---|---|--|
| 1.     | Debenture Series 57 B                        | 866.50        | 866.50              | August 7, 2009                              | Coupon Rate: 8.60% p.a.<br>Maturity and Redemption: At par in 3 equal annual instalments. Each bond will comprise 3 detachable, separately transferable redeemable principal parts redeemable at par at the end of the 5th, 10th, 15th year respectively from the deemed date of allotment  |  |
| 2.     | Debenture Series 61                          | 351.00        | 351.00              | December 15, 2009                           | Coupon Rate: 8.50% p.a..<br>Maturity and Redemption: At par in 3 equal annual instalments. Each bond will comprise 3 detachable, separately transferable redeemable principal parts redeemable at par at the end of the 5th, 10th, 15th year respectively from the deemed date of allotment | AAA from CRISIL, CARE and ICRA                 |
| 3.     | Debenture Series 62 B                        | 1,172.60      | 1,172.60            | January 15, 2010                            | Coupon Rate: 8.80% p.a.<br>Maturity and Redemption: At par at the end of 15 years from the deemed date of allotment.  |  |
| 4.     | Debenture Series 63                          | 184.00        | 184.00              | March 15, 2010                              | Coupon Rate: 8.90% p.a.<br>Maturity and Redemption: At par at the end of 15 years from the deemed date of allotment   |  |
| 5.     | Debenture Series 64                          | 492.00        | 492.00              | March 30, 2010                              | Coupon Rate: 8.95% p.a.<br>Maturity and Redemption: At par in 3 equal annual instalments. Each bond will comprise 3 detachable, separately transferable redeemable principal parts redeemable at par at the end of the 5th, 10th, 15th year respectively from the deemed date of allotment  |  |
| 6.     | Debenture Series 65                          | 1337.50       | 1337.50             | May 14, 2010                                | Coupon Rate: 8.70% p.a.<br>Maturity and Redemption: At par in 3 equal annual instalments. Each bond will comprise 3 detachable, separately transferable redeemable principal parts redeemable at par at the end of the 5th, 10th, 15th year respectively from the deemed date of allotment  |  |
| 7.     | Debenture Series 66                          | 1,532.00      | 1,532.00            | June 15, 2010                               | Coupon Rate: 8.75% p.a.   |  |

(₹ in crore)

| S. No. | Details of Non-Convertible debentures/ bonds      | Amount Raised | Amount Outstanding# | Date of allotment/ Deemed date of allotment | Coupon rate, tenor and redemption date  | Credit Rating for all the bonds provided below |
|--------|---|---------------|---------------------|---|---|--|
|        | -B  |               |                     |   | Maturity and Redemption: At par at the end of 15 years from the deemed date of allotment.   |  |
| 8.     | Debenture Series 66 -C                            | 633.00        | 633.00              | June 15, 2010                               | Coupon Rate: 8.85% p.a.<br>Maturity and Redemption: At par at the end of 20 years from the deemed date of allotment.  |  |
| 9.     | Debenture Series 71                               | 385.40        | 385.40              | December 15, 2010                           | Coupon Rate: 9.05% p.a.<br>Maturity and Redemption: At par in 3 equal annual instalments. Each bond will comprise 3 detachable, separately transferable redeemable principal parts redeemable at par at the end of 10th, 15th and 20th year respectively from the deemed date of allotment. |  |
| 10.    | Debenture Series 76-B                             | 1,105.00      | 1,105.00            | August 1, 2011                              | Coupon Rate: 9.46% p.a.<br>Maturity and Redemption: At the end of 15 years from the date of allotment   |  |
| 11.    | Debenture Series 77-B                             | 2,568.00      | 2,568.00            | September 1, 2011                           | Coupon Rate: 9.45% p.a..<br>Maturity and Redemption: At the end of 15 years from the date of allotment.   |  |
| 12.    | Debenture Series 101-B                            | 1,370.00      | 1,370.00            | March 11, 2013                              | Coupon Rate: 9.00% p.a.<br>Maturity and Redemption At the end of 15 years from the deemed date of allotment   |  |
| 13.    | Debenture Series 102-A(III)                       | 403.00        | 403.00              | March 18, 2013                              | Coupon Rate: 8.90% p.a.<br>Maturity and Redemption At the end of 15 years from the deemed date of allotment   |  |
| 14.    | Debenture Series 103                              | 2,807.00      | 2,807.00            | March 25, 2013                              | Coupon Rate: 8.94% p.a.<br>Maturity and Redemption At the end of 15 years from the deemed date of allotment   |  |
| 15.    | Debenture Series 111 (subordinated Tier II bonds) | 1,000.00      | 1,000.00            | January 13, 2014                            | Coupon Rate: 9.65% p.a.<br>Maturity and Redemption At the end of 10 years from the deemed date of allotment.  |  |
| 16.    | Debenture Series 114 (subordinated Tier II bonds) | 2,000.00      | 2,000.00            | February 21, 2014                           | Coupon Rate: 9.70% p.a..<br>Maturity and Redemption At the end of 10 years from the deemed date of allotment.   |  |
| 17.    | Debenture Series 117- B                           | 855.00        | 855.00              | August 19, 2014                             | Coupon Rate: 9.37% p.a..<br>Maturity and Redemption: At the end of 10 years from the deemed date of allotment.  |  |
| 18.    | Debenture Series 118-B (II)                       | 460.00        | 460.00              | August 27, 2014                             | Coupon Rate: 9.39% p.a.<br>Maturity and Redemption At the end of 10 years from the deemed date of allotment   |  |
| 19.    | Debenture Series                                  | 460.00        | 460.00              | August 27,                                  | Coupon Rate: 9.39% p.a.   |  |

(₹ in crore)

| S. No. | Details of Non-Convertible debentures/ bonds | Amount Raised | Amount Outstanding# | Date of allotment/ Deemed date of allotment | Coupon rate, tenor and redemption date  | Credit Rating for all the bonds provided below |
|--------|--|---------------|---------------------|---|---|--|
|        | 118-B (III)                                  |               |                     | 2014  | Maturity and Redemption At the end of 15 years from the deemed date of allotment.   |  |
| 20.    | Debenture Series 120-A                       | 961.00        | 961.00              | October 8, 2014                             | Coupon Rate: 8.98% p.a. Maturity and Redemption At the end of 10 years with put option after 2 years from the deemed date of allotment with annual interest payment.  |  |
| 21.    | Debenture Series 120-B                       | 950.00        | 950.00              | October 8, 2014                             | Coupon Rate: 8.98% p.a. Maturity and Redemption At the end of 10 years with put option after 2 years from the deemed date of allotment with first interest on annual compounding basis after 2 years and thereafter annually. |  |
| 22.    | Debenture Series 124-C                       | 1,000.00      | 1,000.00            | December 9, 2014                            | Coupon Rate: 8.48% p.a. Maturity and Redemption At the end of 10 years from the deemed date of allotment  |  |
| 23.    | Debenture Series 125                         | 2,826.00      | 2,826.00            | December 29, 2014                           | Coupon Rate: 8.65% p.a. Maturity and Redemption At the end of 10 years from the deemed date of allotment.   |  |
| 24.    | Debenture Series 126                         | 5,000.00      | 5,000.00            | January 5, 2015                             | Coupon Rate: 8.65% p.a. Maturity and Redemption At the end of 10 years from the deemed date of allotment.   |  |
| 25.    | Debenture Series 128                         | 1,600.00      | 1,600.00            | March 10, 2015                              | Coupon Rate: 8.20% p.a. Maturity and Redemption At the end of 10 years from the deemed date of allotment.   |  |
| 26.    | Debenture Series 130-C                       | 925.00        | 925.00              | March 19, 2015                              | Coupon Rate: 8.39% p.a. Maturity and Redemption At the end of 10 years 1 months from the deemed date of allotment.  |  |
| 27.    | Debenture Series 131-C                       | 5,000.00      | 5,000.00            | March 27, 2015                              | Coupon Rate: 8.41% p.a. Maturity and Redemption At the end of 10 years from the deemed date of allotment  |  |
| 28.    | Debenture Series 141-B                       | 1,000.00      | 1,000.00            | Sep 18, 2015                                | Coupon Rate: 8.40% p.a. Maturity and Redemption At the end of 10 years from the deemed date of allotment  |  |
| 29.    | Debenture Series 147                         | 1,000.00      | 1,000.00            | May 2, 2016                                 | Coupon Rate: 8.03% p.a. Maturity and Redemption At the end of 10 years from the deemed date of allotment  |  |
| 30.    | Debenture Series 150-B                       | 1,675.00      | 1,675.00            | August 16, 2016                             | Coupon Rate: 7.63% p.a. Maturity and Redemption: At the end of 10 years from the deemed date of allotment   |  |
| 31.    | Debenture Series 151-B                       | 210.00        | 210.00              | September 16, 2016                          | Coupon Rate: 7.56% p.a. Maturity and Redemption At the  |  |

(₹ in crore)

| S. No. | Details of Non-Convertible debentures/ bonds | Amount Raised | Amount Outstanding# | Date of allotment/ Deemed date of allotment | Coupon rate, tenor and redemption date  | Credit Rating for all the bonds provided below |
|--------|--|---------------|---------------------|---|---|--|
|        |  |               |                     |   | end of 10 years from the deemed date of allotment   |  |
| 32.    | Debenture Series 152                         | 4,000.00      | 4,000.00            | September 26, 2016                          | Coupon Rate: 7.55% p.a.<br>Maturity and Redemption At the end of 10 years from the deemed date of allotment   |  |
| 33.    | Debenture Series 155                         | 2,635.00      | 2,635.00            | January 05, 2017                            | Coupon Rate: 7.23% p.a.<br>Maturity and Redemption At the end of 10 years from the deemed date of allotment.  |  |
| 34.    | Debenture Series 168B                        | 1,540.00      | 1,540.00            | June 12, 2017                               | Coupon Rate: 7.44% p.a.<br>Maturity and Redemption At the end of 10 years from the deemed date of allotment.  |  |
| 35.    | Debenture Series 169B                        | 1,500.00      | 1,500.00            | August 08, 2017                             | Coupon Rate: 7.30% p.a.<br>Maturity and Redemption At the end of 10 years from the deemed date of allotment   |  |
| 36.    | Debenture Series 170B                        | 2,001.00      | 2,001.00            | November 22, 2017                           | Coupon Rate: 7.65% p.a.<br>Maturity and Redemption At the end of 10 years from the deemed date of allotment   |  |
| 37.    | Debenture Series 171                         | 5,000.00      | 5,000.00            | December 15, 2017                           | Coupon Rate: 7.62% p.a.<br>Maturity and Redemption At the end of 10 years from the deemed date of allotment   |  |
| 38.    | Debenture Series 172                         | 850.00        | 850.00              | January 30, 2018                            | Coupon Rate: 7.74% p.a.<br>Maturity and Redemption At the end of 10 years from the deemed date of allotment with put option at the end of 3 year 11 month |  |
| 39.    | Debenture Series 177                         | 3,855.00      | 3,855.00            | April 03, 2018                              | Coupon Rate: 7.85% p.a. payable semi-annually<br>Maturity and Redemption At the end of 10 years from the deemed date of allotment                         |  |
| 40.    | Debenture Series 178                         | 3,000.00      | 3,000.00            | October 10, 2018                            | Coupon Rate: 8.95% p.a. payable annually<br>Maturity and Redemption At the end of 10 years from the deemed date of allotment                              |  |
| 41.    | Debenture Series 179A                        | 1,007.40      | 1,007.40            | November 19, 2018                           | Coupon Rate: 8.67% p.a. payable semi-annually<br>Maturity and Redemption At the end of 10 years from the deemed date of allotment                         |  |
| 42.    | Debenture Series 179B                        | 528.40        | 528.40              | November 19, 2018                           | Coupon Rate: 8.64% p.a. payable semi-annually<br>Maturity and Redemption At the end of 15 years from the deemed date of allotment                         |  |
| 43.    | Debenture Series 180                         | 2,654.00      | 2,654.00            | February 22, 2019                           | Coupon Rate: 8.75% p.a. payable annually<br>Maturity and Redemption At the end of 15 years from the deemed  |  |

(₹ in crore)

| S. No. | Details of Non-Convertible debentures/ bonds       | Amount Raised | Amount Outstanding# | Date of allotment/ Deemed date of allotment | Coupon rate, tenor and redemption date   | Credit Rating for all the bonds provided below |
|--------|--|---------------|---------------------|---|--|--|
|        |  |               |                     |   | date of allotment  |  |
| 44.    | Debenture Series 184-A(subordinated Tier II bonds) | 2,000.00      | 2,000.00            | March 25, 2019                              | Coupon Rate: 9.25% p.a. payable annually<br>Maturity and Redemption At the end of 05 years & 06 months from the deemed date of allotment |  |
| 45.    | Debenture Series 184-B(subordinated Tier II bonds) | 2,411.50      | 2,411.50            | March 25, 2019                              | Coupon Rate: 9.10% p.a. payable annually<br>Maturity and Redemption: At the end of 10 years from the deemed date of allotment.           |  |
| 46.    | Debenture Series 185(subordinated Tier II bonds)   | 1,000.00      | 1,000.00            | March 28, 2019                              | Coupon Rate: 8.98% p.a. payable annually<br>Maturity and Redemption: At the end of 10 years from the deemed date of allotment.           |  |
| 47.    | Debenture Series 186                               | 2,578.90      | 2,578.90            | April 30, 2019                              | Coupon Rate: 8.79% p.a. payable annually<br>Maturity and Redemption: At the end of 15 years from the deemed date of allotment            |  |
| 48.    | Debenture Series 187-B                             | 1,982.10      | 1,982.10            | May 27,2019                                 | Coupon Rate: 8.85% p.a. payable annually<br>Maturity and Redemption: At the end of 10 years from the deemed date of allotment            |  |
| 49.    | Debenture Series 188                               | 691.10        | 691.10              | June 04,2019                                | Coupon Rate: 8.10% p.a. payable annually<br>Maturity and Redemption: At the end of 05 years from the deemed date of allotment            |  |
| 50.    | Debenture Series 189                               | 4035          | 4035                | August 8, 2019                              | Coupon Rate: 8.15% p.a. payable annually<br>Maturity and Redemption: At the end of 15 years from the deemed date of allotment            |  |
| 51.    | Debenture Series 190                               | 4016          | 4016                | September 6, 2019                           | Coupon Rate: 8.25% p.a. payable annually<br>Maturity and Redemption: At the end of 15 years from the deemed date of allotment            |  |
| 52.    | Debenture Series 192                               | 3000          | 3000                | November 19, 2019                           | Coupon Rate: 7.42% p.a. payable annually<br>Maturity and Redemption: At the end of 05 years from the deemed date of allotment            |  |
| 53.    | Debenture Series 193                               | 4710.50       | 4710.50             | December 31, 2019                           | Coupon Rate: 7.93% p.a. payable annually<br>Maturity and Redemption: At the end of 10 years from the deemed date of allotment            |  |
| 54.    | Debenture Series 195                               | 1100          | 1100                | January 14, 2020                            | Coupon Rate: 7.86% p.a. payable annually<br>Maturity and Redemption: At the  |  |



(₹ in crore)

| S. No. | Details of Non-Convertible debentures/ bonds | Amount Raised | Amount Outstanding# | Date of allotment/ Deemed date of allotment | Coupon rate, tenor and redemption date   | Credit Rating for all the bonds provided below |
|--------|--|---------------|---------------------|---|--|--|
|        |  |               |                     |   | end of 10 years from the deemed date of allotment  |  |
| 55.    | Debenture Series 196                         | 2500          | 2500                | February 25, 2020                           | Coupon Rate: 7.41% p.a. payable annually<br>Maturity and Redemption: At the end of 10 years from the deemed date of allotment              |  |
| 56.    | Debenture Series 197                         | 5000          | 5000                | March 2, 2020                               | Coupon Rate: 7.41% p.a. payable annually<br>Maturity and Redemption: At the end of 10 years from the deemed date of allotment              |  |
| 57.    | Debenture Series 199B                        | 1320          | 1320                | April 24, 2020                              | Coupon Rate: 7.16% p.a. payable annually<br>Maturity and Redemption: At the end of 05 years from the deemed date of allotment              |  |
| 58.    | Debenture Series 200                         | 2920          | 2920                | May 8, 2020                                 | Coupon Rate: 7.40% p.a. payable annually<br>Maturity and Redemption: At the end of 10 years from the deemed date of allotment              |  |
| 59.    | Debenture Series 201                         | 3101.30       | 3101.30             | May 15, 2020                                | Coupon Rate: 7.68% p.a. payable annually<br>Maturity and Redemption: At the end of 10 years and 2 months from the deemed date of allotment |  |
| 60.    | Debenture Series 202B                        | 810           | 810                 | May 22, 2020                                | Coupon Rate: 7.17% p.a. payable annually<br>Maturity and Redemption: At the end of 05 years from the deemed date of allotment              |  |
| 61.    | Debenture Series 202C                        | 1936          | 1936                | May 22, 2020                                | Coupon Rate: 7.79% p.a. payable annually<br>Maturity and Redemption: At the end of 10 years 2 months from the deemed date of allotment     |  |
| 62.    | Debenture Series 203B                        | 3318          | 3318                | June 11, 2020                               | Coupon Rate: 7.75% p.a. payable annually<br>Maturity and Redemption: At the end of 10 years from the deemed date of allotment              |  |
| 63.    | Debenture Series 196 R1                      | 1500          | 1500                | July 14, 2020                               | Coupon Rate: 7.41% p.a. payable annually<br>Maturity and Redemption: At the end of 9 years 7 months from the deemed date of allotment      |  |
| 64.    | Debenture Series 204A                        | 900           | 900                 | July 28, 2020                               | Coupon Rate: 5.77% p.a. payable annually<br>Maturity and Redemption: At the end of 04 years 9 months from the deemed date of allotment     |  |
| 65.    | Debenture Series 204B                        | 1300          | 1300                | July 28, 2020                               | Coupon Rate: 6.88% p.a. payable annually   |  |

(₹ in crore)

| S. No. | Details of Non-Convertible debentures/ bonds | Amount Raised | Amount Outstanding# | Date of allotment/ Deemed date of allotment | Coupon rate, tenor and redemption date   | Credit Rating for all the bonds provided below |
|--------|--|---------------|---------------------|---|--|--|
|        |  |               |                     |   | Maturity and Redemption: At the end of 10 years 9 months from the deemed date of allotment   |  |
| 66.    | Debenture Series 205A                        | 1610.10       | 1610.10             | August 10, 2020                             | Coupon Rate: 7.05% p.a. payable annually<br>Maturity and Redemption: At the end of 10 years from the deemed date of allotment          |  |
| 67.    | Debenture Series 205B                        | 1605.70       | 1605.70             | August 10, 2020                             | Coupon Rate: 7.20% p.a. payable annually<br>Maturity and Redemption: At the end of 15 years from the deemed date of allotment          |  |
| 68.    | Debenture Series 206                         | 3000          | 3000                | August 20, 2020                             | Coupon Rate: 5.47% p.a. payable annually<br>Maturity and Redemption: At the end of 03 years from the deemed date of allotment          |  |
| 69.    | Debenture Series 207                         | 1097.40       | 1097.40             | September 9, 2020                           | Coupon Rate: 7.04% p.a. payable annually<br>Maturity and Redemption: At the end of 10 years 3 months from the deemed date of allotment |  |
| 70.    | Debenture Series 208                         | 2806          | 2806                | September 17, 2020                          | Coupon Rate: 6.50% p.a. payable annually<br>Maturity and Redemption: At the end of 05 years from the deemed date of allotment          |  |
| 71.    | Debenture Series 209                         | 1711          | 1711                | September 29, 2020                          | Coupon Rate: 7.34% p.a. payable annually<br>Maturity and Redemption: At the end of 15 years from the deemed date of allotment          |  |
| 72.    | Debenture Series 207 R1                      | 2549.10       | 2549.10             | November 11, 2020                           | Coupon Rate: 7.04% p.a. payable annually<br>Maturity and Redemption: At the end of 15 years from the deemed date of allotment          |  |
| 73.    | Debenture Series 210A STRPP1                 | 405.60        | 405.60              | June 30, 2021                               | Coupon Rate: 6.35% p.a. payable annually<br>Maturity and Redemption: At the end of 04 years from the deemed date of allotment          |  |
| 74.    | Debenture Series 210A STRPP2                 | 540.80        | 540.80              | June, 30, 2021                              | Coupon Rate: 6.35 p.a. payable annually<br>Maturity and Redemption: At the end of 05 years from the deemed date of allotment           |  |
| 75.    | Debenture Series 210A STRPP3                 | 405.60        | 405.60              | June, 30, 2021                              | Coupon Rate: 6.35% p.a. payable annually<br>Maturity and Redemption: At the end of 06years from the deemed date of allotment           |  |
| 76.    | Debenture Series 210B                        | 1,933.50      | 1,933.50            | June 30, 2021                               | Coupon Rate: 7.11% p.a. payable annually   |  |

(₹ in crore)

| S. No. | Details of Non-Convertible debentures/ bonds | Amount Raised | Amount Outstanding# | Date of allotment/ Deemed date of allotment | Coupon rate, tenor and redemption date   | Credit Rating for all the bonds provided below |
|--------|--|---------------|---------------------|---|--|--|
|        |  |               |                     |   | Maturity and Redemption: At the end of 15 years from the deemed date of allotment  |  |
| 77.    | Debenture Series 211 Floating                | 1,985.00      | 1,985.00            | August 02, 2021                             | Coupon Rate: Floating rate annually<br>Maturity and Redemption: At the end of 03 years from the deemed date of allotment                 |  |
| 78.    | Debenture Series 212 A                       | 2,450.00      | 2,450.00            | August 27, 2021                             | Coupon Rate: 6.09% p.a. payable annually<br>Maturity and Redemption: At the end of 05 years from the deemed date of allotment            |  |
| 79.    | Debenture Series 212B                        | 2,343.70      | 2,343.70            | August 27, 2021                             | Coupon Rate: 7.15% p.a. payable annually<br>Maturity and Redemption: At the end of 15 years from the deemed date of allotment            |  |
| 80.    | Debenture Series 213                         | 1,988.00      | 1,988.00            | October 01, 2021                            | Coupon Rate: 6.95% p.a. payable annually<br>Maturity and Redemption: At the end of 10 years from the deemed date of allotment            |  |
| 81.    | Debenture Series 214 BBETF                   | 1,180.00      | 1,180.00            | December 21, 2021                           | Coupon Rate: 6.92% p.a. payable annually<br>Maturity and Redemption: At the end of 10 years 3 month from the deemed date of allotment    |  |
| 82.    | Debenture Series 215                         | 2,420.00      | 2,420.00            | August 10, 2022                             | Coupon Rate: 7.13% p.a. payable annually<br>Maturity and Redemption: At the end of 03 years from the deemed date of allotment            |  |
| 83.    | Debenture Series S 216                       | 3,000.00      | 3,000.00            | August 24, 2022                             | Coupon Rate: 7.13 % p.a. payable annually<br>Maturity and Redemption: At the end of 03 years 09 month from the deemed date of allotment. |  |
| 84.    | Debenture Series 217A                        | 4,000.00      | 4,000.00            | September 08, 2022                          | Coupon Rate: 7.42 % p.a. payable annually<br>Maturity and Redemption: At the end of 10 years from the deemed date of allotment.          |  |
| 85.    | Debenture Series 217B STRPP1                 | 276.40        | 276.40              | September 08, 2022                          | Coupon Rate: 7.15 % p.a. payable annually<br>Maturity and Redemption: At the end of 3 years from the deemed date of allotment.           |  |
| 86.    | Debenture Series 217B STRPP2                 | 276.40        | 276.40              | September 08, 2022                          | Coupon Rate: 7.15 % p.a. payable annually<br>Maturity and Redemption: At the end of 04 years from the deemed date of allotment.          |  |
| 87.    | Debenture Series 217B STRPP3                 | 276.40        | 276.40              | September 08, 2022                          | Coupon Rate: 7.15 % p.a. payable annually<br>Maturity and  |  |

(₹ in crore)

| S. No. | Details of Non-Convertible debentures/ bonds | Amount Raised | Amount Outstanding# | Date of allotment/ Deemed date of allotment | Coupon rate, tenor and redemption date  | Credit Rating for all the bonds provided below |
|--------|--|---------------|---------------------|---|---|--|
|        |  |               |                     |   | Redemption: At the end of 05 years from the deemed date of allotment.   |  |
| 88.    | Debenture Series 218                         | 1,450.00      | 1,450.00            | November 03, 2022                           | Coupon Rate: 7.59 % p.a. payable annually Maturity and Redemption: At the end of 03 years from the deemed date of allotment.          |  |
| 89.    | Debenture Series 219                         | 4,000.00      | 4,000.00            | November 14, 2022                           | Coupon Rate: 7.65 % p.a. payable annually Maturity and Redemption: At the end of 15 years from the deemed date of allotment.          | AAA from CRISIL, CARE and ICRA                 |
| 90.    | Debenture Series 220 BBETF                   | 470.00        | 470.00              | December 14, 2022                           | Coupon Rate: 7.58 % p.a. payable annually Maturity and Redemption: At the end of 10 years 05 Month from the deemed date of allotment. | AAA from CRISIL, CARE and ICRA                 |
| 91.    | Debenture Series 221A                        | 2,782.70      | 2,782.70            | December 19, 2022                           | Coupon Rate: 7.72 % p.a. payable annually Maturity and Redemption: At the end of 15 years from the deemed date of allotment.          | AAA from CRISIL, CARE and ICRA                 |
| 92.    | Debenture Series 221B                        | 3,500.00      | 3,500.00            | December 19, 2022                           | Coupon Rate: 7.59 % p.a. payable annually Maturity and Redemption: At the end of 05 years 25 days from the deemed date of allotment.  | AAA from CRISIL, CARE and ICRA                 |
| 93.    | Debenture Series S 222                       | 2,540.00      | 2,540.00            | December 27, 2022                           | Coupon Rate: 7.58 % p.a. payable annually Maturity and Redemption: At the end of 03 years 18 days from the deemed date of allotment.  | AAA from CRISIL, CARE and ICRA                 |
| 94.    | Debenture Series 223                         | 3,500.00      | 3,500.00            | February 22, 2023                           | Coupon Rate: 7.64 % p.a. payable annually Maturity and Redemption: At the end of 10 years from the deemed date of allotment.          | AAA from CRISIL, CARE and ICRA                 |
| 95.    | Debenture Series 224                         | 3,468.50      | 3,468.50            | March 06, 2023                              | Coupon Rate: 7.82 % p.a. payable annually Maturity and Redemption: At the end of 15 years from the deemed date of allotment.          | AAA from CRISIL, CARE and ICRA                 |
| 96.    | Debenture Series 225A                        | 3,262.70      | 3,262.70            | March 13, 2023                              | Coupon Rate: 7.77 % p.a. payable annually Maturity and Redemption: At the end of 03 years 4 month from the deemed date of allotment.  | AAA from CRISIL, CARE and ICRA                 |
| 97.    | Debenture Series 225B STRPP I                | 625.00        | 625.00              | March 13, 2023                              | Coupon Rate: 7.82 % p.a. payable annually Maturity and Redemption: At the end of 07 years from the deemed date of allotment.          | AAA from CRISIL, CARE and ICRA                 |
| 98.    | Debenture Series 225B STRPP II               | 625.00        | 625.00              | March 13, 2023                              | Coupon Rate: 7.82 % p.a. payable annually Maturity and  | AAA from CRISIL,                               |

(₹ in crore)

| S. No. | Details of Non-Convertible debentures/ bonds | Amount Raised | Amount Outstanding# | Date of allotment/ Deemed date of allotment | Coupon rate, tenor and redemption date  | Credit Rating for all the bonds provided below |
|--------|--|---------------|---------------------|---|---|--|
|        |  |               |                     |   | Redemption: At the end of 08 years from the deemed date of allotment.   | CARE and ICRA                                  |
| 99.    | Debenture Series 225B STRPP III              | 625.00        | 625.00              | March 13, 2023                              | Coupon Rate: 7.82 % p.a. payable annually Maturity and Redemption: At the end of 09 years from the deemed date of allotment.                  | AAA from CRISIL, CARE and ICRA                 |
| 100.   | Debenture Series 225B STRPP IV               | 625.00        | 625.00              | March 13, 2023                              | Coupon Rate: 7.82 % p.a. payable annually Maturity and Redemption: At the end of 10 years from the deemed date of allotment.                  | AAA from CRISIL, CARE and ICRA                 |
| 101.   | Debenture Series 226A                        | 1,200.00      | 1,200.00            | March 27, 2023                              | Coupon Rate: 7.66 % p.a. payable annually Maturity and Redemption: At the end of 10 years 18 days from the deemed date of allotment.          | AAA from CRISIL, CARE and ICRA                 |
| 102.   | Debenture Series 226B                        | 583.50        | 583.50              | March 27, 2023                              | Coupon Rate: 7.70 % p.a. payable annually Maturity and Redemption: At the end of 10 years 18 Days from the deemed date of allotment.          | AAA from CRISIL, CARE and ICRA                 |
| 103.   | Debenture Series 227A                        | 1,200.00      | 1,200.00            | March 31, 2023                              | Coupon Rate: 7.70 % p.a. payable annually Maturity and Redemption: At the end of 03 years 05 month 15 days from the deemed date of allotment. | AAA from CRISIL, CARE and ICRA                 |
| 104.   | Debenture Series SRS 227B                    | 1,390.00      | 1,390.00            | March 31, 2023                              | Coupon Rate: 7.77 % p.a. payable annually Maturity and Redemption: At the end of 05 years 15 days from the deemed date of allotment.          | AAA from CRISIL, CARE and ICRA                 |
| 105.   | Debenture Series SRS 228A                    | 2330.00       | 2330.00             | April 20, 2023                              | Coupon Rate: 7.55% p.a. payable annually Maturity and Redemption: At the end of 3 years 75 days from the deemed date of allotment.            | AAA from CRISIL, CARE and ICRA                 |
| 106.   | Debenture Series SRS 228B                    | 2102.00       | 2102.00             | April 20, 2023                              | Coupon Rate: 7.62% p.a. payable annually Maturity and Redemption: At the end of 10 years 75 days from the deemed date of allotment.           | AAA from CRISIL, CARE and ICRA                 |
| 107.   | Debenture Series SRS 229                     | 1550.00       | 1550.00             | May 10, 2023                                | Coupon Rate: 7.44% p.a. payable annually Maturity and Redemption: At the end of 05 years from the deemed date of allotment.                   | AAA from CRISIL, CARE and ICRA                 |
| 108.   | Debenture Series SRS 230                     | 2990.00       | 2990.00             | May 22, 2023                                | Coupon Rate: 7.37 % p.a. payable annually Maturity and Redemption: At the end of 03 years from the deemed date of allotment.                  | AAA from CRISIL, CARE and ICRA                 |
| 109.   | Debenture Series                             | 1260.00       | 1260.00             | Jun 01, 2023                                | Coupon Rate: 7.86 % p.a.  | AAA from                                       |

(₹ in crore)

| S. No.       | Details of Non-Convertible debentures/ bonds | Amount Raised     | Amount Outstanding# | Date of allotment/ Deemed date of allotment | Coupon rate, tenor and redemption date  | Credit Rating for all the bonds provided below |
|--------------|--|-------------------|---------------------|---|---|--|
|              | SRS 195R                                     |                   |                     |   | payable annually Maturity and Redemption: At the end of 06 years 10 Month 11 Days from the deemed date of allotment.                          | CRISIL, CARE and ICRA                          |
| 110.         | Debenture Series SRS 214R                    | 1330.00           | 1330.00             | Jun 01, 2023                                | Coupon Rate: 6.92 % p.a. payable annually Maturity and Redemption: At the end of 08 years 10 Month 13 Days from the deemed date of allotment. | AAA from CRISIL, CARE and ICRA                 |
| 111.         | Debenture Series SRS 231                     | 3896.90           | 3896.90             | Jun 20, 2023                                | Coupon Rate: 7.48 % p.a. payable annually Maturity and Redemption: At the end of 15 years from the deemed date of allotment.                  | AAA from CRISIL, CARE and ICRA                 |
| <b>Total</b> |  | <b>207,997.20</b> | <b>207,997.20</b>   |   |   |  |

#As per IND AS (includes interest accrued but not due)

**H. List of top ten holders of non-convertible securities holders as on June 30, 2023**

(₹ in crore)

| Sr. No. | Name of the holder of Non-convertible Securities | Amount    | % of total non-convertible securities outstanding |
|---------|--|-----------|---|
| 1.      | Life Insurance Corporation of India              | 37,610.00 | 17.50   |
| 2.      | CBT-EPF  | 34,278.00 | 15.95   |
| 3.      | NPS TRUST  | 10,256.32 | 4.77  |
| 4.      | Edelweiss Trusteeship Co Limited -MF             | 9,108.20  | 4.24  |
| 5.      | Coal Mines Provident Fund Organisation           | 6,440.30  | 3.00  |
| 6.      | SBI Life Insurance Co. Limited                   | 6,105.80  | 2.84  |
| 7.      | HDFC -MF   | 5,865.00  | 2.73  |
| 8.      | State Bank of India                              | 4,892.10  | 2.28  |
| 9.      | State Bank of India Employees Pension Fund       | 4,417.10  | 2.05  |
| 10.     | SBI -MF  | 4,250.90  | 1.98  |

**I. Corporate Guarantee issued by our Company**

There are no Corporate Guarantees issued by our Company as of June 30, 2023.

**J. Details of any outstanding borrowings taken/ debt securities issued were taken/ issued (a) for consideration other than cash, whether in whole or in part, (b) at a premium or discount, or (c) in pursuance of an option as on June 30, 2023.**

Our Company has not taken any outstanding borrowings / issued any debt securities issued (a) for consideration other than cash,(b) at a premium or at a discount, or (c) in pursuance of an option, except for foreign currency bonds under medium term notes programme through various tranches - 3.95% USD Medium Term Notes 2030, 3.90% USD Medium Term Notes 2029, 4.50% USD Medium Term Notes 2029, 6.15% USD Medium Term Notes 2028, 5.25% Medium Term Notes 2028, 3.75% USD Medium Term Notes 2027, 3.75% USD Medium Term Notes 2024, 3.25% USD Medium Term Notes 2024 and 3.35% USD Medium Term Notes 203 and 1.841 EUR Medium Term Note 2028.

**K. Details of rest of borrowings if any, including hybrid debt instruments such as foreign currency convertible bonds or convertible debentures and preference shares as on June 30, 2023:**

Nil

**L. Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past 3 years.**

There have been no default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past 3 years.

## SECTION VI – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND OTHER CONFIRMATIONS

*Our Company may, from time to time, be involved in various litigation proceedings in the ordinary course of our business. These legal proceedings are primarily in the nature of criminal cases, civil cases and tax proceedings.*

*As on the date of this Draft Shelf Prospectus, except as disclosed hereunder, our Company, Group Companies, Subsidiaries and Directors are not involved in: (i) any outstanding action initiated by regulatory and statutory authorities (such as SEBI, RBI, Stock Exchange or such similar authorities); (ii) any outstanding civil litigation or tax proceedings involving our Company, Group Companies, Subsidiaries (except REC and RECPDCL\*) or any other person where the amount is ₹ 116.05 crores (being 1 % of the profit after tax of the Company as on March 31, 2023, on a standalone basis) or above; (iii) any outstanding criminal litigation; (iv) pending proceedings initiated against the Issuer for economic offences and (v) any other pending litigation involving the Company, Group Companies, Subsidiaries and Directors, which may be considered material by our Company for the purposes of disclosure in this section of this Draft Shelf Prospectus, solely for the purpose of this Issue and whose outcome could have material adverse effect on the financial position of the Issuer, which may affect the Issue or the investor's decision to invest / continue to invest in the debt securities and (vi) any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Company, litigations 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.*

*\* Provided that for the purpose of disclosure of material civil cases for REC, RECPDCL and PFCCL, we have considered 1% of PAT of REC for Fiscal 2023 i.e. ₹ 110.55 crore considering that REC is a material subsidiary of our Company, and both RECPDCL is a wholly owned subsidiary of REC.*

*Except as disclosed in this Draft Shelf Prospectus, there are no (i) inquiries, inspections or investigations initiated or conducted (for which notices have been issued) under the Companies Act, 2013 or securities law in the last three years immediately preceding the year of this Draft Shelf Prospectus involving our Company and any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Draft Shelf Prospectus involving our Company; (ii) any material fraud committed against our Company in the last three years, and if so, the action taken by our Company; (iii) any significant and material order passed by the regulators, courts and tribunals impacting the going concern status of our Company or its future operations; (iv) any default by our Company including therein the amount involved, duration of default and present status, in repayment of: (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interest thereon; or (d) loan from any bank or financial institution and interest thereon; and (v) any default in annual filing of our Company under the Companies Act, 2013.*

*It is clarified that for the purposes of the above, pre-litigation notices received by our Company, Group Companies, Subsidiaries or our Directors as the case may be, have not been considered as litigation until such time that the above-mentioned entities are not impleaded as a defendant/respondent in litigation proceedings before any judicial or quasi-judicial forum.*

### OUTSTANDING LITIGATIONS

#### I. *Litigation involving our Company*

##### *Material Civil Litigation against our Company*

1. A petition has been filed by M/s Entegra Limited and Others (“**Applicants**”) bearing TP 76 of 2019 (NCLT Indore) against Shree Maheshwar Hydel Power Corporation Limited (“**SMHPCL**”) and the lenders who are shareholders in SMHPCL under Sections 241, 242, 244 and 59 of the Companies Act, 2013 before the NCLT, Ahmedabad Bench, claiming dues amounting to ₹ 16,607.77 crores. The applicants, inter alia, prayed to declare that PFC has been in management control since 2005 and mismanaged SMHPCL. PFC has filed an interim application bearing IA no. 281 of 2018 for dismissal of the application. The matter was last heard on June 11, 2023 at NCLT, Indore, and is listed for further hearings on July 13, 2023.
2. A civil suit vide C.S no 648 of 2021 was filed by ABB India Limited against our Company and our subsidiary REC at the Hon’ble Delhi High Court seeking, inter alia, an order from the Court that the Company and REC are obliged to make payments from the trust and retention account of South East UP Power Transmission Company Limited as per the minutes of the meeting dated June 29, 2017, and for a bank guarantee or a securitization amounting to ₹ 193 crores. In the last hearing dated May 8, 2023, Court issued formal notice



regarding the interlocutory applications filed by both the parties. The next hearing is scheduled for August 7, 2023.

3. A miscellaneous writ petition bearing reference number 28928 of 2009 titled 'Union of India vs National Securities Depository Limited and Ors.' ("**Writ Petition**") was filed before the Hon'ble Allahabad High Court ("**High Court**") for issuance of directions to Central Bureau of Investigation ("**CBI**") to expeditiously complete its investigation pertaining to a fraudulent transfer of securities from dematerialised accounts of Northern Railways, Allahabad and for directions to our Company to disallow any further transfer of the securities. Our Company's bonds are also involved. Our Company has been impleaded as a proforma party in this matter (respondent No. 4). The Allahabad High Court directed our Company not to transfer bonds until further orders. our Company received the order of Special Judge, CBI, Lucknow to remit the withheld redemption amount to Northern Central Railway, Allahabad. The same has been remitted by our Company as per the High Court's direction. After dismissal of said Writ Petition, the petitioner is yet to file for the listing of the matter for its restoration and hearing.

#### ***Material Civil Litigation by our Company***

1. An insolvency application bearing CP(IB)No.23/7/HDB/2018 was filed under Section 7 of the IBC before NCLT, Hyderabad for initiation of corporate insolvency resolution process ("**CIRP**") of East Coast Energy Private Limited ("**ECEPL**"). Our Company had filed a claim in the CIRP of ECEPL. Since no resolution plan was received, NCLT, Hyderabad passed an order bearing IA no. 103 of 2019, for the liquidation of ECEPL on April 22, 2019 and appointed a liquidator. Our Company has filed its claim before the liquidator for an amount of ₹ 1,671.36 crores. Presently, the liquidation process is underway, and one interlocutory application under section 66 of IBC is pending before NCLT, Hyderabad.
2. The Company had sanctioned rupee term loan of ₹ 1239 crores to Ind-Barath Power (Madras) Limited ("**Corporate Debtor**") for setting up a 660 megawatt coal based thermal power project at Sasthavinallur and Pallkkurichi village, Sattankulam Taluk, Tuticorin District in Tamil Nadu (herein after referred as "**Project**"). The Project suffered from various setbacks. Meanwhile an application under IBC at NCLT, Hyderabad ("**NCLT**") was filed by an operational creditor namely M/S Rohan Varma Constructions Private Limited, in which the NCLT, vide order dated August 14, 2017 appointed Shri Kranthi Kumar Kedari as Interim Resolution Professional (IRP). The Corporate Debtor went into liquidation vide NCLT order dated April 22, 2019, and appointed Mr. Ashish Rathi as the liquidator. Presently the proceedings have been stayed by NCLAT in view of the pending appeals filed by Lenders and Liquidator against the order passed by NCLT thereby rejecting the application filed by resolution professional under section 66 of IBC.
3. Our Company, REC and India Infrastructure Finance Company Limited ("**Lenders**") filed a civil suit bearing no. CS(OS) 200/2019 dated April 2, 2019 before the Hon'ble High Court of Delhi against Axis Bank for not doing their duty as trust and retention account ("**TRA**") Bank and thereby causing loss in the matter related to Ind-Barath Power (Madras) Limited, for an amount of ₹ 625 crores. The amount is jointly claimed by Lenders on a pari passu basis. The matter is pending for arguments on legal issues, and the next date of hearing is August 17, 2023.
4. Pursuant to an application bearing no. CP(IB) No. 458/7/HDB/2018 filed by IDBI Bank Limited before NCLT, Hyderabad Bench under Section 7 of the IBC, the corporate insolvency resolution process ("**CIRP**") of Konaseema Gas Power Limited ("**Konaseema**") was initiated vide order dated December 18, 2018 and an IRP was appointed. Our Company filed a claim in the CIRP of Konaseema on January 2, 2019 for an amount of ₹ 1,175.14 crores. On February 20, 2020, the NCLT passed an order of liquidation of Konaseema and appointed a liquidator. Our Company has filed its claim on March 19, 2020 before the liquidator for an amount of ₹ 1412.85 crores. The amount claimed has been admitted by the liquidator. Currently, the auctions of the liquidated assets are underway.
5. Our Company has filed a recovery suit bearing O.A.No.339 of 2018 dated June 1, 2018 against Konaseema Gas Power Limited ("**Konaseema**") before DRT, Hyderabad for an amount of ₹ 1412.85 crores. The application is in parallel to the claim made at the NCLT, Hyderabad and the application against the personal guarantor of Konaseema. The original application is posted for July 10, 2023 for hearing.
6. Central Bank of India filed an application bearing CP (IB)/202/2021 under section 95 of the IBC, against MSP Rama Rao (the "**Guarantor**"), a personal guarantor to Konaseema Gas Power Limited ("**Konaseema**"). The

application was admitted by the NCLT vide its order dated April 11, 2022. Our Company successfully filed its claim against the Guarantor in response to the advertisement inviting claims published by the resolution professional. The repayment plan was rejected by the creditors. . Bankruptcy process under IBC is underway.

7. An application bearing CP(IB)No.328/7/HDB/2018 was filed by our Company before NCLT, Hyderabad under Section 7 of IBC, seeking initiation of corporate insolvency resolution process (“**CIRP**”) of KVK Nilachal Power Private Limited. The matter was admitted and the CIRP commenced on September 17, 2019. Pursuant thereto, our Company filed its claim for an amount of ₹ 834.60 crores. Since no resolution plan was received, the committee of creditors (“**COC**”) of KVK Nilachal Power Private Limited voted for liquidation in its meeting held on March 16 and 17, 2020. Thereafter, an application for liquidation was filed before the NCLT, Hyderabad on March 20, 2020, which was admitted. Currently the liquidation plan passed by the COC is being implemented.
8. Our Company has filed a case bearing CP(IB) 12/2022 under Section 95 of IBC, against the personal guarantor of KVK Nilachal Power Private Limited for an amount of ₹ 1125.39 crores. The personal guarantor filed a writ against the admission, challenging the claim under IBC. The Hon’ble Supreme Court has tagged the personal guarantor’s writ with other writs pending before them and granted a stay. Further hearings are listed for July 31, 2023.
9. An application bearing TP No. 258 of 2019 (C.P. NO. IB-111/NCLT/AHM/2018) dated February 16, 2018 was filed by our Company before NCLT, Ahmedabad under Section 7 of the IBC, seeking initiation of corporate insolvency resolution process (“**CIRP**”) of Shree Maheshwar Hydel Power Corporation Limited (“**SMHPCL**”) for default of an amount of ₹ 2,789.42 crores. The application was transferred to NCLT, Indore upon its constitution, and was admitted vide order dated September 27, 2022. The order admitting the application was appealed to the NCLAT, Delhi. The next date of hearing is on July 6, 2023. Further, by way of an interlocutory application bearing IA/9(MP)/2023 filed by the promoter and investors of SMHPCL, the CIRP had been put on hold till July 13, 2023. Our Company has appealed against this order before the NCLAT, Delhi, which is listed on July 6, 2023.
10. Our Company, along with other lenders, had provided financial assistance to Shree Maheshwar Hydel Power Corporation Limited (“**SMHPCL**”). On the account turning non-performing asset, our Company filed an original application bearing no. TA/139/2022 before the DRT, Delhi, along with REC, India Infrastructure Finance Company Limited, Housing and Urban Development Corporation and Edelweiss, against the personal and corporate guarantors of SMHPCL. Our Company has filed the aforesaid application for a claim amount of ₹ 826.19 crore. The matter is pending before DRT, Delhi for further submissions. Our Company has also filed an additional application against the corporate guarantors, MW Infra seeking attachment of shareholding in Hindon Rivermills Private Limited. The last hearing was held on July 3, 2023 and the matter is now listed for further hearing on August 16, 2023 (*Court order awaited*).
11. Our Company has made a recovery claim bearing TA/29/2022 against the Government of Madhya Pradesh for the guarantee given by it in the loan account of Shri Maheshwar Hydel Power Corporation Limited, for an amount of ₹ 1357.70 crores before the DRT, Delhi. The last hearing was held on May 2, 2023 before DRT Delhi, and the next hearing shall be held on August 1, 2023.
12. An application has been filed by our Company bearing no. CP(IB) No. 492/07/HDB/2019 under Section 7 of the IBC before NCLT, Hyderabad (“**NCLT**”), seeking initiation of corporate insolvency resolution process (“**CIRP**”) of KSK Mahanadi Power Corporation Limited. The Section 7 application filed by our Company was admitted by the NCLT on October 3, 2019. Consequently, our Company filed its claim for an amount of ₹ 4447.91 crores, which was admitted by the interim resolution professional in full. Meanwhile, the committee of creditors (“**COC**”) of KSK Mahanadi has filed an appeal before NCLAT on December 16, 2020 against NCLT Hyderabad’s Order dated November 26, 2020 pronounced in IA 929/2020. Further, the NCLT, Hyderabad stayed the resolution process vide its order dated June 7, 2022. The 36<sup>th</sup> COC meeting was held on June 2, 2023. A consolidated appeal was heard before NCLAT, Chennai on June 19, 2023, and has been posted to July 21, 2023, while the stay continues.
13. Our Company has filed an application bearing CP IB/280/2022 under Section 95 of IBC before the NCLT, Hyderabad against S. Kishore, personal guarantor for KSK Mahanadi Power Company Limited. An amount of ₹ 4447.91 crores has been claimed under this application. In the previous hearing, held on April 18, 2023, the Tribunal noted that the State Bank of India (“**SBI**”), who are part of the consortium in the NCLT claim against KSK Mahanadi Power Company Limited, have also filed an application under Section 95 of IBC against the

personal guarantor, therefore the next hearing of the matter has been clubbed with SBI for July 5, 2023.

14. Our Company has filed an application bearing CP IB/276/2022 under Section 95 of IBC before the NCLT, Hyderabad against K. A. Sastry, personal guarantor for KSK Mahanadi Power Company Limited. An amount of ₹ 4447.91 crores has been claimed under this application. In the previous hearing, held on April 18, 2023, the Tribunal noted that the State Bank of India (“SBI”), who are part of the consortium in the NCLT claim against KSK Mahanadi Power Company Limited, have also filed an application under Section 95 of IBC against the personal guarantor, therefore the next hearing of the matter has been clubbed with SBI for July 5, 2023.
15. An application bearing C.P.(IB) No.1290/KB/2018 was filed by Punjab National Bank before the NCLT, Kolkata Bench, seeking initiation of corporate insolvency resolution process (“CIRP”) of Jas Infrastructure and Power Limited (“Corporate Debtor”). The CIRP was admitted vide order dated October 16, 2019 passed by the NCLT. Thereafter, on July 17, 2020, the NCLT passed an order of liquidation of Corporate Debtor and appointed a liquidator. PFC has filed its claim of ₹ 520.82 crores before the liquidator, which has been admitted. The process of liquidation was stayed by the NCLAT vide order dated September 14, 2020. The Enforcement Directorate (“ED”) further passed an order provisionally attaching the assets of the corporate debtor. A writ petition against the order of the ED has been filed by the liquidator before the NCLAT.
16. An original application bearing OA No. 353 of 2016 was filed by Assets Care and Reconstruction Enterprises Limited against Jas Infrastructure and Power Limited and Ors. Before Debt Recovery Tribunal (“DRT”), New Delhi. Application for impleadment of our Company, India Infrastructure Finance Company Limited and State Bank of Bikaner and Jaipur amongst others as co-applicants in the original application was filed on September 6, 2016. The application for impleadment of our Company has been allowed by the concerned DRT. Amended original application had been filed on January 31, 2017 for recovery of our Company’s dues amounting to ₹ 312.16 crores. The matter was last listed on April 26, 2023 for final disposal, and shall be heard on July 4, 2023 for valuation and CIBIL submission.
17. An application bearing CP(IB)No.420/7/HDB/2018 was filed by Axis Bank along with other financial creditors before NCLT, Hyderabad, seeking initiation of corporate insolvency resolution process (“CIRP”) of Lanco Amarkantak Power Limited (“LAPL”) for non-payment of outstanding dues. NCLT Hyderabad has admitted the petition and passed an order of initiation of CIRP of LAPL dated September 5, 2019. Our Company has made a claim for an amount of ₹ 3186.43 crores. Two resolution plans have been received in respect of LAPL. At the same time, a settlement application has also been received from the promoters of LAPL. The CIRP for LAPL is currently underway and 59<sup>th</sup> committee of creditor’s meeting was held on March 23, 2023.
18. An original application bearing OA 653 of 2019 filed by our Company against M/s. Lanco Amarkantak Power Limited before DRT, Delhi under Section 19 of the Recovery of Debts and Bankruptcy Act, 1993 for recovery of dues amounting to ₹ 3,118.19 crores. On the last date of hearing i.e. October 27, 2020, our Company pressed the application for grant of interim attachment of assets (as declared by defendant nos. 3 to 5 in their affidavits). The DRT directed the opposite party to file reply to the application for attachment and listed the matter for November 4, 2020 for arguments. As State Bank of India has filed an application under Section 95 of the IBC against defendant nos. 2 and 6, moratorium is applicable on them and proceedings against them are stalled for another 6 months. The DRT reserved the orders in application for attachment of properties of defendant nos. 3, 4 and 5. The matter was listed on December 21, 2020 through video conferencing. The order could not be pronounced on the interlocutory applications (“IA”) for attachment of accounts. The matter has been adjourned for orders on the IA. The matter was adjourned to December 28, 2020 for orders on IA. Further, two caveats have been filed on January 04, 2021 before High Court of Delhi. Next hearing is on August 1, 2023.
19. An application for initiating corporate insolvency resolution process (“CIRP”) bearing no. CP (IB) No.141/7/NCLT/AHM/2019 was filed against Avantha Power and Infrastructure Limited (promoter of Jhabua Power Limited), post invocation of corporate guarantee, for an amount of ₹ 1440.88 crores on August 16, 2021. NCLT Ahmedabad passed an order allowing the CIRP. PFC has filed its claim in the matter, and the CIRP is under process.
20. Our Company filed two separate applications bearing no. CP IB No. 182/95/HYD/2022 under Section 95 of the IBC against Sreenivas Motupalli, a personal guarantor of Krishna Godavari Power Utilities Limited (“KGPUL”) for an amount of ₹ 235.94 crores each. The applications has been admitted by NCLT, Hyderabad vide order bearing CP(IB) No.182/95/HDB/2022. The next hearing is yet to be decided.
21. Our Company has filed an application bearing CP IB No. 186/95/HYD/2022 under Section 95 of the IBC against

Seetaram Motupalli, a personal guarantor of Krishna Godavari Power Utilities Limited (“KGPUL”) for an amount of ₹ 235.94 crores. The application will be heard on July 12, 2023.

22. An application bearing CP No. (IB)-2561/(ND)/2019 under section 7 of IBC has been filed against Sinnar Thermal Power Limited by M/s Shapoorji Palonji and Co. Private Limited for non-payment of its dues. The Hon’ble NCLT vide order dated September 19, 2022 admitted the application thereby allowing the initiation of corporate insolvency resolution process (“CIRP”). The application was appealed to the NCLAT, and vide its order bearing CA(AT) No. 1185 of 2022 dated September 26, 2022, stayed the resolution process. The matter was not taken up on the last date of hearing, i.e., May 30, 2023, the matter is now listed on July 14, 2023 for further hearing.
23. An application under Section 7 of IBC was filed by SunEdison Energy India Private Limited against KSK Energy Company Private Limited (“corporate debtor”) at NCLT, Hyderabad. The NCLT, Hyderabad passed an order dated December 23, 2022 permitting corporate insolvency resolution process (“CIRP”). Our Company filed its claim of ₹ 4447.91 crores under the CIRP. The NCLT, Hyderabad further passed an order on May 25, 2023 for the liquidation of the corporate debtor. The first consultation meeting with the liquidator was held on June 1, 2023.

#### ***Criminal Litigation against our Company***

There are no criminal litigation cases against our Company as on the date of this Draft Shelf Prospectus.

#### ***Criminal Litigation by our Company***

There are no criminal litigation cases by our Company as on the date of this Draft Shelf Prospectus.

#### ***Actions Taken by Regulatory and Statutory Authorities against our Company.***

There are no actions taken by regulatory and statutory authorities against our Company as on the date of this Draft Shelf Prospectus.

### ***II. Litigation involving our Directors.***

#### ***Criminal Litigation against our Directors***

Nil

#### ***Criminal Litigation by our Directors***

Nil

#### ***Material Civil Litigation against our Directors***

Nil

#### ***Material Civil Litigation by our Directors***

Nil

#### ***Actions Taken by Regulatory and Statutory Authorities against our Directors.***

Nil

### ***III. Litigation involving our Group Companies.***

#### ***a. Energy Efficiency Services Limited (“EESL”)***

##### ***i. Litigations involving EESL***

1. I-Tech Mass Private. Limited and Anr. (“Accused”) had breached the provisions of the contract terms under

“UJALA programme”. EESL filed suit against the Accused under section 138 of the Negotiable Instruments Act, 1881 for dishonouring a cheque of ₹ 1.89 crores. Court of LD, ACMM, Patiala House Court, New Delhi (“Court”) has issued the proceeding under section 82 and 83 of Cr.P.C for Proclaimed Offender (“PO”). Matter is listed for October 11, 2023.

2. Claims were alleged against EESL (“**Respondent**”) by Shri Ram Raja Sarkar Lok Kalyan Trust (“**Claimant**”) (collectively “**Parties**”) under the UJALA program. The matter was decided in favour of EESL in the arbitration forum.

The award in brief was as follows:

- Payable to EESL – ₹ 3.67 crores plus interest at 9% with effect from March 2016.
- Payable by EESL – ₹ 2.39 crores plus interest at 9% with effect from March 2016.
- Payable by EESL incl. ₹ 89 lakhs as distribution charges ₹ 1.50 crores as loss of profit).

The Parties appealed against the Arbitration Award in the Hon’ble High Court of Delhi. The matter is listed for final arguments November 11, 2023.

3. M/s. Strategic Outsourcing Services Private Limited. (“**SOS**”) failed to execute the contract as per LOA. Arbitration order dated July 1, 2022 has passed in favor of EESL. The Arbitral Tribunal held that EESL is entitled to the following reliefs: -

- ₹ 12.51 crore against Issue No.1.
- ₹ 1.03 crores against Issue No. 2
- Interest at 12% per annum from the date of filing of the claim on the amounts of ₹ 12,51,306 and ₹ 1.03 crores till the date of the award.
- ₹ 55 lakhs towards cost of the proceedings.

The Claimant shall also be entitled to future interest on the amounts awarded at 12% per annum from the date of this award till the date of actual realization of the same.

SOS filed appeal before Hon’ble Delhi High Court under Section 34 which was dismissed. EESL has also filed an execution petition for the enforcement of the arbitration award which was listed on December 8, 2022 wherein Hon’ble High Court was pleased to issue notice. Matter is listed on July 11, 2023.

4. Arbitration initiated by M/s. Servotech Power Systems Limited (“**Servotech**”). Order has been pronounced in favour of EESL and claims of Servotech were disallowed. Counter claim of EESL amounting to ₹ 16,56,729 is allowed.
5. EESL received the legal notice from Aristoplast (“**Claimant**”) claiming that EESL (“**Respondent**”) has breached terms of the contract by illegally short closing the contract. Pleadings are complete. The matter will be listed for evidence, cross examination and final arguments.

The claimant has claimed ₹ 3.21 crores (unpaid invoices, retention amount and interest) along with 14% interest since the date of filing of the Statement of Claim till actual realization. Further, they have claimed about ₹ 33 crores (rent transportation, travelling expenses, re-installation, machineries, insurance and extra tickets) along with 14% interest since the date of filing of the Statement of Claim till actual realization. EESL has counter claimed ₹ 57,54,89,051 (loss of profit, loss of CSR activities, damages and compensation, legal fees and other expenses and interest) along with 18% interest since the date of filing of the present Counter Claim till actual realization.

6. M/s. Sun Mega Ventures Private Limited has issued cheque(s) in favour of EESL claims pursuant to “UJALA programme”. However, all cheque(s), amounting to ₹ 2 crore, got dishonoured; consequently, EESL has filed ten complaint under section 138 of The Negotiable Instrument Act 1881. The next date of hearing is September 18, 2023 for compliance.
7. M/s Sumarsagai Technologies Private Limited have filed a writ petition before the Hon’ble High Court of Andhra Pradesh titled “M/s Sumarsagai Technologies Private Limited v. Union of India and Others”. EESL has

contested that the present writ petition is per se not maintainable as the LoA and ITB provides for settlement of disputes through Adjudication/Arbitration. Next date of the hearing not yet notified.

8. Applications are filed by resolution professional on behalf of EON Electric Limited (“EON”) in the matter of Ritu Rastogi before the NCLT, Chandigarh to direct EESL to release the PBG issued by EON in the excess of 3% of the contract value. EESL has filed its reply, wherein EESL has disputed the prayer made on behalf of EON; citing the reason that the EESL contemplates the dispute with EON. Hence, EESL is within its right to not reduce the PBG amount. Next date is on July 17, 2023.
9. Contractual dispute arose through “UJALA programme”, and matter was referred to arbitration. Adjudication order was passed in favor of EESL. However, M/s Merry Gold Enterprises (“Petitioners”) failed to comply with the terms of Adjudication order, wherein the amount of ₹ 1.29 crores was supposed to be deposited in EESL account. EESL filed a petition under section 11 of the Arbitration and Conciliation Act, 1996 for appointment of Arbitrator. The arbitrator is appointed and the next date of hearing is July 15, 2023.
10. Contractual dispute arose through “UJALA programme”, and matter was referred to arbitration. Adjudication order was passed in favor of EESL. However, M/s VAP Infosolutions failed to comply with the terms of Adjudication order, wherein the amount of ₹ 23.25 lakhs and ₹ 3.63, crores being the value of the stock was supposed to be deposited in EESL account. Hence, section 11 petition i.e. appointment of arbitrator petition filed under Arbitration and Conciliation Act 1996, consequently arbitrator was appointed. The next hearing is on July 7, 2023.
11. M/s Karvy Data Management Services Limited. had a contract dispute related to UJALA programme. Adjudication Order was passed in favour of EESL but M/s Karvy Data Management Services Limited. have failed to comply the order of the Learned Adjudicator, wherein the amount of ₹ 8,47,21,520/ was supposed to be deposited in EESL account. Section 11 petition for appointment of arbitrator filed under Arbitration and Conciliation Act 1996. Arbitrator has been appointed, and next hearing is 11 July 2023.
12. EESL floated tender for procurement of smart meters for State of Uttar Pradesh and Haryana. ITI Limited (“ITI”) was awarded LOA furnished Bank Guarantee. Due to delay in supply of smart meter and other contractual defaults. ITI has filed section 9 petition in the High Court of Delhi seeking orders for restraining EESL from encashing the Contract Performance Guarantee. The Hon’ble court directed not to take any coercive steps and referred the matter for arbitration. The next hearing is on July 7, 2023.
13. In accordance with the RfP Conditions, Bid Security Declaration and Procurement Policy of EESL, KLK Ventures (“KLK”) was banned for 1 year retrospectively (May 18, 2021 to May 17, 2022) due to withdrawal of the bid. A writ petition filed by KLK before the Hon’ble Delhi High Court, which is pending for arguments. The next hearing is 20 September 2023.
14. Show cause notice was served to HPL Electric (“Bidder”) and bidder was suspended for one year due to their inability to supply the entire quality of 60%, thereby violating the terms of tender. The case is being heard in the Hon’ble Delhi High Court. The next date of hearing is October 9, 2023
15. I-tech Mass was one of the vendor under UJALA program wherein certain stock was transferred in the jurisdiction of Uttarakhand. EESL has filed a section 9 petition under Arbitration and Conciliation Act 1996 before Delhi High Court to gain access to the premises for removal of inventory. Next date of hearing is August 25, 2023.
16. EESL invoked the arbitration clause by appointing its nominee arbitrator but the same came back unserved. Hence, this petition is for invocation of arbitration clause to appoint the arbitrator in arbitration against I-tech Mass. Next date of hearing is July 11, 2023
17. EESL had floated a tender for award of work of large-scale distribution, storage and inventory management of LED bulbs and BEE 5 Star ceiling fans and energy efficient tube lights in various states. The work was awarded to M/s. Sun Mega (vendor) through various letter of awards. EESL claimed that the Accused had breached the provisions of the letter of award and the contract in terms of various contractual defaults. Hence in terms of LOA, EESL issued a notice for appointment of adjudicator to resolve the disputes. Pursuant to the order being passed in favour of EESL, which was further notified to the vendor the same has not been complied till date. Since M/s Sunmega have failed to comply the adjudication order, notice for appointment of Arbitrator was served on the

vendor. The vendor in terms of the LOA / tender document, appointed its nominee arbitrator and other arbitrator as per the contract term. EESL has filed its claim (approx. 27 crore).

18. EESL has filed a claim under IBC against A One Realtors Private Limited for an amount of ₹ 8.71 crores before NCLT, New Delhi. Arguments heard and now pending for final order.
19. A-One Realtors during the pendency of NCLT litigation approached the Hon'ble Delhi High Court for claiming Damages. The Hon'ble High Court vide order March 31, 2022 appointed Mr. Justice (ret'd) Jayant Nath as sole arbitrator. Parties have filed their claims and counter claims in arbitration forum and affidavit of admission and denial. Next date of hearing is July 24, 2023.
20. Rounak Bandopadhyay has filed a case, inter alia, against EESL before the Hon'ble High Court of Kolkata.
21. Fixed term employees of EESL have filed litigation pursuant to interview process initiated by EESL in the year 2019 to convert Fixed Terms employees to regular employees. However, EESL has not declared the result of the interview due to administrative reason and has floated open recruitment advertisement for the same post/position for which interview were held, as aforementioned (which are now cancelled). Aggrieved by this, Fixed Term employees has filed the writ petition in the Hon'ble High Court of Delhi. Final arguments heard on May 25, 2023. Judgment was reserved.
22. The petitioner Mani Ram Bakhar has approached the Court assailing the communication dated May 18, 2022 vide which the entire selection process commenced vide advertisement for various posts including the post of Engineer (Technical) has been cancelled. The case is pending for arguments before the Hon'ble High Court of Delhi.
23. Kerala State Electronics Development Corporation Limited. ("Keltron") was awarded contract for installation of CCMS(Computerized control and monitoring System) at Agartala municipal corporation pursuant to EESL streetlight program. Due to nonperformance, show cause notice was issued to Keltron to cure the defects however the defects were not rectified as identified and communicated by EESL top Keltron. Consequently, letter for encashment of BG was sent to the bank; the same was contested by Keltron, which was dismissed by court and EESL successfully encash the Bg. Currently, matter is under arbitration in Delhi Arbitration Centre, pleadings are complete, claim is filed by Keltron of NR4.23 crore, EESL has filed counter claim of ₹ 5.46 crores.
24. EESL has filed a defamation suit against Mr. Avinash Kumar- (ex-employee of EESL) and Ors. Avinash Kumar has made defamatory statement against EESL wherein, financial mismanagement and statutory noncompliance is alleged. Matter is currently sub-judice before the Hon'ble Delhi High Court.
25. NSIC as lead member of the Consortium was declared a successful bidder and Letter of Award ("LoA") No. EESL/06/2015-16/SL-AP/LoA-060102/414 dated April 22, 2015 for a total contract value of ₹ 7,20,94,191 was issued. NSIC failed to complete the work within the stipulated time and also failed to carry out maintenance in terms of the tender documents. Next hearing on July 17, 2023.
26. Vigilance enquiry has been initiated against Mr. Kumar Saurabh on the behest of CVO under the directions of Ministry of Power pertaining to the recruitment of Mr. Prabhat Kumar for unreasoned modulation in the selection criteria. The petitioner is challenging correctness of the enquiry and unnecessary delay in the outcome. Next matter is listed for July 28, 2023.
27. EESL has floated the tender for execution of its solar project. However, Central Electronics Limited ("CEL") did not perform the contract as per the terms and conditions. Consequently, notice of default was issued to vendor to cure its default subject to legal consequences as per the contractual terms. Vendor has approached the Hon'ble High Court to restraint EESL to restraint of encashment of Bank Guarantee.

**b. PTC India Limited ("PTC")**

*i. Litigations involving PTC*

1. PTC being a Trader of Electricity had agreed to purchase 200 Megawatt of Electricity from December 16, 2009 to August 20, 2010 for resale. However, owing to certain unforeseen circumstances, PTC could not sell the power, Consequently, Gujarat Urja Vikas Nigam Limited ("GUN") lodged a claim amounting to ₹ 41.70 crores

plus interest. In view of the adverse orders by State Electricity Regulatory Commission and the Appellate Tribunal, PTC filed Appeal in the Hon'ble Supreme Court. The Hon'ble Supreme Court admitted the Civil Appeal and granted stay on the order of the Appellate Tribunal.

2. PTC had signed a Power Purchase Agreement with Tamil Nadu Electricity Board (earlier “**TNEB**”, now “**TANGEDCO**”) for sale of power to Punjab. TNEB defaulted in supply and accordingly, PTC invoked arbitration and lodged a claim of ₹ 16 crores plus interest. The Arbitrator dismissed the claim of PTC. PTC filed a petition before Madras High Court against the arbitration award and the High Court was pleased to set aside the award. TANGEDCO has filed an Appeal against the order of the Single Bench.
3. PTC had signed power purchase agreement (“**PPA**”) with two generators namely Terra Energy and Shree Ambika Sugars. The generators failed to supply power as per the Agreement and took a plea that short supply by one generator can be compensated by supply by another generator, as they were group companies. The generators approached Tamil Nadu Electricity Regulatory Commission (“**TNERC**”) who gave an adverse order against PTC. PTC had challenged the same before Appellate Tribunal for Electricity (“**APTEL**”).
4. LANCO Budhill (now Greenko Budhill) (“**LANCO Budhill**”) had signed a power purchase agreement (“**PPA**”) in 2005 for supply of power to Haryana for 35 years. In 2009, LANCO Budhill terminated the PPA. The matter was challenged by PTC and Haryana before the Haryana Electricity Regulatory Commission (“**HERC**”). LANCO Budhill challenged the jurisdiction of the HERC. The matter reached Appellate Tribunal for Electricity (“**APTEL**”) who passed an interim order for supply of power by LANCO Budhill to Haryana. It was also agreed by LANCO Budhill that the transmission charges will be paid by LANCO Budhill. However, subsequently, LANCO Budhill filed a Petition before Central Electricity Regulatory Commission (“**CERC**”) that PTC is liable to pay for transmission/ relinquishment charges. CERC gave an order in favour of LANCO. The order of CERC has been challenged in APTEL. APTEL had granted a stay on the order of CERC.
5. PTC and TRN Energy had entered into a power purchase agreement (“**PPA**”) on July 25, 2013. The PPA was entered for sale of power by TRN to Uttar Pradesh Power Corporation Limited (“**UP DISCOMS**”) through PTC. Subsequently PTC signed back-to-back PPAs with UP DISCOMs on February 25, 2013. TRN commenced supply of power to UP DISCOMs through PTC from December 2016. Now some disputes have arisen between TRN, PTC and UP DISCOMs with regard to opening of L/C. payment of supply of power, Compensation, issues related to first contract year of supply, trading margin etc.
6. PTC had entered power purchase agreement (“**PPA**”) with Teesta Urja Limited with back to back PSA with distribution companies in the state of Rajasthan, Haryana, Punjab and UP for supply of power on long term basis. Further, 144 MW of power was to be sold by PTC on Merchant Trade Basis. The project of Teesta Urja was delayed and the transmission line of PGCIL became operational. PGCIL claimed that PTC is liable to pay for the transmission charges. PTC filed a petition before Central Electricity Regulatory Commission (“**CERC**”) claiming that the open access was not granted in favour of PTC and accordingly, PTC is not liable to pay for the transmission charges. CERC dismissed the petition of PTC. PTC has challenged the order of CERC in Appellate Tribunal for Electricity (“**APTEL**”).
7. PTC had entered PPA with Teesta Urja Limited, with back to back PSA with distribution companies in the state of Rajasthan, Haryana, Punjab and UP for supply of power on long term basis. Punjab refused to take the power. Accordingly, PTC and Teesta Urja filed a petition before Central Electricity Regulatory Commission (“**CERC**”).
8. PTC filed appeal in APTEL against the order of Central Electricity Regulatory Commission (“**CERC**”) wherein the CERC has allowed the petition filed by LANCO and inter alia passed certain orders/ directions against PTC for paying 100% of the long term open access charges even though only 95% of the quantum of power (300% ) is being supplied by LANCO to Haryana under interim directions of Hon'ble Supreme Court of India and directing PTC to refund the excess transmission charges collected from LANCO with effect from December 5, 2015 corresponding to 5% of LTA. Appellate Tribunal for Electricity (“**APTEL**”) has granted a stay on the order of CERC.
9. The original Petition was filed by MALCO Energy Limited (“**MALCO**”) against PTC and Tamil Nadu Generation and Distribution Corporation Limited (“**TANGEDCO**”) for payment for power supplied. PTC in its reply has stated that the power was supplied during the period when there was no subsisting contract with PTC and hence PTC has no liability. During the course of hearing the counsel of MALCO had specifically pleaded that MALCO has no claim against PTC. Despite, the above Tamil Nadu Electricity Regulatory Commission (“**TNERC**”) passed an order on February 2, 2021 holding PTC and TANGEDCO jointly and severally liable.



In view of the above, PTC has filed a Review Petition.

10. PTC had signed a PPA with Himachal Pradesh State Electricity Board Limited (“**HPSEB**”) for purchase of electricity for the period from May 22, 2006 to September 30, 2006. HPSEB claimed that PTC did not off take the offered surplus power. The dispute was first referred for arbitration in which the Arbitrator, Member Secretary, Northern Regional Power Committee (“**NRPC**”), imposed a penalty of ₹ 1 crore on PTC. HPSEB had challenged the award passed by the Member Secretary, NRPC (Arbitrator). The case is pending.
  11. An Intimation Letter dated March 22, 2013 was received by PTC from Office of the Deputy Commissioner of Customs, Krishnapatnam port stating that coal imported by PTC had falls under the category of bituminous instead of steam coal and asked the company to pay Custom duty without mentioning the amount. PTC contested the claim. Customs, Excise and Service Tax Appellate Tribunal (“**CESTAT**”) has granted a stay on the demand as similar matter is pending before the Hon'ble Supreme Court.
  12. The Department of Excise and Customs had raised the demand of ₹ 52.11 crores as Service Tax on compensation received from distribution companies for non-supply of power by generators. PTC contested the demand on the ground that no service tax is payable on the amount of compensation. The Writ was filed by PTC against the demand.
  13. PTC filed a Petition in Central Electricity Regulatory Commission (“**CERC**”) against the alleged demand of Power Grid Corporation of India Limited (“**PGCIL**”) towards relinquishment charges in respect of free power share of Sikkim from Teesta Urja's Project. PGCIL has allegedly demanded an amount of ₹ 33.03 crores towards relinquishment charges in respect of the free power of Sikkim. PTC has submitted that PTC had no right over the free power and had never applied nor taken the long term open access agreement. Further Sikkim by a letter to PGCIL has confirmed the same.
  14. Petition against PTC before Central Electricity Regulatory Commission (“**CERC**”) praying that a penalty may be imposed on PTC for not opening L/C as per power purchase agreement (“**PPA**”) and Trading Regulation 2009 and also refund of margin beyond 2 paise/kilowatt Hour charged by PTC in violation of the Trading Regulation 2020.
  15. Krishna Godavari Power Utilities Limited (“**KGPUL**”) defaulted in repayment of loan and was referred to NCLT under IBC. NCLT, Hyderabad vide order dated February 27, 2020 approved the Resolution Plan. As per the Resolution Plan, equity of the existing shareholders including that of PTC, has become Nil. However, Debt Recovery Tribunal, Hyderabad, based on a Petition filed by Asset Reconstruction Company India Limited (“**ARCIL**”), issued a notice in February 2022 to KGPUL and others including the Company and PFC. As per the notice, it appears that the Petitioner has filed case for recovery of ₹ 327.62 crores more so against the individual promoters who had executed guarantees in favour of the lenders.
  16. Central Electricity Regulatory Commission (“**CERC**”) had passed an order specifying the mechanism to be charged by Power Grid/ CTU in case of relinquishment of open access. The order has been challenged in various Appeals.
  17. M B Power (Madhya Pradesh) Limited (“**M B Power**”) has filed the Petition before Central Electricity Regulatory Commission (“**CERC**”) inter-alia, seeking directions to the PTC to comply with certain provisions of the Trading Regulation and had claimed damages/ compensation on account of alleged breach of the terms of the Trading Regulation and power purchase agreement (“**PPA**”). PTC had opposed the same stating that it had complied with all the terms and conditions at the Trading Regulation and PPA.
  18. Maruti Clean Coal and Power Limited (“**MCCL**”) has filed a Petition against PTC before Central Electricity Regulatory Commission (“**CERC**”) for payment of “LPS” on account of delayed reimbursement of “POC” Charges. PTC in its reply has stated that the reimbursement did not specify any time frame for reimbursement of the POC charges. Further, there was a delay in reimbursement of POC charges by the Rajasthan distribution companies.
- c. There are no pending litigations involving the following Group Companies, whose outcome could have material adverse effect on the financial position of our Company, which may affect the Issue or the investor’s decision to invest / continue to invest in the NCDs issued pursuant to the Issue:

- i. Bihar Infrapower Limited
  - ii. Bihar Mega Power Limited
  - iii. Cheyyur Infra Limited
  - iv. Coastal Karnataka Power Limited
  - v. Coastal Tamil Nadu Power Limited
  - vi. Deoghar Infra Limited
  - vii. Deoghar Mega Power Limited
  - viii. Energy Efficiency Services Limited (EESL)
  - ix. Ghogarpalli Integrated Power Company Limited
  - x. Jharkhand Infrapower Limited
  - xi. Odisha Infrapower Limited
  - xii. Orissa Integrated Power Limited
  - xiii. Sakhigopal Integrated Power Company Limited
- d. SEBI has by way of its letter dated July 4, 2023, exempted our Company from making disclosures of litigation under Clause 2.2.18 of SEBI NCS Regulations, pertaining to Group Companies that are UMPPs, ITPs and SPVs and which have been divested by our Company. For details of the exemption please see “*Other Regulatory and Statutory Disclosures - SEBI Exemption*” on page 524. List of Group Companies for which exemption has been received are listed below:

- i. Bikaner-II Bhiwadi Transco Limited
- ii. Dharamjaigarh Transmission Limited
- iii. Fatehgarh Bhadla Transco Limited
- iv. Gadag Transmission Limited
- v. Kallam Transmission Limited
- vi. Karur Transmission Limited
- vii. Khandukhal Rampura Transmission Limited
- viii. Khavda II-A Transmission Limited
- ix. Khavda II-B Transmission Limited
- x. Khavda II-C Transmission Limited
- xi. Khavda-Bhuj Transmission Limited
- xii. Kishtwar Transmission Limited
- xiii. Koppal- Narendra Transmission Limited
- xiv. KPS1 Transmission Limited
- xv. KPS2 Transmission Limited
- xvi. KPS3 Transmission Limited
- xvii. Mohanlalganj Transmission Limited
- xviii. MP Power Transmission Package-I Limited
- xix. MP Power Transmission Package-II Limited
- xx. Nangalbibra-Bongaigaon Transmission Limited
- xxi. Raipur Pool Dhamtari Transmission Limited
- xxii. Ramgarh New Transmission Limited
- xxiii. Sikar New Transmission Limited
- xxiv. Sikar-II Aligarh Transmission Limited
- xxv. Vapi II North Lakhimpur Transmission Limited

#### ***IV. Litigation involving our Subsidiaries.***

##### ***a. PFCCCL***

##### ***i. Litigations involving PFCCCL***

1. A writ petition has been filed before the Delhi High Court by Coastal Andhra Power Limited (“**CAPL**”) and Reliance Power Limited (“**RPL**”) invoking the Share Purchase Agreement executed between our Company, CAPL and RPL dated January 28, 2008 (“**SPA**”), to initiate and conclude the process of buy-back of shares of CAPL. By way of background, CAPL was transferred to RPL for development of Krishnapattanam Ultra Mega Power Project. On March 15, 2012, Andhra Pradesh Southern Power Distribution Company Limited (“**APSPDCL**”) issued a notice of termination of Power Purchase Agreement (“**PPA**”). CAPL filed a writ petition before the High Court of Delhi seeking interim protection inter-alia against termination of PPA and the invocation of the concerned bank guarantee. The Single Bench of Delhi High Court dismissed the petition and

held that petition filed by CAPL was not maintainable. RPL filed an appeal against the decision of Single Bench before Division Bench of Delhi High Court. The Division Bench dismissed all the appeals filed by CAPL and RPL. Thereafter, RPL and CAPL have filed the present writ petition invoking the SPA and have prayed for issuance of directions against our Company and APSPDCL to initiate and conclude the process of buyback of shares. In case the Delhi High Court passes a direction to our Company for buy-back of CAPL, our Company will have to pay more than ₹ 250 crores to RPL. On the last date of hearing held on March 16, 2023, the matter was adjourned to August 1, 2023.

2. A writ petition was filed by Reliance Power Limited (“**RPL**”) against the Union of India before the Delhi High Court, whereby RPL has challenged a gazette notification issued by Union of India, withdrawing the Chhatrasal Coal Block allotted to Sasan Ultra Mega Power Project (“**Sasan UMPP**”). Our Company is one of the Respondents in the writ petition. RPL has inter alia prayed for a direction that our Company, which sold the entire equity shareholding of Sasan Power Limited (“**SPL**”) to RPL, be directed to purchase the entire shareholding of SPL, along with all its assets and liabilities from RPL for an amount equal to the aggregate of:
  - i. The investments, loans and advances made by RPL to SPL; and
  - ii. The loss of return/ profit calculated at 16% p.a. on a post-tax basis.

In the event of a Court order to initiate a buyback of shares, our Company will have to enter into a transaction amounting to ₹ 250 crores to buy the company. On the last date of hearing July 3, 2023, the matter was adjourned to August 11, 2023 (*Court order awaited*).

**b. REC\***

- i. *Litigations involving REC*
  1. REC came across an instance of fraudulent encashment through forged documents of money invested by one of the investors in 54EC Capital Gains tax Exemption Bonds by some impersonator during the year 2016-17. Based on the complaint filed by REC, the police filed an FIR against the impersonator and the officials of the Registrar and Transfer Agent (“**R&TA**”). The matter was duly reported to the RBI. A criminal case (FIR No. 204/2017) has also been filed by the police against the suspected culprits. REC has also filed a civil suit on 1st March, 2018, against the erstwhile R&TA (M/s RCMC Share Registry Private Limited) for recovery of the dues. The matters are pending for adjudication.
  2. REC had sanctioned a term loan under a consortium lending facility to IBPML for developing 660MW Coal based Thermal Project in Tuticorin District, Tamil Nadu. Power Finance Corporation Limited is the lender’s agent (“**Lead**”) as well as Security Trustee for the consortium. The project has been classified as ‘Non-Performing Asset’ by REC. In the forensic audit report, instances of mis-utilisation of project funds by the borrower to meet the shortfall in cash flows of its other group companies were reported. Further, some part of the project funds were paid by the borrower company to some of the project contractors as advances which were also reported to have been diverted to group companies through the creation of fixed deposits. The matter was duly reported to the RBI and Law Enforcement Agencies. A joint civil suit for the claim amount has also been instituted against the TRA Banker by the lenders in Hon’ble High Court of Delhi on April 2, 2019. The said matter is pending for adjudication before the Hon’ble High Court of Delhi. Insolvency proceedings were initiated against IBPML vide order of NCLT, Hyderabad dated August 14, 2017. However, no viable plan was finalized to the acceptance of the committee of creditors till the expiry of corporate insolvency resolution process period on October 11, 2018. Subsequently, the resolution professional filed a petition in the NCLT for liquidation of the company which was thereafter approved by NCLT. REC has filed its claim with the liquidator and the liquidation proceedings are presently going on
  3. Yogesh Saraf vs. Rural Electrification Corporation Limited - Securitization Application No.340 of 2017 filed by Yogesh Saraf against REC & 2 others challenging the 13(4)(b) Notice dated November 7, 2017, whereby the management of the business of Facor Power Limited was taken over by REC along with physical possession. In terms of the resolution plan approved by NCLT, the plan was implemented by Vedanta Limited and on the closing date i.e., September 21, 2020, REC assigned the debt of FPL to Facor and handed over the management of FPL to Facor. Accordingly, an application in this regard has been filed for dismissal of the SA filed by Yogesh Saraf.

4. Rural Electrification Limited vs. Facor Power Limited - Original Application No.146 of 2017 filed by REC against Facor Power Limited and 13 others, seeking decree for ₹ 710 crore before DRT-I, Delhi. In view of the implementation of the resolution plan, the OA filed by REC against FPL, FACOR and Pledgors has to be withdrawn. Accordingly, an application in this regard has been filed before DRT for deletion of FPL, Facor & Pledgors as party respondents and to continue the OA against the personal guarantors only.
5. Vineet Saraf vs. REC Limited - Vineet Saraf has filed a writ challenging the issuance of Demand notice December 9, 2022 issued by REC and also to restrain REC from initiating legal proceedings in respect of the personal guarantee issued in favour of REC in the matter.
6. India Power Corporation Limited and others v/s SBI and other – Writ Petition before High Court of Andhra Pradesh at Amravathi. This writ petition has been filed by IPCL against the invocation and transfer of pledged shares by SBICAP Trustee on behalf of Phase I Lenders. IPCL has sought directions to the effect that:
  - Declaring the invocation and transfer of pledged shares to SBICAP Trustee without carrying valuation of the pledged shares as illegal.
  - Directions may be issued to SBICAP Trustee for carrying out valuation of the pledged shares and consequently provide No Dues Certificate to Respondent no. 15 i.e. MEL.
  - Directions may be issued to SBICAP Trustee to return shares of MEL to IPCL being the balance shares after meeting the value of lawful outstanding dues.
7. Meenakshi Energy Limited and others v/s SBI and others – This Writ Petition has been filed by MEL against SBI, REC and other Lenders before Telangana High Court. MEL has sought following declarations/directions from the Court;
  - Declaring the actions of the Lenders of accessing and utilizing the funds in the TRA no. 36049000407 including the mutual funds post invocation of share pledge agreement as illegal and directions to the Lenders to refund all amounts debited by Lenders from the TRA no. 36049000407 since May 2018 and further restraining the Lenders from accessing or utilizing the amount lying in TRA.
  - Direct the Lenders to allow MEL to access, utilize the funds in the TRA for carrying out the operation and management of the Project.
  - Direct the Lenders to issue a “No Dues Certificate” recording the satisfaction of the debt payable by MEL and further to return the securities of MEL.
  - Restraint Lenders from conducting any other steps/actions against the Petitioner in relation to the plant of MEL.
8. Meenakshi Energy Limited and others v/s SBI and other - MEL has filed another Writ Petition before Hyderabad High Court against Phase-I and Phase-II lenders with the following prayers:
  - Directions to the effect that action of some of the Lenders in declaring MEL account as NPA is arbitrary and illegal.
  - Directions to restrain the Lenders from taking any steps/coercive action based on declaration of account of MEL as NPA.
9. India Power Corporation Limited and others v/s SBI and other – IPCL has filed the present Company Application before NCLT, Hyderabad and alleged that Lenders to MEL has taken over the shareholding of MEL and thus their debt has been discharged but still they are making withdrawals from the TRA which is illegal. IPCL has alleged the oppression and mismanagement by the Lenders. IPCL has sought following reliefs:
  - Regulate the oppressive conduct of Lenders and make available funds to MEL
  - Declare that CLA and TRA Agreement has been discharged and terminated.
  - Restraint Lenders from dealing with the funds lying in TRA.
  - Amount of ₹ 260 crores transferred from TRA after 02.05.2018 may be reverted back along with interest of 24%.
  - Restraint the Lenders from holding them as creditors of MEL.
  - Investigation into the affairs of MEL to the extent of withdrawal of funds by Lenders.
10. Punjab National Bank has filed an application before DRT II, Hyderabad against Meenakshi Energy Limited

(OA No. 514 of 2019) claiming amount of ₹ 139.73 crore.

11. Devi Trading & Holding Private. Limited. v. Shri Ravi Shankar Devarakonda (RP) - SREI and Vistar Financial Services have provided loans to MEL for meeting expenditure of Phase I Project. SREI and Vistar Financial Services, later on assigned their debt to one Devi Trading who has filed its claim before RP of MEL. Devi Trading has filed application before NCLT Hyderabad whereby Devi Trading has sought following reliefs:
  - Direction be issued to RP to not to treat Respondent no. 2 to 13 (i.e. Lenders) as Financial Creditor
  - Direction be issued to RP to treat Respondent no. 2 to 13 (i.e. Lenders) as related parties.
  - RP (Sh. Ravishankar Devarakonda) be removed and other person be appointed in his place.
  - interim stay on meetings of committee of creditors (“COC”).
  - Interim stay on corporate insolvency resolution process (“CIRP”).
  - Interim directions to RP to not to proceed based on the resolutions adopted by COC.
12. M/s Punjab & Sind Bank v. Meenakshi Energy Limited (“MEL”) - One of the Financial Creditors of MEL, M/s Punjab & Sind Bank, has filed an Original Application before DRT – I, Hyderabad, under Section 19 (4) of the Recovery of Debts and Bankruptcy Act, 1993 (“RDB Act”) for recovery of debt of ₹ 56,69,37,040.18. REC is pro forma defendant.
13. SBI v. Meenakshi Energy Limited (“MEL”) & Ors - SBI has filed an application before DRT, Hyderabad against Meenakshi Energy Limited. for recovery of ₹ 17,19,73,91,057.75 . REC is a pro forma defendant. Reply was filed on July 5, 2022.
14. IDBI v. IPCL - IDBI has filed an application under 19(4) of the Recovery of Debts and Bankruptcy Act, 1993 (“RDB Act”) for recovery of ₹ 4,68,06,619.20. REC is pro forma defendant.
15. IPCL & Another. v. SBI CAP Trustee & Others - IPCL has filed a suit for declarations, mandatory injunction and damages valued at ₹ 10,141.50 crores against the Lenders of MEL on account of:
  - 381,15,06,509 equity shares of face value of ₹ 10 each transferred by the Security Trustee to its own name by invoking the deed of pledge, due to non-servicing of over dues by MEL, for an amount of overdue of mere ₹ 93.58 crores and that it would have been appropriate for the Trustee to conduct valuation of shares, invoke and sell only such number of shares as was required to cover the amount in default. IPCL has made a valuation of its own and claims an amount of ₹ 8,871.50 crores from the Security Trustee and Lenders.
  - issuance of CG was through coercion and inducement given that no such guarantee could ever have been provided without the approval of WB Energy Regulatory Commission. Moreover, invoking the Deed of Guarantee, IPCL was called upon to pay ₹ 967.22 crores to SBI while there was no debt of MEL that was due and payable.
16. Prudent ARC and Vizag Minerals and Logistics Private Limited v RP & CoC - Prudent ARC filed an application seeking dismissal of the resolution plan submitted by Vedanta Limited. NCLT dismissed the application filed by Prudent ARC. Prudent ARC has filed an Appeal against dismissal of its application before NCLAT Chennai.
17. State Bank of India v/s IPCL - IPCL had filed CP No. 660/241/HDB/2018 before NCLT, Hyderabad and alleged that Lenders to MEL has taken over the shareholding of MEL and thus their debt has been discharged but still they are making withdrawals from the TRA which is illegal. IPCL has alleged the oppression and mismanagement by the Lenders. IPCL sought following reliefs:
  - Regulate the oppressive conduct of Lenders and make available funds to MEL.
  - Declare that CLA and TRA Agreement has been discharged and terminated.
  - Restraint Lenders from dealing with the funds lying in TRA.
  - Amount of ₹ 260 crores transferred from TRA after 02.05.2018 may be reverted back along with interest of 24%.
  - Restraint the Lenders from holding them as creditors of MEL.
  - Investigation into the affairs of MEL to the extent of withdrawal of funds by Lenders. NCLT passed orders in favour of IPCL. SBI, therefore, has appealed against the said orders.

SBI had filed an IA challenging the maintainability of Petition filed by IPCL. After hearing all the parties, NCLT has dismissed the IA filed by SBI and now SBI has filed appeal before NCLAT against the order passed by

Hon'ble NCLT.

18. Lanco Anpara Power Limited vs UPPCL & REC – Writ petition has been filed by Lanco Anpara seeking direction to UPPCL to release payment in terms of approved tariff as per APTEL order dt. 08.09.2018 since due to non-release of payment as per revised tariff, it is unable to service dues of REC. Consequently, REC has initiated action against Lanco Anpara under IBC which is sought to be stayed by way of this writ. Prayer has been made to High Court to forbear REC from proceeding with its petition and keeping such proceeding in abeyance till the time orders of UPERC & APTEL are not complied by UPPCL.
19. PNB vs Lanco Babandh Power Limited – PNB has filed OA before DRT, Chandigarh against Lanco Babandh Power Limited for recovery of its dues and REC has been impleaded as proforma defendant. No relief has been sought against REC.
20. ICICI Vs Lanco Babandh Power Limited - ICICI Bank Limited has filed OA before DRT-I, Delhi against Lanco Babandh Power Limited for recovery of its dues and REC has been impleaded as proforma defendant. No relief has been sought against REC.
21. REC vs Lanco Babandh Power Limited. - REC has filed OA before DRT, Delhi against Borrower and Guarantors claiming sum of ₹ 1549,80,69,384
22. Canara Bank Vs. Lanco Babandh Power Limited & Ors.- Canara Bank has filed an OA to recover their dues from Lanco Babandh Power Limited. REC is Defendant no. 18.
23. Union Bank of India V Madhusudan Rao & Ors - Union Bank filed the OA against personal guarantors of Lanco Babandh Power Limited for recovery of its outstanding dues.
24. IDBI vs L Madhusudhan Rao & Ors - IDBI Bank filed the OA against personal guarantors of Lanco Babandh Power Limited for recovery of its outstanding dues.
25. Punjab and Sind Bank vs L Madhusudhan Rao - Punjab & Sind Bank filed the OA against personal guarantors for recovery of its outstanding dues.
26. PNB and other Vs Lanco Vidarbha Thermal Power Limited - Lenders (including REC) have filed OA before DRT, Delhi against Lanco Vidarbha Thermal Power Limited for recovery of their dues.
27. Abhijeet Power Limited v ARCIL- The appeal relates to Order dated July 14, 2021 passed by DRT Kolkata in OA 705 /2016 dismissing the counter claim filed by Corporate Power Limited (CPL) claiming monetary relief to the tune of ₹ 6556.32 Cr along with interest and costs.
28. Abhijeet Power Limited v ARCIL- The appeal relates to Order dated July 14, 2021 passed by DRT Kolkata in OA 712 /2016 dismissing the counter claim filed by Corporate Power Limited (CPL), claiming monetary relief to the tune of ₹ 9218.70 crores along with interest and costs.
29. ARCIL V/s Corporate Power Limited & Ors (Phase-I) - REC has granted financial assistance to CPL for construction of Phase I Project. Borrower defaulted in the payment of Principal and Interest. Consequently, the account became NPA.REC has recalled the entire loan. ARCIL, REC and other lenders have jointly filed the Original Application before DRT III, Calcutta. Total claim of REC is ₹ 11,69,76,76,980 . Borrower has entered appearance and filed its reply. Borrower has also filed counter against Lenders which has been duly replied. The Hon'ble DRT has decided the matter in favour of the lenders.
30. ARCIL V/s Corporate Power Limited & Ors. (Phase-II) - ARCIL has filed OA before DRT, Calcutta against CPL on behalf of Phase-II Lenders and REC has been impleaded as proforma defendant. Reply of REC has been filed.
31. Indian Bank (formerly “Allahabad Bank”) vs. Corporate Power Private Limited & Ors.- Indian Bank Limited. has filed OA before DRT, Calcutta against CPL for recovery of its dues and REC has been impleaded as proforma defendant. No Relief has been sought against REC.
32. Manoj Kumar Jayaswal v REC Limited & Ors. before Civil Court, Nagpur.- the Plaintiffs have contended that the Defendants (including REC) have reported the name of Plaintiffs to the Central Fraud Registry of the RBI

while assuming diversion of funds based on the frivolous and misconceived report of the Forensic Auditor whereas it was mere failure to repay the loan amount and not fraud. The plaintiffs have sought prayer that action taken by Defendants (i.e Lenders to JIPL and CPL) to notify name of Plaintiffs to Central Fraud Registry is illegal and Defendants be directed to not to act in terms of decision to send the names to the Central Fraud Registry.

33. Punjab National Bank vs. Essar Power MP Limited - The Original Application has been filed before DRT, Delhi by Punjab National Bank against the Essar Power MP Limited for recovery of sum of ₹ 1318,68,17,029.79 together with pendente lite and future interest arising out of the financial assistance granted to the borrower. REC is made as proforma respondent.
34. REC vs. Essar Power MP Limited - REC has filed Original Application before DRT, Delhi against Essar Power MP Limited for recovery of dues amounting to ₹ 2,169,48,04,592.
35. PFC vs Essar Power MP Limited - The Original Application has been filed by Power Finance Corporation against the Essar Power MP Limited before DRT, Delhi for recovery of sum of ₹ 2319.00 crores together with pendente lite and future interest arising out of the financial assistance granted to the borrower. REC is made as proforma respondent 12.
36. Oriental Bank of Commerce V/s Jas Infrastructure and Power Limited and others - OBC has filed OA before DRT-II, Delhi against Jas Infra for recovery of its dues and REC has been impleaded as proforma defendant.
37. UCO Bank V/s Jas Infrastructure and Power Limited and others - UCO Bank has filed OA before DRT, Mumbai against Jas Infra for recovery of its dues and REC has been impleaded as proforma defendant. No relief has been sought against REC.
38. PNB V/s Jas Infrastructure and Power Limited and others - PNB has filed OA before DRT, Calcutta against Jas Infra for recovery of its dues and REC has been impleaded as proforma defendant. No relief has been sought against REC. Reply on behalf of REC has been filed.
39. ACRE V/s Jas Infrastructure and Power Limited and others - ACRE has filed OA before DRT, Delhi against Jas Infra for recovery of its dues and REC has been impleaded as proforma defendant. No relief has been sought against REC.
40. REC V/s Jas Infrastructure and Power Limited and others - Pursuant to default in servicing of debt, REC has filed Original Application before DRT, Delhi against the Borrower before the DRT, Delhi. Borrower has filed its reply and also filed counter claim against the REC. Written statement to the counter claim has been filed on behalf of REC.
41. Bank of India v/s Jas Infrastructure and Power Limited and others - BoI has filed OA before DRT, Delhi against Jas Infra for recovery of its dues and REC has been impleaded as proforma defendant. No relief has been sought against REC. Reply on behalf of REC has been filed.
42. Entegra Limited and others v/s Shree Maheshwar Hydel Power Corporation Limited and others before NCLT, Ahmedabad - The Petitioners have alleged that Respondent No.2 (PFC) under the grab of providing funds to Respondent No.1 company, took over the control and management of Respondent No.1 company in the year 2005 to complete and commission the project 400MW to generate electricity, and thereafter carried out various acts of omission and mismanagement so as to frustrate the completion and implementation of the project by diverting project funds on priority to itself/lenders. Further alleged that Respondent No.2 without complying with the due process of law, invoked substantial pledge of shares and malafidely and illegally got transferred the pledged shares of the promoters to Respondent No.2 to 8 and converted the outstanding dues into equity. PFC (Lead Lender) has been authorized to defend the matter on behalf of Lenders.
43. Power Infrastructure India v/s Shree Maheshwar Hydel Power Corporation Limited and others before NCLT, Ahmedabad - In this Petition, Shree Maheshwar Hydel Power Corporation Limited. has been made as Respondent No.1; Power Finance Corporation (lead lender) as Respondent No.2 and REC as Respondent No.4. The Petitioners have alleged that Respondent No.2 took over the control and management of Respondent No.1 Company in the year 2005 to complete and commission the project 400MW to generate electricity, and thereafter carried out various acts of omission and mismanagement so as to frustrate the completion and implementation

of the project. Further alleged that Respondent No.2 has illegally converted the debt into equity which puts the Petitioner equity into risk. The Petitioner has sought for appointment of fit and appropriate person to manage the affairs of the Company.

44. Power Finance Corporation & Others vs Mukul Kasliwal & Others - Due to default in repayment of the loan, all the Lenders have jointly filed Original Application before DRT Delhi against guarantors namely (1) Mukul S Kasliwal (2) Shambhu Kumar Kasliwal (3) Vikas S Kasliwal (4) Warij A Kasliwal (5) S.Kumar Nationwide Limited (6) Entegra Limited (7) MW Infra Developers Private. Limited. Lenders have authorized PFC for filing the present OA. The REC claim of ₹ 542 crores has been included in the OA.
45. Power Finance Corporation Limited v/s Shree Maheshwar Hydel Power Corporation Limited - PFC Lead Lender has filed an Application under section 7 of the Insolvency & Bankruptcy Code 2016 for initiating corporate insolvency resolution process against the Borrower company Maheshwar Hydel Power Corporation Limited. After filing of the said Application by PFC, Respondent Corporate Debtor has filed objection/reply to oppose the present IB Petition. Further the promoters (Power Infrastructure & Entegra Limited) and several workmen/employees of SMHPCL have also filed intervening applications. The matter was reserved for order in February 2020. However, due to change of Presiding Member, the matter is being heard afresh by new Bench. Entegra Limited filed an application against IRP & some of the Lenders including REC whereby Entegra Limited is challenging the constitution of committee of creditors (“CoC”) and the resolutions passed till date. The CoC in the 5th CoC meeting decided that PFC would represent the CoC in the application.
46. IDBI Limited. Vs. Shree Maheshwar Hydel Power Corporation Limited. & Others - Due to default in repayment of the loan, IDBI Bank has filed Original Application against (1)Shree Maheshwar Hydel Power Corporation Limited. and its guarantors namely (2) Mukul S Kasliwal (3) Abhay Kumar Kasliwal (4) Shambhu Kumar Kasliwal (5) Vikas S Kasliwal (6) S.Kumar Nationwide Limited (7) Entegra Limited (8) MW Infra Developers Private. Limited.
47. Committee of Creditors of Shree Maheshwar Hydel Power Corporation Limited. (Through Power Finance Corporation Limited.) & Ors. Vs. Entegra Limited. & Ors. - NCLT vide order dated March 17, 2023 directed the IRP to put the corporate insolvency resolution process (“CIRP”) of Shree Maheshwar Power Limited on stay. IRP along with REC, PFC, IFCI & HUDCO has filed an appeal before NCLAT Delhi challenging the said order.
48. IDBI Bank Limited and others v/s Konaseema Gas Power Limited - Pursuant to default in servicing of debt, IDBI Bank Limited has filed Joint Original Application before DRT, Hyderabad against Konaseema Gas Power Limited. REC has filed a transposition application towards a claim amount of ₹ 6,015,170,002.00. as on March 31, 2018 which has been allowed. This is a joint OA filed by lenders before DRT, Hyderabad.
49. Power Finance Corporation and Ors v. Axis Bank and Ors. - REC along with PFC Limited and IIFCL have sued Axis Bank Limited (D1) for recovery of ₹ 625,09,71,159 towards damages for loss caused by breach of Trust & Retention Account Agreement (TRA).
50. PFC v. IBPML (through Liquidator) - PFC, REC and IIFCL have filed an application IA 1012 of 2019 before the NCLT, Hyderabad for directing the Liquidator to exclude the amounts alongwith associated rights and privileges, which are subject matter of proceedings under Section 66 of IBC in IA 157 of 2019, from the sale of the Corporate Debtor as a going concern or from the sale of the business(es) of the Corporate Debtor as a going concern.
51. IIFCL v. Ind Barath Power Infra Limited - IIFCL has filed an OA against the guarantor, Ind Barath Power Infra Limited & Ors for recovery of debts of ₹ 1517030186.25. REC has been impleaded as Proforma Party and no claim has been made against REC.
52. PFC Limited. & Ors. v. Ashish Arjunkumar Rathi & Ors.- Liquidator (earlier RP) had filed application (IA no. 157 of 2019) under section 66 of the IBC whereby, liquidator has prayed before the NCLT to declare certain transactions relating to diversion of funds as fraudulent transaction and the group companies of IBPML be directed to contribute the diverted amount to the Corporate Debtor. The Hon’ble NCLT Hyderabad has dismissed the said application filed by RP. Since the dismissal order passed by Hon’ble NCLT Hyderabad affects the Lenders , all the lenders have jointly filed an appeal before the Hon’ble NCLAT against the order passed by NCLT Hyderabad.



53. PNB Vs. KSK Mahanadi before DRT, Hyderabad - The Account is under consortium lending where PFC is the lead lender of consortium. Punjab National Bank on behalf the lenders has filed an application before DRT, Hyderabad against KSK Mahanadi Power Company Limited. (OA No. 458 of 2019) for recovery of its dues of ₹ 916.31 crores. Since REC is also one of the lenders of consortium, REC and other lender are made proforma respondents in the case and no relief is claimed against REC.
54. SBI Vs. KSK Mahanadi before DRT, Hyderabad - The Account is under consortium lending where PFC is the lead lender of consortium. SBI one of the consortium lenders has filed an application before DRT, Hyderabad against KSK Mahanadi Power Company Limited. For recovery of dues. Since REC is also one of the lenders of consortium, REC and other lender are made proforma respondents in the case and no relief is claimed against REC.
55. Union Bank of India Vs. KSK Mahanadi Power Company Limited - REC as part of consortium has sanctioned Term Loan of ₹ 2902 crore (original loan ₹ 1547 crore + Cost Overrun 1355 crore) to the KSK Mahanadi Power Company Limited (Borrower). The Borrower has defaulted in repayment and accordingly lenders have chosen to initiate separate legal action. Meanwhile Borrower has been admitted for corporate insolvency resolution process (“CIRP”) under IBC wherein REC has also filed its claim before the Resolution Professional. The CIRP is going on in the matter.
56. Consortium of World Windows v/s Axis Bank and Others before Delhi High Court - Consortium of lenders lead by Axis Bank has granted loan to Jhabua Power Limited (Borrower). Due to default in repayments, lenders explored the option of change in promoter (outside NCLT) and identified the petitioner as successful bidder and issued LOI subject to fulfilment of certain conditions. As part of the said process, petitioner furnished a Bank Guarantee of ₹ 100 crore in favour of lenders. . However due to non-fulfilment of the conditions of LOI, lenders decided to proceed with cancellation of LOI and invocation of Bank Guarantee. This action of lenders has been challenged by the petitioner before the High Court by filing a writ petition. However, the Writ Petition was dismissed by High Court and Petitioner has filed an appeal before the Division Bench of High court challenging the dismissal of Writ Petition with a prayer to quash the lenders action to proceed for invocation of BG. Division Bench has stayed invocation of BG. Matter is posted for hearing in due course. Since REC is a lender and beneficiary of the BG, case is being represented by Axis Bank on behalf of all the lenders including REC.
57. Bank Of India Vs. Avantha Power and Infrastructure Limited and Ors. – Bank of India (“BOI”) (one of the consortium lender in the project) has filed Original Application No. 475/2020 (“OA”) before DRT, Delhi against Avantha Power and Infrastructure Limited, a corporate guarantor in the borrower company i.e Jhabua Power Limited impleading other Lenders as defendant including REC as defendant no.10.
58. SBI v. BVPL - The Original Application has been filed before DRT, Chennai by SBI and Syndicate Bank against BVPL for recovery of sum of ₹ 296 crores and 34 crores respectively with pendentelite and future interest arising out of the financial assistance granted to the borrower. REC is made as proforma respondent 5.
59. In the matter of Scheme of Compromise and Arrangement of Bhardeshwar Vidyut Private Limited and Its respective Shareholders and Creditors - An application has been filed by BVPL under Section 232 read with Section 230 of Companies Act for restructuring its debt through a Scheme of Compromise and Agreements. Objections have been filed by SBI on behalf of lenders.
60. PNB v. BVPL - An Original Application has been filed by PNB against BVPL for recovery of sum of ₹ 415 crores with pendentelite and future interest arising out of the financial assistance granted to the borrower. REC is made as proforma respondent 9.
61. PFC Limited Vs. Lanco Amarkantak Power Limited. - PFC as Lead Lender has filed an application along with consortium lenders has filed the OA before DRT, Delhi seeking recovery of dues and REC outstanding is ₹ 2891,88,76,194.00
62. Canara Bank v. Lanco Amarkantak Power Limited.- Canara Bank has filed OA No. 92/2021 with the DRT Hyderabad against the Lanco Amarkantak Power Limited. for recovery of ₹ 176,27,98,090.28. REC has been impleaded as Respondent No.12.
63. Bank Of India (BOI) Vs. South East UP Power Transmission Company Limited - BOI (one of the consortium lender in the project) has filed Original Application No. 391/2020 (“OA”) before DRT, Delhi against Borrower

i.e SEUPPTCL and other Lenders as defendant including REC as defendant no.4

64. ABB India Limited. Vs. Power Finance Corporation & Anr.- ABB India Limited had entered into agreement with the promoters of SEUPPTCL for design, supply, transportation, erection, testing and commission of SEUPPTCL. In the said suit, ABB India Limited has relied upon the minutes of meeting dated June 29, 2017 to allege that based on PFC and REC's confirmation, ABB continued to work for Promoters of SEUPPTCL and PFC and REC are responsible for the due payment of approximately ₹ 199 crore.
65. REC Limited Vs. Hiranmaye Energy Limited - Application for filing of Section 7 application to initiate corporate insolvency resolution process ("**CIRP**") against Hiranmaye Energy Limited, under IBC.
66. Hiranmaye Energy Limited Vs. Power Finance Limited & Ors.- REC has filed a Section 7 application under IBC at NCLT Kolkata, to initiate corporate insolvency resolution process ("**CIRP**") proceedings against the Appellant. Meanwhile the Appellant filed WPA 4889/2022 as a third Writ Petition before the Hon'ble High Court of Calcutta. The Borrower assailed on the same grounds and prayed for acceptance of restructuring proposals of Borrower by Lenders.
67. Union Bank of India Vs. Nagai Power Plant Private Limited - UBI (one of the consortium lender in the project) has filed Original Application No. 138/2021 ("**OA**") before DRT-I, Hyderabad against Borrower i.e NPPL and other impleading other Lenders as defendants, including REC as defendant no.5 (proforma respondent).

**c. RECPDCL**

1. Sumotek Innovation Private. Limited Vs RECPDCL and Others- The present commercial suit is filed against RECPDCL & Ors by Ms. Sumotek Innovation Private. Limited ("**Sumotek**" or "**Petitioner**") before the High Court of Judicature at Bombay. RECPDCL has been marked as Defendant No 1 in the suit. Brihan Mumbai Electric Supply & Transport Undertaking ("**BEST**") is Defendant No 2 and Adani Transmission Limited is Defendant No 3. It has been stated in the suit that a patent was registered in the name of one Girish M Bachate ("**Patentee**") in the name and title head of 'Pre-paid- Post Paid Electricity Supply Machine' which was registered as Patent number 208216. The Patentee has subsequently assigned the same in favour of the Petitioner.

The petition alleges that floating of the tender No. RECPDCL/BD/e-tender/20222023/73759N (by RECPDCL as project implementing agency on behalf of BEST) for appointment of advanced metering infrastructure service provider for implementing prepaid smart metering project allegedly infringes patent in the name of Patentee (now assigned to the Petitioner) as the technology and process of developing the smart meters covered under the tender is similar and identical to the Pre-paid Post Paid Electricity Supply Machine, which was patented to the Patentee. In the said tender, Adani Transmission Limited emerged as the successful bidder. Therefore, claims have been made by the Petitioner against all the defendants i.e. RECPDCL, BEST and Adani Transmission Limited inter-alia for payment of ₹ 108,06,66,000 (towards royalty) +21,06,33,200 (against damages) along with interest and other charges etc. along with other reliefs.

In this regard, it is pertinent to mention that even prior to the finalization of the tender and appointment of the successful bidder, RECPDCL was removed as the project implementing agency by BEST and necessary amendment to that extent was issued by BEST in the tender after which RECPDCL is no longer associated with BEST. RECPDCL therefore filed an application before the Hon'ble High Court for deletion of RECPDCL's name on ground of misjoinder of parties which is presently sub-judice. The next date of hearing in the matter is August 3, 2023.

**d. PFC Projects Limited**

There are no material outstanding litigations against PFC Projects Limited, as on the date of this Draft Shelf Prospectus.

**V. Tax Litigations**

Details of tax proceedings against our Company, Directors, Group Companies and Subsidiaries:

**(i) Our Company**

(₹ in crore)

| S. No. | Type of Tax Proceedings | Total number of cases | Amount involved |
|--------|-------------------------|-----------------------|-----------------|
| 1.     | Direct Tax*             | 3                     | 108.66          |
| 2.     | Indirect Tax            | 1                     | 20.31           |
|        | <b>Total</b>            | <b>4</b>              | <b>128.97</b>   |

\* Pending with CIT(A)

**(ii) Our Directors**

There are no tax litigations involving our Directors.

**(iii) Our Group Companies**

**a. EESL**

(₹ in crore)

| S. No. | Type of Tax Proceedings | Total number of cases | Amount involved |
|--------|-------------------------|-----------------------|-----------------|
| 1.     | Direct Tax*             | 1                     | 8.51            |
| 2.     | Indirect Tax            | 18                    | 88.45           |
|        | <b>Total</b>            | <b>19</b>             | <b>96.97</b>    |

\*Pending with CIT(A)

**b. PTC**

(₹ in crore)

| S. No. | Type of Tax Proceedings | Total number of cases | Amount involved |
|--------|-------------------------|-----------------------|-----------------|
| 1.     | Direct Tax*             | 9                     | 573.29          |
| 2.     | Indirect Tax            | 3                     | 121.38          |
|        | <b>Total</b>            | <b>12</b>             | <b>694.67</b>   |

**(iv) Our Subsidiaries**

**a. PFCCL**

(₹ in crore)

| S. No. | Type of Tax Proceedings | Total number of cases | Amount involved |
|--------|-------------------------|-----------------------|-----------------|
| 1.     | Direct Tax*             | 2                     | 2.67            |
| 2.     | Indirect Tax            | -                     | -               |
|        | <b>Total</b>            | <b>2</b>              | <b>2.67</b>     |

\* Pending with CIT(A)

**b. REC**

(₹ in crore)

| S. No. | Type of Tax Proceedings | Total number of cases | Amount involved |
|--------|-------------------------|-----------------------|-----------------|
| 1.     | Direct Tax              | 17                    | 198.91          |
| 2.     | Indirect Tax            | 1                     | 17.89           |
|        | <b>Total</b>            | <b>18</b>             | <b>216.8</b>    |

**c. RECPDCL**

(₹ in crore)

| S. No. | Type of Tax Proceedings | Total number of cases | Amount involved |
|--------|-------------------------|-----------------------|-----------------|
| 1.     | Direct Tax*             | 3                     | 3.287           |
| 2.     | Indirect Tax            | 0                     | 0               |
|        | <b>Total</b>            | <b>3</b>              | <b>3.287</b>    |

\*Provided that for the purpose of disclosure of material civil cases for REC, we have considered 1% of PAT of REC for Fiscal 2023 i.e.110.55 crore considering that REC is a material subsidiary of our Company.

**d. PFC Projects Limited**

(₹ in crore)

| S. No. | Type of Tax Proceedings | Total number of cases | Amount involved |
|--------|-------------------------|-----------------------|-----------------|
| 1.     | Direct Tax              | -                     | -               |
| 2.     | Indirect Tax            | -                     | -               |
|        | <b>Total</b>            | -                     | -               |

**VI. Outstanding litigations involving our Promoter**

Since our Promoter is the Government of India acting through and represented by Ministry of Power, GoI, no litigations can be disclosed involving the Promoter. Further, the requirement of disclosing details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoter, is also not applicable.

**VII. Adverse findings against our Company as regards compliance with the securities laws**

The Company is in receipt of letters from NSE and BSE levying fine on the Company for non-compliance in regard to Regulation 17(1) of the SEBI Listing Regulations. For details of letters from stock exchange, please see “*Risk Factor no. 9 (We are in non-compliance with certain corporate governance requirements mentioned under the SEBI Listing Regulations and Companies Act, 2013)*” on page 25.

We filed our representations to both NSE and BSE, explaining the reasons for such non-compliance and have requested withdrawal of such fines on account of the fact that the GoI appoints directors of our Company. Subsequently, BSE has by way of its email dated September 24, 2020 and April 19, 2021 waived the fines levied on our Company for non-compliance under Regulations 17 and 19 of SEBI Listing Regulations from July 1, 2018 to December 31, 2020.

**VIII. Proceedings initiated against our Company for economic offences**

There are no proceedings initiated against our Company for any economic offences.

**IX. Details of acts of material frauds committed against our Company in the last three years, if any, and if so, the action taken by our Company**

There are no material frauds committed against our Company in the last three years.

**X. Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues; debentures and interests thereon; deposits and interests thereon; and loan from any bank or financial institutions and interest thereon**

There are no defaults in repayment of statutory dues, debentures and interests thereon, deposits and interests thereon, and loan from any bank or financial institutions and interest thereon.

**XI. Details of disciplinary action taken by SEBI or Stock Exchange against the Group Companies / Subsidiaries in the last five financial years, including outstanding action**

Other than as disclosed in the section ‘*Outstanding Litigations*’ on page 502, there are no disciplinary action taken by SEBI or Stock Exchange against the Group Companies / Subsidiaries in the last five financial years, including outstanding action.

**OTHER CONFIRMATIONS**

**I. Summary of reservations, qualifications, emphasis of matter or adverse remarks of auditors during the last three financial years immediately preceding the year of Issue of this Draft Shelf Prospectus and of their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or emphasis of matter or adverse remarks.**

Except as disclosed below, there are no reservations or qualifications or emphasis of matter or adverse remarks in the Company’s and in the audited financial statements in the last three Fiscals preceding this Draft Shelf Prospectus.

Our Company confirms that there was no modification in the (i) Reformatted Financial Information on consolidated basis; and (ii) Reformatted Financial Information on standalone basis, except that there were certain Emphasis of Matter ('EOM') and other matters. The auditors for the relevant years have included certain emphasis of matters in their respective reports on the audited standalone and consolidated financial statements issued for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021.

For details, please see "*Risk Factor – 19. Our Company's business and activities are regulated by the Competition Act, 2002 (the "Competition Act") and any application of the Competition Act to our Company may be unfavourable or have an adverse effect on our Company's business, financial condition and results of operations*" on page 35.

- II. *Summary of other observations of the auditors during the last three financial years immediately preceding the year of Issue of this Draft Shelf Prospectus and of their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said observation:*

Nil

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Issuer's Absolute Responsibility

*“The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Shelf Prospectus contains all information with regard to the Issuer and the Issue which is material in the context of the Issue, that the information contained in this Draft Shelf Prospectus is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading.”*

### Authority for the Issue

At the meeting of the Board of Directors of our Company held on March 21, 2023, the Directors approved the issue of NCDs, aggregating up to ₹ 10,000 crore.

Further, the present Issue is within the borrowing limits of ₹ 6,00,000 crore under Sections 180(1)(c) of the Companies Act, 2013 duly approved by the members of our Company vide their resolution passed at the Annual General Meeting held on September 29, 2020.

The Issue is within the borrowing limit approved by the shareholders.

### SEBI Exemption

Upon the Company's application for seeking exemption from strict application of Regulation 2(1)(q), 5(1)(f), 20 and Proviso (i) of Regulation 28(4) of the SEBI NCS Regulations, SEBI through its letter dated July 4, 2023 has subject to necessary disclosures, in this Draft Shelf Prospectus, the Shelf Prospectus and relevant Tranche Prospectus(es), exempted/permitted the Company from strict compliance with the requirements under:

1. Regulation 5(1)(f) of the SEBI NCS Regulations, to the extent of penalties levied upon our Company by BSE and NSE, for non-compliance with corporate governance norms remaining outstanding, subject to the appropriate disclosures in this Draft Shelf Prospectus, the Shelf Prospectus and tranche prospectus(es).
2. Clause 2.2.18 of Part A of Schedule I to the SEBI NCS Regulations for disclosure of litigation pertaining to UMPPs, ITPs and SPVs, which have been identified as Group Companies where our Company or our Subsidiaries have divested from.

Our Company, in compliance with the requirements of the SEBI letter dated July 4, 2023, has made adequate disclosures in the Sections “Risk Factor no. 9 (We are in non-compliance with certain corporate governance requirements mentioned under the SEBI Listing Regulations and Companies Act, 2013)” on page 25 and “Outstanding Litigations and Other Confirmations - VII. Adverse findings against our Company as regards compliance with the securities laws” on page 522, respectively.

### Prohibition by SEBI/ Eligibility of our Company for the Issue

Our Company and/or the Promoter and/or our Directors have not been restrained or prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force. None of our Directors and/or our Promoter, is a director or promoter of another company which has been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities.

None of our Directors and/or our Promoter has been declared as fugitive economic offenders.

Except as disclosed in the “Risk Factors – 9”(We are in non-compliance with certain corporate governance requirements mentioned under the SEBI Listing Regulations and Companies Act, 2013)” on page 25, the Company confirms that there are no fines or penalties levied by SEBI or the Stock Exchange pending to be paid by the Company as on the date of this Draft Shelf Prospectus.

Our Company is not in default of payment of interest or repayment of principal amount in respect of non-convertible securities, for a period of more than six-months as on date of this Draft Shelf Prospectus.

Our Company being a public financial institutions as defined under clause (72) of Section 2 of the Companies Act, 2013 (18 of 2013) is eligible to file the Shelf Prospectus in terms of Regulation 41 (1) (a) of the SEBI NCS Regulations.

No regulatory action is pending against the issuer or its promoter or directors before SEBI or the Reserve Bank of India.

#### **Willful Defaulter**

Our Company, and/or Directors and/or our Promoter have not been categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by RBI, Export Credit Guarantee Corporation of India or any government/regulatory authority. The issuer has not defaulted in payment of interest or repayment of principal amount in respect of debt securities issued to the public, for a period of more than six months. None of our Directors and/or our Promoter, is a whole-time director of another company which has been categorized as a wilful defaulter.

None of our Directors and/or our Promoter has been declared as fugitive economic offenders.

None of our Company or our Directors or our Promoters, or person(s) in control of our Company was a promoter, director or person in control of any company which was delisted within a period of ten years preceding the date of this Draft Shelf Prospectus, in accordance with Chapter V of the SEBI Delisting Regulations.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED 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 THE OFFER DOCUMENT. THE LEAD MANAGERS, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI NCS REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKERS, JM FINANCIAL LIMITED, A.K. CAPITAL SERVICES LIMITED, NUVAMA WEALTH MANAGEMENT LIMITED (FORMERLY KNOWN AS EDELWEISS SECURITIES LIMITED), SMC CAPITALS LIMITED, AND TRUST INVESTMENT ADVISORS PRIVATE LIMITED CONFIRM THAT COMMENTS RECEIVED ON THIS DRAFT SHELF PROSPECTUS WILL BE SUITABLY ADDRESSED BEFORE FILING THE SHELF PROSPECTUS AND THE RELEVANT TRANCHE PROSPECTUS, AND TO THIS EFFECT, HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED [●] WHICH READS AS FOLLOWS:**

[●]

#### **DISCLAIMER CLAUSE OF BSE**

**BSE LIMITED (“THE EXCHANGE”) HAS GIVEN, VIDE ITS APPROVAL LETTER DATED [●], 2023 PERMISSION TO THIS COMPANY TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS THE STOCK EXCHANGE ON WHICH THIS COMPANY'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS COMPANY. THE EXCHANGE DOES NOT IN ANY MANNER:**

- A. WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; OR**

**B. WARRANT THAT THIS COMPANY'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; OR**

**C. TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS COMPANY, ITS PROMOTER, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS COMPANY;**

**AND IT SHOULD NOT FOR ANY REASON BE DEEMED OR CONSTRUED THAT THIS OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY THE EXCHANGE. EVERY PERSON WHO DESIRES TO APPLY FOR, OR OTHERWISE ACQUIRES ANY SECURITIES OF THIS COMPANY MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY ANY 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 FOR ANY OTHER REASON WHATSOEVER.**

**DISCLAIMER CLAUSE OF RBI**

**DISCLAIMER CLAUSE OF RBI**

**THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED FEBRUARY 10, 1998 BEARING REGISTRATION NO 14.00004 AND CERTIFICATE OF REGISTRATION DATED JULY 28, 2010 BEARING REGISTRATION NO B-14.00004 CLASSIFYING OUR COMPANY UNDER THE CATEGORY NBFC AND NBFC-ND-IFC. A COPY OF THIS DRAFT SHELF PROSPECTUS HAS NOT BEEN FILED WITH OR SUBMITTED TO THE RESERVE BANK OF INDIA ("RBI"). IT IS DISTINCTLY UNDERSTOOD THAT THIS DRAFT SHELF PROSPECTUS SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED TO BE APPROVED OR VETTED BY RBI. RBI DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE ISSUER OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE ISSUER AND FOR DISCHARGE OF LIABILITY BY THE ISSUER. RBI NEITHER ACCEPTS ANY RESPONSIBILITY NOR GUARANTEE FOR THE PAYMENT OF ANY AMOUNT DUE TO ANY INVESTOR IN RESPECT OF THE PROPOSED NCDS.**

**DISCLAIMER STATEMENT OF CRISIL RATINGS LIMITED (A SUBSIDIARY OF CRISIL LIMITED)**

**A RATING BY CRISIL RATINGS REFLECTS CRISIL RATINGS' CURRENT OPINION ON THE LIKELIHOOD OF TIMELY PAYMENT OF THE OBLIGATIONS UNDER THE RATED INSTRUMENT AND DOES NOT CONSTITUTE AN AUDIT OF THE RATED ENTITY BY CRISIL RATINGS. OUR RATINGS ARE BASED ON INFORMATION PROVIDED BY THE ISSUER OR OBTAINED BY CRISIL RATINGS FROM SOURCES. IT CONSIDERS RELIABLE. CRISIL RATINGS DOES NOT GUARANTEE THE COMPLETENESS OR ACCURACY OF THE INFORMATION ON WHICH THE RATING IS BASED. A RATING BY CRISIL RATINGS IS NOT A RECOMMENDATION TO BUY/SELL OR HOLD THE RATED INSTRUMENT, IT DOES NOT COMMENT ON THE MARKET PRICE OR SUITABILITY FOR A PARTICULAR INVESTOR. CRISIL RATINGS HAS A PRACTICE OF KEEPING ALL ITS RATINGS UNDER SURVEILLANCE AND RATINGS ARE REVISED AS AND WHEN CIRCUMSTANCES SO WARRANT. CRISIL RATINGS IS NOT RESPONSIBLE FOR ANY ERRORS AND ESPECIALLY STATES THAT IT HAS NO FINANCIAL LIABILITY WHATSOEVER TO THE SUBSCRIBERS/USERS/TRANSMITTERS/DISTRIBUTORS OF ITS RATINGS. CRISIL RATINGS CRITERIA ARE AVAILABLE WITHOUT CHARGE TO THE PUBLIC ON THE WEB SITE, [WWW.CALRATINGS.COM](http://WWW.CALRATINGS.COM). CRISIL RATINGS OR ITS ASSOCIATES MAY HAVE OTHER COMMERCIAL TRANSACTIONS WITH THE COMPANY/ENTITY. FOR THE LATEST RATING INFORMATION ON ANY INSTRUMENT OF ANY COMPANY RATED BY CRISIL RATINGS, PLEASE VISIT [WWW.CRISILRATINGS.COM](http://WWW.CRISILRATINGS.COM) OR CONTACT CUSTOMER SERVICE HELPDISK AT [CRISILRATINGDESK@CRISIL.COM](mailto:CRISILRATINGDESK@CRISIL.COM) OR AT 1800-267-1301.**

**DISCLAIMER STATEMENT OF CARE RATINGS LIMITED**

**THE RATINGS ISSUED BY CARE RATINGS LIMITED ARE OPINIONS ON THE LIKELIHOOD OF TIMELY PAYMENT OF THE OBLIGATIONS UNDER THE RATED INSTRUMENT AND ARE NOT RECOMMENDATIONS TO SANCTION, RENEW, DISBURSE OR RECALL THE CONCERNED BANK FACILITIES OR TO BUY, SELL OR HOLD ANY SECURITY. THESE RATINGS DO NOT CONVEY SUITABILITY OR PRICE FOR THE INVESTOR. THE AGENCY DOES NOT CONSTITUTE AN AUDIT ON**



THE RATED ENTITY. CARE RATINGS LIMITED HAS BASED ITS RATINGS/OUTLOOKS BASED ON INFORMATION OBTAINED FROM RELIABLE AND CREDIBLE SOURCES. CARE RATINGS LIMITED DOES NOT, HOWEVER, GUARANTEE THE ACCURACY, ADEQUACY OR COMPLETENESS OF ANY INFORMATION AND IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS AND THE RESULTS OBTAINED FROM THE USE OF SUCH INFORMATION. MOST ENTITIES WHOSE BANK FACILITIES/INSTRUMENTS ARE RATED BY CARE RATINGS LIMITED HAVE PAID A CREDIT RATING FEE, BASED ON THE AMOUNT AND TYPE OF BANK FACILITIES/INSTRUMENTS. CARE RATINGS LIMITED OR ITS SUBSIDIARIES/ASSOCIATES MAY ALSO BE INVOLVED WITH OTHER COMMERCIAL TRANSACTIONS WITH THE ENTITY. IN CASE OF PARTNERSHIP/PROPRIETARY CONCERNS, THE RATING /OUTLOOK ASSIGNED BY CARE RATINGS LIMITED IS, INTER-ALIA, BASED ON THE CAPITAL DEPLOYED BY THE PARTNERS/PROPRIETOR AND THE CURRENT FINANCIAL STRENGTH OF THE FIRM. THE RATING/OUTLOOK MAY UNDERGO A CHANGE IN CASE OF WITHDRAWAL OF CAPITAL OR THE UNSECURED LOANS BROUGHT IN BY THE PARTNERS/PROPRIETOR IN ADDITION TO THE FINANCIAL PERFORMANCE AND OTHER RELEVANT FACTORS. CARE RATINGS LIMITED IS NOT RESPONSIBLE FOR ANY ERRORS AND STATES THAT IT HAS NO FINANCIAL LIABILITY WHATSOEVER TO THE USERS OF CARE RATINGS LIMITED'S RATING.

OUR RATINGS DO NOT FACTOR IN ANY RATING RELATED TRIGGER CLAUSES AS PER THE TERMS OF THE FACILITY/INSTRUMENT, WHICH MAY INVOLVE ACCELERATION OF PAYMENTS IN CASE OF RATING DOWNGRADES. HOWEVER, IF ANY SUCH CLAUSES ARE INTRODUCED AND IF TRIGGERED, THE RATINGS MAY SEE VOLATILITY AND SHARP DOWNGRADES.

#### **DISCLAIMER STATEMENT OF ICRA LIMITED**

ICRA RATINGS SHOULD NOT BE TREATED AS RECOMMENDATION TO BUY, SELL OR HOLD THE RATED DEBT INSTRUMENTS. ICRA RATINGS ARE SUBJECT TO A PROCESS OF SURVEILLANCE, WHICH MAY LEAD TO REVISION IN RATINGS. AN ICRA RATING IS A SYMBOLIC INDICATOR OF ICRA'S CURRENT OPINION ON THE RELATIVE CAPABILITY OF THE ISSUER CONCERNED TO TIMELY SERVICE DEBTS AND OBLIGATIONS, WITH REFERENCE TO THE INSTRUMENT RATED. PLEASE VISIT OUR WEBSITE [WWW.ICRA.IN](http://WWW.ICRA.IN) OR CONTACT ANY ICRA OFFICE FOR THE LATEST INFORMATION ON ICRA RATINGS OUTSTANDING. ALL INFORMATION CONTAINED HEREIN HAS BEEN OBTAINED BY ICRA FROM SOURCES BELIEVED BY IT TO BE ACCURATE AND RELIABLE, INCLUDING THE RATED ISSUER. ICRA HOWEVER HAS NOT CONDUCTED ANY AUDIT OF THE RATED ISSUER OR OF THE INFORMATION PROVIDED BY IT. WHILE REASONABLE CARE HAS BEEN TAKEN TO ENSURE THAT THE INFORMATION HEREIN IS TRUE, SUCH INFORMATION IS PROVIDED 'AS IS' WITHOUT ANY WARRANTY OF ANY KIND, AND ICRA IN PARTICULAR, MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS OR COMPLETENESS OF ANY SUCH INFORMATION. ALSO, ICRA OR ANY OF ITS GROUP COMPANIES MAY HAVE PROVIDED SERVICES OTHER THAN RATING TO THE ISSUER RATED. ALL INFORMATION CONTAINED HEREIN MUST BE CONSTRUED SOLELY AS STATEMENTS OF OPINION, AND ICRA SHALL NOT BE LIABLE FOR ANY LOSSES INCURRED BY USERS FROM ANY USE OF THIS PUBLICATION OR ITS CONTENTS.

#### **DISCLAIMER CLAUSE OF CARE ADVISORY RESEARCH AND TRAINING LIMITED ("CART")**

THE REPORT HAS BEEN PREPARED BY CARE EDGE (CARE RATINGS LIMITED). CARE EDGE HAS TAKEN UTMOST CARE TO ENSURE ACCURACY AND OBJECTIVITY BASED ON INFORMATION AVAILABLE IN THE PUBLIC DOMAIN. HOWEVER, NEITHER THE ACCURACY NOR COMPLETENESS OF THE INFORMATION CONTAINED IN THE REPORT IS GUARANTEED. CARE EDGE IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS IN ANALYSIS/INFERENCES/VIEWS OR FOR RESULTS OBTAINED FROM THE USE OF THE INFORMATION CONTAINED IN THE REPORT AND ESPECIALLY STATES THAT CAREEDGE HAS NO FINANCIAL LIABILITY WHATSOEVER TO THE USER OF THIS REPORT OR PART THEREOF.

#### **DISCLAIMER STATEMENT FROM THE ISSUER**

THE ISSUER ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHER THAN IN THIS DRAFT SHELF PROSPECTUS ISSUED BY OUR COMPANY IN CONNECTION WITH THE ISSUE OF THE NCDS AND ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE

**DOING SO AT HIS / HER / THEIR OWN RISK.**

**DISCLAIMER STATEMENT FROM THE LEAD MANAGERS**

**THE LEAD MANAGERS ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHERWISE THAN IN THIS DRAFT SHELF PROSPECTUS OR IN THE ADVERTISEMENT OR ANY OTHER MATERIAL ISSUED BY OR AT THE INSTANCE OF THE COMPANY AND THAT ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT HIS / HER / THEIR OWN RISK.**

**DISCLAIMER IN RESPECT OF JURISDICTION**

**THE ISSUE IS BEING MADE IN INDIA, TO INVESTORS FROM CATEGORY I, CATEGORY II, CATEGORY III AND CATEGORY IV. THIS DRAFT SHELF PROSPECTUS, THE SHELF PROSPECTUS AND THE RELEVANT TRANCHE PROSPECTUS WILL NOT, HOWEVER CONSTITUTE AN OFFER TO SELL OR AN INVITATION TO SUBSCRIBE FOR THE NCDS OFFERED HEREBY IN ANY JURISDICTION OTHER THAN INDIA TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE AN OFFER OR INVITATION IN SUCH JURISDICTION. ANY PERSON INTO WHOSE POSSESSION THIS DRAFT SHELF PROSPECTUS, THE SHELF PROSPECTUS AND THE RELEVANT TRANCHE PROSPECTUS COMES IS REQUIRED TO INFORM HIMSELF OR HERSELF ABOUT, AND TO OBSERVE, ANY SUCH RESTRICTIONS.**

**UNDERTAKING BY THE ISSUER**

**INVESTORS ARE ADVISED TO READ THE RISK FACTORS CAREFULLY BEFORE TAKING AN INVESTMENT DECISION IN THIS ISSUE. FOR TAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE OFFER INCLUDING THE RISKS INVOLVED. THE NCDS HAVE NOT BEEN RECOMMENDED OR APPROVED BY ANY REGULATORY AUTHORITY IN INDIA, INCLUDING THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) NOR DOES SEBI GUARANTEE THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. SPECIFIC ATTENTION OF INVESTORS IS INVITED TO THE STATEMENT OF THE “RISK FACTORS” CHAPTER ON PAGE OF THIS DRAFT SHELF PROSPECTUS.**

**THE ISSUER, HAVING MADE ALL REASONABLE INQUIRIES, ACCEPTS RESPONSIBILITY FOR, AND CONFIRMS THAT THIS DRAFT SHELF PROSPECTUS CONTAINS ALL INFORMATION WITH REGARD TO THE ISSUER AND THE ISSUE, THAT THE INFORMATION CONTAINED IN THIS DRAFT SHELF PROSPECTUS IS TRUE AND CORRECT IN ALL MATERIAL ASPECTS AND IS NOT MISLEADING IN ANY MATERIAL RESPECT, THAT THE OPINIONS AND INTENTIONS EXPRESSED HEREIN ARE HONESTLY HELD AND THAT THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH MAKE THIS DRAFT SHELF PROSPECTUS AS A WHOLE OR ANY OF SUCH INFORMATION OR THE EXPRESSION OF ANY SUCH OPINIONS OR INTENTIONS MISLEADING IN ANY MATERIAL RESPECT.**

**THE ISSUER HAS NO SIDE LETTER WITH ANY DEBT SECURITIES HOLDER EXCEPT THE ONE(S) DISCLOSED IN THIS DRAFT SHELF PROSPECTUS. ANY COVENANTS LATER ADDED SHALL BE DISCLOSED ON THE STOCK EXCHANGE’S WEBSITES WHERE THE DEBT IS LISTED.**

**OUR COMPANY DECLARES THAT NOTHING IN THIS DRAFT SHELF PROSPECTUS IS CONTRARY TO THE PROVISIONS OF COMPANIES ACT, 2013 (18 OF 2013), THE SECURITIES CONTRACTS (REGULATION) ACT, 1956 AND THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES AND REGULATIONS MADE THEREUNDER.**

**Track record of past public issues handled by the Lead Managers**

The track record of past issues handled by the Lead Managers, as required by SEBI circular number CIR/MIRSD/1/2012 dated January 10, 2012, are available at the following website:

| <b>Name of Lead Managers</b>   | <b>Website</b>   |
|--|--|
| JM Financial Limited   | <a href="http://www.jmfl.com">www.jmfl.com</a>           |
| A.K. Capital Services Limited  | <a href="http://www.akgroup.co.in">www.akgroup.co.in</a> |
| Nuvama Wealth Management Limited ( <i>formerly known as Edelweiss Securities Limited</i> ) | <a href="http://www.nuvama.com">www.nuvama.com</a>       |

| Name of Lead Managers                     | Website             |
|---|---------------------|
| SMC Capitals Limited                      | www.smccapitals.com |
| Trust Investment Advisors Private Limited | www.trustgroup.in   |

## Listing

The NCDs proposed to be offered through this Issue are proposed to be listed on BSE. BSE has been appointed as the Designated Stock Exchange. An application will be made to the Stock Exchange for permission to deal in and for an official quotation of our NCDs.

If permissions to deal in and for an official quotation of our NCDs are not granted by BSE, our Company will forthwith repay all moneys received from the Applicants in pursuance of this Draft Shelf Prospectus, in accordance with applicable laws.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at BSE are taken within 6 Working Days from the date of closure of this Issue.

For the avoidance of doubt, it is hereby clarified that in the event of under subscription, NCDs shall not be listed and in the event of zero subscription to any one or more of the series, such NCDs with series shall not be listed.

Our Company shall pay interest at 15% (fifteen) per annum if allotment is not made and funds are not unblocked and/or demat credits are not made to investors within five Working Days of the Issue Closing Date or date of refusal of listing by BSE, whichever is earlier. In case listing permission is not granted by BSE to our Company and if such money is not repaid within the day our Company becomes liable to repay it on such account, our Company shall, on and from expiry of such date, be liable to repay the money with interest at the rate of 15% as prescribed under Companies (Prospectus and Allotment of Securities) Rules, 2014 read with applicable provisions of the Companies Act, 2013, provided that the beneficiary particulars relating to such Applicants as given by the Applicants is valid at the time of the upload of the credit.

## Consents

Consents in writing of: (a) Our Directors, (b) Company Secretary and Compliance Officer, (c) Chief Financial Officer, (d) Lead Managers, (e) the Registrar to the Issue, (f) Legal Advisor to the Issue; (g) Bankers to Company; (h) Credit Rating Agencies; (i) the Debenture Trustee for the Issue; (j) Consortium Member\*; (k) Public Issue Account Bank, Refund Bank and Sponsor Bank\*; and (l) consents from the existing lenders to our Company, have been obtained from them and the same will be filed along with a copy of the Shelf Prospectus and relevant Tranche Prospectus(es) with the ROC as required under Section 26 and Section 31 of the Companies Act, 2013. Further, such consents have not been withdrawn up to the time of delivery of this Draft Shelf Prospectus with the Stock Exchange.

*\*The consents will be procured at the relevant Tranche Prospectus(es) stage*

## Expert Opinion

Except for the following, our Company has not obtained any expert opinions in connection with this Draft Shelf Prospectus:

Our Company has received the written consent dated July 6, 2023 from (i) Dass Gupta & Associates, , Chartered Accountants and (ii) Prem Gupta & Company, Chartered Accountants ,our Statutory Auditors, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI NCS Regulations, in this Draft Shelf Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of (i) the reports each dated July 6, 2023 on the Reformatted Financial Information included in this Draft Shelf Prospectus, and (iii) their report dated July 6, 2023 on the statement of tax benefits included in this Draft Shelf Prospectus, and such consent has not been withdrawn as on the date of this Draft Shelf Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act, 1993.

The above experts have given their written consent to the Company as stated in the paragraph above and has not withdrawn such consent before the filing of this Draft Shelf Prospectus with the Stock Exchange and SEBI.

## **Common form of Transfer**

Our Company undertakes that there shall be a common form of transfer for the NCDs, if applicable and the provisions of the Companies Act, 2013 applicable as on the date of this Draft Shelf Prospectus and all applicable laws shall be duly complied with in respect of all transfer of debentures and registration thereof.

## **Minimum Subscription**

In terms of the SEBI NCS Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. If our Company does not receive the minimum subscription of 75% of Base Issue Size the entire blocked Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within eight Working Days from the Issue Closing Date provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Account(s) of the Applicants within eight Working Days from the Issue Closing Date, failing which our Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 and Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription amount was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard included in the SEBI Operational Circular.

## **Filing of this Draft Shelf Prospectus**

A copy of this Draft Shelf Prospectus has been filed with the Stock Exchange in terms of Regulation 27 of the SEBI NCS Regulations for dissemination on its website(s) prior to the opening of the Issue and with SEBI. This Draft Shelf Prospectus has also been displayed on the website of the Company and the Lead Managers.

## **Filing of the Shelf Prospectus and relevant Tranche Prospectus with the RoC**

Our Company is eligible to file the Shelf Prospectus as per requirements of Regulation 41(1)(a) of the SEBI NCS Regulations. A copy of the Shelf Prospectus and relevant Tranche Prospectus shall be filed with the RoC in accordance with Section 26 and Section 31 of the Companies Act, 2013.

## **Debenture Redemption Reserve (“DRR”)**

In accordance with amendments to the Companies Act, 2013, and the Companies (Share Capital & Debentures) Rules 2014, read with the SEBI NCS Regulations, an NBFC registered with RBI under section 45-IA of the Reserve Bank of India Act, 1934 is not required to create a DRR for the purpose of redemption of debentures. Pursuant to the amendment to the Companies (Share Capital & Debentures) Rules 2014, and as on the date of filing of this Draft Shelf Prospectus, our Company is not required to create DRR for the purpose of redemption of the NCDs. Accordingly, no debenture redemption reserve shall be created by our Company for the purpose of redemption of the NCDs or in connection with the Issue.

Our Company shall, as per the Companies (Share Capital & Debentures) Rules 2014, as amended and other laws applicable from time to time, invest or deposit, as the case may be, the applicable amounts, within the specified timelines, in respect of debentures maturing during the year ending on the 31<sup>st</sup> day of March of the next year, in any one or more methods of investments or deposits stipulated under the applicable law. Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below the specified percentage, which is presently stipulated at 15% (fifteen percent) of the amount of the debentures maturing during the year ending on March 31 of the next year, in any of the following instruments or such other instruments as may be permitted under the applicable laws.

1. in deposits with any scheduled bank, free from any charge or lien;
2. in unencumbered securities of the Central Government or any State Government;
3. in unencumbered securities mentioned in sub-clause (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882;

4. in unencumbered bonds issued by any other company which is notified under sub-clause (f) of section 20 of the Indian Trusts Act, 1882:

Provided further that the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above.

### **Recovery Expense Fund**

Our Company shall create a recovery expense fund in the manner as specified by SEBI in SEBI Debenture Trustee Operational Circular as amended from time to time and Regulation 11 of SEBI NCS Regulations with the Designated Stock Exchange and will inform the Debenture Trustee regarding the creation of such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.

Kindly note, any default committed by the Company in terms of the NCDs proposed to be issued shall be reckoned at each respective International Securities Identification Number level assigned to the respective Option(s)/Series of NCDs issued.

### **Reservation**

No portion of the Issue has been reserved.

### **Underwriting**

This Issue will not be underwritten.

### **Disclosures in accordance with the DT Circular**

### **Appointment of Debenture Trustee**

The Company has appointed the Debenture Trustee in accordance with the terms of the Debenture Trustee Agreement.

### **Terms and Conditions of Debenture Trustee Agreement**

#### ***Fees charged by Debenture Trustee***

Separately, the Company and the Debenture Trustee have agreed the payment of an acceptance fee of ₹ 9,900 plus applicable taxes on an annual basis and ₹ 700 per issue, plus applicable taxes in terms of the letter dated March 23, 2021 read with offer letter dated 13 June 2023, bearing reference no. CL/MUM/23-24/BT/2 as may be amended/modified from time to time read with appointment letter dated March 23, 2021.

Debenture Trustee Agreement provides for, *inter alia*, the following terms and conditions:

1. The Debenture Trustee, either through itself or its agents, advisors, consultants, shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in the Offer Documents / Debenture Trust Deed, has been obtained. For the purpose of carrying out the due diligence as required under Applicable Law, the Debenture Trustee, either through itself or its agents, advisors, consultants, shall have the power to examine the books of account of the Company and to have the Company's assets inspected by its officers and/or external auditors, valuers, consultants, lawyers, technical experts or management consultants appointed by the Debenture Trustee. Prior to appointment of any agents, advisors, consultants, the Debenture Trustee shall obtain necessary confirmation from the said agents, advisors or consultants that they do not have any conflict-of-interest in conducting the diligence under the transaction.
2. The Company shall provide all assistance to the Debenture Trustee to enable verification from the ROC, sub-registrar of assurances (as applicable), Central Registry of Securitization Asset Reconstruction and Security Interest of India ("CERSAI"), depositories, information utility ("IU") registered with Insolvency and Bankruptcy Board of India ("IBBI") or any other authority, as may be required, where the assets and/or encumbrances in relation to the assets of the Company or any third-party security provider for securing the Debentures, are registered / disclosed.

3. Further, in the event that existing charge holders or any trustee on behalf of the existing charge holders, have provided conditional consent / permissions to the Company to create further charge on the assets, the Debenture Trustee shall also have the power to verify such conditions by reviewing the relevant transaction documents or any other documents executed between existing charge holders and the Company. The Debenture Trustee shall also have the power to intimate the existing charge holders about proposal of creation of further encumbrance and seeking their comments/ objections, if any.
4. Without prejudice to the aforesaid, the Company shall ensure that it provides and procures all information, representations, confirmations and disclosures as may be required in the sole discretion of the Debenture Trustee to carry out the requisite diligence in connection with the issuance and allotment of the Debentures, in accordance with applicable law.
5. The Debenture Trustee shall have the power to independently appoint intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities in order to assist in the diligence by the Debenture Trustee. All costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports/certificates/documentation, including all out of pocket expenses towards legal or inspection costs, traveling and other costs shall be solely borne by the Company.
6. The Debenture Trustee shall make the disclosures on its website as specified under SEBI Debenture Trustee Operational Circular.
7. The Debenture Trustee shall take necessary steps to bring the investor charter, as provided in the SEBI Debenture Trustee Operational Circular:
  - i. Disseminating the investor charter on Debenture Trustee's website and through e-mail.
  - ii. Displaying the investor charter at prominent places in offices etc.
8. The Debenture Trustee shall intimate stock exchange and depositories the status of payment of debt securities within nine (9) working days of the maturity / redemption date, in case the issuer fails to intimate the status of payment of the debt securities within stipulated timelines, then debenture trustee(s) shall seek status of payment from issuer and/ or conduct independent assessment banks, investors, rating agencies, etc.) to determine the same.

***Terms of carrying out due diligence***

As per the SEBI Debenture Trustee Operational Circular, as amended and/ or supplemented from time to time, the Debenture Trustee is required to exercise independent due diligence to ensure that the assets of the Issuer company are sufficient to discharge the interest and principal amount with respect to the debt securities of the Issuer at all times. Accordingly, the Debenture Trustee shall exercise due diligence as per the following process, for which our company has consented to.

1. The Debenture Trustee, either through itself or its agents /advisors/consultants, shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in the offer document and other applicable laws has been obtained. For the purpose of carrying out the due diligence as required in terms of the Relevant Laws, the Debenture Trustee, either through itself or its agents /advisors/consultants, shall have the power to examine the books of account of the Company and to have the Company's assets inspected by its officers and/or external auditors/valuers/consultants/lawyers/technical experts/management consultants appointed by the Debenture Trustee.
2. The Company shall provide all assistance to the Debenture Trustee to enable verification from the Registrar of Companies, Sub-registrar of Assurances (as applicable), CERSAI, depositories, information utility or any other authority, as may be relevant, where the assets and/or encumbrances in relation to the assets of the Company or any third-party security provider are registered / disclosed.
3. Further, in the event that existing charge holders or any trustee on behalf of the existing charge holders have provided conditional consent / permissions to the Company to create further charge on the assets, the Debenture Trustee shall also have the power to verify such conditions by reviewing the relevant transaction documents or any other documents executed between existing charge holders and the Company. The Debenture Trustee shall also have the power to intimate the existing charge holders about proposal of creation of further encumbrance and seeking their comments/ objections, if any, if Company is required to do so under the respective financing documents executed

with the said existing charge holders.

4. Without prejudice to the aforesaid, the Company shall ensure that it provides and procures all information, representations, confirmations and disclosures as may be required in the sole discretion of the Debenture Trustee to carry out the requisite diligence in connection with the issuance and allotment of the Debentures, in accordance with the relevant laws/ Applicable Law.
5. The Debenture Trustee shall have the power to independently appoint intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities in order to assist in the diligence by the Debenture Trustee. All costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports/certificates/documentation, including all out of pocket expenses towards legal or inspection costs, travelling and other costs, shall be solely borne by the Company.
6. In addition to the above terms of carrying out the due diligence, the Debenture Trustee Agreement provides for, *inter alia*, the following terms and conditions:
  - i. The Company undertakes to promptly furnish all and any information as may be required by the Debenture Trustee in terms of the Companies Act and the Debenture Trust Deed on a regular basis, including without limitation the following documents, as may be applicable;
  - ii. The Debenture Trustee does not have the obligations of a borrower or a principal debtor or a guarantor as to the monies paid/invested by investors for the NCDs.

#### **Process of Due Diligence to be carried out by the Debenture Trustee**

Due Diligence will be carried out as per SEBI (Debenture Trustees) Regulations, 1993, SEBI NCS Regulations and circulars issued by SEBI from time to time. This would broadly include the following:

- A Chartered Accountant (“CA”) appointed by Debenture Trustee will conduct independent due diligence as per scope provided, regarding security offered by the Issuer.
- CA will ascertain, verify, and ensure that the assets offered as security by the Issuer is free from any encumbrances or necessary permission / consent / NOC has been obtained from all existing charge holders.
- CA will conduct independent due diligence on the basis of data / information provided by the Issuer.
- CA will, periodically undertake due diligence as envisaged in SEBI circulars depending on the nature of security.
- On basis of the CA’s report / finding Due Diligence certificate will be issued by Debenture Trustee and will be filed with relevant Stock Exchange.
- Due Diligence conducted is premised on data / information made available to the Debenture Trustee appointed agency and there is no onus of responsibility on Debenture Trustee or its appointed agency for any acts of omission / commission on the part of the Issuer.

While the Debt Security is secured as per terms of the Offer Document and charge is held in favour of the Debenture Trustee, the extent of recovery would depend upon realization of asset value and the Debenture Trustee in no way guarantees / assures full recovery / partial of either principal or interest.

#### **Other Confirmations**

The Debenture Trustee confirms that they have undertaken the necessary due diligence in accordance with Applicable Law, including the SEBI (Debenture Trustees) Regulations, 1993, read with the SEBI Debenture Trustee Operational Circular.

The Debenture Trustee undertakes that the NCDs shall be considered as secured only if the charged asset is registered with sub-registrar and Registrar of Companies or CERSAI or depository, etc., as applicable, or is independently verifiable by the Debenture Trustee.

**BEACON TRUSTEESHIP LIMITED HAVE FURNISHED TO STOCK EXCHANGE A DUE DILIGENCE CERTIFICATE DATED JULY 6, 2023 AS PER THE FORMAT SPECIFIED IN SEBI DEBENTURE TRUSTEE OPERATIONAL CIRCULAR, AS AMENDED FROM TIME TO TIME AND SCHEDULE IV OF THE SEBI NCS REGULATIONS WHICH READS AS FOLLOWS:**

- 1. WE HAVE EXAMINED DOCUMENTS PERTAINING TO THE SAID ISSUE AND OTHER SUCH RELEVANT DOCUMENTS, REPORTS AND CERTIFICATIONS.**
- 2. ON THE BASIS OF SUCH AN EXAMINATION AND OF THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND OF INDEPENDENT VERIFICATION OF THE VARIOUS RELEVANT DOCUMENTS, REPORTS AND CERTIFICATIONS.**

**WE CONFIRM THAT:**

- a) THE ISSUER HAS MADE ADEQUATE PROVISIONS FOR AND/OR HAS TAKEN STEPS TO PROVIDE FOR ADEQUATE SECURITY FOR THE DEBT SECURITIES TO BE ISSUED AND LISTED – Not applicable at this stage since security is to be created in tranches. (As per SEBI Debenture Trustee Operational Circular ).**
- b) THE ISSUER HAS OBTAINED THE PERMISSIONS / CONSENTS NECESSARY FOR CREATING SECURITY ON THE SAID PROPERTY(IES).**
- c) THE ISSUER HAS MADE ALL THE RELEVANT DISCLOSURES ABOUT SECURITY AND ALSO ITS CONTINUED OBLIGATIONS TOWARDS THE HOLDERS OF DEBT SECURITIES.**
- d) ISSUER HAS ADEQUATELY DISCLOSED ALL CONSENTS/ PERMISSIONS REQUIRED FOR CREATION OF FURTHER CHARGE ON ASSETS IN OFFER DOCUMENT OR PRIVATE PLACEMENT MEMORANDUM/ INFORMATION MEMORANDUM AND ALL DISCLOSURES MADE IN THE OFFER DOCUMENT OR PRIVATE PLACEMENT MEMORANDUM/ INFORMATION MEMORANDUM WITH RESPECT TO CREATION OF SECURITY ARE IN CONFIRMATION WITH THE CLAUSES OF DEBENTURE TRUSTEE AGREEMENT.**
- e) ISSUER HAS DISCLOSED ALL COVENANTS PROPOSED TO BE INCLUDED IN DEBENTURE TRUST DEED (INCLUDING ANY SIDE LETTER, ACCELERATED PAYMENT CLAUSE ETC.), OFFER DOCUMENT OR PRIVATE PLACEMENT MEMORANDUM/ INFORMATION MEMORANDUM AND GIVEN AN UNDERTAKING THAT DEBENTURE TRUST DEED WOULD BE EXECUTED BEFORE FILING OF LISTING APPLICATION. Covenants will be specified in the relevant Tranche prospectus for each Tranche Issue and the Debenture Trust Deed.**
- f) ISSUER HAS GIVEN AN UNDERTAKING THAT CHARGE SHALL BE CREATED IN FAVOUR OF DEBENTURE TRUSTEE AS PER TERMS OF ISSUE BEFORE FILING OF LISTING APPLICATION.**
- g) ALL DISCLOSURES MADE IN THE OFFER DOCUMENT WITH RESPECT TO THE DEBT SECURITIES ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE.**

**WE HAVE SATISFIED OURSELVES ABOUT THE ABILITY OF THE ISSUER TO SERVICE THE DEBT SECURITIES.**

Our Company undertakes that it shall submit the due diligence certificate from Debenture Trustee to the Stock Exchange as per format specified in **Annex-IIA** of SEBI Debenture Trustee Operational Circular

#### **Debenture Trust Deed**

Our Company and the Debenture Trustee will execute a Debenture Trust Deed, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and us, as per the extant SEBI regulations applicable for the proposed NCD Issue.

#### **Issue Related Expenses**

The expenses of the Issue include, *inter alia*, lead management fees and selling commission to the Lead Managers, Consortium Member, fees payable to debenture trustees, the Registrar to the Issue, SCSBs' commission/ fees, fees



payable to the sponsor bank, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The Issue expenses and listing fees will be paid by our Company.

The estimated breakdown of the total expenses for the Issue shall be as specified in this Draft Shelf Prospectus. Please see section titled “*Objects of the Issue*” on page 74.

### Utilization of Issue Proceeds

Our Board of Directors certifies that:

1. all monies received out of the Issue of the NCDs to the public shall be transferred to a separate bank account maintained with a scheduled bank, other than the bank account referred to in section 40(3) of the Companies Act and the SEBI NCS Regulations, and our Company will comply with the conditions as stated therein, and these monies will be transferred to Company’s bank account after receipt of listing and trading approvals;
2. details of all monies utilised out of the Issue referred to in sub-item (i) shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies were utilised;
3. details of all unutilised monies out of the Issue referred to in sub-item (i), if any, shall be disclosed under an appropriate separate head in our balance indicating the form of financial assets in which such unutilised monies have been invested;
4. we shall utilize the Issue proceeds only upon creation of security as stated in this Draft Shelf Prospectus in the section titled “*Terms of the Issue*” on page 549 and after (a) permissions or consents for creation of *pari passu* charge have been obtained from the creditors who have *pari passu* charge over the assets sought to be provided as Security; (b) receipt of the minimum subscription of 75% of the Base Issue Size pertaining to the Issue; (c) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (d) creation of security and confirmation of the same in terms of NCDs and (e) receipt of listing and trading approval from Stock Exchange;
5. the Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any property;
6. the allotment letter shall be issued, or application money shall be refunded in accordance with the Applicable Law failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period;
7. the Issue proceeds shall be utilized in compliance with various guidelines, regulations and clarifications issued by RBI, SEBI or any other statutory authority from time to time. Further the Issue proceeds shall be utilised only for the purpose and objects stated in the Offer Documents; and
8. If Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within such time as specified by SEBI, failing which interest will be due to be paid to the Applicants in accordance with applicable laws.

### Previous Issues

#### Public / Rights Issues of Equity Shares and non-convertible debentures in the last three years from this Draft Shelf Prospectus

#### Public Issue of non-convertible debentures by our Company.

#### Fiscal 2021

|                                   |   |
|-----------------------------------|---|
| <b>Date of Opening</b>            | January 15, 2021  |
| <b>Date of Closing</b>            | January 18, 2021  |
| <b>Total Issue Size</b>           | ₹ 500 crores with an option to retain oversubscription upto ₹ 4,500 crores, aggregating up to ₹ 5,000 crores (“Tranche I Issue”) which is within the Shelf Limit of ₹ 10,000 crores and offered by way of Tranche I Prospectus dated January 11, 2021 |
| <b>Amount raised in the issue</b> | ₹ 4,428.99 crores   |
| <b>Date of Allotment</b>          | January 22, 2021  |

|                                |  |
|--------------------------------|--|
| <b>Objects of the Issue</b>    | For the purpose of onward lending, financing / refinancing the existing indebtedness of our Company, and/or debt servicing (payment of interest and/or repayment / prepayment of interest and principal of existing borrowings of our Company), and; General corporate purposes. |
| <b>Utilisation of Proceeds</b> | The proceeds from issuance have been utilized by the Company in the manner specified in the object of the tranche.   |

#### **Fiscal 2022**

Nil

#### **Fiscal 2023**

Nil

#### **Public issue of equity shares**

There has been no public issue of Equity Shares by our Company during the last three Financial Years.

#### **Rights Issue by our Company**

There has been no rights issue by our Company during the last three Financial Years.

#### **Private Placements of Equity Shares by our Company**

There has been no private placement of Equity Shares by our Company during the last three Financial Years.

#### **Private Placement of NCDs by our Company**

Other than as disclosed in the section titled “*Financial Indebtedness*” on page 467, our Company has not undertaken any private placements prior to the date of this Draft Shelf Prospectus.

#### **Utilisation of issue proceeds of previous issues through private placement of NCDs**

The proceeds from the previous issuance of non-convertible debentures by way of private placement by the Company have been and/or are being utilized in accordance with the use of proceeds set out in the respective offer documents.

#### **Public / Rights Issues (to public shareholders) by our Group Companies in the last three years from this Draft Shelf Prospectus:**

Our Group Companies have not undertaken any public/rights issue of equity shares or non-convertible securities in the last three years prior to the date of this Draft Shelf Prospectus.

#### **Benefit/ interest accruing to Promoter/ Directors out of the Object of the Issue**

Neither our Promoter nor the Directors of our Company are interested in the Objects of this Issue.

#### **Utilisation of proceeds of the Issue by our Group Companies**

No proceeds of the Issue will be paid to our Group Companies.

#### **Delay in listing**

There has been no delay in the listing of any non-convertible securities issued by our Company.

#### **Refusal of listing of any security of the issuer during last three years by any of the stock exchange in India or abroad.**

Except as disclosed in this Draft Shelf Prospectus, there has been no refusal of listing of any security of our Company during the last three years prior to the date of this Draft Shelf Prospectus by any Stock Exchange in India.

## Debentures or bonds and redeemable preference shares and other instruments issued by our Company and outstanding

As on March 31, 2023, our Company has outstanding non-convertible debentures. For further details see chapter titled “Financial Indebtedness” on page 467.

Except as mentioned in the chapter titled “Capital Structure” on page 64, our Company has not undertaken any issue of preference shares as of March 31, 2023.

Further, save and except as mentioned in this Draft Shelf Prospectus, our Company has not issued any other outstanding debentures or bonds.

## Dividend

| Particulars                        | Fiscal 2023 (%)   | Fiscal 2022 (%)  | Fiscal 2021 (%)   |
|------------------------------------|---|--|---|
| Dividend declared on equity shares | 132.50%<br>(₹ 8.75 – Interim Dividend)<br>(₹ 4.50 – Final Dividend) | 120 %<br>(₹ 10.75 – Interim Dividend)<br>(₹ 1.25 – Final Dividend) | 100 %<br>(₹ 8.00 – Interim Dividend)<br>(₹ 2.00 – Final Dividend) |
| Interest coverage ratio (times)    | NA  | NA   | NA  |

## Revaluation of assets

We has not revalued our assets in the last three financial years.

## Mechanism for redressal of investor grievances

KFIN Technologies Limited has been appointed as the Registrar to the Issue to ensure that investor grievances are handled expeditiously and satisfactorily and to effectively deal with investor complaints.

The Registrar Agreement dated June 29, 2023 between the Registrar to the Issue and our Company, inter alia provide for retention of records with the Registrar to the Issue, for a period of at least eight years from the last date of dispatch of the allotment Advice, demat credit and refund through unblocking to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue or Company Secretary and Compliance Officer, giving full details such as name, address of the Applicant, number of NCDs applied for, amount paid on application and the bank branch or details of Member of Syndicate or Trading Member of the Stock Exchange where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned Member of the Syndicate and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA Centres, giving full details such as name, address of Applicant, Application Form number, series applied for, number of NCDs applied for, amount blocked on Application. All grievances related to the UPI process may be addressed to the Stock Exchange, which shall be responsible for addressing investor grievances arising from applications submitted online through the App based/ web interface platform of stock exchange or through their Trading Members. The Intermediaries shall be responsible for addressing any investor grievances arising from the applications uploaded by them in respect of quantity, price or any other data entry or other errors made by them.

The contact details of Registrar to the Issue are as follows:

**KFIN Technologies Limited**  
Selenium Tower B,  
Plot 31-32, Gachibowli,  
Financial District, Nanakramguda,  
Serilingampally, Rangareddi,  
Hyderabad – 500 032, Telangana

**Tel:** +91 40 6716 2222  
**Fax:** +91 40 6716 1563  
**Email:** pfcl.ncdipo@kfintech.com  
**Investor Grievance Email:** einward.ris@kfintech.com  
**Website:** www.kfintech.com  
**Contact Person:** Mr. M. Murali Krishna  
**Compliance Officer :** Anshul Kumar Jain  
**SEBI Registration Number:** INR000000221  
**CIN:** U72400TG2017PTC117649

The Registrar shall endeavour to redress complaints of the investors within 3 (three) days of receipt of the complaint during the currency of the Registrar Agreement and continue to do so during the period it is required to maintain records under the RTA Regulations and the Company shall extend necessary co-operation to the Registrar for its complying with the said regulations. However, the Registrar shall ensure that the time taken to redress investor complaints does not exceed 15 (fifteen) days from the date of receipt of complaint. The Registrar shall provide a status report of investor complaints and grievances on a fortnightly basis to the Company. Similar status reports should also be provided to the Company as and when required by the Company.

The details of the person appointed to act as Company Secretary and Compliance Officer for the purposes of the Issue are set out below:

#### Company Secretary and Compliance Officer

Mr. Manish Kumar Agarwal  
 “Urjanidhi”, 1, Barakhamba Lane,  
 Connaught Place,  
 New Delhi - 110 001, India.  
**Tel:** +91 11 2345 6749  
**Fax:** +91 11 2345 6786  
**Investor Grievance Email:** publicissue2324@pfcindia.com

Investors may contact the Registrar to the Issue or the Company Secretary and Compliance Officer in case of any pre-issue or post Issue related issues such as non-receipt of Allotment Advice, demat credit or unblocking etc.

#### Details of Auditors to the Issuer

| Names of the Statutory Auditor                              | Address  | Auditor since   |
|---|--|-----------------|
| M/s Prem Gupta & Company<br><i>Chartered Accountants</i>    | 2342, Faiz Road, Karol Bagh<br>New Delhi – 110 005 | August 19, 2021 |
| M/s Dass Gupta & Associates<br><i>Chartered Accountants</i> | B-4, Gulmohar Park, New Delhi – 110 049            | August 1, 2019  |

#### Change in auditors of our Company during the last three years

| Name of the Auditor                                      | Address   | Date of Appointment | Date of cessation, if applicable  | Date of Resignation, if applicable |
|--|---|---------------------|---|------------------------------------|
| M/s Gandhi Minocha & Co.<br><i>Chartered Accountants</i> | B-6, Shakti Nagar<br>Extension, Near Laxmi Bai<br>College New Delhi –<br>110052 | July 11, 2017       | Ceased to be the<br>statutory auditor w.e.f.<br>AGM for Fiscal 2021<br>i.e., September 21, 2021 | N/A                                |
| M/s Prem Gupta & Company<br><i>Chartered Accountants</i> | 2342, Faiz Road, Karol Bagh<br>New Delhi - 110005                               | August 19,<br>2021  | N/A   | N/A                                |

#### Details of overall lending by our Company

##### Lending Policy

For lending policy in relation to each of the products of our Company, please see “Our Business – Project and Entity

Appraisal Process” at page 144.

**A. Loans given by the Company**

The Company has not provided any loans/advances to associates, entities/persons relating to Board, senior management or Promoter out of the proceeds of private placements or public issues of debentures.

**B. Type of loans**

*Classification of loans/advances given*

The detailed breakup of the types of loans given by the Company as on March 31, 2023 is as follows:

(₹ in crore)

| No.  | Type of Loans | Amount             |
|--|---------------|--------------------|
| 1.   | Secured       | 3,60,407.16        |
| 2.   | Unsecured     | 62,090.57          |
| <b>Total loans and advances (Loan Book)*</b> |               | <b>4,22,497.73</b> |

\* Information disclosed is at borrower level and includes off balance sheet items

**C. Denomination of loans outstanding by LTV as on March 31, 2023\*\***

| No.          | LTV (at the time of origination) | Percentage of Loan Book |
|--------------|----------------------------------|-------------------------|
| 1.           | Upto 40%                         | -                       |
| 2.           | 40-50%                           | -                       |
| 3.           | 50 – 60%                         | -                       |
| 4.           | 60 – 70%                         | -                       |
| 5.           | 70 – 80%                         | -                       |
| 6.           | 80 – 90%                         | -                       |
| 7.           | Above 90%                        | -                       |
| <b>Total</b> |                                  | <b>-</b>                |

\*\* Our Company’s lending policy does not evaluate loans based on LTV, given the nature of wholesale lending that our Company provides. Consequently, calculation based on LTV is not applicable to our Company.

**D. Sectoral Exposure as on March 31, 2023\***

| Sr. No       | Segment wise break up of AUM                                  | Percentage of AUM |
|--------------|---|-------------------|
| 1.           | <b>Retail</b>   |                   |
| A            | Mortgages (home loans and loans against property)             | N.A.              |
| B            | Gold Loans  | N.A.              |
| C            | Vehicle Finance   | N.A.              |
| D            | MFI   | N.A.              |
| E            | MSME  | N.A.              |
| F            | Capital market funding (loans against shares, margin funding) | N.A.              |
| G            | Others  | N.A.              |
| 2.           | <b>Wholesale</b>  |                   |
| A            | Infrastructure  | 100.00%           |
| B            | Real Estate (including builder loans)                         | N.A.              |
| C            | Promoter funding  | N.A.              |
| D            | Any other sector (as applicable)                              | N.A.              |
| E            | Others  | N.A.              |
| <b>Total</b> |   | <b>100.00%</b>    |

\*Generation 41.34%, Renewable 11.41%, Transmission 7.30%, Distribution 36.89% and Others 3.06%

**E. Denomination of the loans outstanding by ticket size as on March 31, 2023\***

| No. | Ticket size *  | Loan outstanding as on March 31, 2023 (%) |
|-----|----------------|---|
| 1.  | Up to ₹ 2 lakh | N.A.                                      |
| 2.  | ₹ 2-5 lakh     | N.A.                                      |

| No.          | Ticket size *       | Loan outstanding as on March 31, 2023 (%) |
|--------------|---------------------|---|
| 3.           | ₹ 5-10 lakh         | N.A.                                      |
| 4.           | ₹ 10-25 lakh        | N.A.                                      |
| 5.           | ₹ 25-50 lakh        | N.A.                                      |
| 6.           | ₹ 50 lakh - 1 crore | N.A.                                      |
| 7.           | ₹ 1-5 crore         | 0.00%                                     |
| 8.           | ₹ 5-25 crore        | 0.06%                                     |
| 9.           | ₹ 25-100 crore      | 0.57%                                     |
| 10.          | > ₹ 100 crore       | 99.37%                                    |
| <b>Total</b> |                     | <b>100.00%</b>                            |

\*The details provided are as per borrower and not as per loan account.

**F. Geographical classification of the borrowers as on March 31, 2023**

Top 5 state wise borrowers

| No.          | Top 5 states   | Percentage of Loan Book |
|--------------|----------------|-------------------------|
| 1.           | Telangana      | 15.34%                  |
| 2.           | Tamil Nadu     | 13.60%                  |
| 3.           | Uttar Pradesh  | 13.21%                  |
| 4.           | Rajasthan      | 13.00%                  |
| 5.           | Andhra Pradesh | 9.19%                   |
| <b>Total</b> |                | <b>64.34%</b>           |

**G. Details of loans overdue and classified as non-performing as on March 31, 2023**

(₹ in crore)

| Movement of Credit Impaired Accounts (Stage 3 Accounts)    | Amount     |
|--|------------|
| Opening gross Credit Impaired Accounts                     | 20,915.28  |
| - Additions during the year                                | 45.78      |
| - Reductions during the year                               | (4,459.42) |
| Closing balance of gross Credit Impaired Accounts          | 16,501.65  |
| <b>Movement of net Credit Impaired Accounts</b>            |            |
| Opening net Credit Impaired Accounts                       | 6,570.90   |
| - Additions during the year                                | 28.13      |
| - Reductions during the year                               | (2,096.76) |
| Closing balance of net Credit Impaired Accounts            | 4,502.27   |
| <b>Movement of provisions for Credit Impaired Accounts</b> |            |
| Opening balance  | 14,344.38  |
| - Provisions made during the year                          | 425.99     |
| - Write-off / write-back of excess provisions              | (2,770.99) |
| Closing balance  | 11,999.38  |

Note: the above has been computed basis EAD for credit impaired advances.

**Segment-wise gross credit impaired assets as on March 31, 2023**

| No. | Segment wise break up of gross Stage 3 Assets <sup>#</sup>    | Gross Stage 3 Assets (%) <sup>*</sup> |
|-----|---|---------------------------------------|
| 1.  | <b>Retail</b>   |                                       |
| a.  | Mortgages (home loans and loans against property)             | -                                     |
| b.  | Gold Loans  | -                                     |
| c.  | Vehicle Finance   | -                                     |
| d.  | MFI   | -                                     |
| e.  | MSME  | -                                     |
| f.  | Capital market funding (loans against shares, margin funding) | -                                     |
| g.  | Others  | -                                     |
| 2.  | <b>Wholesale</b>  |                                       |
| a.  | Infrastructure  | 3.91%                                 |

| No.                               | Segment wise break up of gross Stage 3 Assets <sup>#</sup> | Gross Stage 3 Assets (%) <sup>*</sup> |
|-----------------------------------|--|---------------------------------------|
| b.                                | Real Estate (including builder loans)                      | -                                     |
| c.                                | Promoter funding   | -                                     |
| d.                                | Any other sector (as applicable)                           | -                                     |
| e.                                | Others   | -                                     |
| <b>Total Gross Stage 3 Assets</b> |  | <b>3.91%</b>                          |

<sup>\*</sup> Gross Stage 3 Assets means percentage of Stage 3 Assets in a sector to the total advances

#### H. Residual Maturity Profile of Assets and Liabilities as on March 31, 2023

(₹ in crore)

|  | Up to 30/31 days | More than 1 month to 2 months | More than 2 months to 3 months | More than 3 months to 6 months | More than 6 months to 1 year | More than 1 year to 3 years | More than 3 years to 5 years | More than 5 years | Total              |
|--|------------------|-------------------------------|--------------------------------|--------------------------------|------------------------------|-----------------------------|------------------------------|-------------------|--------------------|
| <b>Deposit</b>                                   | -                | -                             | -                              | -                              | -                            | -                           | -                            | -                 | -                  |
| <b>Advances</b>                                  | 6,414.11         | 2,248.07                      | 2,982.71                       | 15,115.04                      | 26,182.74                    | 72,751.80                   | 68,525.33                    | 2,16,278.55       | <b>4,10,498.35</b> |
| <b>Investments</b>                               | 1,471.96         | 1,199.36                      | 5.09                           | 5.00                           | 9.71                         | 100.24                      | 105.43                       | 15,879.32         | <b>18,776.11</b>   |
| <b>Borrowings<sup>*</sup></b>                    | 9,427.82         | 2,652.04                      | 10,963.41                      | 9,325.88                       | 13,910.84                    | 70,458.74                   | 65,123.12                    | 1,16,221.48       | <b>2,98,083.33</b> |
| <b>Foreign Currency Assets</b>                   | -                | -                             | -                              | -                              | -                            | -                           | -                            | -                 | -                  |
| <b>Foreign Currency Liabilities<sup>**</sup></b> | 5.89             | -                             | 6.57                           | 2,055.42                       | 7,034.08                     | 11,261.13                   | 8,573.42                     | 35,617.98         | <b>64,554.49</b>   |

<sup>\*</sup>Total borrowings (excluding foreign currency liabilities)

<sup>\*\*</sup>includes foreign currency denominated external commercial borrowing

#### I. Details of top 20 borrowers with respect to concentration of advances as on March 31, 2023

| Particulars  | Amount      |
|--|-------------|
| Total advances to twenty largest borrowers* (₹ in crore)                                   | 2,57,648.80 |
| Percentage of Advances to twenty largest borrowers to Total Advances to the Company (in %) | 60.98%      |

\* Includes loans and advances, interest accrued thereon

#### J. Details of aggregate exposure to the top 20 borrowers with respect to concentration of exposure as on March 31, 2023

| Particulars  | Amount      |
|--|-------------|
| Total exposure to twenty largest borrowers* (₹ in crore)                                   | 2,60,886.64 |
| Percentage of exposure to twenty largest borrowers to Total exposure to the Company (in %) | 61.10%      |

\* Includes loans and advances, interest accrued thereon

#### K. Classification of loans/advances given to associates, entities/ person relating to board, senior management, promoter, others, etc.; as on March 31, 2023

Our Company has sanctioned a loan of ₹ 63.48 Cr. to PFCCL for implementation of smart metering infrastructure in Shimla and Dharmshala towns in the state of Himachal Pradesh. As on March 31, 2023, ₹ 9.52 Cr is outstanding under the said loan.

**Details of any other contingent liabilities of the Issuer based on the last audited financial statements including amount and nature of liability**

#### Contingent Liability as per IND AS 37 as at March 31, 2023

(₹ in crore)

| Sr. No. | Particulars | Nature of Liability   | Amount as on March 31, 2023 |
|---------|-------------|---|-----------------------------|
| 1       | Commitments | Undrawn letter of comforts to customers                       | 2,427.96                    |
| 2       | Commitments | Obligation on investments in partly paid up preference shares | Nil                         |
|         |             | <b>Total</b>  | <b>2,427.96</b>             |

In addition, the Company may be involved in other legal proceedings and claims in future, which may arise in the ordinary course of business.

### **Promoter Shareholding**

Please see “*Capital Structure*” beginning on page 64 for details with respect to Promoter shareholding in our Company as on the date of this Draft Shelf Prospectus.

### **Pre-Issue Advertisement**

Our Company will issue a statutory advertisement in compliance with Regulation 30(1) of the SEBI NCS Regulations on or before the Issue Opening Date of this Issue. The Advertisement will contain the information as prescribed under the SEBI NCS Regulations and Section 30 of the Companies Act. Material updates, if any, between the date of filing of the Shelf Prospectus and relevant Tranche Prospectus with the ROC and the date of the release of the statutory advertisement will be included in the statutory advertisement.

### **Auditors’ Remarks**

Other than as disclosed in the chapter titled “*Risk Factors*”, on page 19, there are no reservations or qualifications or adverse remarks in the financial statements of our Company in the last three Fiscals.

### **Trading**

The Equity shares and non-convertible debentures of our Company are currently listed on BSE and NSE.

### **Caution**

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“*Any person who:*

- (a) makes or abets making of an application in a fictitious name to a company for acquiring or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of securities to him, or any other person in a fictitious name shall be liable for action under section 447.”*

### **Disclaimer in respect of Jurisdiction**

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in New Delhi, India.



## SECTION VII – ISSUE RELATED INFORMATION

### ISSUE STRUCTURE

The following are the key terms of the NCDs. This section should be read in conjunction with and is qualified in its entirety by more detailed information in “*Terms of the Issue*” beginning on page 549.

The NCDs being offered as part of the Issue are subject to the provisions of the SEBI NCS Regulations, the Listing Agreement, SEBI Listing Regulations, and the Companies Act, 2013, the RBI Act, the terms of this Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus, the Application Form, the terms and conditions of the Debenture Trustee Agreement and the Debenture Trust Deed, and other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI, RBI, the Government of India, and other statutory/regulatory authorities relating to the offer, issue and listing of NCDs and any other documents that may be executed in connection with the NCDs.

The key common terms and conditions of the NCDs / term sheet are as follows:

| Particulars   | Terms and Conditions  |
|---|---|
| <b>Issuer</b>   | Power Finance Corporation Limited   |
| <b>Type of instrument</b>   | secured, rated, listed, redeemable non-convertible debentures   |
| <b>Nature of the Instrument</b>   | secured, rated, listed, redeemable non-convertible debentures   |
| <b>Mode of the Issue</b>  | Public issue  |
| <b>Mode of Allotment*</b>   | In dematerialised form  |
| <b>Mode of Trading*</b>   | NCDs will be traded in dematerialised form  |
| <b>Lead Managers</b>  | JM Financial, A.K. Capital, Nuvama, SMC Capitals and Trust Investment Advisors  |
| <b>Debenture Trustee</b>  | Beacon Trusteeship Limited  |
| <b>Depositories</b>   | NSDL and CDSL   |
| <b>Registrar to the Issue</b>   | KFIN Technologies Limited   |
| <b>Issue</b>  | Public issue of secured, rated, listed, redeemable, non-convertible debentures of face value of ₹ 1,000 each aggregating up to ₹ 10,000 crores, on the terms and in the manner set forth herein   |
| <b>Minimum Subscription</b>   | As specified in the relevant Tranche Prospectus   |
| <b>Seniority</b>  | Senior Secured  |
| <b>Issue Size</b>   | As specified in the relevant Tranche Prospectus   |
| <b>Base Issue Size</b>  | As specified in the relevant Tranche Prospectus   |
| <b>Option to Retain Oversubscription / Green shoe option (Amount)</b>         | As specified in the relevant Tranche Prospectus   |
| <b>Eligible Investors</b>   | Please see “ <i>Issue Procedure –Who can apply?</i> ” on page 570.  |
| <b>Objects of the Issue / Purpose for which there is requirement of funds</b> | Please see “ <i>Objects of the Issue</i> ” on page 74   |
| <b>Details of Utilization of the Proceeds</b>                                 | Please see “ <i>Objects of the Issue</i> ” on page 74   |
| <b>Coupon rate</b>  | As specified in the relevant Tranche Prospectus for each Tranche Issue  |
| <b>Coupon Payment Date</b>  | As specified in the relevant Tranche Prospectus for each Tranche Issue  |
| <b>Coupon Type</b>  | As specified in the relevant Tranche Prospectus for each Tranche Issue  |
| <b>Coupon reset process</b>   | As specified in the relevant Tranche Prospectus for each Tranche Issue  |
| <b>Interest Rate on each category of investor</b>                             | As specified in the relevant Tranche Prospectus for each Tranche Issue  |
| <b>Step up/ Step Down Coupon rates</b>  | As specified in the relevant Tranche Prospectus for each Tranche Issue  |
| <b>Coupon payment frequency</b>   | As specified in the relevant Tranche Prospectus for each Tranche Issue  |
| <b>Day count basis</b>  | Actual / Actual   |
| <b>Interest on application money</b>  | NA  |
| <b>Default Coupon rate</b>  | Our Company shall pay interest, over and above the agreed coupon rate, in connection with any delay in allotment, refunds, dematerialized credit, execution of Debenture Trust Deed, payment of interest, redemption of principal amount beyond the time limits prescribed under applicable statutory and/or regulatory |

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|  | requirements, at such rates as stipulated/ prescribed under applicable laws.<br><br>Our Company shall pay at least two percent per annum to the debenture holder, over and above the agreed coupon rate, till the execution of the trust deed if our Company fails to execute the trust deed within such period as prescribed under applicable law.  |
| <b>Tenor</b>   | As specified in the relevant Tranche Prospectus for each Tranche Issue   |
| <b>Redemption Date</b>   | As specified in the relevant Tranche Prospectus for each Tranche Issue   |
| <b>Redemption Amount</b>   | As specified in the relevant Tranche Prospectus for each Tranche Issue   |
| <b>Redemption Premium/ Discount</b>  | As specified in the relevant Tranche Prospectus for each Tranche Issue   |
| <b>Face Value</b>  | ₹ 1,000 per NCD  |
| <b>Issue Price</b>   | ₹ 1,000 per NCD  |
| <b>Discount at which security is issued and the effective yield as a result of such discount</b> | As specified in the relevant Tranche Prospectus for each Tranche Issue   |
| <b>Transaction Documents</b>   | Transaction Documents shall mean this Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus for each Tranche Issue, Abridged Prospectus, Application Form read with any notices, corrigenda, addenda thereto, the Debenture Trust Deed, the Deed of Hypothecation and other documents, if applicable, the letters issued by the Rating Agencies, the Debenture Trustee and/or the Registrar; and various other documents/ agreements/ undertakings, entered or to be entered by our Company with Lead Managers and/or other intermediaries for the purpose of the Issue including but not limited to the Issue Agreement, the Debenture Trustee Agreement, the Tripartite Agreements, the Public Issue Account and Sponsor Bank Agreement, the Registrar Agreement and the Consortium Agreement, and any other document that may be designated as a Transaction Document by the Debenture Trustee. For further details see, “ <i>Material Contracts and Document for Inspection</i> ” on page 612. |
| <b>Put option date</b>   | As specified in the relevant Tranche Prospectus for each Tranche Issue   |
| <b>Put option price</b>  | As specified in the relevant Tranche Prospectus for each Tranche Issue   |
| <b>Call option date</b>  | As specified in the relevant Tranche Prospectus for each Tranche Issue   |
| <b>Call option price</b>   | As specified in the relevant Tranche Prospectus for each Tranche Issue   |
| <b>Put notification time</b>   | As specified in the relevant Tranche Prospectus for each Tranche Issue   |
| <b>Call notification time</b>  | As specified in the relevant Tranche Prospectus for each Tranche Issue   |
| <b>Minimum Application size and in multiples of NCD thereafter</b>                               | ₹ 10,000 (10 NCD) and in multiple of ₹ 1,000 (1 NCD) thereafter.   |
| <b>Market Lot / Trading Lot</b>  | One NCD  |
| <b>Pay-in date</b>   | Application Date. The entire Application Amount is payable on Application.   |
| <b>Credit Ratings / Rating of the instrument</b>   | The NCDs proposed to be issued under the Issue have been rated ‘CARE AAA; Stable’ (Triple A; Outlook: Stable)’ by CARE Ratings Limited (“CARE”) to the long term borrowing programme of our Company, for an amount up to ₹ 60,000 crore for Fiscal 2024, by its letter dated March 31, 2023 revalidated as on June 21, 2023; ‘CRISIL AAA/Stable’ by CRISIL Limited (“CRISIL”) to the long term borrowing programme of our Company for an amount up to ₹ 60,000 crore for Fiscal 2024 vide its letter dated March 30, 2023, revalidated as on June 8, 2023; and ‘[ICRA AAA] (Stable) (pronounced ICRA triple A: Stable)’ by ICRA Limited (“ICRA”) to the long term borrowing programme of our Company (including bonds and long term bank borrowing) for an amount up to ₹ 60,000 crore for Fiscal 2024, by its letter dated March 28, 2023, revalidated as on June 22, 2023.   |
| <b>Stock Exchange/s proposed for listing of the NCDs</b>   | BSE Limited  |
| <b>Listing and timeline for listing</b>  | The NCDs are proposed to be listed on BSE. The NCDs shall be listed within six Working Days from the date of Issue Closure for each Relevant Tranche Issue. BSE Limited has been appointed as the Designated Stock Exchange.<br><br>For more information see “ <i>Other Regulatory and Statutory Disclosures</i> ” on page 524.  |
| <b>Modes of payment</b>  | Please see “ <i>Issue Structure – Terms of Payment</i> ” on page 547.  |
| <b>Issue opening date</b>  | As specified in the relevant Tranche Prospectus for each Tranche Issue   |

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| <b>Issue closing date**</b>  | As specified in the relevant Tranche Prospectus for each Tranche Issue  |
| <b>Date of earliest closing of the issue, if any</b>   | As specified in the relevant Tranche Prospectus for each Tranche Issue  |
| <b>Record date</b>   | 15 (fifteen) Days prior to the interest payment date, and/or Redemption Date for NCDs issued under the relevant Tranche Prospectus. In case of redemption of NCDs, the trading in the NCDs shall remain suspended between the Record Date and the date of redemption. In case the Record Date falls on a day when the Stock Exchange is having a trading holiday, the immediate preceding trading day or a date notified by our Company to the Stock Exchange, will be deemed as the Record Date.   |
| <b>Settlement mode of instrument</b>   | As specified in the relevant Tranche Prospectus for each Tranche Issue  |
| <b>All covenants of the Issue (including side letters, accelerated payment clause, etc.)</b>   | As specified in the relevant Tranche Prospectus for each Tranche Issue and the Debenture Trust Deed. Any covenants later added shall be disclosed on the websites of the Stock Exchange, where the NCDs are proposed to be listed.  |
| <b>Issue Schedule</b>  | As specified in the relevant Tranche Prospectus for each Tranche Issue  |
| <b>Description regarding security (where applicable) including type of security (movable/ immovable/ tangible etc.) type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest of the debenture holder over and above the coupon rate as specified in the Debenture Trust Deed and disclosed this Draft Shelf Prospectus</b> | <p>The principal amount of the NCDs to be issued in terms of this Draft Shelf Prospectus together with all interest due and payable on the NCDs, thereof shall be secured by way of first pari-passu charge through hypothecation of the book debts/receivables (excluding the receivables on which a specific charge has already been created by the Company), as specifically set out in and fully described in the debenture trust deed in favour of the debenture trustee to the Proposed Issue, such that a security cover of at least 100% of the outstanding principal amounts of the NCDs and interest thereon is maintained at all times until the Maturity Date.</p> <p>Without prejudice to the aforesaid, in the event our Company fails to execute the Debenture Trust Deed within the period specified in Regulation 18(1) of the SEBI NCS Regulations or such other time frame as may be stipulated from time-to-time, our Company shall also pay interest of at least 2% (two per cent) per annum to the NCD holders, over and above the interest rate on the NCDs specified in the relevant Tranche Prospectus, till the execution of the Debenture Trust Deed.</p> <p>The security shall be created prior to making the listing application for the NCDs with the Stock Exchange. For further details on date of creation of security/likely date of creation of security minimum security cover etc., please see “<i>Terms of the Issue – Security</i>” on page 549.</p> |
| <b>Security Cover</b>  | Our Company shall maintain a minimum 100 % of the security cover on the outstanding balance of the NCDs plus accrued interest thereon.  |
| <b>Conditions Precedent to Disbursement</b>  | Other than the conditions set out in the Debenture Trust Deed and as specified in the SEBI NCS Regulations, there are no conditions precedent to the Issue.   |
| <b>Condition Subsequent to Disbursement</b>  | Other than the conditions set out in the Debenture Trust Deed and as specified in the SEBI NCS Regulations, there are no conditions subsequent to the Issue.  |
| <b>Events of default (including manner of voting/ conditions of joining Inter Creditor Agreement)</b>  | Please see “ <i>Terms of the Issue – Events of Default</i> ” on page 550.   |
| <b>Creation of recovery expense fund</b>   | Our Company shall transfer the required amount towards recovery expense fund in the manner as specified by SEBI Debenture Trustee Operational Circular as amended from time to time and Regulation 11 of the SEBI NCS Regulations with the Designated Stock Exchange and inform the Debenture Trustee regarding transfer of amount toward such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.   |
| <b>Conditions for breach of covenants (as specified in Debenture Trust Deed)</b>   | <p>Upon occurrence of any default in the performance or observance of any term, covenant, condition or provision contained in the relevant Tranche Prospectus for each Tranche Issue and the Debenture Trust Deed and, except where the Debenture Trustee certifies that such default is in its opinion incapable of remedy within the cure period, as set out in the Debenture Trust Deed (in which case no notice shall be required), it shall constitute an event of default.</p> <p>The Debenture Trustee may, at any time, waive, on such terms and conditions as</p>  |

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|  | to it shall seem expedient, any breach by the Company of any of the covenants and provisions in these presents contained without prejudice to the rights of the Debenture Trustee in respect of any subsequent breach thereof.<br><br>Please see “ <i>Terms of the Issue - Events of default</i> ” on page 550.   |
| <b>Deemed date of Allotment</b>  | The date on which the Board of Directors or any committee authorised by the Board approves the Allotment of the NCDs for the Issue or such date as may be determined by the Board of Directors/ or any committee authorised by the Board thereof and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the Debenture Holders from the Deemed Date of Allotment.  |
| <b>Roles and responsibilities of the Debenture Trustee</b>                           | As per SEBI (Debenture Trustee) Regulations, 1993, SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, SEBI Debenture Trustee Operational Circular, Companies Act, the Listing Agreement, and the Debenture Trust Deed, each as amended from time to time. Please see section titled “ <i>Terms of the Issue- Trustees for the NCD Holders</i> ” on page 550.   |
| <b>Risk factors pertaining to the Issue</b>  | Please see section titled “ <i>Risk Factors</i> ” on page 19.   |
| <b>Cross Default Clause</b>  | As per the Debenture Trust Deed to be executed in accordance with applicable law.   |
| <b>Governing law and Jurisdiction</b>  | The governing law and jurisdiction for the purpose of the Issue shall be Indian law, and the competent courts of jurisdiction in New Delhi, India, respectively.  |
| <b>Working day convention / Day count convention / Effect of holidays on payment</b> | Working Day means all days on which commercial banks in Mumbai are open for business. If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day (the “Effective Date”), however the dates of the future interest payments would continue to be as per the originally stipulated schedule.<br><br>Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Maturity Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment. |
| <b>Covenants</b>   | As specified in the relevant Tranche Prospectus.  |

Notes:

\* In terms of Regulation 7 of the SEBI NCS Regulations, our Company will undertake this public issue of the NCDs in dematerialised form. Trading in NCDs shall be compulsorily in dematerialized form. However, in terms of in terms of Section 8(1) of the Depository Act, our Company, at the request of the Investors, who wish to hold the NCDs in physical form will fulfill such request. However, trading in NCDs shall be compulsorily in dematerialized form.

\*\* The Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the period as indicated in the relevant Tranche Prospectus. Our Company may, in consultation with the Lead Managers, consider closing the relevant Tranche Issue on such earlier date or extended date (subject to a minimum period of three working days and a maximum period of 10 working days from the date of opening of the relevant tranche issue and subject to not exceeding thirty days from filing tranche prospectus with ROC) including any extensions, as may be decided by the Board of Directors of our Company, subject to relevant approvals, in accordance with Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in an English daily national newspaper with wide circulation and a regional daily with wide circulation where the registered office of the Company is located (in all the newspapers in which pre-issue advertisement for opening of this Issue has been given on or before such earlier or initial date of Issue closure). On the Issue Closing Date, the Application Forms will be accepted only between 10:00 a.m. and 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange.

For the list of documents executed/ to be executed, please see “*Material Contracts and Documents for Inspection*” on page 612.

The specific terms of each instrument to be issued pursuant to an Issue shall be as set out in the respective Tranche Prospectus. Please see “*Issue Procedure*” on page 569 for details of category wise eligibility and allotment in the Issue.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to this Issue. For further details, see “*Issue Procedure*” beginning on page 569.

*While the NCDs are secured to the tune of one time of the principal and interest thereon in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor the security cover is maintained, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.*

*Debt securities shall be considered as secured only if the charged asset is registered with Sub-registrar and Registrar of Companies or CERSAI or Depository etc., as applicable, or is independently verifiable by the debenture trustee.*

### **Specific terms for NCDs**

As specified in the relevant Tranche Prospectus for each Tranche Issue.

### **Terms of payment**

The entire face value per NCDs applied for will be blocked in the relevant ASBA Account maintained with the SCSB or under UPI mechanism (only for Retail Individual Investors), as the case may be, in the bank account of the Applicants that is specified in the ASBA Form at the time of the submission of the Application Form. In the event of Allotment of a lesser number of NCDs than applied for, our Company shall unblock the additional amount blocked upon application in the ASBA Account, in accordance with the terms specified in “*Terms of the Issue – Manner of Payment of Interest/ Refund/ Redemption\**” on page 561.

**Participation by any of the above-mentioned Investor classes in the Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions.**

The NCDs have not been and will not be registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. In particular, the NCDs have not been and will not be registered under the U.S. Securities Act, 1933, as amended (the “**Securities Act**”) or the securities laws of any state of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Issuer has not registered and does not intend to register under the U.S. Investment Company Act, 1940 in reliance on section 3(c)(7) thereof. This Draft Shelf Prospectus may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever, and in particular, may not be forwarded to any U.S. Person or to any U.S. address.

Applications may be made in single or joint names (not exceeding three). Applications should be made by Karta in case the Applicant is an HUF. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form.

This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form. Please ensure that such Applications contain the PAN of the HUF and not of the Karta. In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.

In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.

### **Day Count Convention**

Interest shall be computed on an actual/actual basis i.e. on the principal outstanding on the NCDs as per the SEBI Operational Circular.

### **Effect of holidays on payments**

If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding

Working Day, however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per the Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Redemption Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment. The interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.

**Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory Permissions / consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to the Issue.**

For further details, see the section titled “*Issue Procedure*” on page 569.

## TERMS OF THE ISSUE

### Authority for the Issue

At the meeting of the Board of Directors of our Company held on March 21, 2023, the Board of Directors approved the issuance of NCDs, for an amount up to ₹ 10,000 crores in one or more tranches. Further, the present borrowing is within the borrowing limits of ₹ 6,00,000 crores under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders of our Company vide their resolution passed at the Annual General Meeting held on September 29, 2020.

The NCDs pursuant to this Issue will be issued on terms and conditions as set out in the relevant Tranche Prospectus for each Tranche Issue.

### Principal Terms and Conditions of the Issue

The NCDs being offered as part of the Issue are subject to the provisions of the SEBI NCS Regulations, SEBI Operational Circular, the relevant provisions of the Companies Act, 2013, the Memorandum and Articles of Association of our Company, the terms of this Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus, the Abridged Prospectus, the Application Forms, the terms and conditions of the Debenture Trust Agreement and the Debenture Trust Deed, other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI/the Government of India/BSE, RBI, and/or other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

### Ranking of NCDs

The NCDs would constitute secured and senior obligations of our Company and subject to any obligations under applicable statutory and/or regulatory requirements, shall also, with regard to the amount invested, thereof shall be secured by a pari-passu charge by way of hypothecation on the present and future receivables, including cash, cash equivalents and liquid investments of the Company, as specifically set out in and fully described in the debenture trust deed in favour of the debenture trustee to the Proposed Issue, such that a security cover of at least 100% of the outstanding principal amounts of the NCDs and interest thereon is maintained at all times until the Maturity Date. We have received necessary consents from the relevant debenture trustees and security trustees for creating an exclusive charge in favour of the Debenture Trustee in relation to the NCDs.

Our Company is required to obtain permissions or consents from or provide intimations to the prior creditors for proceeding with this Issue. Pursuant to SEBI Debenture Trustee Operational Circular, our Company undertakes, *inter alia*, that the assets on which pari passu charge is created are already charged, the permissions or consent to create pari passu charge over the present and future receivables, including cash, cash equivalents and liquid investments of the Issuer have been obtained.

### Security

The principal amount of the NCDs to be issued in terms of this Draft Shelf Prospectus together with all interest due and payable on the NCDs, thereof subject to applicable statutory and/or regulatory requirements shall be secured by way of first pari-passu charge through hypothecation of the book debts/receivables (excluding the receivables on which a specific charge has already been created by the Company), as specifically set out in and fully described in the debenture trust deed in favour of the debenture trustee to the Proposed Issue, such that a security cover of at least 100% of the outstanding principal amounts of the NCDs and interest thereon is maintained at all times until the Maturity Date. We have received necessary consents from the relevant debenture trustees and security trustees for creating a pari passu charge in favour of the Debenture Trustee in relation to the NCDs.

Our Company intends to enter into a deed with the Debenture Trustee, (“**Debenture Trust Deed**”) terms of which will *inter alia*, govern the powers, authorities and obligations of the Debenture Trustee. Our Company proposes to complete the execution of the Debenture Trust Deed and documents for creation of Security within the stipulated timeframe and shall utilize the funds only after the stipulated security has been created. Under the terms of the Debenture Trust Deed, our Company will covenant with the Debenture Trustee that it will pay the NCD Holders the principal amount on the NCDs on the relevant redemption date and also that it will pay the interest due on NCDs on the rate specified in the relevant Tranche Prospectus for each Tranche Issue and in the Debenture Trust Deed. The Debenture Trust Deed will also provide that our Company may withdraw any portion of the security and replace it with another asset/receivables of the same or a higher value.

Without prejudice to the aforesaid, in the event our Company fails to execute the Debenture Trust Deed within the period specified in Regulation 18(1) of the SEBI NCS Regulations or such other time frame as may be stipulated from time-to-time, our Company shall also pay interest of at least 2% (two per cent) per annum to the NCD holders, over and above the interest rate on the NCDs specified in the relevant Tranche Prospectus for each Tranche Issue, till the execution of the Debenture Trust Deed.

### **Debenture Redemption Reserve**

In accordance with recent amendments to the Companies Act, 2013, and the Companies (Share Capital & Debentures) Rules 2014, read with Rule 16 of the SEBI NCS Regulations, any listed company that intends to issue debentures to the public is not required to create a DRR for the purpose of redemption of debentures.

Our Company shall, as per the Companies (Share Capital & Debentures) Rules 2014 and other laws applicable from time to time, invest or deposit, as the case may be, the applicable amounts, within the specified timelines, in respect of debentures maturing during the year ending on the 31<sup>st</sup> day of March of the next year, in any one or more methods of investments or deposits stipulated under the applicable law. Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below the specified percentage, which is presently stipulated at 15% (fifteen percent) of the amount of the debentures maturing during the year ending on March 31 of the next year, in any of the following instruments or such other instruments as may be permitted under the applicable laws.

1. in deposits with any scheduled bank, free from any charge or lien;
2. in unencumbered securities of the Central Government or any State Government;
3. in unencumbered securities mentioned in sub-clause (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882;
4. in unencumbered bonds issued by any other company which is notified under sub-clause (f) of section 20 of the Indian Trusts Act, 1882

Provided further that the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above.

### **Face Value**

The face value of each NCD shall be ₹ 1,000.

### **Trustees for the NCD Holders**

Our Company has appointed Beacon Trusteeship Services Limited to act as the Debenture Trustee for the NCD Holders in terms of Regulation 8 of the SEBI NCS Regulations and Section 71 (5) of the Companies Act, 2013 and the rules prescribed thereunder. Our Company and the Debenture Trustee will execute a Debenture Trust Deed, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and us. The NCD Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD Holder(s) shall discharge us *pro tanto* to the NCD Holder(s).

The Debenture Trustee will protect the interest of the NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

### **Events of Default (including manner of voting/conditions of joining Inter Creditor Agreement)**

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution, passed at a meeting of the NCD Holders, (subject to being indemnified and/or secured by the NCD Holders to its satisfaction), give notice to our Company specifying that the NCDs and/or any particular series of NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice *inter alia* if any of the events listed below occurs. The description below is indicative and a complete list of events of default and its consequences will be specified in the Debenture Trust Deed.



Indicative list of Events of Default:

1. Default in redemption of the debentures together with redemption premium, if any, interest accrued thereon as and when the same shall have become due and payable or payment of any other amounts in terms of the Debenture Trust Deed;
2. Default is committed in payment of the principal amount of the NCDs on the due date(s);
3. Default is committed in payment of any interest on the NCDs on the due date(s);
4. Default is committed in payment of any other amounts outstanding on the NCDs.
5. Default is committed in the performance of any other covenants, conditions or agreements on the part of the Company under the Debenture Trust Deed or the other Transaction Documents or deeds entered into between the Company and the Debenture Holder(s)/ Beneficial Owner(s)/ Debenture Trustee and such default shall have continued for a period of thirty (30) days after notice in writing thereof been given to the Company by the Debenture Holder(s)/ Beneficial Owner(s)/ Debenture Trustee for remedying such default;
6. Default is committed if any information given by the Company in this Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus, the Transaction Documents and/or other information furnished and/or the representations and warranties given/deemed to have been given by the Company to the Debenture Holder(s)/ Beneficial Owner(s) for financial assistance by way of subscription to the Debenture is or proves to be misleading or incorrect in any material respect or is found to be incorrect;
7. Default is committed if the Company is unable to or admits in writing its inability to pay its debts as they mature or proceedings for taking it into liquidation have been admitted by any competent court;
8. The Company has voluntarily or involuntarily become the subject of proceedings under any bankruptcy or insolvency law or suffered any action to be taken for its reorganisation, liquidation or dissolution;
9. Default is committed if any extraordinary circumstances have occurred which makes it impossible for the Company to fulfil its obligations under the Debenture Trust Deed and/or the Debentures; If the Company is unable to pay its debts;
10. The Company ceases to carry on its business or gives notice of its intention to do so;
11. If it is certified by an accountant or a firm of accountants appointed by the Debenture Trustee that the liabilities of the Company exceed its assets;
12. Default is committed if any of the necessary clearances required or desirable in relation to the Company or the Debentures in accordance with any of the Transaction Documents is not received or is revoked or terminated, withdrawn, suspended, modified or withheld or shall cease to be in full force and effect which shall, in the reasonable opinion of Debenture Holder(s)/ Beneficial Owner(s), have material adverse effect on the Company or the Debentures;
13. Default is committed if the company enters into any arrangement or composition with its creditors or commits any acts of insolvency or winding up of the Company;
14. If the Company files a petition for reorganisation, arrangement, adjustment, winding up or composition of debts of the Company or have been admitted or makes an assignment for the benefit of its creditors generally and such proceeding (other than a proceeding commenced voluntarily by the Company is not stayed, quashed or dismissed);
15. If the Company is adjudged insolvent or takes advantage of any law for the relief of insolvent debtors;
16. If it becomes unlawful for the company to perform any of its obligations under any transaction document;
17. Default is committed if the occurrence of any event or condition which in the Debenture Trustee/ Beneficial Owner(s) reasonable opinion can constitute a material adverse effect;

18. Any security created at any time, any circumstance or event occurs which is prejudicial to or impairs or imperils or jeopardize or endangers any hypothecated properties or any part thereof or any event occurs which causes the Debenture Deed or any related agreement to become ineffective;
19. Any other event described as an Event of Default in this Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus and the Transaction Documents; and
20. Except as stated in the Debenture Trust Deed and this Draft Shelf Prospectus, any security created at any time during the tenure of the NCDs, without prior written consent of the Debenture Trustee (if required) or unless otherwise provided for in the Debenture Trust Deed, the Company, attempts or purports to create any charge, mortgage, pledge, hypothecation, lien or other encumbrance over any of the hypothecated properties.

Any event of default shall be called by the Debenture Trustee, upon request in writing of or by way of resolution passed by holders of 75% (seventy five percent) of the outstanding nominal value of all NCDs at any point of time, as set out in the Debenture Trust Deed, in accordance with SEBI Debenture Trustee Operational Circular.

In accordance with SEBI Debenture Trustee Operational Circular to be followed by Debenture Trustee(s) in case of 'Default' by Issuers of listed debt securities", post the occurrence of a "default", the consent of the NCD Holders for entering into an inter-creditor agreement (the "ICA")/enforcement of security shall be sought by the debenture trustee after providing a notice to the investors in the manner stipulated under applicable law. Further, the meeting of the NCD Holders shall be held within the period stipulated under applicable law. In case(s) where majority of investors express their consent to enter into the ICA, the debenture trustee shall enter into the ICA on behalf of the investors upon compliance with the conditions as stipulated in the abovementioned circular. In case consents are not received for signing the ICA, the debenture trustee shall take further action, if any, as per the decision taken in the meeting of the investors. The consent of the majority of investors shall mean the approval of not less than 75% of the investors by value of the outstanding debt and 60% of the investors by number at the ISIN level.

Explanation 2 to Regulation 49 of the SEBI Listing Regulations, defines 'default' as non-payment of interest/dividend or principal amount in full on the pre-agreed date and shall be recognized at the first instance of delay in servicing of any interest/dividend or principal amount.

It is hereby confirmed, in case of an occurrence of a "default", the Debenture Trustee shall abide and comply with the procedures mentioned in the above mentioned SEBI Debenture Trustee Operational Circular.

### **NCD Holder not a Shareholder**

The NCD Holders will not be entitled to any of the rights and privileges available to the equity and/or preference shareholders of our Company, except to the extent of the right to receive the annual reports of our Company and such other rights as may be prescribed under the Companies Act, 2013 and the rules prescribed thereunder and the SEBI Listing Regulations.

### **Rights of NCD Holders**

Some of the significant rights available to the NCD Holders are as follows:

1. The NCDs shall not, except as provided in the Companies Act, 2013, our Memorandum and Articles of Association and/or the Debenture Trust Deed, confer upon the holders thereof any rights or privileges available to our Company's members/shareholders including, without limitation, the right to attend and/or vote at any general meeting of our Company's members/shareholders. However, if any resolution affecting the rights attached to the NCDs is to be placed before the members/shareholders of our Company, the said resolution will first be placed before the concerned registered NCD Holders for their consideration.
2. In terms of Section 136 of the Companies Act, 2013 and other, applicable laws, holders of NCDs shall be entitled to a copy of the Annual Report and copy of trust deed at the Registered Office of our Company during business hours on specific request made to our Company.
3. Subject to the above and the applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, including requirements of the RBI, the rights, privileges and conditions attached to the NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution passed at a meeting of the concerned NCD Holders,

provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the NCDs, if the same are not acceptable to us.

4. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, the registered NCD Holder or in case of joint-holders, the one whose name stands first in the register of debenture holders shall be entitled to vote in respect of such NCDs, either in person or by proxy, at any meeting of the concerned NCD Holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the NCD Holders shall be in proportion to the outstanding nominal value of NCDs held by him/her.
5. The NCDs are subject to the provisions of the SEBI NCS Regulations, SEBI Operational Circular, the Companies Act, 2013, the Memorandum and Articles of Association of our Company, the terms of this Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus for each Tranche Issue, the Application Forms, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, other applicable statutory and/or regulatory requirements relating to the issue and listing, of securities and any other documents that may be executed in connection with the NCDs.
6. A register of NCD Holders holding NCDs in physical form pursuant to rematerialisation (“**Register of NCD Holders**”) will be maintained in accordance with Section 88 of the Companies Act, 2013 and all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the Register of NCD Holders as on the Record Date. For the NCDs issued in dematerialized form, the Depositories shall also maintain the upto date record of holders of the NCDs in dematerialized Form. For NCDs in dematerialized form, all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the person for the time being appearing in the register of beneficial owners of the Depository on the Record Date. In terms of Section 88(3) of the Companies Act, 2013, the register and index of beneficial of NCDs maintained by a Depository for any NCDs in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a Register of NCD Holders for this purpose. The registers required to be kept by the Company under Section 88 of the Companies Act, 2013 shall be kept at the registered office of our Company. In compliance with Section 94 of the Companies Act, 2013 such Registers can be kept at a place other than registered office of the Company after obtaining consent of NCD Holders as given thereunder.
7. The NCDs can be rolled in accordance with the SEBI NCS Regulations. Our Company shall redeem the debt securities of all the debt securities holders, who have not given their positive consent to the roll-over.

The aforementioned rights of the NCD holders are merely indicative. The final rights of the NCD holders will be as per the terms of this Draft Shelf Prospectus and the Debenture Trust Deed.

#### **Nomination facility to NCD Holder**

In accordance with Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, the sole NCD holder, or first NCD holder, along with other joint NCD Holders’ (being individual(s)), may nominate, in the **Form No. SH.13**, any one person with whom, in the event of the death of Applicant the NCDs were Allotted, if any, will vest. Where the nomination is made in respect of the NCDs held by more than one person jointly, all joint holders shall together nominate in **Form No.SH.13** any person as nominee. A nominee entitled to the NCDs by reason of the death of the original holder(s), will, in accordance with Rule 19 and Section 56 of the Companies Act, 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the NCDs, subject to compliance with applicable law. Where the nominee is a minor, the NCD holder(s) may make a nomination to appoint, in Form No. SH.14, any person to become entitled to NCDs in the event of the nominee’s death during minority. A nomination will stand rescinded on a sale/transfer/alienation of NCDs by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed in Companies Act, 2013. Fresh nomination can be made only on the prescribed form available on request at our Registered Office, at such other addresses as may be notified by us, or with the Registrar to the Issue or transfer agent

NCD Holder(s) are advised to provide the specimen signature of the nominee to us to expedite the transmission of the NCD(s) to the nominee in the event of demise of the NCD Holder(s). The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with Section 72 of the Companies Act read with Rule 19 of the Companies (Share Capital and Debentures)

Rules, 2014, any person who becomes a nominee by virtue of the Rule 19, will on the production of such evidence as may be required by the Board of Directors, elect either:

- to register himself or herself as holder of NCDs; or
- to make such transfer of the NCDs, as the deceased holder could have made.

A person, being a nominee, becoming entitled to NCDs by reason of the death of the holder shall be entitled to the same interests and other advantages to which he would have been entitled to if he were the registered holder of the NCDs except that he shall not, before being registered as a holder in respect of such NCDs, be entitled in respect of these NCDs to exercise any right conferred. Further, our Board of Directors may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the NCDs, and if the notice is not complied with, within a period of 90 days, our Board of Directors may thereafter withhold payment of all interests or other monies payable in respect of the NCDs, until the requirements of the notice have been complied with.

A nomination may be cancelled or varied by nominating any other person in place of the present nominee, by the NCD Holder who has made the nomination, by giving a notice of such cancellation or variation in the prescribed manner as per applicable laws. The cancellation or variation shall take effect from the date on which the notice of such variation or cancellation is received by the Company.

**Since the allotment of NCDs will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant.**

Applicants who have opted for rematerialisation of NCDs and are holding the NCDs in the physical form should provide required details in connection with their nominee to our Company.

### **Jurisdiction**

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in New Delhi, India.

### **Application in the Issue**

Applicants shall apply in the Issue in dematerialised form only, through a valid Application Form filled in by the Applicant along with attachment, as applicable. Further, Applications in the Issue shall be made through the ASBA facility only (including Applications made by UPI Investors under the UPI Mechanism).

In terms of Regulation 7 of the SEBI NCS Regulations, our Company will make public issue of the NCDs in the dematerialised form only.

However, in the terms of Section 8(1) of the Depositories Act, our Company at the request of the Investors who wish to hold the NCDs in physical form will rematerialise the NCDs. However, trading of the NCDs shall be compulsorily in dematerialised form only.

### **Form of Allotment and Denomination of NCDs**

As per the SEBI NCS Regulations, the trading of the NCDs on the Stock Exchange shall be in dematerialized form only in multiples of 1 (one) NCD (“**Market Lot**”). Allotment in the Issue to all Allottees, will be in electronic form i.e. in dematerialised form and in multiples of one NCD.

In respect of consolidated certificates, we will, only upon receipt of a request from the NCD Holder, split such consolidated certificates into smaller denominations subject to the minimum of Market Lot. No fees would be charged for splitting of NCD certificates in Market Lots, but stamp duty payable, if any, would be borne by the NCD Holder. The request for splitting should be accompanied by the original NCD certificate which would then be treated as cancelled by us.

For details of allotment see “*Issue Procedure*” beginning on page 569.

## **Transfer/Transmission of NCD(s)**

The NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of the Companies Act, 2013. The NCDs shall be transferred subject to and in accordance with the rules/procedures as prescribed by the Depositories and the relevant DPs of the transfer or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories on the Record Date. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer or Registrar.

The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

Please see "*Terms of the Issue – Interest/Coupon on NCDs*" on page 557 for the implications on the interest applicable to NCDs held by Individual Investors on the Record Date and NCDs held by Non-Individual Investors on the Record Date.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred. However, any trading of the NCDs issued pursuant to the Issue shall be compulsorily in dematerialized form only.

The procedure for transmission of securities has been further simplified vide the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2022 Gazette Notification no. SEBI/LAD-NRO/GN/2022/80 dated April 25th, 2022.

## **Title**

In case of:

- NCDs held in the dematerialised form, the person for the time being appearing in the register of beneficial owners maintained by the Depositories; and
- the NCDs held in physical form pursuant to rematerialization, the person for the time being appearing in the register of NCD Holders shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such person, as the holder thereof and its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the consolidated NCD certificates issued in respect of the NCDs and no person will be liable for so treating the NCD holder.

## **Procedure for rematerialisation of NCDs**

NCD Holders who wish to hold the NCDs in physical form may do so by submitting a request to their DP at any time after Allotment in accordance with the applicable procedure stipulated by the DP, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time. Holders of the NCDs who propose to rematerialize their NCDs, would have to mandatorily submit details of their bank mandate along with a copy of any document evidencing that the bank account is in the name of the holder of such NCDs and their Permanent Account Number to our Company and the Depository Participant. No proposal for rematerialisation of NCDs would be considered if the aforementioned documents and details are not submitted along with the request for such rematerialisation.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred. However, any trading of the NCDs issued pursuant to the Issue shall be compulsorily in dematerialized form only.

## **Register of NCD Holders**

No transfer of title of a NCD will be valid unless and until entered on the Register of NCD Holders (for re materialized NCDs) or the register and index of NCD Holders maintained by the Depository prior to the Record Date. In the absence of transfer being registered, interest and/or Redemption Amount, as the case may be, will be paid to the person, whose name appears first in the Register of NCD Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be as on the Record Date. In such cases, claims, if any, by the purchasers of the NCDs will need to be settled with the seller of the NCDs and not with our Company or the Registrar. The provisions relating to

transfer and transmission and other related matters in respect of our Company's shares contained in the Articles of Association of our Company, SEBI Listing Regulations and the Companies Act shall apply, mutatis mutandis (to the extent applicable) to the NCDs as well.

### Restriction on transfer of NCDs

There are no restrictions on transfers and transmission of NCDs allotted pursuant to the Issue. NCDs held in physical form, pursuant to any re-materialisation, as above, cannot be transferred. However, any trading of the NCDs issued pursuant to the Issue shall be compulsorily in dematerialized form only.

### Succession

Where NCDs are held in joint names and one of the joint holders dies, the survivor(s) will be recognized as the NCD Holder(s). It will be sufficient for our Company to delete the name of the deceased NCD Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on our Company to register his name as successor of the deceased NCD Holder after obtaining evidence such as probate of a will for the purpose of proving his title to the debentures. In the event of demise of the sole or first holder of the Debentures, our Company will recognise the executors or administrator of the deceased NCD Holders, or the holder of the succession certificate or other legal representative as having title to the Debentures only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. The directors of our Company in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation. In case of death of NCD Holders who are holding NCDs in dematerialised form, third person is not required to approach our Company to register his name as successor of the deceased NCD Holder. The successor of the deceased NCD Holder shall approach the respective Depository Participant for this purpose and submit necessary documents as required by the Depository Participant.

Where a non-resident Indian becomes entitled to the NCDs by way of succession, the following steps have to be complied with:

1. Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the NCDs were acquired by the non-resident Indian as part of the legacy left by the deceased NCD Holder.
2. Proof that the non-resident Indian is an Indian national or is of Indian origin.
3. Such holding by a non-resident Indian will be on a non-repatriation basis.

### Joint-holders

Where two or more persons are holders of any NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles of Association and other applicable laws.

### Period of subscription

| <b>ISSUE PROGRAMME</b>          |  |
|---------------------------------|--|
| <b>Issue Opens on</b>           | As specified in respective Tranche Prospectus  |
| <b>Issue Closes on</b>          | As specified in respective Tranche Prospectus  |
| <b>Pay in Date</b>              | Application Date. The entire Application Amount is payable on Application  |
| <b>Deemed Date of Allotment</b> | The date on which the Board of Directors or any committee authorised by the Board approves the Allotment of the NCDs for the Issue or such date as may be determined by the Board of Directors/ or any committee authorised by the Board thereof and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the Debenture Holders from the Deemed Date of Allotment. |

*\* This Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the period indicated in the prospectus, except that this Issue may close on such earlier date or extended date ((subject to a minimum period of three Working Days and a maximum period of 10 working days from the date of opening of the Issue and subject to not exceeding thirty days from filing the Prospectus with ROC) as may be decided by the Board of Directors of our Company or any committee authorised by the Board subject to compliance with Regulation 33A of the SEBI NCS Regulations.*

*In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective*

investors through an advertisement in an English daily national newspaper with wide circulation and a regional daily with wide circulation where the registered office of the Company is located (in all the newspapers in which pre-issue advertisement for opening of this Issue has been given on or before such earlier or initial date of Issue closure). On the Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchange. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 p.m. on one Working Day post the Issue Closing Date. For further details please see "General Information" on page 53.

Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) ("Bidding Period"), during the Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday) (a) by the Designated Intermediaries at the Bidding Centres, or (b) by the SCSBs directly at the Designated Branches of the SCSBs. Additionally, an Investor may also submit the Application Form through the app or web interface of the Stock Exchange. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange. It is clarified that the Applications not uploaded on the Stock Exchange Platform would be rejected. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 p.m. on one Working Day after the Issue Closing Date.

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Neither our Company, nor the Lead Managers, nor any Member of the Syndicate, Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations or designated branches of SCSBs are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. As per the SEBI Operational Circular, the allotment in the Issue is required to be made on the basis of date of upload of each application into the electronic book of the Stock Exchange. However, from the date of oversubscription and thereafter, the allotments will be made to the applicants on proportionate basis.

## **Interest/Premium and Payment of Interest/ Premium**

### **Interest/ Coupon on NCDs**

As specified in the relevant Tranche Prospectus for each Tranche Issue.

### **Basis of payment of Interest**

The Tenor, Coupon Rate / Yield and Redemption Amount applicable for each Series of NCDs shall be determined at the time of Allotment of NCDs pursuant to the relevant Tranche Prospectus. NCDs once allotted under any particular Series of NCDs shall continue to bear the applicable Tenor, Coupon/ Yield and Redemption Amount as at the time of original Allotment irrespective of the category of NCD Holder on any Record Date, and such tenor, coupon/ yield and redemption amount as at the time of original allotment will not be impacted by trading of any series of NCDs between the categories of persons or entities in the secondary market.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the Investors. In such cases, interest, on the interest payment date, would be directly credited to the account of those Investors who have given their bank mandate.

We may offer the facility of NACH, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to help NCD Holders. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI. Please see "Manner of Payment of Interest / Refund/ Redemption\*" at page 561.

Amount of interest payable shall be rounded off to the nearest Rupee. In the event, the interest / payout of total coupon / redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the redemption amount is ₹ 1,837.50 then the amount shall be rounded off to ₹ 1,838.

If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per the Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Redemption Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest on the NCDs until but excluding the date of such payment. The interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.

## **Taxation**

Income Tax is deductible at source at the rate of 10% on interest on debentures held by resident Indians as per the provisions of Section 193 of the IT Act (in case where interest is paid to Individual or HUF, no TDS will be deducted where interest paid is less than 5,000 and interest is paid by way of account payee cheque). For further details, please see Section titled "Statement of Possible Tax Benefits" on page 77.

Further, Tax will be deducted at source at reduced rate, or no tax will be deducted at source in the following cases:

- a. When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture holder justifies no/lower deduction of tax at source as per the provisions of Section 197(1) of the IT Act; and that a valid certificate is filed with the Company/ Registrar, atleast 7 days before the relevant record date for payment of debenture interest;
- b. When the resident Debenture Holder with Permanent Account Number ('PAN') (not being a company or a firm) submits a declaration as per the provisions of section 197A(1A) of the IT Act in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be Nil. However, under section 197A(1B) of the IT Act, Form 15G cannot be submitted nor considered for exemption from tax deduction at source if the dividend income referred to in section 194, interest on securities, interest, withdrawal from NSS and income from units of mutual fund or of 236 Unit Trust of India as the case may be or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the financial year in which such income is to be included exceeds the maximum amount which is not chargeable to income tax;
- c. Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form 15H for non-deduction of tax at source in accordance with the provisions of section 197A(1C) of the Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on the estimated total income of the year concerned will be Nil.

In all other situations, tax would be deducted at source as per prevailing provisions of the IT Act. However in case of NCD Holders claiming non-deduction or lower deduction of tax at source, as the case may be, the NCD Holder should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by individuals who are of the age of 60 years or more (ii) Form 15G which can be given by all applicants (other than companies, and firms), or (b) a certificate, from the Assessing Officer which can be obtained by all applicants (including companies and firms) by making an application in the prescribed form i.e. Form No.13.

Further, eligible NCD Holders other than resident individuals or resident HUF investors, the following documents should be submitted with the Company/ Registrar, atleast 7 days before the relevant record date for payment of debenture interest (i) copy of registration certificate issued by the regulatory authority under which the investor is registered, (ii) self-declaration for non-deduction of tax at source, and (iii) such other document a may be required under the Income Tax Act, for claiming non-deduction / lower deduction of tax at source and/or specified by the Company/ Registrar, from time to time.

The aforesaid documents, as may be applicable, should be submitted atleast 7 days before the relevant Record Date for payment of interest on the NCDs quoting the name of the sole/ first NCD Holder, NCD folio number and the distinctive number(s) of the NCD held, to ensure non-deduction/lower deduction of tax at source from interest on the NCD. The aforesaid documents for claiming non-deduction or lower deduction of tax at source, as the case may be, shall be submitted to the Registrar as per below details or any other details as may be updated on the website of the Issuer at [www.pfcindia.com](http://www.pfcindia.com) or the Registrar at <https://ris.kfintech.com/form15/forms.aspx?q=0>, from time to time.

## **Registrar to the Issue**

**KFIN Technologies Limited**  
Selenium Tower B,  
Plot 31-32, Gachibowli,  
Financial District, Nanakramguda,  
Serilingampally, Rangareddi,  
Hyderabad – 500 032, Telangana



**Tel:** +91 40 6716 2222  
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**Email:** pfcl.ncdipo@kfintech.com  
**Investor Grievance Email:** einward.ris@kfintech.com  
**Website:** www.kfintech.com  
**Contact Person:** Mr. M. Murali Krishna  
**Compliance Officer :** Anshul Kumar Jain

**Link for availability of formats of declaration/ certificates and online submission of tax exemption forms:**  
<https://ris.kfintech.com/form15/forms.aspx?q=0>

The investors need to submit Form 15H/ 15G/certificate in original from the Assessing Officer for each Fiscal during the currency of the NCD to claim non-deduction or lower deduction of tax at source from interest on the NCD. Tax exemption certificate/document, if any, must be lodged at the office of the Registrar to the Issue at least seven days prior to the Record Date or as specifically required, failing which tax applicable on interest will be deducted at source on accrual thereof in our Company's books and/or on payment thereof, in accordance with the provisions of the IT Act and/or any other statutory modification, enactment or notification as the case may be. A tax deduction certificate will be issued for the amount of tax so deducted.

Please also see, "*Statement of Possible Tax Benefits*" on page 77. Subject to the terms and conditions in connection with computation of applicable interest on the Record Date as stated in the section titled "*Issue Procedure*" on page 569, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Draft Shelf Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs.

#### **Mode of payment of Interest to NCD Holders**

Payment of interest will be made (i) in case of NCDs in dematerialised form, to the persons who, for the time being appear in the register of beneficial owners of the NCDs as per the Depositories, as on the Record Date and (ii) in case of NCDs in physical form on account of re-materialization, to the persons whose names appear in the register of debenture holders maintained by us (or to first holder in case of joint-holders) as on the Record Date.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of NCD Holders. In such cases, interest, on the interest payment date, would be directly credited to the account of those investors who have given their bank mandate.

We may offer the facility of NACH, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to effect payments to NCD Holders. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI. For further details, see the "*Terms of the Issue - Manner of Payment of Interest / Refund / Redemption*" beginning on page 561.

#### **Day Count Convention**

Interest shall be computed on an actual/actual basis on the principal outstanding on the NCDs as per the SEBI Operational Circular.

#### **Effect of holidays on payments**

If the Interest Payment Date falls on a day other than a Working Day (Sundays or holidays of commercial banks in Mumbai), the interest payment as due and payable on such day shall be made by our Company on the immediately succeeding Working Day and calculation of such interest payment shall be as per original schedule as if such Interest Payment Date were a Working Day. Further, the future Interest Payment Dates shall remain intact as per the originally stipulated schedule and shall not be changed because of postponement of such interest payment on account of it falling on a non-Working Day. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force, as applicable.

If Redemption Date (also being the last Interest Payment Date) falls on a day that is not a Working Day, the Redemption Amount shall be paid by our Company on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment. The interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.

**Illustration for guidance in respect of the day count convention and effect of holidays on payments:**

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Operational Circular will be disclosed in the relevant Tranche Prospectus.

**Maturity and Redemption**

As specified in the relevant Tranche Prospectus.

**Put / Call Option**

As specified in the relevant Tranche Prospectus.

**Deemed Date of Allotment**

The date on which the Board of Directors or any committee authorised by the Board approves the Allotment of the NCDs for the Issue or such date as may be determined by the Board of Directors/ or any committee authorised by the Board thereof and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the Debenture Holders from the Deemed Date of Allotment.

**Application in the Issue**

NCDs being issued through this Draft Shelf Prospectus can be applied for, through a valid Application Form filled in by the applicant along with attachments, as applicable. Further, Applications in this Issue shall be made through the ASBA facility only.

In terms of Regulation 7 of SEBI NCS Regulations, our Company will make public issue of the NCDs in the dematerialised form only.

However, in the terms of Section 8(1) of the Depositories Act, our Company at the request of the Investors who wish to hold the NCDs in physical form will rematerialise the NCDs. However, trading of the NCDs shall be compulsorily in dematerialised form only.

**Application Size**

Each Application should be for a minimum of 10 NCDs across all series collectively and multiples of one NCD thereof (for all series of NCDs taken individually or collectively). The minimum application size for each application for NCDs would be ₹ 10,000 across all series collectively and in multiples of ₹ 1,000 thereafter. Applicants can apply for any or all types of NCDs offered hereunder (any/all series) provided the Applicant has applied for minimum application size using the same Application Form.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

**Terms of Payment**

The entire issue price of ₹ 1,000 per NCD is payable on application itself. In case of allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall instruct the SCSBs to unblock the excess amount blocked on application in accordance with the terms of relevant Tranche Prospectus(es).

**Record Date**

The record date for payment of interest or repayment of principal in connection with the NCDs issued under the relevant Tranche Prospectus(es) shall be 15 (fifteen) days prior to the date on which interest is due and payable, and/or the date of redemption or such other date under the relevant Tranche Prospectus(es) as may be determined by the Company.

In case of redemption of NCDs, the trading in the NCDs shall remain suspended between the Record Date and the date of redemption.

In case Record Date falls on a day when Stock Exchange are having a trading holiday, the immediate preceding trading day or a date notified by our Company to the Stock Exchange will be deemed as the Record Date.

#### **Manner of Payment of Interest / Refund / Redemption\***

The manner of payment of interest / refund / redemption in connection with the NCDs is set out below:

The bank details will be obtained from the Depositories for payment of Interest / refund / redemption as the case may be. Applicants are advised to keep their bank account details as appearing on the records of the depository participant updated at all points of time. Please note that failure to do so could result in delays in credit of Interest/ Redemption Amounts at the Applicant's sole risk, and the Lead Managers, our Company or the Registrar shall have no responsibility and undertake no liability for the same.

In case of NCDs held in physical form, on account of rematerialisation, the bank details will be obtained from the documents submitted to the Company along with the rematerialisation request. For further details, please see "Procedure for Re-materialisation of NCDs" on page 555.

The Registrar to the Issue will issue requisite instructions to the relevant SCSBs to un-block amounts in the ASBA Accounts of the Applicants representing the amounts to unblocked for the Applicants.

*\* In the event, the interest / payout of total coupon / redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the redemption amount is ₹ 1,837.50 then the amount shall be rounded off to ₹ 1,838.*

The mode of interest / refund / redemption payments shall be undertaken in the following order of preference:

#### 1. Direct Credit

Investors having their bank account with the Refund Bank, shall be eligible to receive refunds, if any, through direct credit. The refund amount, if any, would be credited directly to their bank account with the Refund Bank.

#### 2. NACH

National Automated Clearing House which is a consolidated system of ECS. Payment would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition ("MICR") code wherever applicable from the depository. Payments through NACH are mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get payments through NEFT or Direct Credit or RTGS.

#### 3. RTGS

Applicants having a bank account with a participating bank and whose interest payment/ refund/ redemption amounts exceed ₹ 200,000, or such amount as may be fixed by RBI from time to time, have the option to receive payments through RTGS. Such eligible Applicants who indicate their preference to receive interest payment/ refund/ redemption through RTGS are required to provide the IFSC code in the Application Form or intimate our Company and the Registrar to the Issue at least seven days prior to the Record Date. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant. In the event the same is not provided, interest payment/ refund/ redemption shall be made through NACH subject to availability of complete bank account details for the same as stated above.

#### 4. NEFT

Payment of interest/ refunds/ redemption shall be undertaken through NEFT wherever the Applicants' banks have been assigned the Indian Financial System Code ("IFSC"), which can be linked to a MICR, if any, available to that particular bank branch. The IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine

digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of interest/ refund/ redemption will be made to the applicants through this method.

#### 5. Registered Post/Speed Post

For all other applicants, including those who have not updated their bank particulars with the MICR code, the interest payment / refund / redemption orders shall be dispatched through speed post/registered post.

Please note that applicants are eligible to receive payments through the modes detailed in (1), (2) (3), and (4) herein above provided they provide necessary information for the above modes and where such payment facilities are allowed / available.

Please note that our Company shall not be responsible to the holder of NCDs for any delay in receiving credit of interest / refund / redemption so long as our Company has initiated the process of such request in time.

In case of ASBA Applicants, the Registrar to the Issue will issue requisite instructions to the relevant SCSBs to unblock amounts in the ASBA Accounts of the Applicants representing the amounts to be refunded to the Applicants.

6. The Registrar to the Issue shall instruct the relevant SCSB or in case of Bids by Retail Individual Investors applying through the UPI Mechanism to the Sponsor Bank, to revoke the mandate and to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful Applications within six Working Days of the relevant Tranche Issue Closing Date.

#### **Printing of Bank Particulars on Interest/redemption Warrants**

As a matter of precaution against possible fraudulent encashment of refund orders and interest/redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the orders/ warrants. NCDs applied and held in dematerialized form, these particulars would be taken directly from the depositories. In case of NCDs held in physical form on account of rematerialisation, the NCD Holders are advised to submit their bank account details with our Company/ Registrar to the Issue at least seven days prior to the Record Date failing which the orders/ warrants will be dispatched to the postal address of the NCD Holders as available in the records of our Company either through speed post or registered post. Bank account particulars will be printed on the orders/ warrants which can then be deposited only in the account specified.

#### **Loan against NCDs**

Pursuant to RBI circulars, our Company, being an NBFC, is not permitted to extend any loans against the security of its NCDs.

#### **Buy Back of NCDs**

Our Company may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buyback of NCDs, upon such terms and conditions as may be decided by our Company.

Our Company may from time to time invite the NCD Holders to offer the NCDs held by them through one or more buy-back schemes and/or letters of offer upon such terms and conditions as our Company may from time to time determine, subject to applicable statutory and/or regulatory requirements. Such NCDs which are bought back may be extinguished, re-issued and/or resold in the open market with a view of strengthening the liquidity of the NCDs in the market, subject to applicable statutory and/or regulatory requirements.

#### **Form and Denomination of NCDs**

In case of NCDs held in physical form on account of rematerialisation, a single certificate will be issued to the NCD Holder for the aggregate amount of the NCDs held ("Consolidated Certificate"). The Applicant can also request for the issue of NCD certificates in denomination of one NCD ("Market Lot"). In case of NCDs held under different Options/Series, by an NCD Holder, separate Consolidated Certificates will be issued to the NCD Holder for the aggregate amount of the NCDs held under each Option.

It is, however, distinctly to be understood that the NCDs pursuant to this issue shall be traded only in dematerialized form.

In respect of Consolidated Certificates, only upon receipt of a request from the NCD Holder, the Consolidated Certificates would be split into smaller denominations, subject to the minimum of Market Lot. No fee would be charged for splitting of NCD certificates in Market Lots, but stamp duty payable, if any, would be borne by the NCD Holder. The request for splitting should be accompanied by the original NCD certificate, which would then be treated as cancelled. As per the SEBI NCS Regulations, the trading of the NCDs on the Stock Exchange shall be in dematerialized form only in multiples of 1 (one) NCD (“**Market Lot**”). Allotment in this Issue to all Allottees, will be in electronic form i.e., in dematerialised form and in multiples of one NCD. For details of allotment see “*Issue Procedure*” beginning on page 569.

### **Procedure for redemption by NCD Holders**

The procedure for redemption is set out below:

#### **NCDs held in physical form on account of rematerialisation of NCDs**

No action would ordinarily be required on the part of the NCD Holder at the time of redemption and the redemption proceeds would be paid to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. However, our Company may require that the NCD certificate(s), duly discharged by the sole holder/all the joint-holders (signed on the reverse of the NCD certificates) be surrendered for redemption on maturity and should be sent by the NCD Holders by Registered Post with acknowledgment due or by hand delivery to our office or to such persons at such addresses as may be notified by us from time to time. NCD Holders may be requested to surrender the NCD certificates in the manner as stated above, not more than three months and not less than one month prior to the redemption date so as to facilitate timely payment. We may at our discretion redeem the Secured NCDs without the requirement of surrendering of the NCD certificates by the holder(s) thereof. In case we decide to do so, the holders of NCDs need not submit the NCD certificates to us and the redemption proceeds would be paid to those NCD holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of redemption of NCDs. In such case, the Secured NCD certificates would be deemed to have been cancelled.

#### **NCDs held in electronic form**

No action is required on the part of NCD Holder(s) at the time of redemption of NCDs.

### **Payment on redemption**

The manner of payment of redemption is set out below:

#### **NCDs held in physical form on account of re-materialization**

The payment on redemption of the NCDs will be made by way of cheque/pay order/ electronic modes in accordance with applicable laws. However, if our Company so requires, the aforementioned payment would only be made on the surrender of NCD certificates, duly discharged by the sole holder/ all the joint-holders (signed on the reverse of the NCD certificates). Dispatch of cheques/ pay orders, etc. in respect of such payment will be made on the redemption date or (if so, requested by our Company in this regard) within a period of 30 days from the date of receipt of the duly discharged NCD certificate.

In case we decide to do so, the redemption proceeds in the manner stated above would be paid on the redemption date to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. Hence the transferees, if any, should ensure lodgment of the transfer documents with us at least seven days prior to the Record Date. In case the transfer documents are not lodged with us at least 7 days prior to the Record Date and we dispatch the redemption proceeds to the transferor, claims in respect of the redemption proceeds should be settled amongst the parties inter se and no claim or action shall lie against us or the Registrar to the Issue.

Our liability to NCD Holders towards their rights including for payment or otherwise shall stand extinguished from the redemption in all events and when we dispatch the redemption amounts to the NCD Holders.

#### **NCDs held in electronic form**

On the redemption date, redemption proceeds would be paid by cheque /pay order / electronic mode to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories' records on the Record Date fixed for the purpose of redemption. These NCDs will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of NCD Holders.

Our liability to NCD Holder(s) towards his/their rights including for payment or otherwise shall stand extinguished from the date of redemption in all events and when we dispatch the redemption amounts to the NCD Holder(s).

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCD(s).

### **Right to Reissue NCD(s)**

Subject to the provisions of the Companies Act, 2013 and other applicable laws, where we have fully redeemed or repurchased any NCD(s), we shall have and shall be deemed always to have had the right to keep such NCDs in effect without extinguishment thereof, for the purpose of resale or reissue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such NCDs either by reselling or reissuing the same NCDs or by issuing other NCDs in their place. The aforementioned right includes the right to reissue original NCDs.

### **Transfer/ Transmission of NCDs**

#### **For NCDs held in physical form on account of rematerialisation**

The NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of Companies Act, 2013 applicable as on the date of this Draft Shelf Prospectus and all other applicable laws. The provisions relating to transfer and transmission and other related matters in respect of our shares contained in the Articles and the relevant provisions of the Companies Act, 2013 applicable as on the date of this Draft Shelf Prospectus, and all applicable laws including FEMA and the rules and regulations thereunder, shall apply, mutatis mutandis (to the extent applicable to debentures) to the NCDs as well. In respect of the NCDs held in physical form on account of rematerialisation, a common form of transfer shall be used for the same. The NCDs held in dematerialised form shall be transferred subject to and in accordance with the rules/ procedures as prescribed by NSDL/CDSL and the relevant Depository Participants of the transferor and the transferee and any other applicable laws and rules notified in respect thereof. The transferees should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/ redemption will be made to the person, whose name appears in the register of debenture holders, or the records as maintained by the Depositories on Record Date. In such cases, claims, if any, by the transferees would need to be settled with the transferors and not with the Issuer or Registrar.

#### **For NCDs held in electronic form**

The normal procedure followed for transfer of securities held in dematerialised form shall be followed for transfer of the NCDs held in electronic form. The seller should give delivery instructions containing details of the buyer's Depository Participant account to his depository participant.

In case the transferee does not have a Depository Participant account, the transferor can rematerialise the NCDs and thereby convert his dematerialised holding into physical holding. Thereafter these NCDs can be transferred in the manner as stated above for transfer of NCDs held in physical form.

Any trading of the NCDs issued pursuant to this Issue shall be compulsorily in dematerialised form only.

### **Common form of transfer**

Our Company undertakes that there shall be a common form of transfer for the NCDs and the provisions of the Companies Act, 2013 and all applicable laws including the FEMA and the rules and regulations thereunder shall be duly complied with in respect of all transfer of debentures and registration thereof.

### **Sharing of Information**

Our Company may, at its option, use on our own, as well as exchange, share or part with any financial or other information

about the NCD Holders available with us, with our subsidiaries, if any and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

### **Notices**

All notices to the NCD Holder(s) required to be given by us or the Debenture Trustee shall be published in one English language newspaper having wide circulation and one regional language daily newspaper at the place where the registered office of the Company is situated and/or will be sent by speed post/ courier or through email or other electronic media to the Registered Holders of the NCD(s) from time to time.

### **Future Borrowings**

Our Company will be entitled to borrow/raise loans or avail of financial assistance in whatever form as also to issue debentures/ NCDs/other securities in any manner by creating a charge on any assets, subject to applicable consents, approvals or permissions that may be required under any statutory/regulatory/contractual requirement, or as may be required under applicable law or existing financing agreements, including any intimation, if applicable under the Transaction Documents, provided stipulated security cover is maintained on the NCDs and the Company is in compliance of all the terms of the Transaction Documents.

### **Impersonation**

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section(1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who - (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447 of the Companies Act, 2013.”

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹ 0.10 crore or 1.00% of the turnover of our Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 0.10 crore or 1.00% of the turnover of our Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 0.50 crore or with both.

### **Pre-closure**

Our Company, in consultation with the Lead Managers, reserves the right to close the Issue at any time prior to the Issue Closing Date, subject to receipt of minimum subscription or as may be specified in relevant Tranche Prospectus. Our Company shall allot NCDs with respect to the Applications received until the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements. In the event of such early closure of the Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the Issue Closing Date, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement have been given.

### **Minimum subscription**

In terms of the SEBI NCS Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. If our Company does not receive the minimum subscription of 75% of Base Issue Size the entire blocked Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within eight Working Days from the Issue Closing Date provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Account(s) of the Applicants within eight Working Days from the Issue Closing Date, failing which our Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 and Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription amount was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard included in the SEBI Operational Circular.

### **Market Lot and Trading Lot**

The NCDs shall be allotted in dematerialized form. As per the SEBI NCS Regulations, the trading of the NCDs is in dematerialised form and the tradable lot is one NCD.

Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable interest for such NCDs) prior to redemption of the NCDs.

Allotment in this Issue will be in electronic form multiples of one NCD. For further details of Allotment, see the “*Issue Procedure*” beginning on page 569.

### **Utilisation of Application Amount**

The sum received in respect of the Issue will be kept in separate bank account(s) and we will have access to such funds only upon allotment of the NCDs, execution of Debenture Trust Deeds and on receipt of listing and trading approval from the Stock Exchange as per applicable provisions of law(s), regulations and approvals.

### **Utilisation of Issue Proceeds**

- a. All monies received pursuant to the issue of NCDs to public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013 and the SEBI NCS Regulations and our Company will comply with the conditions as stated therein, and these monies will be transferred to Company’s bank account after receipt of listing and trading approvals.
- b. Details of all monies utilised out of Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised; and
- c. Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.
- d. Our Company shall utilize the Issue proceeds only up on (i) receipt of minimum subscription; (ii) completion of Allotment in compliance with Section 40 of the Companies Act, 2013; (ii) receipt of listing and trading approval from Stock Exchange and (iii) only upon execution of the documents for creation of security.
- e. The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property.
- f. Details of all utilized and unutilized monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized and the securities or other forms of financial assets in which such unutilized monies have been invested.
- g. The allotment letter shall be issued, or application money shall be refunded in accordance with the Applicable Law failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period;
- h. If Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within 6 Working Days from the Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants in accordance with applicable laws; and
- i. The Issue proceeds shall be utilized in compliance with various guidelines, regulations and clarifications issued by RBI, SEBI or any other statutory authority from time to time. Further the Issue proceeds shall be utilized only for



the purpose and objects stated in the Offer Documents.

### **Filing of the Shelf Prospectus and the relevant Tranche Prospectus with the RoC**

A copy of the Shelf Prospectus and the relevant Tranche Prospectus will be filed with the RoC, in accordance with Section 26 of Companies Act, 2013.

### **Pre-Issue Advertisement**

Subject to Regulation 30(1) of the SEBI NCS Regulations, our Company will issue a statutory advertisement on or before the Issue Opening Date. This advertisement will be issued in compliance with the Section 30 of the Companies Act, 2013 and shall contain the information as prescribed in the SEBI NCS Regulations and Section 30 of the Companies Act, 2013.

Material updates, if any, between the date of filing of the Shelf Prospectus and the relevant Tranche Prospectus with ROC and the date of release of the statutory advertisement will be included in the statutory advertisement information as prescribed under SEBI NCS Regulations.

### **Payment of Interest**

If Allotment is not made within the prescribed time period under applicable law, the entire subscription amount will be unblocked within the time prescribed under applicable law, failing which interest may be due to be paid to the Applicants, for the delayed period, as prescribed in applicable law. Our Company shall not be liable to pay any interest on monies liable to be refunded in case of (a) invalid applications or applications liable to be rejected, (b) applications which are withdrawn by the Applicant and/or (c) monies paid in excess of the amount of NCDs applied for in the Application Form. For further details, see "*Issue Procedure - Rejection of Applications*" beginning on page 597.

### **Listing**

The NCDs offered through this Draft Shelf Prospectus are proposed to be listed on BSE. Our Company has obtained an 'in-principle' approval for the Issue from the BSE *vide* their letter bearing reference number [•] dated [•]. For the purposes of the Issue, BSE Limited shall be the Designated Stock Exchange. Final Application for listing of the NCDs will be made to the Stock Exchange in terms of SEBI NCS Regulations and the SEBI Operational Circular for each relevant Tranche Issue.

If permissions to deal in and for an official quotation of our NCDs are not granted by the Stock Exchange, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of this Draft Shelf Prospectus.

Our Company will use best efforts to ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange are taken within 6 Working Days of the Issue Closing Date. For the avoidance of doubt, it is hereby clarified that in the event of non-subscription to any one or more of the series, such series(s) of NCDs shall not be listed.

### **Guarantee/ Letter of Comfort**

The Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

### **Monitoring and Reporting of Utilisation of Issue Proceeds**

There is no requirement for appointment of a monitoring agency in terms of the SEBI NCS Regulations. The Audit Committee shall monitor the utilization of the proceeds of the Issue. Our Company, in accordance with the timeline prescribed in SEBI Listing Regulations, submit to the stock exchange, a statement indicating the utilization of issue proceeds of non-convertible securities, which shall be continued to be given till such time the issue proceeds have been fully utilised or the purpose for which these proceeds were raised has been achieved. In relation to all such proceeds of the Issue that have not been utilised company would also be indicating investments, if any, of such unutilised proceeds of the Issue.

### **Lien**

Our Company will have the right of set-off and lien, present as well as future on the moneys due and payable to the NCD Holder, to the extent of all outstanding dues, if any by the NCD Holder to our Company, subject to applicable law.

#### **Lien on Pledge of NCDs**

Subject to applicable law, our Company, at its discretion, may record a lien on pledge of NCDs if such pledge of NCDs is accepted by any bank or institution or any other person for any loan provided to the NCD Holder against pledge of such NCDs as part of the funding.

#### **Recovery Expense Fund**

Our Company shall create a recovery expense fund in the manner as specified by SEBI in SEBI Debenture Trustee Operational Circular as amended from time to time and Regulation 11 of the SEBI NCS Regulations with the Designated Stock Exchange and will inform the Debenture Trustee regarding the creation of such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.

#### **Settlement Guarantee Fund**

Our Company shall be creating a settlement guarantee fund in the manner as specified in the circular SEBI/HO/DDHS/DDHS-RACPOD1/CIR/P/2023/56 dated April 13, 2023, issued by SEBI. This fund will be created to ensure upfront collection of charges from eligible issuers at the time of allotment of debt securities.

## ISSUE PROCEDURE

*This section applies to all Applicants. Specific attention of all Applicants is invited to the SEBI Operational Circular, which provides, inter-alia, that for all public issues of debt securities all Applicants shall mandatorily use the ASBA facility for participating in the Issue. ASBA Applicants and Applicants applying through the Direct Online Application Mechanism (as defined hereinafter) should note that the ASBA process and the Direct Online Application Mechanism involve application procedures that are different from the procedure applicable to all other Applicants. Please note that all Applicants are required to pay the full Application Amount or ensure that the ASBA Account has sufficient credit balance such that the entire Application Amount can be blocked by the SCSB while making an Application. Further in terms of the SEBI Operational Circular retail individual investor may use the Unified Payment Interface (“UPI”) to participate in the public issue for an amount up to ₹ 5,00,000 through the app/web interface of the Stock Exchange or through intermediaries (Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants).*

*Applicants should note that they may submit their Applications to the Designated Intermediaries at the Designated CDP Locations or the RTAs at the Designated RTA Locations or designated branches of SCSBs as mentioned on the Application Form. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in this Draft Shelf Prospectus.*

*Please note that this section has been prepared based on the SEBI Operational Circular and the notifications issued by BSE and NSE, in relation to the UPI Mechanism.*

*Specific attention is drawn to the SEBI Operational Circular which provides for allotment in public issues of debt securities to be made on the basis of the date of upload of each application into the electronic book of the Stock Exchange, as opposed to the date and time of upload of each such application.*

*Our Company and the Lead Managers do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Shelf Prospectus. Investors are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws.*

*Further, the Company and the Lead Managers are not liable for any adverse occurrences consequent to the UPI Mechanism for application in the Issue.*

**PLEASE NOTE THAT ALL DESIGNATED INTERMEDIARIES WHO WISH TO COLLECT AND UPLOAD APPLICATION IN THE ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE WILL NEED TO APPROACH THE STOCK EXCHANGE AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE STOCK EXCHANGE. THE FOLLOWING SECTION MAY CONSEQUENTLY UNDERGO CHANGE BETWEEN THE DATES OF THE RELEVANT TRANCHE PROSPECTUS, THE ISSUE OPENING DATE AND THE ISSUE CLOSING DATE.**

***THE LEAD MANAGERS, THE CONSORTIUM MEMBERS AND OUR COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMISSIONS ON THE PART OF TRADING MEMBERS/DESIGNATED INTERMEDIARIES IN CONNECTION WITH THE RESPONSIBILITY OF TRADING MEMBERS/DESIGNATED INTERMEDIARIES IN RELATION TO COLLECTION AND UPLOAD OF APPLICATION FORMS IN RESPECT OF THE ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY STOCK EXCHANGE. FURTHER, THE RELEVANT STOCK EXCHANGE WILL BE RESPONSIBLE FOR ADDRESSING INVESTOR GRIEVANCES ARISING FROM APPLICATIONS THROUGH TRADING MEMBERS/DESIGNATED INTERMEDIARIES REGISTERED WITH SUCH STOCK EXCHANGE.***

**Please note that for the purposes of this section, the term “Working Day” shall mean all days on which the commercial banks in Mumbai are open for business, except with reference to the Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holidays on which commercial banks in Mumbai are open for business. Furthermore, for the purpose the time period between the bid/ issue closing date and the listing of the NCDs, Working Days shall mean all trading days of the stock exchange excluding Saturdays, Sundays and bank holidays as specified by SEBI.**

The information below is given for the benefit of the investors. Our Company and the Members of Consortium are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date

of this Draft Shelf Prospectus.

## **PROCEDURE FOR APPLICATION**

### **Who can apply?**

The following categories of persons are eligible to apply in the Issue.

#### **Category I (Institutional Investors)**

- Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs;
- Provident funds and pension funds each with a minimum corpus of ₹ 25 crore, superannuation funds and gratuity funds, which are authorised to invest in the NCDs;
- Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
- Resident Venture Capital Funds registered with SEBI;
- Insurance companies registered with the IRDAI;
- State industrial development corporations;
- Insurance funds set up and managed by the army, navy, or air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts, the Union of India;
- Systemically Important Non-Banking Financial Company registered with the RBI and having a net-worth of more than ₹ 500 crore as per the last audited financial statements;
- National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and
- Mutual funds registered with SEBI.

#### **Category II (Non-Institutional Investors)**

- Companies within the meaning of Section 2(20) of the Companies Act, 2013;
- Statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs;
- Co-operative banks and regional rural banks;
- Trusts including public/private charitable/religious trusts which are authorised to invest in the NCDs;
- Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;
- Partnership firms in the name of the partners; and
- Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009);
- Association of Persons; and
- Any other incorporated and/ or unincorporated body of persons.

### **Category III (High Net-worth Individual Investors)**

- Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10,00,000 across all options of NCDs in the Issue.

### **Category IV (Retail Individual Investors)**

- Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 10,00,000 across all options of NCDs in the Issue and shall include Retail Individual Investors, who have submitted bid for an amount not more than UPI Application Limit in any of the bidding options in the Issue (including HUFs applying through their Karta and does not include NRIs) though UPI Mechanism.

**Please note that it is clarified that persons resident outside India shall not be entitled to participate in the Issue and any applications from such persons are liable to be rejected.**

Note: Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities.

**Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.**

**Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/ consents/ approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to the Issue.**

The Members of Consortium and its respective associates and affiliates are permitted to subscribe in the Issue.

#### **Applications cannot be made by:**

The following categories of persons, and entities, shall not be eligible to participate in the Issue and any Applications from such persons and entities are liable to be rejected:

- a. Minors without a guardian name\* (A guardian may apply on behalf of a minor. However, the name of the guardian will also need to be mentioned on the Application Form);
- b. Foreign nationals, NRI *inter-alia* including any NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;
- c. Persons resident outside India and other foreign entities;
- d. Foreign Institutional Investors;
- e. Foreign Portfolio Investors;
- f. Non Resident Indians;
- g. Qualified Foreign Investors;
- h. Overseas Corporate Bodies\*\*;
- i. Foreign Venture Capital Funds; and
- j. Persons ineligible to contract under applicable statutory/ regulatory requirements.

*\* Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872  
The Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange by the Designated Intermediaries.*

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship). In case of such Applications, the Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange.

*\*\*The concept of Overseas Corporate Bodies (meaning any company, partnership firm, society and other corporate body or overseas trust irrevocably owned/held directly or indirectly to the extent of at least 60% by NRIs), which was in existence until 2003, was withdrawn by the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, OCBs are not permitted to invest in the Issue.*

The information below is given for the benefit of Applicants. Our Company and the Lead Managers are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Shelf Prospectus.

### **How to apply?**

#### **Availability of this Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus, Abridged Prospectus and Application Forms.**

Physical copies of the Abridged Prospectus containing the salient features of the Shelf Prospectus and relevant Tranche Prospectus for each relevant Tranche Issue together with Application Forms and copies of this Draft Shelf Prospectus / Shelf Prospectus and relevant Tranche Prospectus may be obtained from:

- a. Our Registered Office,
- b. Any other office of the Company,
- c. Office of the Lead Managers,
- d. Office of the Consortium Members,
- e. Registrar to the Issue,
- f. Designated RTA Locations for RTAs,
- g. Designated CDP Locations for CDPs and
- h. Designated Branches of the SCSBs.

Additionally, Electronic copies this Draft Shelf Prospectus, the Shelf Prospectus, relevant Tranche Prospectus along with the downloadable version of the Application Forms will be available.

- a. for download on the website of BSE at [www.bseindia.com](http://www.bseindia.com), the website of the Lead Managers at [www.jmfl.com](http://www.jmfl.com), [www.akgroup.co.in](http://www.akgroup.co.in), [www.nuvama.com](http://www.nuvama.com), [www.smccapitals.com](http://www.smccapitals.com) and [www.trustgroup.in](http://www.trustgroup.in).
- b. at the designated branches of the SCSBs and the Syndicate Members at the Specified Locations.

Electronic Application Forms will also be available on the website of the Stock Exchange and on the websites of the SCSBs that permit the submission of Applications electronically. A hyperlink to the website of the Stock Exchange for this facility will be provided on the website of the Lead Managers and the SCSBs. Further, Application Forms will also be provided to Designated Intermediaries at their request. A unique application number (“UAN”) will be generated for every Application Form downloaded from the websites of the Stock Exchange.

Our Company may also provide Application Forms for being downloaded and filled at such websites as it may deem fit. In addition, brokers having online demat account portals may also provide a facility of submitting the Application Forms virtually online to their account holders.

Trading Members of the Stock Exchange can download Application Forms from the websites of the Stock Exchange. Further, Application Forms will be provided to Trading Members of the Stock Exchange at their request.

**Please note that there is a single Application Form for, persons resident in India.**

**Please note that only ASBA Applicants shall be permitted to make an application for the NCDs.**

### **Method of Application**

In terms of the SEBI Operational Circular an eligible investor desirous of applying in this Issue can make Applications through the ASBA mechanism only.

Applicants are requested to note that in terms of the SEBI Operational Circular, SEBI has mandated issuers to provide, through a recognized Stock Exchange which offers such a facility, an online interface enabling direct application by investors to a public issue of debt securities with an online payment facility (“**Direct Online Application Mechanism**”).

All Applicants shall mandatorily apply in the Issue through the ASBA process only. Applicants intending to subscribe in the Issue shall submit a duly filled Application form to any of the Designated Intermediaries.

Designated Intermediaries (other than SCSBs) shall submit/deliver the Application Form (except the Application Form from a Retail Individual Investor bidding using the UPI mechanism) to the respective SCSB, where such investor has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank.

Applicants should submit the Application Form only at the Bidding Centres, i.e., to the respective Members of the Consortium at the Specified Locations, the SCSBs at the Designated Branches, the Registered Broker at the Broker Centres, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations. Kindly note that Application Forms submitted by Applicants at the Specified Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries for deposit of the Application Forms. A list of such branches is available at <http://www.sebi.gov.in>.

The relevant Designated Intermediaries, upon receipt of physical Application Forms from Applicants, shall upload the details of these Application Forms to the online platform of the Stock Exchange and submit these Application Forms with the SCSB (except Application Form from RIBs using the UPI Mechanism) with whom the relevant ASBA Accounts are maintained.

For RIBs using UPI Mechanism, the Stock Exchange shall share the bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. An Applicant shall submit the Application Form, in physical form, the Application Form shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form.

An Applicant shall submit the Application Form, which shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form. Further, the Application may also be submitted through the app or web interface developed by Stock Exchange wherein the Application is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI mechanism, as applicable.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Managers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to ASBA Applications accepted by the Designated Intermediaries, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount has been blocked in the relevant ASBA Account. Further, all grievances against Designated Intermediaries in relation to the Issue should be made by Applicants directly to the Stock Exchange.

In terms of the SEBI Operational Circular, an eligible investor desirous of applying in this Issue can make Applications through the following modes:

- 1. Through Self-Certified Syndicate Bank (SCSB) or intermediaries (viz. Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants)**

- a. An investor may submit the bid-cum-application form, with ASBA as the sole mechanism for making payment, physically at the branch of a SCSB, i.e., investor's bank. For such applications, the existing process of uploading of bid on the Stock Exchange bidding platform and blocking of funds in investors account by the SCSB would continue.
- b. An investor may submit the completed bid-cum-application form to intermediaries mentioned above along with details of his/her bank account for blocking of funds. The intermediary shall upload the bid on the Stock Exchange bidding platform and forward the application form to a branch of a SCSB for blocking of funds.
- c. An investor may submit the bid-cum-application form with a SCSB, or the intermediaries mentioned above and use his / her bank account linked UPI ID for the purpose of blocking of funds, if the application value is ₹0.05 crore or less. The intermediary shall upload the bid on the Stock Exchange bidding platform. The application amount would be blocked through the UPI mechanism in this case.

## 2. Through Stock Exchange

- a. An investor may submit the bid-cum-application form through the App or web interface developed by Stock Exchange (or any other permitted methods) wherein the bid is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI Mechanism.
- b. The Stock Exchange have extended its web-based platforms i.e., 'BSE Direct' to facilitate investors to apply in public issues of debt securities through the web based platform and mobile app with a facility to block funds through Unified Payments Interface (UPI) mechanism for application value upto ₹ 0.05 crore. To place bid through 'BSEDirect' platform / mobile app the eligible investor is required to register himself/ herself with BSE Direct.
- c. An investor may use the following links to access the web-based interface developed by the Stock Exchange to bid using the UPI Mechanism: <https://www.bsedirect.com>;
- d. The BSE Direct mobile application can be downloaded from play store in android phones. Kindly search for 'BSEdirect' on Google Playstore for downloading mobile applications.

To further clarify the submission of bids through the App or web interface, the BSE has issued operational guidelines and circulars dated December 28, 2020 and May 19, 2022 available at <https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-60>, and <https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-61>. <https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=2022051934>.

### Application Size

Each Application should be for a minimum of 10 NCDs and multiples of one NCD thereof.

Applicants can apply for any or all types of NCDs offered hereunder (any/all series) provided the Applicant has applied for minimum application size using the same Application Form.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

## APPLICATIONS BY VARIOUS APPLICANT CATEGORIES

### Applications by Mutual Funds

Pursuant to the SEBI circular SEBI/HO/IMD/DF2/CIR/P/2019/104 dated October 1, 2019 ("SEBI Circular 2019"), mutual funds are required to ensure that the total exposure of debt schemes of mutual funds in a particular sector shall not exceed 20% of the net assets value of the scheme. Further, the additional exposure limit provided for financial services sector not exceeding 10% of net assets value of scheme shall be allowed only by way of increase in exposure to HFCs. However, the overall exposure in HFCs shall not exceed the sector exposure limit of 20% of the net assets of the scheme. Further, the group level limits for debt schemes and the ceiling be fixed at 10% of net assets value extendable to 15% of net assets value after prior approval of the board of trustees. A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the AMC's or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme



for which the Application is being made. An Application Form by a mutual fund registered with SEBI for Allotment of the NCDs must be also accompanied by certified true copies of (i) its SEBI registration certificates (ii) the trust deed in respect of such mutual fund (iii) a resolution authorising investment and containing operating instructions and (iv) specimen signatures of authorized signatories.

**Failing this, our Company reserves the right to accept or reject any Application from a Mutual Fund for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof.**

#### **Application by Scheduled Commercial Banks, Co-operative Banks and Regional Rural Banks**

Scheduled Commercial Banks, Co-operative Banks and Regional Rural Banks can apply in the Issue based upon their own investment limits and approvals. Applications by them for Allotment of the NCDs must be accompanied by certified true copies of (i) memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) a board resolution authorising investments; and (iv) a letter of authorisation.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

**Pursuant to SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.**

#### **Application by Systemically Important Non-Banking Financial Companies**

Systemically Important Non-Banking Financial Companies can apply in the Issue based upon their own investment limits and approvals. Applications by them for Allotment of the NCDs must be accompanied by certified true copies of (i) their memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) a board resolution authorising investments; and (ii) specimen signatures of authorised signatories.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

#### **Application by Insurance Companies**

Insurance companies registered with the IRDAI can apply in the Issue based on their own investment limits and approvals in accordance with the regulations, guidelines and circulars issued by the IRDAI. The Application Form must be accompanied by certified true copies of their (i) i) certificate registered with IRDAI, (ii) memorandum and articles of association/charter of constitution; (iii) power of attorney; (iv) resolution authorising investments/containing operating instructions; and (v) specimen signatures of authorised signatories.

**Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.**

#### **Applications by Indian Alternative Investments Funds**

Applications made by 'alternative investment funds' eligible to invest in accordance with the SEBI AIF Regulations for Allotment of the NCDs must be accompanied by certified true copies of (i) SEBI registration certificate; (ii) a resolution authorising investment and containing operating instructions; and (iii) specimen signatures of authorised persons. The Alternative Investment Funds shall at all times comply with the requirements applicable to it under the SEBI AIF Regulations and the relevant notifications issued by SEBI.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

#### **Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment**

In case of Applications made by Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment, must submit a (i) certified copy of the certificate of registration

or proof of constitution, as applicable, (ii) Power of Attorney, if any, in favour of one or more persons thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/ or regulatory provisions. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason thereof.**

#### **Applications by Trusts**

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) power of attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

**Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason thereof.**

#### **Applications by Public Financial Institutions or statutory corporations, which are authorized to invest in the NCDs**

The Application must be accompanied by certified true copies of: (i) any Act/ Rules under which they are incorporated; (ii) board resolution authorising investments; and (iii) specimen signature of authorized persons.

**Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason thereof.**

#### **Applications made by companies, bodies corporate and societies registered under the applicable laws in India**

The Application must be accompanied by certified true copies of: (i) any act/ rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized persons.

**Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason thereof.**

#### **Applications made by Indian scientific and/ or industrial research organizations, which are authorized to invest in the NCDs**

Applications by scientific and/ or industrial research organisations which are authorised to invest in the NCDs must be accompanied by certified true copies of: (i) any act/rules under which such Applicant is incorporated; (ii) a resolution of the board of directors of such Applicant authorising investments; and (iii) specimen signature of authorized persons of such Applicant.

**Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof.**

#### **Applications made by Partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008**

Applications made by partnership firms and limited liability partnerships formed and registered under the Limited Liability Partnership Act, 2008 must be accompanied by certified true copies of: (i) the partnership deed for such Applicants; (ii) any documents evidencing registration of such Applicant thereof under applicable statutory/regulatory requirements; (iii) a resolution authorizing the investment and containing operating instructions; and (iv) specimen

signature of authorized persons of such Applicant.

**Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof.**

**Applications under a power of attorney by limited companies, corporate bodies and registered societies**

In case of Applications made pursuant to a power of attorney by Applicants from Category I and Category II, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Application Form.

**Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.**

In case of Applications made pursuant to a power of attorney by Applicants from Category III and Category IV, a certified copy of the power of attorney must be lodged along with the Application Form.

In case of physical ASBA Applications made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the Application Form.

**Failing this our Company, in consultation with the Lead Managers, reserves the right to reject such Applications.**

**Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney along with the Application Forms subject to such terms and conditions that our Company and the Lead Managers may deem fit.**

Brokers having online demat account portals may also provide a facility of submitting the Application Forms online to their account holders. Under this facility, a broker receives an online instruction through its portal from the Applicant for making an Application on his or her behalf. Based on such instruction, and a power of attorney granted by the Applicant to authorise the broker, the broker makes an Application on behalf of the Applicant.

**Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorized to invest in the NCDs**

Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorised to invest in the NCDs, for Allotment of the NCDs must be accompanied by certified true copies of: (i) any act/rules under which they are incorporated; (ii) a power of attorney, if any, in favour of one or more trustees thereof, (ii) a board resolution authorising investments; (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (iv) specimen signature of authorized persons; (v) a certified copy of the registered instrument for creation of such fund/trust; and (vi) any tax exemption certificate issued by Income Tax authorities.

**Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof.**

**Applications by National Investment Funds**

Application made by a National Investment Fund for Allotment of the NCDs must be accompanied by certified true copies of: (i) a resolution authorising investment and containing operating instructions; and (ii) specimen signatures of authorized persons.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof.

**Applications by Systematically Important Non-banking financial companies**

Applications made by systematically important non-banking financial companies registered with the RBI and under other applicable laws in India must be accompanied by certified true copies of: (i) memorandum and articles of association/charter of constitution; (ii) power of attorney;(iii) board Resolution authorising investments; and (iii) specimen signature of authorized persons.

**Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason thereof.**

The Syndicate Members and their respective associates and affiliates are permitted to subscribe in the Issue.

## **Payment instructions**

### **Payment mechanism for Applicants**

An Applicant shall specify details of the ASBA Account Number in the Application Form and the relevant SCSB shall block an amount equivalent to the Application Amount in the ASBA Account specified in the Application Form.

An Applicant may submit the completed Application Form to designated intermediaries along with details of his/her bank account for blocking of funds. The intermediary shall upload the bid on the Designated Stock Exchange bidding platform and forward the application form to a branch of a SCSB for blocking of funds.

An Applicant (belonging to Category IV) may also submit the Application Form with a SCSB, or the intermediaries mentioned above and use his / her bank account linked UPI ID for the purpose of blocking of funds, if the application value is ₹0.05 crore or less. The intermediary shall upload the bid on the Stock Exchange bidding platform. The application amount would be blocked through the UPI Mechanism once the mandate request has been successfully accepted by the Applicant in this case.

An Applicant may submit the Application Form through the App or web interface developed by Stock Exchange wherein the bid is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI Mechanism once the mandate request has been successfully accepted by the Applicant.

Upon receipt of an intimation from the Registrar to the Issue, the SCSBs shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account in terms of the Public Issue Account and Sponsor Bank Agreement. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue to the respective SCSB within 5 (five) Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application, as the case may be.

For ASBA Applications submitted to the Lead Managers or Consortium Members or Trading Members of the Stock Exchange at the Specified Cities, the ASBA Application will be uploaded onto the electronic system of the Stock Exchange and deposited with the relevant branch of the SCSB at the Specified City named by such SCSB to accept such ASBA Applications from the Lead Managers or Trading Members of the Stock Exchange, as the case may be (a list of such branches is available at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>). The relevant branch of the SCSB shall perform verification procedures and block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application.

For ASBA Applications submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application, before entering the ASBA Application into the electronic system of the Stock Exchange. SCSBs may provide the electronic mode of application either through an internet enabled application and banking facility or such other secured, electronically enabled mechanism for application and blocking of funds in the ASBA Account.

**Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the ASBA Application to the Lead Managers or Consortium Members or Trading Members of the Stock Exchange, as the case may be, at the Specified Cities or to the Designated Branches of the SCSBs. An ASBA Application where the corresponding ASBA Account does not have sufficient funds equal to the Application Amount at the time of blocking the ASBA Account is liable to be rejected.**

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is approved, the Registrar to the Issue shall send an appropriate request to the controlling branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount pertaining to NCDs allotted to the successful Applicants to the Public Issue Account(s). The balance amount remaining after the finalisation of the Basis of Allotment shall be

unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB within 5 Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the ASBA Application, as the case may be. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

### **Payment mechanism for Direct Online Applicants**

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange. In the event the Direct Online Application facility is implemented by the Stock Exchange, relevant “know your customer” details of such Applicants will be validated online from the Depositories, on the basis of the DP ID and Client ID provided by them in the Application Form. On successful submission of a Direct Online Application, the Applicant will receive a system-generated unique application number (“UAN”) and an SMS or an email confirmation on credit of the requisite Application Amount paid through the online payment facility with the Direct Online Application. On Allotment, the Registrar to the Issue shall credit NCDs to the beneficiary account of the Applicant and in case of refund, the refund amount shall be credited directly to the Applicant’s bank account. Applicants applying through the Direct Online Application facility must preserve their UAN and quote their UAN in: (a) any cancellation/withdrawal of their Application; (b) in queries in connection with Allotment of NCDs and/or refund(s); and/or (c) in all investor grievances/complaints in connection with the Issue.

**As per the SEBI Operational Circular, the availability of the Direct Online Applications facility is subject to the Stock Exchange putting in place the necessary systems and infrastructure, and accordingly the aforementioned disclosures are subject to any further clarifications, notification, modification deletion, direction, instructions and/or correspondence that may be issued by the Stock Exchange and/or SEBI.**

### **Additional information for Applicants**

1. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected.
2. No separate receipts will be issued for the money blocked on the submission of Application Form. However, the collection centre of the Designated Intermediaries will acknowledge the receipt of the Application Forms by stamping and returning to the Applicant the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant.
3. Applications should be submitted on the Application Form only. In the event that physical Application Form do not bear the stamp of the Designated Intermediaries, or the relevant Designated Branch, as the case may be, they are liable to be rejected.
4. Application Forms submitted by Applicants shall be for allotment of NCDs only in dematerialized form.

The Investors are advised to read the operational guidelines mentioned for Making Application for Public Issue of Debt Securities through BSE Direct issued by BSE on December 28, 2020 and May 19, 2022 before investing through the through the app/ web interface of Stock Exchange.

Kindly note, the Stock Exchange shall be responsible for addressing investor grievances arising from Applications submitted online through the App based/ web interface platform of Stock Exchange or through its Trading Members.

Further, the collecting bank shall be responsible for addressing any investor grievances arising from non-confirmation of funds to the Registrar despite successful realization/blocking of funds, or any delay or operational lapse by the collecting bank in sending the Application forms to the Registrar to the Issue.

**Applicants are advised not to submit Application Forms to Public Issue Account Banks and the same will be rejected in such cases and the Applicants will not be entitled to any compensation whatsoever.**

### **Filing of the Shelf Prospectus and relevant Tranche Prospectus with ROC**

A copy of the Shelf Prospectus and relevant Tranche Prospectus shall be filed with the ROC in accordance with Section 26 and Section 31 of the Companies Act, 2013.

## **Pre-Issue Advertisement**

Our Company will issue a statutory advertisement on or before the Issue Opening Date. This advertisement will contain the information as prescribed under the SEBI NCS Regulations and Section 30 of the Companies Act, 2013. Material updates, if any, between the date of filing of the Shelf Prospectus and relevant Tranche Prospectus with ROC and the date of release of the statutory advertisement will be included in the statutory advertisement.

## **General Instructions for completing the Application Form**

1. Applications must be made in the prescribed Application Form.
2. Application Forms are to be completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the Shelf Prospectus and relevant Tranche Prospectus and the Application Form. Incomplete Application Forms are liable to be rejected. Applicants should note that the Designated Intermediaries will not be liable for errors in data entry due to incomplete or illegible Application Forms.
3. Applications are required to be for a minimum of such NCDs and in multiples of one NCD thereafter as specified in the Issue Documents.
4. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
5. Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details and Applications should be made by Karta in case the Applicant is an HUF. Applicants are required to ensure that the PAN Details of the HUF are mentioned and not those of the Karta.
6. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names.
7. Applicants applying for Allotment must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of the Stock Exchange by the Designated Intermediaries, as the case may be, the Registrar to the Issue will obtain from the Depository the Demographic Details. Invalid accounts suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs.
8. Applicants must ensure that their Application Forms are made in a single name.
9. The minimum number of Applications and minimum application size shall be specified in the relevant Tranche Prospectus. Applicants may apply for one or more series of NCDs Applied for in a single Application Form.
10. If the ASBA Account holder is different from the Applicant, the Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Application Form.
11. Applicant should correctly mention the ASBA Account number and UPI ID in case applying through UPI Mechanism and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form and ensure that the signature in the Application Form matches with the signature in the Applicant's bank records.
12. All Applicants are required to tick the relevant column in the "Category of Investor" box in the Application Form.
13. Applications for all the series of the NCDs may be made in a single Application Form only.
14. Application Forms should bear the stamp of the Member of the Syndicate, Trading Member of the Stock Exchange, Designated Intermediaries and/or Designated Branch of the SCSB. Application Forms which do not bear the stamp will be rejected.

## **Additional Instructions for Retail Individual Investors using the UPI mechanism:**

1. Before submission of the application form with the Designated Intermediary, the Retail Individual Investor shall

download the mobile app for UPI and create a UPI ID (xyz@bankname) of not more than 45 characters with its bank and link it to his/ her bank account where the funds equivalent to the application amount is available.

2. The Retail Individual Investor shall fill in the bid details in the application form along with his/ her bank account linked UPI ID and submit the application with any of the intermediaries or through the stock exchange App/ Web interface.
3. The Designated Intermediary, upon receipt of form, shall upload the bid details along with the UPI ID on the Stock Exchange bidding platform using appropriate protocols.
4. Once the bid has been entered in the bidding platform, the Stock Exchange shall undertake validation of the PAN and Demat account combination details of investor with the depository.
5. The Depository shall validate the aforesaid PAN and Demat account details on a near real time basis and send response to Stock Exchange which would be shared by the Stock Exchange with the Designated Intermediaries through its platform, for corrections, if any.
6. Once the bid details are uploaded on the Stock Exchange platform, the Stock Exchange shall send an SMS to the investor regarding submission of his / her application, at the end of day, during the bidding period. For the last day of bidding, the SMS may be sent the next Working Day.
7. Post undertaking validation with the Depository, the Stock Exchange shall, on a continuous basis, electronically share the bid details along with investors UPI ID, with the Sponsor Bank appointed by the Company.
8. The Sponsor Bank shall initiate a mandate request on the investor i.e., request the investor to authorize blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment.
9. The request raised by the Sponsor Bank, would be electronically received by the investor as a SMS / intimation on his / her mobile no. / mobile app, associated with the UPI ID linked bank account.
10. The investor shall be able to view the amount to be blocked as per his / her bid in such intimation. The investor shall be able to view an attachment wherein the bid details submitted by such investor will be visible. After reviewing the details properly, the investor shall be required to proceed to authorize the mandate. Such mandate raised by the Sponsor Bank would be a one-time mandate for each application in the Issue.
11. The investor is required to accept the UPI mandate latest by 5 pm on the third working day from the day of bidding on the stock exchange platform except for the last day of the Issue period or any other modified closure date of the Issue period in which case, he / she is required to accept the UPI mandate latest by 5 pm the next Working Day
12. The investor shall not be allowed to add or modify the bid(s) of the application except for modification of either DP ID/Client ID, or PAN ID but not both. However, the investor can withdraw the bid(s) and reapply.
13. For mismatch bids, on successful validation of PAN and DP ID/ Client ID combination during T+1 (T being the Issue Closing Date) modification session, such bids will be sent to Sponsor Bank for further processing by the Exchange on T+1 (T being the Issue Closing Date) day till 1 pm.
14. The facility of Re-initiation/ Resending the UPI mandate shall be available only till 5 pm on the day of bidding.
15. Upon successful validation of block request by the investor, as above, the said information would be electronically received by the investors' bank, where the funds, equivalent to application amount, would get blocked in investors account. Intimation regarding confirmation of such block of funds in investors account would also be received by the investor.
16. The information containing status of block request (e.g., accepted / decline / pending) would also be shared with the Sponsor Bank, which in turn would be shared with the Stock Exchange. The block request status would also be displayed on the Stock Exchange platform for information of the intermediary.
17. The information received from Sponsor Bank, would be shared by Stock Exchange with the Registrar to the Issue in the form of a file for the purpose of reconciliation.

18. Post closure of the Issue, the Stock Exchange shall share the bid details with the Registrar to the Issue. Further, the Stock Exchange shall also provide the Registrar to the Issue, the final file received from the Sponsor Bank, containing status of blocked funds or otherwise, along with the bank account details with respect to applications made using UPI ID.
19. The allotment of debt securities shall be done as per SEBI Operational Circular.
20. The RTA, based on information of bidding and blocking received from the Stock Exchange, shall undertake reconciliation of the bid data and block confirmation corresponding to the bids by all investor category applications (with and without the use of UPI) and prepare the basis of allotment.
21. Upon approval of the basis of allotment, the RTA shall share the 'debit' file with Sponsor bank (through Stock Exchange) and SCSBs, as applicable, for credit of funds in the public issue account and unblocking of excess funds in the investor's account. The Sponsor Bank, based on the mandate approved by the investor at the time of blocking of funds, shall raise the debit / collect request from the investor's bank account, whereupon funds will be transferred from investor's account to the public issue account and remaining funds, if any, will be unblocked without any manual intervention by investor or their bank.
22. Upon confirmation of receipt of funds in the public issue account, the securities would be credited to the investor's account. The investor will be notified for full/partial allotment. For partial allotment, the remaining funds would be unblocked. For no allotment, mandate would be revoked, and application amount would be unblocked for the investor.
23. Thereafter, Stock Exchange will issue the listing and trading approval.
24. Further, in accordance with the Operational Instructions and Guidelines for Making Application for Public Issue of Debt Securities through BSEDirect issued by BSE on December 28, 2020 the investor shall also be responsible for the following:
  - i. Investor shall check the Issue details before placing desired bids;
  - ii. Investor shall check and understand the UPI mandate acceptance and block of funds process before placing the bid;
  - iii. The receipt of the SMS for mandate acceptance is dependent upon the system response/integration of UPI on Debt Public Issue System;
  - iv. Investor shall accept the UPI Mandate Requests within the stipulated timeline;
  - v. Investor shall note that the transaction will be treated as completed only after the acceptance of mandates by the investor by way of authorising the transaction by entering their UPI pin and successfully blocking funds through the ASBA process by the investor's bank;
  - vi. Investor shall check the status of their bid with respect to the mandate acceptance and blocking of funds for the completion of the transaction; and
  - vii. In case the investor does not accept the mandate within stipulated timelines, in such case their bid will not be considered for allocation.

**The series, mode of allotment, PAN, demat account number, etc. should be captured by the relevant Designated Intermediaries in the data entries as such data entries will be considered for allotment.**

**Applicants should note that neither the Members of the Consortium nor the other Designated Intermediaries, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms. Our Company would allot the NCDs, as specified in the relevant Tranche Prospectus for the Issue to all valid Applications, wherein the Applicants have not indicated their choice of the relevant series of NCDs.**

**Applicants' PAN, Depository Account and Bank Account Details**

**ALL APPLICANTS APPLYING FOR ALLOTMENT OF THE NCDS SHOULD MENTION THEIR DP ID,**



**CLIENT ID, PAN AND UPI ID (IN CASE APPLYING THROUGH UPI MECHANISM) IN THE APPLICATION FORM. APPLICANTS MUST ENSURE THAT THE DP ID, CLIENT ID PAN AND UPI ID GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE DP ID, CLIENT ID, PAN AND UPI ID AVAILABLE IN THE DEPOSITORY DATABASE. IF THE BENEFICIARY ACCOUNT IS HELD IN JOINT NAMES, THE APPLICATION FORM SHOULD CONTAIN THE NAME AND PAN OF BOTH THE HOLDERS OF THE BENEFICIARY ACCOUNT AND SIGNATURES OF BOTH HOLDERS WOULD BE REQUIRED IN THE APPLICATION FORM.**

**On the basis of the DP ID, Client ID, PAN and UPI ID provided by them in the Application Form and entered into the electronic system of the Stock Exchange, the Registrar to the Issue will obtain from the Depository the Demographic Details of the Applicants including PAN and MICR code. These Demographic Details would be used for giving Allotment Advice and refunds, if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details (including bank account details) as appearing on the records of the Depository Participant and ensure that they are true and correct. Please note that failure to do so could result in delays in despatch/ credit of refunds, if any, to Applicants, delivery of Allotment Advice or unblocking of ASBA Accounts at the Applicants' sole risk, and neither the Members of the Consortium nor the Designated Intermediaries, nor the Registrar, nor the Banker(s) to the Issue, nor the SCSBs, nor our Company shall have any responsibility and undertake any liability for the same.**

**Applicants should note that in case the DP ID, Client ID and PAN mentioned in the Application Form, as the case may be and entered into the electronic Application system of the Stock Exchange by the Members of the Consortium or the Designated Intermediaries, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected and our Company, the Members of the Consortium and the other Designated Intermediaries shall not be liable for losses, if any.**

These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice and for refunds (if any) as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to this Issue.

By signing the Application Form, Applicants applying for the NCDs would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

Allotment Advice would be mailed by post or e-mail at the address of the Applicants in accordance with the Demographic Details received from the Depositories. Applicants may note that delivery of Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Further, please note that any such delay shall be at such Applicants' sole risk and neither our Company, Banker(s) to the Issue, Registrar to the Issue nor the Lead Managers shall be liable to compensate the Applicant for any losses caused to the Applicants due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in the relevant Tranche Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under powers of attorney, our Company in its absolute discretion, reserves the right to permit the holder of a power of attorney to request the Registrar to the Issue that for the purpose of printing particulars on and mailing of the Allotment Advice through post, the Demographic Details obtained from the Depository of the Applicant shall be used.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to this Issue will be made into the accounts of the Applicants. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the four parameters, namely, DP ID, Client ID, PAN and UPI ID then such Applications are liable to be rejected.

Applicants should note that the NCDs will be allotted to all successful Applicants only in dematerialized form. The Application Forms which do not have the details of the Applicant's depository account, including DP ID, Client ID and PAN and UPI ID (for Retail Individual Investor Applicants bidding using the UPI mechanism), shall be treated as incomplete and will be rejected.

#### **APPLICATIONS FOR ALLOTMENT OF NCDs IN THE DEMATERIALIZED FORM**

This section is for the information of the Applicants proposing to subscribe to the Issue. The Lead Managers and our

Company are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Shelf Prospectus, Shelf Prospectus and relevant Tranche Prospectus. Applicants are advised to make their independent investigations and to ensure that the Application Form is correctly filled up.

Our Company, our directors, affiliates, associates and their respective directors and officers, Lead Manager and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by and/or uploaded by and/or accepted but not uploaded by Consortium Member, Trading Members, Registered Brokers, CDPs, CRTAs and SCSBs who are authorised to collect Application Forms from the Applicants in the Issue, or Applications accepted and uploaded without blocking funds in the ASBA Accounts by SCSBs. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount payable on Application has been blocked in the relevant ASBA Account. The list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive Application Forms from the Members of the Syndicate is available on the website of SEBI (<http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Members of the Syndicate at Specified Locations, see the website of the SEBI (<http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>) as updated from time to time or any such other website as may be prescribed by SEBI from time to time. The list of Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the CRTAs at the Designated CRTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchange at [www.bseindia.com](http://www.bseindia.com). The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the Registered Brokers will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

### **Submission of Applications**

Applicants can apply for NCDs only using the ASBA facility pursuant to SEBI Operational Circular. ASBA Applications can be submitted through either of the following modes:

- a. Physically or electronically to the Designated Branches of the SCSB(s) with whom an Applicant's ASBA Account is maintained. In case of ASBA Application in physical mode, the Applicant shall submit the Application Form at the relevant Designated Branch of the SCSB(s). The Designated Branch shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account and shall also verify that the signature on the Application Form matches with the Investor's bank records, as mentioned in the ASBA Application, prior to uploading such ASBA Application into the electronic system of the Stock Exchange. If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such ASBA Application and shall not upload such ASBA Application in the electronic system of the Stock Exchange. If sufficient funds are available in the ASBA Account, the Designated Branch shall block an amount equivalent to the Application Amount and upload details of the ASBA Application in the electronic system of the Stock Exchange. The Designated Branch of the SCSBs shall stamp the Application Form and issue an acknowledgement as proof of having accepted the Application. In case of Application in the electronic mode, the Applicant shall submit the ASBA Application either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for application and blocking funds in the ASBA Account held with SCSB, and accordingly register such ASBA Applications.
- b. Physically through the Consortium Members, Lead Managers, or Trading Members of the Stock Exchange only at the Specified Cities i.e., Syndicate ASBA. Kindly note that ASBA Applications submitted to the Consortium Members, Lead Managers or Trading Members of the Stock Exchange at the Specified Cities will not be accepted if the SCSB where the ASBA Account is maintained, as specified in the ASBA Application, is maintained has not named at least one branch at that Specified City for the Consortium Members, Lead Managers or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Applications (A list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>).
- c. A UPI Investor making an Application in the Issue under the UPI Mechanism, where the Application Amount is up to ₹ 0.05 crore, can submit his Application Form physically to a SCSB or a Designated Intermediary. The Designated Intermediary shall upload the application details along with the UPI ID on the Stock Exchange' bidding platform using appropriate protocols. Kindly note that in this case, the Application Amount will be blocked through the UPI Mechanism once the mandate request has been successfully accepted by the Applicant.

A UPI Investor may also submit the Application Form for the Issue through BSE Direct, wherein the Application will be automatically uploaded onto the Stock Exchange' bidding platform and an amount equivalent to the Application Amount shall be blocked using the UPI Mechanism.

Upon receipt of the Application Form by the Designated Intermediaries, an acknowledgement shall be issued by giving the counter foil of the Application Form to the Applicant as proof of having accepted the Application. Thereafter, the details of the Application shall be uploaded in the electronic system of the Stock Exchange and the Application Form shall be forwarded to the relevant branch of the SCSB, in the relevant Specified City, named by such SCSB to accept such ASBA Applications from the Designated Intermediaries (a list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>). Upon receipt of the ASBA Application, the relevant branch of the SCSB shall perform verification procedures including verification of the Applicant's signature with his bank records and check if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the ASBA Form. If sufficient funds are not available in the ASBA Account, the relevant ASBA Application is liable to be rejected. If sufficient funds are available in the ASBA Account, the relevant branch of the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application. The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be.

In case of Application involving an Application by an RIB through UPI Mechanism, if an Applicant submits the Application Form with a Designated Intermediary and uses his/ her bank account linked UPI ID for the purpose of blocking of funds, where the application value is up to UPI Application Limit, the Application Amount will be blocked through the UPI Mechanism once the mandate request has been successfully accepted by the Applicant and the Designated Intermediary shall upload the Application on the bidding platform developed by the Stock Exchange. If an Applicant submits the Application Form through the application or web interface developed by Stock Exchange, the bid will automatically be uploaded onto the Stock Exchange bidding platform and the amount will be blocked using the UPI Mechanism once the mandate request has been successfully accepted by the Applicant.

Applicants must note that:

- a. Physical Application Forms will be available with the Designated Branches of the SCSBs and with the Lead Managers and Trading Members of the Stock Exchange at the Specified Cities; and electronic Application Forms will be available on the websites of the SCSBs and the Stock Exchange at least one day prior to the Issue Opening Date. Application Forms will also be provided to the Trading Members of the Stock Exchange at their request. The Application Forms would be serially numbered. Further, the SCSBs will ensure that the Shelf Prospectus and relevant Tranche Prospectus is made available on their websites. The physical Application Form submitted to the Designated Intermediaries shall bear the stamp of the relevant Designated Intermediary. In the event the Application Form does not bear any stamp, the same shall be liable to be rejected.
- b. The Designated Branches of the SCSBs shall accept ASBA Applications directly from Applicants only during the Issue Period. The SCSB shall not accept any ASBA Applications directly from Applicants after the closing time of acceptance of Applications on the Issue Closing Date. However, in case of Syndicate ASBA, the relevant branches of the SCSBs at Specified Cities can accept ASBA Applications from the Lead Managers or Trading Members of the Stock Exchange, as the case may be, after the closing time of acceptance of Applications on the Issue Closing Date. For further information on the Issue programme, please see "*Issue Related Information*" on page 543.
- c. In case of Applications through Syndicate ASBA, the physical Application Form shall bear the stamp of the Lead Managers or Consortium Members or Trading Members of the Stock Exchange, as the case maybe, if not, the same shall be rejected. Application Forms directly submitted to SCSBs should bear the stamp of SCSBs, if not, the same are liable to be rejected.

**Please note that Applicants can make an Application for Allotment of NCDs in the dematerialized form only.**

## **INSTRUCTIONS FOR FILLING-UP THE APPLICATION FORM**

### **General Instructions**

#### **A. General instructions for completing the Application Form**

- Applications must be made in prescribed Application Form only;
- Applicants should ensure that their Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with the Members of the Syndicate or Trading Members of the stock

exchange at the Specified Cities, and not directly to the escrow collecting banks (assuming that such bank is not a SCSB) or to the Company or the Registrar to the Issue.

- Applications through Syndicate ASBA, before submitting the physical Application Form to the Members of the Syndicate or Trading Members of the stock exchange, ensure that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at-least one branch in that Specified City for the Members of the Syndicate or Trading Members of the stock exchange, as the case may be, to deposit ASBA Forms (A list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>)
- Application Forms must be completed in block letters in English, as per the instructions contained in this Draft Shelf Prospectus, the Shelf Prospectus and relevant Tranche Prospectus, the Abridged Prospectus and the Application Form.
- Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details (in case of Applicants applying for Allotment of the Bonds in dematerialised form) and Applications should be made by Karta in case the Applicant is an HUF. Please ensure that such Applications contain the PAN of the HUF and not of the Karta. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names.
- Applicants must apply for Allotment in dematerialised form and must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of Stock Exchange by SCSBs, the Members of the Syndicate at the Syndicate ASBA Application Locations and the Trading Members, as the case may be, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs.
- The minimum number of Applications and minimum application size shall be specified in the Shelf Prospectus and the relevant Tranche Prospectus. Applicants may apply for one or more series of NCDs Applied for in a single Application Form.
- Applications must be for a minimum of 10 (Ten) NCDs and in multiples of 1 NCD thereafter. For the purpose of fulfilling the requirement of minimum application size of 10 (Ten) NCDs, an Applicant may choose to apply for 10 (Ten) NCDs or more in a single Application Form.
- If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.
- Applications should be made by Karta in case of HUFs. Applicants are required to ensure that the PAN details of the HUF are mentioned and not those of the Karta;
- Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any other languages specified in the 8th Schedule of the Constitution needs to be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his/her seal;
- No separate receipts will be issued for the money payable on the submission of the Application Form. However, the Lead Managers, Consortium Members, Trading Members of the Stock Exchange or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant. Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Lead Managers, Consortium Members, Trading Members of the Stock Exchange or the Designated Branch of the SCSBs, as the case may be.
- The Designated Intermediaries or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the acknowledgement slip.

This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant. Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Designated Intermediaries or the Designated Branch of the SCSBs, as the case may be.

- Every Applicant should hold valid Permanent Account Number (PAN) and mention the same in the Application Form and submit the same. Applicant without PAN is liable to be rejected, irrespective of the amount.
- All Applicants are required to tick the relevant column of “Category of Investor” in the Application Form.
- ASBA will be the default “Mode of Application” as per the SEBI Operational Circular.
- Applicants should correctly mention the ASBA Account number and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form to the Designated Branch and also ensure that the signature in the Application Form matches with the signature in Applicant’s bank records, otherwise the Application is liable to be rejected.
- Applicants must provide details of valid and active DP ID, UPI ID, Client ID and PAN clearly and without error. On the basis of such Applicant’s active DP ID, UPI ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of Stock Exchange by SCSBs, the Designated Intermediaries, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs. If the ASBA Account holder is different from the Applicant, the Application Form should be signed by the ASBA Account holder, in accordance with the instructions provided in the Application Form. Not more than five Applications can be made from one single ASBA Account
- For Applicants, the Applications in physical mode should be submitted to the SCSBs or a members of the consortium or to the Trading Members of the Stock Exchange on the prescribed Application Form. SCSBs may provide the electronic mode for making Application either through an internet enabled banking facility or such other secured, electronically enabled mechanism for Application and blocking funds in the ASBA Account;
- Application Forms should bear the stamp of the Members of the consortium, Trading Members of the Stock Exchange, Designated Intermediaries and/or Designated Branch of the SCSB. Application Forms which do not bear the stamp will be rejected.
- Applicant should correctly mention the ASBA Account number and UPI ID in case applying through UPI Mechanism and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form and ensure that the signature in the Application Form matches with the signature in the Applicant’s bank records.

The series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Lead Managers, Consortium Members, Trading Members of the Stock Exchange in the data entries as such data entries will be considered for allotment.

**Applicants should note that neither the Designated Intermediaries nor SCSBs, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms.**

Our Company would allot the series of NCDs, as specified in the relevant Tranche Prospectus to all valid Applications, wherein the Applicants have not indicated their choice of the relevant series of NCDs.

#### **B. Applicant’s Beneficiary Account and Bank Account Details**

**ALL APPLICANTS APPLYING FOR ALLOTMENT OF THE NCDs SHOULD MENTION THEIR DP ID, UPI ID (IN CASE APPLYING THROUGH UPI MECHANISM), CLIENT ID AND PAN IN THE APPLICATION FORM. APPLICANTS MUST ENSURE THAT THE DP ID, UPI ID, CLIENT ID AND PAN GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE DP ID, UPI ID, CLIENT ID AND PAN AVAILABLE IN THE DEPOSITORY DATABASE. IF THE BENEFICIARY ACCOUNT IS HELD IN JOINT NAMES, THE APPLICATION FORM SHOULD CONTAIN THE NAME AND PAN OF BOTH THE HOLDERS OF THE BENEFICIARY ACCOUNT AND SIGNATURES OF BOTH HOLDERS WOULD BE REQUIRED IN THE APPLICATION FORM.**

Applicants applying for Allotment in dematerialized form must mention their DP ID, Client ID, PAN and UPI ID (in case applying through UPI Mechanism) in the Application Form and ensure that the name provided in the Application Form is exactly the same as the name in which the Beneficiary Account is held. In case the Application Form for Allotment in dematerialized form is submitted in the first Applicant's name, it should be ensured that the Beneficiary Account is held in the same joint names and in the same sequence in which they appear in the Application Form. In case the DP ID, Client ID and PAN mentioned in the Application Form for Allotment in dematerialized form and entered into the electronic system of the Stock Exchange do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form for Allotment in dematerialized form is liable to be rejected. Further, Application Forms submitted by Applicants applying for Allotment in dematerialized form, whose beneficiary accounts are inactive, will be rejected.

On the basis of the DP ID and Client ID provided by the Applicant in the Application Form for Allotment in dematerialized form and entered into the electronic system of the Stock Exchange, the Registrar to the Issue will obtain from the Depositories the Demographic Details of the Applicant including PAN, address, bank account details for printing on refund orders/sending refunds through electronic mode, Magnetic Ink Character Recognition ("MICR") Code and occupation. These Demographic Details would be used for giving Allotment Advice and refunds (including through physical refund warrants, direct credit, NACH, NEFT and RTGS), if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details as appearing on the records of the DP and ensure that they are true and correct, and carefully fill in their Beneficiary Account details in the Application Form. Failure to do so could result in delays in dispatch/credit of refunds to Applicants and delivery of Allotment Advice at the Applicants' sole risk, and neither our Company, the Lead Managers, Trading Members of the Stock Exchange, Public Issue Account Bank(s), SCSBs, Registrar to the Issue nor the Stock Exchange will bear any responsibility or liability for the same.

Applicants should note that in case the DP ID, Client ID and PAN mentioned in the Application Form, as the case may be and entered into the electronic Application system of the Stock Exchange by the Members of the Consortium or the Designated Intermediaries, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected and our Company, the Members of the Consortium and the other Designated Intermediaries shall not be liable for losses, if any.

The Demographic Details would be used for correspondence with the Applicants including mailing of the Allotment Advice and printing of bank particulars on the refund orders, or for refunds through electronic transfer of funds, as applicable. Allotment Advice and physical refund orders (as applicable) would be mailed at the address of the Applicant as per the Demographic Details received from the Depositories. Applicants may note that delivery of refund orders/ Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Applicant in the Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at such Applicants sole risk and neither our Company, the Lead Managers, Trading Members By signing the Application Form of the Stock Exchange, Public Issue Account Banks, SCSBs, Registrar to the Issue nor the Stock Exchange shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in the relevant Tranche Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under power of attorney, our Company in its absolute discretion, reserves the right to permit the holder of Power of Attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of refund orders/ Allotment Advice, the demographic details obtained from the Depository of the Applicant shall be used. By signing the Application Form, the Applicant would have deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records. The Demographic Details given by Applicant in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to the Issue.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to the Issue will be made into the accounts of such Applicants. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such Application are liable to be rejected.

*Applicants should note that the NCDs will be allotted to all successful Applicants only in dematerialized form. The*

*Application Forms which do not have the details of the Applicant's depository account, including DP ID, Client ID and PAN and UPI ID (for retail individual investor Applicants bidding using the UPI mechanism), shall be treated as incomplete and will be rejected.*

### **C. Permanent Account Number (PAN)**

The Applicant should mention his or her Permanent Account Number (PAN) allotted under the IT Act. For minor Applicants, applying through the guardian, it is mandatory to mention the PAN of the minor Applicant. However, Applications on behalf of the Central or State Government officials and the officials appointed by the courts in terms of the RTA Master Circular and Applicants residing in the state of Sikkim who in terms of a SEBI circular dated July 20, 2006 may be exempt from specifying their PAN for transacting in the securities market. In accordance with the RTA Master Circular issued by SEBI, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. Any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction. It is to be specifically noted that the Applicants should not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

However, the exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Applications, the Registrar to the Issue will check under the Depository records for the appropriate description under the PAN field i.e., either Sikkim category or exempt category.

### **D. Joint Applications**

Applications can be made in joint names (not exceeding three). In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to first named in the Application whose name appears in the Application Form and at the address mentioned therein. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form

### **E. Additional/ Multiple Applications**

An Applicant is allowed to make one or more Applications for the NCDs, for the same or other Options of NCDs, subject to a minimum application size of ₹ 10,000 and in multiples of ₹ 1,000 thereafter as specified in the relevant Tranche Prospectus. Any Application for an amount below the aforesaid minimum application size will be deemed as an invalid application and shall be rejected. However, multiple Applications by the same individual Applicant aggregating to a value exceeding ₹ 1,000,000 shall be deemed such individual Applicant to be a HNI Applicant and all such Applications shall be grouped in the HNI Portion, for the purpose of determining the basis of allotment to such Applicant. However, any Application made by any person in his individual capacity and an Application made by such person in his capacity as a karta of a Hindu Undivided family and/or as Applicant (second or third Applicant), shall not be deemed to be a multiple Application. For the purposes of allotment of NCDs under the Issue, Applications shall be grouped based on the PAN, i.e., Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is one and the same. For the sake of clarity, two or more applications shall be deemed to be a multiple Application for the aforesaid purpose if the PAN of the sole or the first Applicant is one and the same.

### **F. Unified Payments Interface (UPI)**

Pursuant to the SEBI Operational Circular, the UPI Mechanism is an applicable payment mechanism for public debt issues (in addition to the mechanism of blocking funds maintained with SCSBs under ASBA) for applications by retail individual bidders through Designated Intermediaries. All SCSBs offering the facility of making applications in public issues shall also provide the facility to make applications using UPI. The Company will be required to appoint one SCSB as a Sponsor Bank to act as a conduit between the Stock Exchange and National Payments Corporation of India in order to facilitate the collection of requests and/or payment instructions of the investors.

### **Electronic registration of Applications**

- a. The Designated Intermediaries and Designated Branches of the SCSBs, as the case may be, will register the

Applications using the on-line facilities of the Stock Exchange. Direct Online Applications will be registered by Applicants using the online platform offered by the Stock Exchange. The Lead Managers, our Company, and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the Applications accepted by the SCSBs, (ii) the Applications uploaded by the SCSBs, (iii) the Applications accepted but not uploaded by the SCSBs, (iv) Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts or (v) Applications accepted and uploaded by Trading members of the Stock Exchange or (vi) the Applications accepted by and/or uploaded by and/or accepted but not uploaded by Consortium Members, Trading Members, Registered Brokers, CDPs, CRTAs and SCSBs who are authorised to collect Application Forms. In case of apparent data entry error by the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be, in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange. However, the series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Designated Intermediaries or Designated Branches of the SCSBs in the data entries as such data entries will be considered for allotment/rejection of Application.

- b. The Stock Exchange will offer an electronic facility for registering Applications for the Issue. This facility will be available on the terminals of Designated Intermediaries and the SCSBs during the Issue Period. Designated Intermediaries can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Applications on a regular basis, and before the expiry of the allocated time on the Issue Closing Date. On the Issue Closing Date, Designated Intermediaries and Designated Branches of SCSBs shall upload the Applications till such time as may be permitted by the Stock Exchange. This information will be available with the Syndicate Members and the other Designated Intermediaries on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation. For further information on the Issue programme, please see “*Issue Structure*” on page 543.
- c. Based on the aggregate demand for Applications registered on the electronic facilities of the Stock Exchange, a graphical representation of consolidated demand for the NCDs, as available on the websites of the Stock Exchange, would be made available at the Application centres as provided in the Application Form during the Issue Period.
- d. At the time of registering each Application, the Designated Intermediaries, shall enter the details of the Applicant, such as the Application Form number, PAN, Applicant category, DP ID, Client ID, number and Option(s) of NCDs applied, Application Amounts and any other details that may be prescribed by the online uploading platform of the Stock Exchange.
- e. With respect to Applications submitted directly to the SCSBs at the time of registering each Application, other than Direct Online Applications, the Designated Branches of the SCSBs shall enter the requisite details of the Applicants in the on-line system including:
  - Application Form number
  - PAN (of the first Applicant, in case of more than one Applicant)
  - Investor category and sub-category
  - DP ID
  - Client ID
  - UPI ID (if applicable)
  - Number of NCDs applied for
  - Price per NCD
  - Bank code for the SCSB where the ASBA Account is maintained.
  - Bank account number
  - Application amount
- f. With respect to Applications submitted to the Designated Intermediaries at the time of registering each Application, the requisite details of the Applicants shall be entered in the on-line system including:
  - Application Form number
  - PAN (of the first Applicant, in case of more than one Applicant)
  - Investor category and sub-category
  - DP ID
  - Client ID



- UPI ID (if applicable)
  - Number of NCDs applied for
  - Price per NCD
  - Bank code for the SCSB where the ASBA Account is maintained.
  - Location
  - Application amount
- g. A system generated Acknowledgement Slip will be given to the Applicant as proof of the registration of his Application. It is the Applicant's responsibility to obtain the Acknowledgement Slip from the Syndicate Members or the other Designated Intermediaries, as the case may be. The registration of the Applications by the Designated Intermediaries does not guarantee that the NCDs shall be allocated/ Allotted by our Company. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind.
- h. Applications can be rejected on the technical grounds listed on page 597 or if all required information is not provided or the Application Form is incomplete in any respect.
- i. In case of apparent data entry error by the Designated Intermediaries, in entering the Application Form numbers their respective schedules, other things remaining unchanged, the Application Form may be considered as valid, or such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange
- j. The permission given by the Stock Exchange to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, and/or the Lead Managers are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Shelf Prospectus; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchange.
- k. In case of apparent data entry error by the Designated Intermediaries, in entering the Application Form numbers in their respective schedules, other things remaining unchanged, the Application Form may be considered as valid, or such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange.
- l. Only Applications that are uploaded on the online system of the Stock Exchange shall be considered for Allotment. The Designated Intermediaries shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchange. In order that the data so captured is accurate, Designated Intermediaries will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar to the Issue for reconciliation with the data available with the NSDL and CDSL.

### **General Instructions**

Do's and Don'ts Applicants are advised to take note of the following while filling and submitting the Application Form.

#### ***Do's***

1. Check if you are eligible to apply as per the terms of the relevant Tranche Prospectus and applicable law;
2. Read all the instructions carefully and complete the Application Form in the prescribed form;
3. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of NCDs pursuant to the Issue;
4. Ensure that the DP ID and Client ID and PAN mentioned in the Application Form, which shall be entered into the electronic system of the Stock Exchange are correct and match with the DP ID, Client ID and PAN available in the Depository database. Ensure that the DP ID and Client ID are correct and beneficiary account is activated. The requirement for providing Depository Participant details shall be mandatory for all Applicants;
5. Ensure that you have mentioned the correct ASBA Account number (i.e., bank account number or UPI ID, as applicable) in the Application Form;

6. Ensure that the Application Form is signed by the ASBA Account holder in case the Applicant is not the ASBA account holder;
7. Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch of the SCSB, or to the Intermediaries, as the case may be;
8. Ensure that the Application Forms are submitted at the Designated Branches of SCSBs, or the Bidding Centres provided in the Application Forms, bearing the stamp of the relevant Designated Intermediaries/Designated branch of the SCSB as the case may be;
9. Before submitting the Application Form with the Designated Intermediaries ensure that the SCSB, whose name has been filled in the Application Form, has named a branch in that relevant Bidding Centre;
10. Ensure that you have been given an acknowledgement as proof of having accepted the Application Form;
11. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic application platform of the Stock Exchange as per the procedures and requirements prescribed by the Stock Exchange, ensure that you have first withdrawn your original Application and submit a fresh Application. For instance, as per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE, fields namely, quantity, series, application no., sub-category codes will not be allowed for modification during the Issue. In such a case the date of the fresh Application will be considered for date priority for allotment purposes;
12. Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
13. Ensure that you mention your PAN in the Application Form. In case of joint Applicants, the PAN of all the Applicants should be provided, and for HUFs, PAN of the HUF should be provided. Any Application Form without the PAN is liable to be rejected. Applicants should not submit the GIR Number instead of the PAN as the Application is liable to be rejected on this ground;
14. In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta. However, the PAN of the HUF should be mentioned in the Application Form and not that of the Karta;
15. Ensure that the Applications are submitted to the Lead Managers, Consortium Members, Trading Members of the Stock Exchange or Designated Branches of the SCSBs, as the case may be, before the closure of application hours on the Issue Closing Date. For further information on the Issue programme, please see the section titled "*Issue Related Information*" on page 543;
16. Ensure that the Demographic Details including PAN are updated, true and correct in all respects;
17. Ensure that you have correctly signed the authorisation /undertaking box in the Application Form or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Application Form, as the case may be, at the time of submission of the Bid. In case of Retail Individual Investor submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
18. Permanent Account Number: Except for Application (i) on behalf of the Central or State Government and officials appointed by the courts, and (ii) (subject to SEBI circular dated April 3, 2008) from the residents of the state of Sikkim, each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same;
19. Ensure that if the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required

in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form;

20. All Applicants are requested to tick the relevant column “Category of Investor” in the Application Form;
21. Tick the series of NCDs in the Application Form that you wish to apply for;
22. Check if you are eligible to Apply under ASBA;
23. Retail individual investors using the UPI Mechanism to ensure that they submit bids upto the application value of ₹ 500,000;
24. Investor using the UPI Mechanism should ensure that the correct UPI ID (with maximum length of 45 characters including the handle) is mentioned in the Bid cum Application Form;
25. Investors bidding using the UPI Mechanism should ensure that they use only their own bank account linked UPI ID to make an application in the issue and submit the application with any of the intermediaries or through the Stock Exchange’ App/ Web interface;
26. Ensure that you give the correct details of your ASBA Account including bank account number/ bank name and branch;
27. In case of Retail Individual Investor submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
28. Retail Individual Investors submitting Application Form using the UPI Mechanism, should ensure that the: (a) bank where the bank account linked to their UPI ID is maintained; and (b) the Mobile App and UPI handle being used for making the Bid, are listed on the website of SEBI at

[www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40](http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40)

In terms of SEBI Operational Circular, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account.

SEBI Operational Circular stipulates the time between closure of the Issue and listing at six Working Days. In order to enable compliance with the above timelines, investors are advised to use ASBA facility only to make payment.

**Don'ts:**

1. Do not apply for lower than the minimum application size;
2. Do not pay the Application Amount in cash, by cheque, by money order or by postal order or by stock invest;
3. Do not send Application Forms by post; instead submit the same to the Consortium Members, sub-consortium members, Trading Members of the Stock Exchange or Designated Branches of the SCSBs, as the case may be;
4. Do not submit the Application Form to any non-SCSB bank or our Company;
5. Do not submit an Application Form that does not have the stamp of the relevant Designated Intermediary or the Designated Branch of the SCSB, as the case may be;
6. Do not fill up the Application Form such that the NCDs applied for exceeds the Issue size and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
7. Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;

8. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
9. Do not submit the Application Forms without ensuring that funds equivalent to the entire Application Amount are available for blocking in the relevant ASBA Account;
10. Do not submit Applications on plain paper or on incomplete or illegible Application Forms;
11. Do not apply if you are not competent to contract under the Indian Contract Act, 1872;
12. Do not submit an Application in case you are not eligible to acquire NCDs under applicable law or your relevant constitutional documents or otherwise;
13. Do not submit Application Forms to a Designated Intermediary at a location other than Collection Centers;
14. Do not submit an Application that does not comply with the securities law of your respective jurisdiction;
15. Do not apply if you are a person ineligible to apply for NCDs under the Issue including Applications by Persons Resident Outside India, NRI (*inter-alia* including NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA);
16. Do not make an application of the NCD on multiple copies taken of a single form;
17. Payment of Application Amount in any mode other than through blocking of Application Amount in the ASBA Accounts shall not be accepted under the ASBA process;
18. Do not send your physical Application Form by post. Instead submit the same to a Designated Branch or the Lead Managers or Trading Members of the Stock Exchange, as the case may be, at the Specified Cities;
19. Do not submit more than five Application Forms per ASBA Account;
20. If you are a Retail Individual Investor who is submitting the ASBA Application with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third-party linked bank account UPI ID;
21. Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB and/or mobile applications which are not mentioned in the list provided in the SEBI; and
22. Do not submit a bid using UPI ID, if you are not a Retail Individual Investor and if the Application is for an amount more than ₹ 5,00,000;

**Kindly note that Applications submitted to the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for the Designated Intermediaries to deposit such Application Forms. (A list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>).**

Please see “*Rejection of Applications*” on page 597 for information on rejection of Applications.

### **Submission of completed Application Forms**

For details in relation to the manner of submission of Application Forms, see “*Issue Procedure*” beginning on page 569.

## **OTHER INSTRUCTIONS**

### **Depository Arrangements**

Our Company has made depository arrangements with NSDL and CDSL for issue and holding of the NCDs in dematerialised form. In this context:

1. Tripartite Agreement dated July 28, 2021 between us, the Registrar to the Issue and CDSL for offering depository

option to the Applicants.

2. Tripartite Agreement dated December 28, 2018 between us, the Registrar to the Issue and NSDL for offering depository option to the Applicants.
3. An Applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application.
4. The Applicant must necessarily provide the DP ID and Client ID details in the Application Form.
5. NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.
6. Non-transferable Allotment Advice/ refund orders will be directly sent to the Applicant by the Registrar to the Issue.
7. It may be noted that NCDs in electronic form can be traded only on Stock Exchange having electronic connectivity with NSDL or CDSL. The Stock Exchange have connectivity with NSDL and CDSL.
8. Interest or other benefits with respect to the NCDs held in dematerialised form would be paid to those NCD holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.
9. The trading of the NCDs on the floor of the Stock Exchange shall be in dematerialized form in multiples of One NCD only.

Allottees will have the option to rematerialise the NCDs Allotted under the Issue as per the provisions of the Companies Act, 2013 and the Depositories Act.

**PLEASE NOTE THAT TRADING OF NCDs ON THE FLOOR OF THE STOCK EXCHANGE SHALL BE IN DEMATERIALISED FORM ONLY IN MULTIPLE OF ONE NCD.**

For further information relating to Applications for Allotment of the NCDs in dematerialised form, please see the section titled "*Issue Procedure*" on page 569.

### **Communications**

All future communications in connection with Applications made in the Issue should be addressed to the Registrar to the Issue quoting all relevant details as regards the Applicant and its Application.

Applicants can contact our Company Secretary and Compliance Officer or the Registrar to the Issue in case of any pre-Issue related problems and/or Post-Issue related problems such as non-receipt of Allotment Advice non-credit of NCDs in depository's beneficiary account/ etc. Please note that Applicants who have applied for the NCDs through Designated Intermediaries should contact the Stock Exchange in case of any Post-Issue related problems, such as non-receipt of Allotment Advice / non-credit of NCDs in depository's beneficiary account/ etc.

Grievances relating to Direct Online Applications may be addressed to the Registrar to the Issue, with a copy to the relevant Stock Exchange.

### **Interest in case of Delay**

Our Company undertakes to pay interest, in connection with any delay in allotment, demat credit and refunds, beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

### **Undertaking by our Company**

We undertake that –

- (a) All monies received pursuant to the Issue of NCDs to public shall be transferred to a separate bank account as referred to in sub-section (3) of section 40 of the Companies Act, 2013;
- (b) Details of all monies utilised out of Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised;
- (c) Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.
- (d) The details of all utilized and unutilised monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized, and the securities or other forms of financial assets in which such unutilized monies have been invested;
- (e) We shall utilize the Issue proceeds only upon creation of security as stated in the relevant Tranche Prospectus in the section titled "*Terms of the Issue*" on page 549 and after (a) permissions or consents for creation of pari passu charge have been obtained from the creditors who have pari passu charge over the assets sought to be provided as Security; (b) receipt of the minimum subscription of 75% of the Base Issue amount; (c) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (d) creation of security and confirmation of the same in terms of NCDs and (e) receipt of listing and trading approval from the Stock Exchange;
- (f) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property.
- (g) The allotment letter shall be issued, or application money shall be unblocked within 15 days from the closure of the Issue, or such lesser time as may be specified by SEBI, or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period;
- (h) The Experts named in this Draft Shelf Prospectus are not, and has not been, engaged or interested in the formation or promotion or management of the Company.

*Other Undertakings by our Company*

Our Company undertakes that:

- (a) Complaints received in respect of the Issue (except for complaints in relation to Applications submitted to Designated Intermediaries) will be attended to by our Company expeditiously and satisfactorily;
- (b) Necessary cooperation to the relevant credit rating agency(ies) will be extended in providing true and adequate information until the obligations in respect of the NCDs are outstanding;
- (c) Our Company will take necessary steps for the purpose of getting the NCDs listed within the specified time, i.e., within six Working Days of the Issue Closing Date;
- (d) Funds required for dispatch of Allotment Advice will be made available by our Company to the Registrar to the Issue;
- (e) Our Company will forward details of utilisation of the proceeds of the Issue, duly certified by the current statutory auditor, to the Debenture Trustee as per applicable law;
- (f) Our Company will provide a compliance certificate to the Debenture Trustee on an annual basis in respect of compliance with the terms and conditions of the Issue as contained in the relevant Tranche Prospectus;
- (g) We shall make necessary disclosures/reporting under any other legal or regulatory requirement as may be required by our Company from time to time;
- (h) We undertake that the assets / receivables on which charge is created, are free from any encumbrances and in cases

where the assets are already charged to secure a debt, the permission or consent to create a second or pari-passu charge on the assets of the issuer has been obtained from the earlier creditor, wherever applicable;

- (i) Our Company will disclose the complete name and address of the Debenture Trustee in its annual report and website;
- (j) We have created a recovery expense fund in the manner as specified by SEBI from time to time and inform the Debenture Trustee about the same.

### **Rejection of Applications**

As set out below or if all required information is not provided or the Application Form is incomplete in any respect, the Board of Directors and/or any committee authorised by the Board reserves its full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

***Application may be rejected on one or more technical grounds, including but not restricted to:***

- Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- Applications accompanied by cash, draft, cheques, money order or any other mode of payment other than amounts blocked in the Bidders' ASBA Account maintained with an SCSB;
- Applications not being signed by the sole/joint Applicant(s);
- Applications not made through the ASBA facility;
- Number of NCDs applied for or Applications for an amount being less than the minimum Application size;
- Applications submitted without blocking of the entire Application Amount. However, our Company may allot NCDs up to the value of application monies paid, if such application monies exceed the minimum application size as prescribed hereunder;
- Investor Category in the Application Form not being ticked;
- Application Amount blocked being higher or lower than the value of NCDs Applied for. However, our Company may allot NCDs up to the number of NCDs Applied for, if the value of such NCDs Applied for exceeds the minimum application size;
- ASBA Bank account details to block Application Amount not provided in the Application Form;
- Applications where a registered address in India is not provided for the Applicant;
- In case of partnership firms (except LLPs), NCDs applied for in the name of the partnership and not the names of the individual partners(s);
- Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant;
- PAN not mentioned in the Application Form, except for Applications by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participants. In case of minor Applicants applying through guardian when PAN of the Applicant is not mentioned;
- DP ID and Client ID not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications by OCBs;
- Applications for an amount below the minimum application size;

- Submission of more than five ASBA Forms per ASBA Account;
- Applications by persons who are not eligible to acquire NCDs of our Company in terms of applicable laws, rules, regulations, guidelines and approvals;
- In case of Applications under power of attorney or by limited companies, corporate, trust etc., submitted without relevant documents;
- Applications accompanied by Stock invest/ cheque/ money order/ postal order/ cash;
- Signature of sole Applicant missing, or, in case of joint Applicants, the Application Forms not being signed by the first Applicant (as per the order appearing in the records of the Depository);
- Applications by persons debarred from accessing capital markets, by SEBI or any other regulatory authority;
- Date of Birth for first/sole Applicant for persons applying for Allotment not mentioned in the Application Form;
- Application Forms not being signed by the ASBA Account holder if the account holder is different from the Applicant;
- If the signature of the ASBA Account holder on the Application Form does not match with the signature available on the SCSB Bank's records where the ASBA Account mentioned in the Application Form is maintained;
- Application Forms submitted to the Designated Intermediaries or to the Designated Branches of the SCSBs does not bear the stamp of the SCSB and/or the Designated Intermediaries, as the case may be;
- ASBA Applications not having details of the ASBA Account to be blocked;
- In case no corresponding record is available with the Depositories that matches three parameters namely, DP ID, Client ID and PAN or if PAN is not available in the Depository database;
- Inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the ASBA Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;
- If an authorization to the SCSB or Sponsor Bank for blocking funds in the ASBA Account or acceptance of UPI Mandate Request raised has not been provided;
- The UPI Mandate Request is not approved by the Retail Individual Investor;
- SCSB making an ASBA application (a) through an ASBA account maintained with its own self or (b) through an ASBA Account maintained through a different SCSB not in its own name or (c) through an ASBA Account maintained through a different SCSB in its own name, where clear demarcated funds are not present or (d) through an ASBA Account maintained through a different SCSB in its own name which ASBA Account is not utilised solely for the purpose of applying in public issues;
- Applications for amounts greater than the maximum permissible amount prescribed by the regulations and applicable law;
- Authorization to the SCSB for blocking funds in the ASBA Account not provided or acceptance of UPI Mandate Request raised has not been provided;
- Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;
- Applications by any person outside India;
- Applications by other persons who are not eligible to apply for NCDs under the Issue under applicable Indian or



foreign statutory/regulatory requirements;

- Applications not uploaded on the online platform of the Stock Exchange;
- Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchange, as applicable;
- Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and the relevant Tranche Prospectus;
- Applications by Applicants whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;
- Where PAN details in the Application Form and as entered into the electronic system of the Stock Exchange, are not as per the records of the Depositories;
- Applications providing an inoperative demat account number;
- ASBA Applications submitted to the Designated Intermediaries, at locations other than the Specified Cities or at a Designated Branch of a SCSB where the ASBA Account is not maintained, and Applications submitted directly to the Banker to the Issue (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;
- Forms not uploaded on the electronic software of the Stock Exchange;
- In case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application;
- Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and this Draft Shelf Prospectus and as per the instructions in the Application Form;

**Kindly note that ASBA Applications submitted to the Lead Managers, or Trading Members of the Stock Exchange, Members of the Syndicate, Designated Intermediaries at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that Specified City for the Lead Managers, or Trading Members of the Stock Exchange, Members of the Syndicate, Designated Intermediaries, as the case may be, to deposit ASBA Applications (a list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>).**

For information on certain procedures to be carried out by the Registrar to the Offer for finalization of the basis of allotment, please see below "*Issue Procedure - Information for Applicants*".

### **Information for Applicants**

In case of ASBA Applications submitted to the SCSBs, in terms of the RTA Master Circular, the Registrar to the Issue will reconcile the compiled data received from the Stock Exchange and all SCSBs and match the same with the Depository database for correctness of DP ID, Client ID and PAN. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Managers and the Registrar to the Issue, reserves the right to proceed as per the Depository records for such ASBA Applications or treat such ASBA Applications as rejected.

In case of Applicants submitted to the Lead Managers, Consortium Members and Trading Members of the Stock Exchange at the Specified Cities, the basis of allotment will be based on the Registrar's validation of the electronic details with the Depository records, and the complete reconciliation of the final certificates received from the SCSBs with the electronic details in terms of the SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Managers and the Registrar to the Issue, reserves the right to proceed as per the Depository records or treat such ASBA Application as rejected.

Based on the information provided by the Depositories, our Company shall have the right to accept Applications

belonging to an account for the benefit of a minor (under guardianship).

In case of Applications for a higher number of NCDs than specified for that category of Applicant, only the maximum amount permissible for such category of Applicant will be considered for Allotment.

### **Mode of making refunds**

The Registrar to the Issue shall instruct the relevant SCSB or in case of Bids by Retail Individual Investors applying through the UPI Mechanism to the Sponsor Bank, to revoke the mandate and to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful Applications within six Working Days of the Issue Closing Date.

Our Company and the Registrar to the Issue shall credit the allotted NCDs to the respective beneficiary accounts/ dispatch the Letters of Allotment or letters of regret by registered post/speed post at the Applicant's sole risk, within six Working Days from the Issue Closing Date. We may enter into an arrangement with one or more banks in one or more cities for refund to the account of the applicants through Direct Credit/RTGS/NEFT/NACH.

Further,

- (a) Allotment of NCDs in this Issue shall be made within the time period stipulated by SEBI;
- (b) Credit to dematerialized accounts will be given within one Working Day from the Date of Allotment;
- (c) Interest at a rate of 15% per annum will be paid if the Allotment has not been made and/or the refund effected within five Working days from the Issue Closing Date, for the delay beyond five Working days; and
- (d) Our Company will provide adequate funds to the Registrar to the Issue for this purpose.

### **Retention of oversubscription**

As specified in the relevant Tranche Prospectus for each Tranche Issue limit.

### **Basis of Allotment**

As specified in the relevant Tranche Prospectus for each Tranche Issue

### **Allocation Ratio**

Reservations shall be made for each of the Portions as specified relevant Tranche Prospectus for each Tranche Issue.

### **Unblocking of funds**

The Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within the applicable regulatory timelines.

### **Issuance of Allotment Advice**

Our Company shall ensure dispatch of Allotment Advice as per the Demographic Details received from the Depositories. Instructions for credit of NCDs to the beneficiary account with Depository Participants shall be made within 5 Working Days of the Issue Closing Date

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities and approvals for the commencement of trading at the Stock Exchange where the NCDs are proposed to be listed are taken within 5 Working Days from the Issue Closing Date.

Allotment Advice shall be issued, or Application Amount shall be unblocked within 15 (fifteen) days from the Issue Closing Date, or such lesser time as may be specified by SEBI or else the application amount shall be unblocked in the ASBA Accounts of the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent. Per annum for the delayed period.

Our Company will provide adequate funds required for dispatch of Allotment Advice, as applicable, to the Registrar to

the Issue.

### **Investor Withdrawals and Pre-closure**

*Investor Withdrawal: Applicants are allowed to withdraw their Applications at any time prior to the Issue Closing Date.*

*Withdrawal of Applications after the Issue Period: In case an Applicant wishes to withdraw the Application after the Issue Closing Date or early closure date, the same can be done by submitting a withdrawal request to the Registrar prior to the finalization of the Basis of Allotment.*

*Pre-closure/ Early Closure: Our Company, in consultation with the Lead Managers reserves the right to close the relevant Tranche Issue at any time prior to the Issue Closing Date (subject to a minimum period of three working days and a maximum period of 10 working days from the date of opening of relevant Tranche Issue), subject to receipt of minimum subscription which is 75% of the Base Issue before the Issue Closing Date. Our Company shall allot NCDs with respect to the Applications received at the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements.*

*In the event of such early closure of this Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the relevant Issue Closing Date of the relevant Tranche Issue, as applicable, through advertisement(s) in all those newspapers in which pre-Issue advertisement and advertisement for opening or closure of this issue have been given.*

*Further, the Issue will also be withdrawn by our Company in the event that the aggregate Applications received for the NCDs is lesser than the minimum subscription which is 75% of the Base Issue before the Issue Closing Date.*

*Under Section 39(3) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount has not been subscribed or received, as applicable, within the specified period, the application money received is to be unblocked/credited only to the bank account in/from which the subscription was blocked/remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or the Registrar will follow the guidelines prescribed by SEBI in this regard.*

If our Company does not receive the minimum subscription of 75% of Base Issue Size prior to the Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 8 (eight) working days from the Issue Closing Date, provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within 6 (six) working days from the Issue Closing Date, failing which the Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

### **Revision of Applications**

As per the notice no: 20120831-22 dated August 31, 2012 issued by BSE, cancellation of one or more orders (series) within an Application is permitted during the Issue Period as long as the total order quantity does not fall under the minimum quantity required for a single Application. However, please note that in case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application will be liable for rejection by the Registrar.

Applicants may revise/ modify their Application details during the Issue Period, as allowed/permitted by the Stock Exchange, by submitting a written request to the Designated Intermediary, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchange as per the procedures and requirements prescribed by each relevant Stock Exchange, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on Issue Closing Date. However, in order that the data so captured is accurate, the Designated Intermediaries will be given up to one Working Day after the Issue Closing Date (till 1:00 PM) to modify/ verify certain selected fields uploaded in the

online system during the Issue Period, after which the data will be sent to the Registrar to the Issue for reconciliation with the data available with the NSDL and CDSL.

## SECTION VIII – SUMMARY OF KEY PROVISIONS OF ARTICLES OF ASSOCIATION

The main provisions of the Articles of Association (“AOA”) relating to allotment of NCDs and matters incidental hereto have been set out below. Please note that each provision herein below is numbered in accordance with the corresponding provision in the AOA. All defined terms used in this section have the meaning given to them in the AOA. Any reference to the term “Article” hereunder means the corresponding article contended in the AOA.

| Article No.   | Article  |
|---|--|
| <b>SHARE CAPITAL AND VARIATION OF RIGHTS</b>  |  |
| <b>Shares under control of Board</b>  |  |
| 3.  | Subject to provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as it may from time to time think fit.  |
| <b>Directors may allot shares otherwise than for cash</b>                                   |  |
| 4.  | Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than or cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.  |
| <b>Kinds of Share Capital</b>   |  |
| 5.  | The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws:<br>(a) Equity share capital:<br>(i) with voting rights; and / or<br>(ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules; and<br>(b) Preference share capital.  |
| <b>Issue of certificate</b>   |  |
| 6.  | (1) Every person whose name is entered as a member in the register of members shall be entitled to receive Certificate within a period not exceeding two months after allotment or within a period not exceeding one month from the date of receipt by the Company of the application for the registration of transfer or transmission or within such other period as the conditions of issue shall provide.   |
| <b>Certificate to bear seal</b>   |  |
| (2)   | Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.   |
| <b>One certificate for shares held jointly</b>  |  |
| (3)   | In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.  |
| <b>Option to receive share certificate or hold shares with depository</b>                   |  |
| 7.  | Subject to the provisions of the Act and the Rules, a person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialised state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.   |
| <b>Issue of new certificate in place of one defaced, lost or destroyed</b>                  |  |
| 8.  | If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued without any fee. |
| <b>Provisions as to issue of certificates to apply mutatis mutandis to debentures, etc.</b> |  |
| 9.  | The provisions of the foregoing Articles relating to issue of certificates shall <i>mutatis mutandis</i> apply to issue of certificates for any other securities including debentures (except where the Act and/ or Rules otherwise requires) of the Company.  |
| <b>Variation of members’ rights</b>   |  |
| 11  | (1) If at any time the share capital is divided into different classes of shares, the rights attached to any class   |

| Article No. | Article |  |
|-------------|---------|--|
|             |         | (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.  |
|             |         | Issue of further shares not to affect rights of existing members   |
| 12.         |         | The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking <i>pari passu</i> therewith.  |
|             |         | Power to issue or re-issue redeemable preference shares  |
| 13.         |         | Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act and Rules.  |
|             |         | Further issue of share capital   |
| 14.         | (1)     | The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to -<br>(a) persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or<br>(b) employees under any scheme of employees' stock option; or<br>(c) any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above.                  |
|             | (2)     | A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer, subject to and in accordance with the Act and the Rules.   |
|             |         | <b>Lien</b>  |
|             |         | Company's lien on shares   |
| 15.         | (1)     | The Company shall have a first and paramount lien –<br>(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and<br>(b) on all shares (not being fully paid shares) standing registered in the name of a member, for all monies presently payable by him or his estate to the Company.<br><br>Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause.  |
|             |         | Lien to extend to dividends, etc.  |
|             | (2)     | The Company's lien, if any, on a share shall extend to all dividends, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company.   |
|             |         | Waiver of lien in case of Registration   |
|             | (3)     | Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien.  |
|             |         | As to enforcing lien by sale   |
| 16.         |         | The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:<br>Provided that no sale shall be made—<br>(a) unless a sum in respect of which the lien exists is presently payable; or<br>(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise. |
|             |         | Outsider's lien not to affect Company's lien   |
| 19.         |         | In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.  |
|             |         | <b>Calls on shares</b>   |
|             |         | Board may make calls   |
| 21.         | (1)     | The Board may, from time to time, make calls upon the members in respect of any monies unpaid on   |

| Article No.        | Article |   |
|--------------------|---------|---|
|                    |         | their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.   |
|                    |         | Notice of call  |
|                    | (2)     | Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.   |
|                    |         | Board may extend time for Payment   |
|                    | (3)     | The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.  |
|                    |         | Revocation or postponement of Call  |
|                    | (4)     | A call may be revoked or postponed at the discretion of the Board.  |
|                    |         | Call to take effect from date of Resolution   |
| 22.                |         | A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.  |
|                    |         | Liability of joint holders of Shares  |
| 23.                |         | The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.   |
|                    |         | When interest on call or instalment payable   |
| 24.                | (1)     | If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the "due date"), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board.  |
|                    |         | Board may waive interest  |
|                    | (2)     | The Board shall be at liberty to waive payment of any such interest wholly or in part.  |
|                    |         | Payment in anticipation of calls may carry interest   |
| 26.                |         | The Board –<br>(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and<br>(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be fixed by the Board. Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him. |
|                    |         | Instalments on shares to be duly paid   |
| 27.                |         | If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by instalments, then every such instalment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.   |
|                    |         | Calls on shares of same class to be on uniform basis  |
| 28.                |         | All calls shall be made on a uniform basis on all shares falling under the same class.<br><i>Explanation:</i> Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.   |
|                    |         | Partial payment not to preclude forfeiture  |
| 29.                |         | Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.   |
|                    |         | Provisions as to calls to apply mutatis mutandis to debentures, etc.  |
| 30.                |         | The provisions of these Articles relating to calls shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.   |
| Transfer of shares |         |   |
|                    |         | Instrument of transfer to be executed by transferor and transferee  |
| 31.                | (1)     | The instrument of transfer of any share in the Company shall be duly executed by or on behalf of both the transferor and transferee.  |
|                    | (2)     | The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.   |
|                    |         | Board may decline to recognise instrument of transfer   |
| 33.                |         | The Board may, subject to the right of appeal conferred by the Act decline to register –<br>(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve;   |

| Article No.            | Article |   |
|------------------------|---------|---|
|                        |         | (b) any transfer of shares on which the Company has a lien.<br>(c) the transfer of a share, when any statutory prohibition or any attachment or prohibitory order of a competent authority restrains the Company from transferring the securities out of the name of the transferor;<br>(d) the transfer of a share, when the transferor object to the transfer provided he serves on the company within a reasonable time a prohibitory order of a Court of competent jurisdiction.  |
|                        |         | Provisions as to transfer of shares to apply <i>mutatis mutandis</i> to debentures, etc.  |
| 35.                    |         | The provisions of these Articles relating to transfer of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.  |
| Transmission of shares |         |   |
|                        |         | Title to shares on death of a member  |
| 37.                    | (1)     | On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.  |
|                        |         | Estate of deceased member Liable  |
|                        | (2)     | Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.   |
|                        |         | Transmission Clause   |
| 38.                    | (1)     | Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either -<br>(a) to be registered himself as holder of the share; or<br>(b) to make such transfer of the share as the deceased or insolvent member could have made.  |
|                        |         | Board's right unaffected  |
|                        | (2)     | The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.   |
|                        |         | Indemnity to the Company  |
|                        | (3)     | The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.  |
|                        |         | Right to election of holder of Share  |
| 39.                    | (1)     | If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.  |
|                        |         | Limitations applicable to notice  |
|                        | (3)     | All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.  |
| Forfeiture of shares   |         |   |
|                        |         | If call or instalment not paid notice must be given   |
| 42.                    |         | If a member fails to pay any call, or instalment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment. |
|                        |         | Entry of forfeiture in register of Members  |
| 46.                    |         | When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.  |
|                        |         | Effect of forfeiture  |
| 47.                    |         | The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.  |
|                        |         | Certificate of forfeiture   |
| 50.                    | (1)     | A duly verified declaration in writing that the declarant is a director, the manager or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.  |



| Article No.                  | Article   |
|------------------------------|---|
|                              | Title of purchaser and transferee of forfeited shares   |
| (2)                          | The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.  |
|                              | Transferee to be registered as holder   |
| (3)                          | The transferee shall thereupon be registered as the holder of the share; and  |
|                              | Transferee not affected   |
| (4)                          | The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.   |
|                              | Validity of sales   |
| 51.                          | Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.   |
|                              | Cancellation of share certificate in respect of forfeited shares  |
| 52.                          | Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.  |
|                              | Sums deemed to be calls   |
| 54.                          | The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.  |
| <b>Alteration of capital</b> |   |
|                              | Power to alter share capital  |
| 56.                          | Subject to the provisions of the Act, the Company may, by ordinary resolution -<br>(a) increase the share capital by such sum to be divided into shares of such amount as it thinks expedient;<br>(b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;<br>(c) Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;<br>(d) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;<br>(e) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;<br>(f) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person. |
|                              | Shares may be converted into stock  |
| 57.                          | Where shares are converted into stock:<br>the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:<br><br>Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;   |
|                              | Right of stockholders   |
|                              | (a) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage;  |

| Article No. | Article |  |
|-------------|---------|--|
|             |         | (b) such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder”/“member” shall include “stock” and “stock-holder” respectively.   |
|             |         | <b>Reduction of capital</b>  |
| 58.         |         | The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules,<br>(a) its share capital; and/or<br>(b) any capital redemption reserve account; and/or<br>(c) any securities premium account; and/or<br>(d) any other reserve in the nature of share capital.  |
|             |         | <b>Capitalisation of profits</b>   |
|             |         | <b>Capitalisation</b>  |
| 60.         |         | The Company by resolution passed in general meeting may, upon the recommendation of the Board, resolve –<br>(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company’s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and<br>(b) that such sum be accordingly set free for distribution in the manner specified in clause (2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.   |
|             |         | <b>Powers of the Board for capitalisation</b>  |
| 61.         | (1)     | Whenever such a resolution as aforesaid shall have been passed, the Board shall -<br>(a) make all appropriations and applications of the amounts resolved to be capitalised thereby, and all allotments and issues of fully paid shares or other securities, if any; and<br>(b) generally do all acts and things required to give effect thereto.  |
|             |         | <b>Board’s power to issue fractional certificate/coupon etc.</b>   |
|             | (2)     | The Board shall have power—<br>(a) to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and<br>(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares. |
|             |         | <b>Agreement binding on members</b>  |
|             | (3)     | Any agreement made under such authority shall be effective and binding on such members.  |
|             |         | <b>Buy-back of shares or other securities</b>  |
|             |         | <b>Buy-back of shares or other securities</b>  |
| 62.         |         | Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other securities.  |
|             |         | <b>General meetings</b>  |
|             |         | <b>Annual General Meeting</b>  |
| 63.         | (1)     | The Company shall in each year hold in addition to any other meetings a general meeting as its annual general meeting. The Annual General Meeting of the Company shall be held within the period specified in the Act after the expiry of each financial year. The notice calling the general meeting shall specify it as Annual General Meeting.  |
|             |         | <b>Board to call extraordinary general meeting</b>   |
|             | (3)     | The Board may whenever it thinks fit, and it shall when so required by the President or on the requisition in writing or through electronic mode by the holders of not less than one tenth of the paid up share capital of the company, upon which all calls or other sums then due have been paid and as at that date carries the right of voting in the matter, forthwith proceed to convene an extraordinary general meeting of the company in accordance with the provisions of the Act and Rules.   |
|             |         | <b>Notice of Meeting</b>   |
|             | (4)     | The general meeting of our Company shall be called by giving a notice in accordance with Act and   |

| Article No.  | Article |   |
|--|---------|---|
|  |         | Rules.  |
| Proceedings at general meetings  |         |   |
| Presence of Quorum   |         |   |
| 64.  | (1)     | No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.   |
| Right of President to appoint any person as his representative.            |         |   |
|  | (4)     | The President of India, so long as he is a member of a company, may appoint such person as he thinks fit to act as his representative at any meeting of the company or at any meeting of any class of members of the company. A person so appointed shall be deemed to be a member of such a company and shall be entitled to exercise the same rights and powers, including the right to vote by proxy and postal ballot, as the President could exercise as a member of the company.  |
| Minutes of proceedings of meetings and resolutions passed by postal ballot |         |   |
| 70.  | (1)     | The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot, to be prepared and signed in such manner as may be prescribed by the Act & Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot, entries thereof in books kept for that purpose with their pages consecutively numbered   |
| Certain matters not to be included in Minutes                              |         |   |
|  | (2)     | There shall not be included in the minutes any matter which, in the opinion of the Chairman of the meeting -<br>(a) is, or could reasonably be regarded, as defamatory of any person; or<br>(b) is irrelevant or immaterial to the proceedings; or<br>(c) is detrimental to the interests of the Company  |
| Adjournment of meeting   |         |   |
| Chairman may adjourn the meeting   |         |   |
| 72.  | (1)     | The Chairman may, with the consent of any meeting at which a quorum is present, adjourn the meeting from time to time and from place to place.  |
| Notice of adjourned meeting  |         |   |
|  | (3)     | When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.  |
| Notice of adjourned meeting not required                                   |         |   |
|  | (4)     | Save as aforesaid, and save as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.   |
| Votes of Members   |         |   |
| Entitlement to vote on show of hands and on poll                           |         |   |
| 73.  |         | Subject to any rights or restrictions for the time being attached to any class or classes of shares<br>(a) on a show of hands, every member present in person shall have one vote; and<br>(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.   |
| Seniority of names   |         |   |
| 75.  | (2)     | For this purpose, seniority shall be determined by the order in which the names stand in the register of members.   |
| Votes in respect of shares of deceased or insolvent members, etc.          |         |   |
| 77.  |         | Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Company of his right to such shares unless his right to vote at such meeting in respect thereof has previously been admitted. |
| Restriction on voting rights   |         |   |
| 78.  |         | No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien   |
| Restriction on exercise of voting rights in other cases to be void         |         |   |
| 79.  |         | A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article.   |
| Equal rights of members  |         |   |

| Article No.        | Article |  |
|--------------------|---------|--|
| 80.                |         | Any member whose name is entered in the register of members of our Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.  |
| Proxy              |         |  |
|                    |         | Member may vote in person or otherwise   |
| 82.                | (1)     | Save as provided in the Act and the Rules, any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.   |
|                    |         | Proxies when to be deposited   |
|                    | (2)     | The instrument appointing a proxy and the power-of attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.  |
| Board of Directors |         |  |
|                    |         | Board of Directors   |
| 85.                |         | Subject to the provisions of the Act and the Rules , the President shall from time to time determine the number of Directors of the Company which shall not be less than 3 (three) and not more than 15 (fifteen).   |
|                    |         | Appointment of Chairman, Managing Director and other Directors,  |
| 86.                | (1)     | Save as provided under the Act and Rules, the President shall appoint one of the Directors as the Chairman and shall appoint other Directors including Managing Director in consultation with the Chairman provided that no such consultation is necessary in respect of Government representatives on the Board of Directors of the company. The appointment of Directors shall be in such number and for such period as the President may determine from time to time. The Directors (including the Chairman and /or Managing Director) shall be paid such salary and/or allowance as the President may from time to time determine. |
|                    | (2)     | The President may appoint or reappoint an individual as the Chairman as well as the Managing Director of our Company at the same time on such terms and remuneration as he may think fit.  |
|                    |         | Retirement and resignation of Directors  |
|                    | (3)     | (i) A Director appointed by virtue of his holding any office in the Government or Govt. Company, shall retire on the date he ceases to hold that office.<br>(ii) Subject to the provisions of the Act and Rules, a Director including Chairman and/or Managing Director may resign from his office by giving a notice in writing. The resignation will take effect from the date it is accepted by the President.  |
|                    |         | Rotational Retirement of Other Directors   |
|                    | (4)     | The period of office of all Directors shall be liable to determination for retirement of directors by rotation as provided under the Act and Rules and save as otherwise expressly provided in the Act and Rules, be reappointed by the Company in general meeting. The Chairman and/or Managing Director shall not be subject to retirement under this clause.  |
|                    |         | Removal of Directors   |
| 87.                | (1)     | The President shall have the power to remove any Director including Chairman and / or Managing Director from office at any time in his absolute discretion.  |
|                    |         | Filling of any vacancy   |
|                    | (2)     | The President shall have the right to fill in any vacancy in the office of director including Chairman and/or Managing Director caused by removal, dismissal, resignation, death or otherwise.   |
|                    |         | Appointment of additional directors  |
| 88.                | (1)     | Subject to the provisions of the Act and Rules the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.   |
|                    |         | Duration of office of additional director  |
|                    | (2)     | Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as Chairman and /or Managing Director or a director at that meeting subject to the provisions of the Act and Rules.   |
|                    |         | Appointment of alternate director  |
| 89.                | (1)     | The Board may appoint an alternate director to act for a director (hereinafter in this Article called (“ <b>the Original Director</b> ”)) during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be   |

| Article No.                                   | Article |  |
|---|---------|--|
|   |         | appointed as an independent director under the provisions of the Act and Rules.  |
| Powers of Board                               |         |  |
| General powers of our Company vested in Board |         |  |
| 90.   | (1)     | <p>Subject to the provisions of the Act, Rules and these articles, the Board of Directors of the company shall be entitled to exercise all such powers and to do all such acts and things as the company is authorised to exercise and do.</p> <p>Provided that the Board shall not exercise any power or do any act or thing reserved for President or any power which is directed or required whether by the Act or any other Act or by the Memorandum and Articles of the company or otherwise, to be exercised or done by the company in general meeting.</p> <p>Provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions contained in that behalf in the Act, Rules or any other Act or in the Memorandum and Articles of the company, or in any regulations not inconsistent herewith and duly made thereunder, including regulations made by the company in general meeting.</p> |
|   | (2)     | No regulation made by the company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.   |

## SECTION IX - MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected on Working Days at the Registered Office of our Company situated at “Urjanidhi”, 1, Barakhamba Lane, Connaught Place, New Delhi 110 001 between 10.00 am to 5.00 pm on any Working Days from the date of Draft Shelf Prospectus until the Issue Closing Date.

### MATERIAL CONTRACTS

1. Issue Agreement dated July 6, 2023 executed between our Company and the Lead Managers.
2. Registrar Agreement dated June 29, 2023 executed between our Company and the Registrar to the Issue.
3. Debenture Trustee Agreement dated June 30, 2023 executed between our Company and the Debenture Trustee.
4. Agreed form of Debenture Trust Deed to be executed between our Company and the Debenture Trustee.
5. Tripartite Agreements dated April 25, 2006, and May 16, 2006, between our Company, the Registrar to the Issue, and CDSL and NSDL respectively.

### MATERIAL DOCUMENTS

1. Memorandum and Articles of Association of our Company, as amended to date;
2. Certificate of Incorporation of the Company dated July 16, 1986, and certificate of commencement of business of the Company dated December 31, 1987;
3. Certificate of registration of the Company as a IFC NBFC;
4. Copy of shareholders resolution dated September 29, 2020, under section 180(1)(c) of the Companies Act, 2013, approving the borrowing limits limit of the Board of Directors;
5. Copy of the Board resolution dated March 21, 2023, approving the Issue;
6. Copy of the approval by the Chairman and Managing Director of the Company dated July 6, 2023, approving this Draft Shelf Prospectus;
7. Consents of each of the Directors, the Chief Financial Officer, the Compliance Officer of the Company, Lead Managers, legal counsel to the Issue, Registrar to the Issue, Bankers to our Company, the Debenture Trustee and the Credit Rating Agencies to include their names in this Draft Shelf Prospectus, in their respective capacities;
8. Credit rating letter dated March 31, 2023 revalidated as on June 21, 2023, and credit rating rationale dated March 31, 2023, by CARE assigning a rating of “CARE AAA; Stable/ CARE A1+” (Triple A; Outlook: Stable/ A One Plus)” in respect of the NCDs.
9. Credit rating letter dated March 28, 2023, revalidated as on June 22, 2023, and credit rating rationale dated March 30, 2023, by ICRA assigning a rating of “[ICRA AAA] (Stable) (pronounced ICRA triple A: Stable)” in respect of the NCDs.
10. Credit rating letter dated March 30, 2023, revalidated as on June 8, 2023, and credit rating rationale dated March 30, 2023, by CRISIL assigning a rating of “CRISIL AAA/Stable” in respect of the NCDs.
11. Our Company has received the written consent dated July 6, 2023 from the Statutory Auditors, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI NCS Regulations, in this Draft Shelf Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditor, and in respect of (i) the reports each dated July 6, 2023 on the Reformatted Standalone Financial Information included in this Draft Shelf Prospectus, (ii) (i) the report dated July 6, 2023 on the Reformatted Consolidated Financial Information included in this Draft Shelf Prospectus, and (iii) their report dated July 6, 2023 on the statement of tax benefits included in the Draft Shelf Prospectus, and such consent has not

been withdrawn as on the date of this Draft Shelf Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act, 1993.

12. The reports on statement of possible tax benefits dated July 6, 2023 issued by the Statutory Auditors.
13. Annual Report of our Company for the last three financial years, as applicable.
14. In-principle listing approval from BSE by its letter no. [●] dated [●].
15. Due Diligence Certificate dated [●], 2023 filed by the Lead Managers with SEBI.
16. Due Diligence certificate dated July 6, 2023 filed by the Debenture Trustee to the Issue.
17. Letter from SEBI dated July 4, 2023 providing exemption from strict enforcement of certain provisions of SEBI NCS regulations.
18. Memorandum of Understanding dated December 6, 2022, for the year 2022-23 between our Company and Ministry of Power, GoI.
19. Memorandum of Understanding dated November 29, 2022, between our Company and REC Limited.
20. Memorandum of Understanding dated May 26, 2023, between our Company and RITES.
21. Examination Report dated July 6, 2023 in relation to the Reformatted Standalone Financial Statements.
22. Examination Report dated July 6, 2023 in relation to the Reformatted Consolidated Financial Statements.

## DECLARATION

We, the Directors of the Company, hereby certify and declare that all the applicable legal requirements in connection with the Issue including the all relevant provisions of the Companies Act, 2013, as amended, and the rules prescribed thereunder, to the extent applicable and the guidelines issued by the Government of India and/or the regulations/guidelines/circulars issued by the Reserve Bank of India, and the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as applicable, including the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, provisions under the Securities Contracts (Regulation) Act, 1956, as amended, and rules made thereunder, including the Securities Contracts (Regulation) Rules, 1957, as amended, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable, as the case may be and other competent authorities in this respect, from time to time have been complied with and no statement made in this Draft Shelf Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be. We hereby confirm that the compliance with the Securities and Exchange Board of India Act, 1992 or rules made there under does not imply that payment of dividend or interest or repayment of debt securities, is guaranteed by the Central Government.

We further certify that all the disclosures and statements made in this Draft Shelf Prospectus are true, correct and complete in all material respects, are in conformity with Companies Act, 2013, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, the Securities Contracts (Regulation) Act, 1956, as amended and rules made thereunder including the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be and do not omit disclosure of any material information which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Draft Shelf Prospectus does not contain any misstatements. Furthermore, all the monies received under this Issue shall be used only for the purposes and objects indicated in this Draft Shelf Prospectus. No information material to the subject matter of this form has been suppressed or concealed and whatever is stated in this Draft Shelf Prospectus thereto is true, correct, and complete and is as per the original records maintained by the Promoters subscribing to the Memorandum of Association and Articles of Association.

Signed by the Directors of our Company.



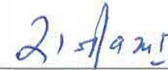
Parminder Chopra  
Director (Finance)  
DIN: 08530587



Ajay Tewari  
Government Nominee Director  
DIN: 09633300



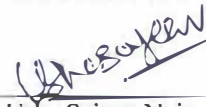
Manoj Sharma  
Director (Commercial)  
DIN: 06822395



Rajiv Ranjan Jha  
Director (Projects)  
DIN: 03523954



Bhaskar Bhattacharya  
Independent Director  
DIN: 09406292



Usha Sajeew Nair  
Independent Director  
DIN: 09408454



Prasanna Tantri  
Independent Director  
DIN: 06471864

Date: 06/07/2023

Place: NEW DELHI



**ANNEXURE A – CREDIT RATING, RATIONALE AND PRESS RELEASE**

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No. CARE/DRO/RL/2023-24/1293

Shri Srikanth PL  
Deputy General Manager  
Power Finance Corporation Limited  
Ujanidhi, 1, Barakhamba Lane,  
Connaught Place,  
New Delhi  
Delhi 110001



June 21, 2023

Confidential

Dear Sir,

Credit rating for Market Borrowing Programme of FY24

[This has reference to your email dated June 20, 2023 on the above subject.]

2. [In this connection, we invite your attention to our rating letter no. CARE/DRO/RL/2022-23/3752 dated March 31, 2023 (enclosed as Annexure – II) **assigning the rating of 'CARE AAA; Stable/ CARE A1+' (Triple A; Outlook: Stable/ A One Plus)** to the Market Borrowing Programme of FY24 of your company.]
3. The above rating(s) are valid for the facilities, as updated in Annexure - I.
4. CARE Ratings Ltd. reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE Ratings Ltd. warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE Ratings Ltd. so as to enable it to carry out continuous monitoring of the rating of the debt instruments, CARE Ratings Ltd. shall carry out the review on the basis of best available information throughout the life time of such instruments. In such cases the credit rating symbol **shall be accompanied by "ISSUER NOT COOPERATING"**. CARE Ratings Ltd. shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
5. [All the other clauses vide our letter dated March 31, 2023 would continue to apply for the above rating(s).]

CARE Ratings Limited

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Phone: +91-120-4452 000

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Highway, Sion (E), Mumbai - 400 022  
Phone: +91-22-6754 3456 • www.careedge.in

CIN-L67190MH1993PLC071691

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,



Deepshi Panda  
Lead Analyst  
[deepshi.panda@careedge.in](mailto:deepshi.panda@careedge.in)



Neha Kadiyan  
Associate Director  
[neha.kadiyan@careedge.in](mailto:neha.kadiyan@careedge.in)

Encl.: As above

Disclaimer

The ratings issued by CARE Ratings Limited are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings Limited has based its ratings/outlooks based on information obtained from reliable and credible sources. CARE Ratings Limited does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings Limited have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings Limited or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE Ratings Limited is, inter-alia, based on the capital deployed by the partners/proprietor and the current financial strength of the firm. The rating/outlook may undergo a change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE Ratings Limited is not **responsible for any errors and states that it has no financial liability whatsoever to the users of CARE Ratings Limited's rating.**

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

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Annexure 1

Details of Rated Facilities

1. Long Term Facilities

1.A. Fund Based Limits

| Sr. No. | Name of Bank / Lender  | Rated Amount (Rs. crore) | Debt Repayment Terms | Remarks   |
|---------|------------------------|--------------------------|----------------------|-----------|
| 1.      | Instrument             | 59,800.00                |                      |           |
| 2.      | South Indian Bank Ltd. | 200.00                   | 31-May-28            | Term Loan |
|         | Total                  | 60,000.00                |                      |           |

Total Long Term Facilities : Rs.60,000.00 crore

2. Short Term Facilities

2.A. Fund Based Limits

| Sr. No. | Name of Bank / Lender | Rated Amount (Rs. crore) |
|---------|-----------------------|--------------------------|
| 1.      | Proposed              | 10,000.00                |
|         | Total                 | 10,000.00                |

Total Short Term Facilities : Rs.10,000.00 crore

Total Facilities (1.A+2.A) : Rs.70,000.00 crore\*

\*includes proposed public issue of taxable non-convertible debentures

Details of Rated Instruments

| Name of the Instrument/ Facilities | ISIN         | Date of Issuance | Coupon Rate (%)                 | Maturity Date | Size of the Issue (₹ crore) |
|------------------------------------|--------------|------------------|---------------------------------|---------------|-----------------------------|
| Bond Series 228A                   | INE134E08ML8 | 20-Apr-23        | 7.55                            | 15-Jul-26     | 2,330.00                    |
| Bond Series 228B                   | INE134E08MM6 | 20-Apr-23        | 7.62                            | 15-Jul-33     | 2,102.00                    |
| Bond Series 229                    | INE134E08MN4 | 10-May-23        | 7.44                            | 10-May-28     | 1,550.00                    |
| Bond Series 230                    | INE134E08MO2 | 22-May-23        | 7.37                            | 22-May-26     | 2,990.00                    |
| Bond Series 195 (R-1)              | INE134E08KK4 | 01-Jun-23        | Effective Yield<br>7.86<br>7.39 | 12-Apr-30     | 1,260.00                    |



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| Name of the Instrument/ Facilities                   | ISIN         | Date of Issuance | Coupon Rate (%)                 | Maturity Date | Size of the Issue (₹ crore) |
|--|--------------|------------------|---------------------------------|---------------|-----------------------------|
| Bond Series 214 (R-1)                                | INE134E08LN6 | 01-Jun-23        | 6.92<br>Effective Yield<br>7.39 | 14-Apr-32     | 1,330.00                    |
| Bond Series 231                                      | INE134E08MP9 | 20-Jun-23        | 7.48                            | 19-Jun-38     | 3,896.90                    |
| Term Loan  | NA           | 31-May-23        | 7.5                             | 31-May-28     | 200.00                      |
| 54EC - April   | INE134E07BT6 | 30-Apr-23        | 5.25                            | 30-Apr-28     | 171.00                      |
| 54EC - May   | INE134E07BV2 | 31-May-23        | 5.25                            | 31-May-28     | 216.65                      |
| Proposed   |              |                  |                                 |               | 43,953.45                   |
| Total Long Term Market Borrowing Programme for FY24  |              |                  |                                 |               | 60000                       |
| Proposed   |              |                  |                                 |               | 10000                       |
| Total Short-term Market Borrowing Programme for FY24 |              |                  |                                 |               | 10000                       |



CARE Ratings Limited

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Annexure 2

Previous Rating Letter



No. CARE/DRO/RL/2022-23/3752

Shri Srikanth PL  
Deputy General Manager  
Power Finance Corporation Limited  
Ujanidhi, 1, Barakhamba Lane,  
Connaught Place,  
New Delhi  
Delhi 110001



March 31, 2023

Confidential

Dear Sir,

Credit rating for Market Borrowing Programme FY24

Please refer to your request for rating the Market Borrowing Programme for FY24 of your Company

2. The following ratings have been assigned by our Rating Committee:

| Facilities                                     | Amount<br>(Rs. crore)                                    | Rating <sup>1</sup>                             | Rating Action |
|--|--|---|---------------|
| Long-term Market Borrowing Programme for FY24  | 60,000.00  | CARE AAA; Stable<br>(Triple A; Outlook: Stable) | Assigned      |
| Short-term Market Borrowing Programme for FY24 | 10,000.00  | CARE A1+<br>(A One Plus)                        | Assigned      |
| <b>Total Facilities</b>                        | <b>70,000.00</b><br>(Rs. Seventy Thousand<br>Crore Only) |   |               |

3. Refer **Annexure 1** for details of rated Market Borrowing programme of FY24.
4. [The above rating for bank facilities is normally valid for a period of one year from the date of our initial communication of rating to you (that is March 28, 2023).]
5. Please arrange to get the rating revalidated, in case the proposed NCD issue is not made within a period of six months from the date of our initial communication of rating to you (that is March 28, 2023).
6. In case there is any change in the size or terms of the proposed NCD issue, please get the rating revalidated.

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and in other CARE Ratings Ltd.'s publications.

CARE Ratings Limited

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Phone: +91-011-4533 3200 / 238

CIN-L6790MH1993PLC071691

Corporate Office :4th Floor, Godrej Coliseum,  
Somaiya Hospital Road, Off Eastern Express  
Highway, Sion (E), Mumbai - 400 022  
Phone: +91-22-6754 3456 - [www.careedge.in](http://www.careedge.in)

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CARE Ratings Limited

Plot no. C-001 A/2 Sector 16B, Berger Tower,  
Noida, Gautam Budh Nagar (UP) - 201301  
Phone: +91-120-4452 000

CIN-L67190MH1993PLC071691

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7. Please inform us the below-mentioned details of NCD issue immediately, but not later than 7 days from the date of placing the instrument:

| Instrument type | ISIN | Issue Size (Rs cr.) | Coupon Rate | Coupon Payment Dates | Terms of Redemption | Redemption date | Name and contact details of Trustee/IPA | Details of top 10 investors |
|-----------------|------|---------------------|-------------|----------------------|---------------------|-----------------|---|-----------------------------|
|-----------------|------|---------------------|-------------|----------------------|---------------------|-----------------|---|-----------------------------|

8. Kindly arrange to submit us a copy of each of the documents pertaining to the NCD issue, including the offer document and the trust deed.
9. The rationale for the rating will be communicated to you separately. A write-up (press release) on the above rating is proposed to be issued to the press shortly, a draft of which is enclosed for your perusal as **Annexure 2**. We request you to peruse the annexed document and offer your comments if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by March 31, 2023, we will proceed on the basis that you have no any comments to offer.
10. CARE Ratings Ltd. reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
11. CARE Ratings Ltd. reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE Ratings Ltd. warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE Ratings Ltd. so as to enable it to carry out continuous monitoring of the rating of the bank facilities, CARE Ratings Ltd. shall carry out the review on the basis of best available information throughout the life time of such bank facilities. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE Ratings Ltd. shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
12. Our ratings do not take into account the sovereign risk, if any, attached to the foreign currency loans, and the ratings are applicable only to the rupee equivalent of these loans.
13. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades. |



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16. If you need any clarification, you are welcome to approach us in this regard. We are indeed, grateful to you for entrusting this assignment to CARE Ratings Ltd.,

Thanking you,  
Yours faithfully,



**Deepshi Panda**  
Lead Analyst  
[deepshi.panda@careedge.in](mailto:deepshi.panda@careedge.in)



**Neha Kadiyan**  
Associate Director  
[neha.kadiyan@careedge.in](mailto:neha.kadiyan@careedge.in)

Encl.: As above

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Annexure 1

Details of Rated Facilities and Instruments

1. Long Term Facilities and Instruments

1.A. Fund Based Limits

| Sr. No. | Name of Bank / Lender | Rated Amount (Rs. crore) |
|---------|-----------------------|--------------------------|
| 1.      | Proposed              | 60,000.00                |
|         | Total                 | 60,000.00                |

Total Long Term Facilities : Rs.60,000.00 crore

2. Short Term Facilities

2.A. Fund Based Limits

| Sr. No. | Name of Bank / Lender | Rated Amount (Rs. crore) |
|---------|-----------------------|--------------------------|
| 1.      | Proposed              | 10,000.00                |
|         | Total                 | 10,000.00                |

Total Short Term Facilities : Rs.10,000.00 crore

Total Facilities (1.A+2.A) : Rs.70,000.00 crore



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CIN-L67190MH1993PLC071691

No. CARE/DRO/RL/2022-23/3752

Shri Srikanth PL  
Deputy General Manager  
Power Finance Corporation Limited  
Ujanidhi, 1, Barakhamba Lane,  
Connaught Place,  
New Delhi  
Delhi 110001



March 31, 2023

Confidential

Dear Sir,

Credit rating for Market Borrowing Programme FY24

Please refer to your request for rating the Market Borrowing Programme for FY24 of your Company

2. The following ratings have been assigned by our Rating Committee:

| Facilities                                     | Amount<br>(Rs. crore)                             | Rating <sup>1</sup>                             | Rating Action |
|--|---|---|---------------|
| Long-term Market Borrowing Programme for FY24  | 60,000.00   | CARE AAA; Stable<br>(Triple A; Outlook: Stable) | Assigned      |
| Short-term Market Borrowing Programme for FY24 | 10,000.00   | CARE A1+<br>(A One Plus)                        | Assigned      |
| Total Facilities                               | 70,000.00<br>(Rs. Seventy Thousand<br>Crore Only) |   |               |

3. Refer Annexure 1 for details of rated Market Borrowing programme of FY24.
4. [The above rating for bank facilities is normally valid for a period of one year from the date of our initial communication of rating to you (that is March 28, 2023).]
5. Please arrange to get the rating revalidated, in case the proposed NCD issue is not made within a period of six months from the date of our initial communication of rating to you (that is March 28, 2023).
6. In case there is any change in the size or terms of the proposed NCD issue, please get the rating revalidated.

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and in other CARE Ratings Ltd.'s publications.

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7. Please inform us the below-mentioned details of NCD issue immediately, but not later than 7 days from the date of placing the instrument:

| Instrument type | ISIN | Issue Size (Rs cr.) | Coupon Rate | Coupon Payment Dates | Terms of Redemption | Redemption date | Name and contact details of Trustee/IPA | Details of top 10 investors |
|-----------------|------|---------------------|-------------|----------------------|---------------------|-----------------|---|-----------------------------|
|-----------------|------|---------------------|-------------|----------------------|---------------------|-----------------|---|-----------------------------|

8. Kindly arrange to submit us a copy of each of the documents pertaining to the NCD issue, including the offer document and the trust deed.
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12. Our ratings do not take into account the sovereign risk, if any, attached to the foreign currency loans, and the ratings are applicable only to the rupee equivalent of these loans.
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Thanking you,

Yours faithfully,



Deepshi Panda  
Lead Analyst  
[deepshi.panda@careedge.in](mailto:deepshi.panda@careedge.in)



Neha Kadiyan  
Associate Director  
[neha.kadiyan@careedge.in](mailto:neha.kadiyan@careedge.in)

Encl.: As above

Disclaimer

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Annexure 1

Details of Rated Facilities and Instruments

1. Long Term Facilities and Instruments

1.A. Fund Based Limits

| Sr. No. | Name of Bank / Lender | Rated Amount (Rs. crore) |
|---------|-----------------------|--------------------------|
| 1.      | Proposed              | 60,000.00                |
|         | Total                 | 60,000.00                |

Total Long Term Facilities : Rs.60,000.00 crore

2. Short Term Facilities

2.A. Fund Based Limits

| Sr. No. | Name of Bank / Lender | Rated Amount (Rs. crore) |
|---------|-----------------------|--------------------------|
| 1.      | Proposed              | 10,000.00                |
|         | Total                 | 10,000.00                |

Total Short Term Facilities : Rs.10,000.00 crore

Total Facilities (1.A+2.A) : Rs.70,000.00 crore



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## Power Finance Corporation Limited

March 31, 2023

| Facilities/Instruments                         | Amount (₹ crore)                       | Rating <sup>1</sup> | Rating Action |
|--|--|---------------------|---------------|
| Long-term Market Borrowing Programme for FY24  | 60,000.00                              | CARE AAA; Stable    | Assigned      |
| Long-term Market Borrowing Programme for FY13  | 5,338.41<br>(Reduced from 11,165.50)   | CARE AAA; Stable    | Reaffirmed    |
| Long-term Market Borrowing Programme for FY14  | 4,999.53<br>(Reduced from 8,674.00)    | CARE AAA; Stable    | Reaffirmed    |
| Long-term Subordinate Debt for FY14            | 3,800.00                               | CARE AAA; Stable    | Reaffirmed    |
| Long-term Market Borrowing Programme for FY15  | 20,037.00<br>(Reduced from 29,428.00)  | CARE AAA; Stable    | Reaffirmed    |
| Long-term Market Borrowing Programme for FY16  | 2,000.01<br>(Reduced from 7,930.00)    | CARE AAA; Stable    | Reaffirmed    |
| Long-term Market Borrowing Programme for FY17  | 14,520.00<br>(Reduced from 25,674.00)  | CARE AAA; Stable    | Reaffirmed    |
| Long-term Market Borrowing Programme for FY18  | 14,198.26<br>(Reduced from 26,035.00)  | CARE AAA; Stable    | Reaffirmed    |
| Long-term Market Borrowing Programme for FY19  | 44,820.70<br>(Reduced from 76,500.00)  | CARE AAA; Stable    | Reaffirmed    |
| Long-term Market Borrowing Programme for FY20  | 66,946.41<br>(Reduced from 88,000.00)  | CARE AAA; Stable    | Reaffirmed    |
| Long-term Market Borrowing Programme for FY21  | 62,418.70<br>(Reduced from 98,000.00)  | CARE AAA; Stable    | Reaffirmed    |
| Long-term Market Borrowing Programme for FY22  | 40,715.86<br>(Reduced from 80,000.00)  | CARE AAA; Stable    | Reaffirmed    |
| Long-term Market Borrowing Programme for FY23  | 72,000.00<br>(Enhanced from 70,000.00) | CARE AAA; Stable    | Reaffirmed    |
| Commercial Paper Borrowing Programme for FY24  | 10,000.00                              | CARE A1+            | Assigned      |
| Short-term Market Borrowing Programme for FY24 | 10,000.00                              | CARE A1+            | Assigned      |
| Short-term Market Borrowing Programme for FY23 | 10,000.00<br>(Enhanced from 9,000.00)  | CARE A1+            | Reaffirmed    |
| Commercial Paper Borrowing Programme for FY19* | -                                      | -                   | Withdrawn     |
| Commercial Paper Borrowing Programme for FY20* | -                                      | -                   | Withdrawn     |

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications

| Facilities/Instruments                          | Amount (₹ crore) | Rating <sup>1</sup> | Rating Action |
|---|------------------|---------------------|---------------|
| Commercial Paper Borrowing Programme for FY21*  | -                | -                   | Withdrawn     |
| Commercial Paper Borrowing Programme for FY22*  | -                | -                   | Withdrawn     |
| Commercial Paper Borrowing Programme for FY23*  | -                | -                   | Withdrawn     |
| Short-term Market Borrowing Programme for FY18* | -                | -                   | Withdrawn     |
| Short-term Market Borrowing Programme for FY19* | -                | -                   | Withdrawn     |
| Short-term Market Borrowing Programme for FY20* | -                | -                   | Withdrawn     |
| Short-term Market Borrowing Programme for FY21* | -                | -                   | Withdrawn     |
| Short-term Market Borrowing Programme for FY22* | -                | -                   | Withdrawn     |

Details of instruments/facilities in Annexure-1.

\*Withdrawn on receipt of confirmation of non-utilisation from Power Finance Corporation Limited

### Rationale and key rating drivers

The reaffirmation and assignment of the ratings to various instruments of Power Finance Corporation Limited (PFC) continues to factor in the majority ownership by the Government of India (GoI). The ratings also draw comfort from the strategic importance of the company to the GoI for the development of power infrastructure in India, along with the quasi-sovereign status of PFC that allows it to have a diversified resource profile at competitive rate of interest. The ratings also take into consideration improving profitability and capitalisation profiles, improving asset quality indicators, albeit exposure remains towards weak state power utilities (SPU) and private sector companies.

### Rating sensitivities: Factors likely to lead to rating actions

Positive factors- Factors that could, individually or collectively, lead to positive rating action/upgrade:

Not applicable

Negative factors - Factors that could, individually or collectively, lead to negative rating action/downgrade:

- Any material changes in the shareholding pattern and/or reduced expectation of support from the GoI.
- Further significant deterioration in the asset quality profile.
- Weakness in the capitalisation profile with capital adequacy ratio (CAR) going below regulatory minimum.

### Analytical approach: Standalone

CARE Ratings Limited (CARE Ratings) has adopted the standalone approach factoring in the timely support from the GoI, given PFC is majorly owned by the GoI and plays a strategic role in the power sector financing and development in India.

### Outlook: Stable

CARE Ratings expects that PFC will continue to be strategically important to the government and will continue to play an important role in the development of the power sector.



## Key strengths

### Majority ownership by GoI and status of Nodal agency

As a public financial institution and with 55.99% of the stake held by GoI as on December 31, 2022, PFC enjoys patronage from and support of the GoI because of the pivotal role PFC plays in financing power projects for both, the state and the private sector, thereby being instrumental in strengthening the power infrastructure of the country. PFC continues to be a strategically important entity for the government, as it is the nodal agency for various GoI schemes, such as the Liquidity Infusion Scheme (LIS), which is a part of the Aatmanirbhar Bharat Abhiyan, Revamped Distribution Sector Scheme (RDSS), Ultra Mega Power Project (UMPP) scheme. Additionally, the Ministry of Power (MoP) has initiated a tariff-based competitive bidding process for the development and strengthening of the transmission system through private sector participation. PFC Consulting Limited (PFCCL), a wholly owned subsidiary of PFC, has been nominated as Bid Process Coordinator by the MoP, GoI for the development of independent transmission projects. Furthermore, on October 12, 2021, PFC was conferred with the Maharatna status. CARE Ratings notes the strategic importance of the company to the GoI for the development of power infrastructure in India, and expects it to continue in future.

PFC and REC Limited (REC) are advised by the MoP to extend their support to discoms for timely payment of their dues under the new Late Payment Surcharge and Related Matters) Rules, 2022 (LPS Rules 2022). As on December 31, 2022, PFC had sanctioned loans of Rs. 45,524 crore and disbursed Rs. 11,053 crore.

### Diversified resource profile

As a quasi-sovereign financial institution, PFC is able to manage a well-diversified resource profile and can mobilise funds at cost effective rates from various sources such as external commercial borrowings (ECB), domestic financial institutions, long-term bonds, bank loans, commercial papers. Furthermore, PFC raises infrastructure bonds and tax-free bonds, subject to regulatory approvals. Since it is a non-deposit accepting non-banking finance company (NBFC), it does not accept public deposits. As on December 31, 2022, **PFC has borrowings of ₹ 342,045 crore (+7% YTD)**, of which majority proportion is formed by domestic bonds with 57% of borrowings followed by term loan from banks/financial institutions (FIs) with 20% of borrowings and foreign currency borrowing with 18%. Subordinate bonds, 54 EC Bonds, and CC/OD and others together form 6% of borrowings as on December 31, 2022. The company did not raise funds through commercial papers in 9MFY23. Also, to manage foreign currency risks, 77% of exchange risk hedging has been done for foreign currency loans with residual maturity upto five years. Owing to its policy role and government ownership, PFC has been able to raise funds at competitive costs.

### Adequate capitalisation

The capitalisation profile of PFC has been improving with CAR % at 24% as on December 31, 2022 from 23% as on March 31, 2022. The improvement in CAR levels is supported by healthy internal accruals.

### Stable profitability metrics

PFC reported net **profits of ₹10,022 crore in FY22 up by 18.69% y-o-y** due to reduction in provisions by 36.44% y-o-y with improvement in the asset quality. The company reported rise in the net interest income by 8.33% y-o-y **to ₹14,030 crore in FY22**. **The company's pre-provision operating profit (PPoP) grew by 5.44% y-o-y in FY22.**

Higher decline in the cost of funds as compared to yields led an improvement in the net interest margin (NIM) to 3.57% in FY22 (vs. 3.44% in FY21). Due to its large size and wholesale nature, operating expenses to total assets ratio remained small at 0.37% in FY22. With improving asset quality, credit costs/ATA ratio also improved to 0.57% in FY22. Overall, the company reported moderate profitability with return on total assets (RoTA) of 2.55% in FY22.

In 9MFY23, PFC reported net profits of Rs. 8,113 crore. The NIM moderated to 3.55% in 9MFY23 due to the rising interest rate scenario. With the reduction in credit cost in 9MFY23, owing to resolution of stressed accounts, the RoTA improved to 2.65% in 9MFY23.

### Improvement in asset quality though loan portfolio remains stable in FY22

**As on March 31, 2022, PFC's standalone gross loan book stood at ₹373,135 crore, remaining on similar level as on March 31, 2021**, due to subdued demand in the power sector after getting adversely impacted due to COVID-19. The loan book increased to Rs. 393,387 crore as on December 31, 2022, up by 5% YTD. The trend in composition of loan book remains broadly the same as in the previous years with the government sector contributing majority to the company's loan book with **84% of the loan book** and private sector contributing remaining 16% of the loan book as on March 31, 2022 and December 31, 2022. Segment-wise break-up of the loan book shows loans towards generation companies have remained in majority over the years, though on a reducing basis, with 55% as on December 31, 2022, down from 57% as on March 31, 2022 and 61% as on March 31, 2021.

Loans towards distribution companies (discoms) follow with rising share to 37% as on December 31, 2022, from 34% as on March 31, 2022 and 30% as on March 31, 2021. The rise in loans towards discoms is due to the loans disbursed under RDSS. The loans to renewable companies have also risen in 9MFY23 by 8% YTD, in line with the company's strategy, though its proportion remained similar over the years with 10%.

PFC's asset quality, although weak, has been on a mending trend since FY21 and further improved in FY22 with gross nonperforming asset (GNPA)% and net non-performing asset (NNPA)% reducing to 5.61% and 1.76%, respectively, as on March 31, 2022 from 5.70% and 2.15%, respectively, as on March 31, 2021. Provisioning increased in FY21 with provision coverage ratio (PCR) rising further in FY22 with 69%. The NPA emanates solely from private sector with GNPA of ₹20,915 crore as on March 31, 2022, being entirely from the private sector.

The asset quality of PFC has improved as on December 31, 2022 with reduction in GNPA% to 4.21% owing to resolution of stressed accounts. The NNPA% further improved to 1.19% as on December 31, 2022.

#### Key weaknesses

High exposure to SPU and high customer concentration and sector risk

PFC was exempted from following single entity/group exposure norms and concentration limits that are applicable to NBFCs till March 31, 2022. Subsequently, PFC faces high concentration risk with advances to the top 10 borrowers (pertaining to the state sector) constituting 59% of the overall disbursement in FY22. Owing to its business model and strategic importance to GoI, the Reserve Bank of India (RBI) vide its letter dated August 24, 2022, allowed the existing exposure as on August 24, 2022, to run off till maturity without invoking any regulatory violation and confirm to RBI credit concentration norms with regard to new exposure. As on December 31, 2022, 46% of loans constituted from top 10 exposure.

#### Liquidity: Adequate

As of December 31, 2022, the structural liquidity position (excluding interest inflows) of PFC has negative cumulative mismatches for time buckets starting from over three months to over five years. If interest inflows are considered, the structural liquidity position has positive cumulative mismatches across all time buckets. To suffice the negative cumulative mismatch, if any, the company has available cash and cash equivalent of Rs. 3,460 crore, cash credit/ overdraft/ working capital availed of Rs. 1,802 crore out of sanctioned limits of Rs. 9,530 crore as on December 31, 2022. PFC's ability to effectively raise funds in a cost-effective manner and financial flexibility arising out of majority sovereign ownership provides comfort to the liquidity profile.

#### Environment, social, and governance (ESG) risks

Given that PFC is engaged in the lending business, it is exposed to the environmental risks indirectly through their portfolio of assets. If the entities on whom PFC has an exposure faces environmental or regulatory risk, it could translate into credit risks for PFC.

PFC is focusing on financing the renewable sector with 10% of its loan book towards it which translates to Rs. 39,634 crore as on December 31, 2022, comprising of solar, wind and hydro projects, etc. PFC established its Green Bond Framework in October, 2017 as approved by Climate Bonds Initiative (CBI), London, UK. The Green Bond framework for funding renewable projects (viz. Solar and Wind) has been updated in August, 21 to align with the latest set of guidelines. PFC had issued its first USD Green bond in December, 2017 and raised US \$400 million (Rs. 2,575 crore). Further, in September, 2021 PFC issued its first ever Euro Green Bonds amounting to EUR 300 million (Rs. 2,597 crore).

#### Applicable criteria

[Policy on default recognition](#)

[Factoring Linkages Government Support](#)

[Financial Ratios - Financial Sector](#)

[Rating Outlook and Credit Watch](#)

[Short Term Instruments](#)

[Non Banking Financial Companies](#)

[Policy on Withdrawal of Ratings](#)

## About the company and industry

### Industry Classification

| Macro Economic Indicator | Sector             | Industry | Basic Industry           |
|--------------------------|--------------------|----------|--------------------------|
| Financial Services       | Financial Services | Finance  | Other Financial Services |

PFC was set up in the year 1986 as a financial institution dedicated to power sector financing. The corporation was notified as a public financial institution in 1990 under the Companies Act, 1956. Until 1996, PFC lent exclusively to the public sector entities. Since 1996, it has expanded its customer profile to include private sector power utilities and projects. In 2010, RBI had classified the company as an Infrastructure Finance Company (NBFC-ND-IFC). The product portfolio of PFC includes financial products and services like rupee term loans, short-term loans, equipment lease financing and transitional financing services, etc, for various **power projects in the generation, transmission and distribution sector**. PFC's clients mainly include **central power utilities**, state power utilities, private power sector utilities (including independent power producers), joint sector power utilities and power equipment manufacturers.

| Brief Financials (₹ crore) | 31-03-2021 (A) | 31-03-2022 (A) | 9MFY23 (UA) |
|----------------------------|----------------|----------------|-------------|
| Total operating income     | 37,767         | 38,591         | 29,479      |
| PAT                        | 8,444          | 10,022         | 8,113       |
| Interest coverage (times)  | 1.44           | 1.54           | 1.58        |
| Total Assets               | 392,084        | 394,410        | 4,22,278    |
| Net NPA (%)                | 2.09           | 1.76           | 1.19        |
| ROTA (%)                   | 2.24           | 2.55           | 2.65        |

**A: Audited UA: Unaudited; Note: 'the above results are latest financial results available'**

Status of non-cooperation with previous CRA:

Not applicable

Any other information:

Not applicable

Rating history for the last three years: Please refer Annexure-2

Covenants of the rated instruments/facilities: Detailed explanation of the covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of the various instruments rated: Annexure-4

Lender details: Annexure-5

### Annexure-1: Details of instruments/facilities

| Name of the Instrument           | ISIN         | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (₹ crore) | Rating Assigned along with Rating Outlook |
|----------------------------------|--------------|------------------|-------------|---------------|-----------------------------|---|
| 7.38% Tax Free Bond Series 94-B  | INE134E07307 | 22-Nov-2012      | 7.38        | 22-Nov-2027   | 25                          | CARE AAA; Stable                          |
| 7.38% Tax Free Bonds Series 95 B | INE134E07323 | 29-Nov-2012      | 7.38        | 29-Nov-2027   | 100                         | CARE AAA; Stable                          |

| Name of the Instrument                             | ISIN                       | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (₹ crore) | Rating Assigned along with Rating Outlook |
|--|----------------------------|------------------|-------------|---------------|-----------------------------|---|
| 7.36% 15YEARS TAX FREE BONDS 2012-13 TR-I SERIES-2 | INE134E07349               | 04-Jan-2013      | 7.36        | 04-Jan-2028   | 176.21                      | CARE AAA; Stable                          |
| 7.86% 15YEARS TAX FREE BONDS 2012-13 TR-I SERIES-2 | INE134E07349               | 04-Jan-2013      | 7.86        | 04-Jan-2028   | 180.78                      | CARE AAA; Stable                          |
| 6.88% TR-2 TAX FREE BONDS 12-13                    | INE134E07356               | 28-Mar-2013      | 6.88        | 28-Mar-2023   | 54.73                       | CARE AAA; Stable                          |
| 7.38% tr-2 tax free bonds 12-13                    | INE134E07356               | 28-Mar-2013      | 7.38        | 28-Mar-2023   | 41.43                       | CARE AAA; Stable                          |
| 7.04% TR-2 TAX FREE BONDS 12-13                    | INE134E07364               | 28-Mar-2013      | 7.04        | 28-Mar-2028   | 12.24                       | CARE AAA; Stable                          |
| 7.54% TR 2 TAX FREE BONDS 12-13                    | INE134E07364               | 28-Mar-2013      | 7.54        | 28-Mar-2028   | 56.97                       | CARE AAA; Stable                          |
| 9.00% PFC BOND SERIES 101-B                        | INE134E08FL2               | 11-Mar-2013      | 9           | 11-Mar-2028   | 1370                        | CARE AAA; Stable                          |
| 8.90% PFC BOND SERIES 102-A (III)                  | INE134E08FO6               | 18-Mar-2013      | 8.9         | 18-Mar-2028   | 403                         | CARE AAA; Stable                          |
| 8.94% PFC BOND SERIES 103                          | INE134E08FO1               | 25-Mar-2013      | 8.94        | 25-Mar-2028   | 2807                        | CARE AAA; Stable                          |
| KFW  | Foreign Currency Term Loan |                  |             | 30-Jun-35     | 40.98                       | CARE AAA; Stable                          |
| ADB  | Foreign Currency Term Loan |                  |             | 15-Apr-23     | 3.73                        | CARE AAA; Stable                          |
| ADB  | Foreign Currency Term Loan |                  |             | 15-Oct-23     | 3.21                        | CARE AAA; Stable                          |
| ADB  | Foreign Currency Term Loan |                  |             | 15-Oct-25     | 24.73                       | CARE AAA; Stable                          |
| ADB  | Foreign Currency Term Loan |                  |             | 15-Apr-26     | 4.89                        | CARE AAA; Stable                          |
| ADB  | Foreign Currency Term Loan |                  |             | 15-Oct-26     | 5.01                        | CARE AAA; Stable                          |
| ADB  | Foreign Currency Term Loan |                  |             | 15-Apr-27     | 3.45                        | CARE AAA; Stable                          |
| ADB  | Foreign Currency Term Loan |                  |             | 15-Apr-27     | 0.81                        | CARE AAA; Stable                          |

| Name of the Instrument                         | ISIN                       | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (₹ crore) | Rating Assigned along with Rating Outlook |
|--|----------------------------|------------------|-------------|---------------|-----------------------------|---|
| ADB  | Foreign Currency Term Loan |                  |             | 15-Oct-27     | 2.89                        | CARE AAA; Stable                          |
| ADB  | Foreign Currency Term Loan |                  |             | 15-Apr-28     | 1.92                        | CARE AAA; Stable                          |
| ADB  | Foreign Currency Term Loan |                  |             | 15-Oct-28     | 1.00                        | CARE AAA; Stable                          |
| CREDIT NATIONAL                                | Foreign Currency Term Loan |                  |             | 30-Jun-28     | 18.43                       | CARE AAA; Stable                          |
| 8.01% Tax Free Bond Series 107-A               | INE134E07372               | 30-Aug-2013      | 8.01        | 30-Aug-2023   | 113.00                      | CARE AAA; Stable                          |
| 8.46% Tax Free Bond Series 107-B               | INE134E07380               | 30-Aug-2013      | 8.46        | 30-Aug-2028   | 1,011.00                    | CARE AAA; Stable                          |
| 8.18% TAX FREE BONDS 13-14 SERIES 1A           | INE134E07414               | 16-Nov-2013      | 8.18        | 16-Nov-2023   | 325.08                      | CARE AAA; Stable                          |
| 8.43% TAX FREE BONDS 13-14 SERIES 1B           | INE134E07422               | 16-Nov-2013      | 8.43        | 16-Nov-2023   | 335.47                      | CARE AAA; Stable                          |
| 8.54% TAX FREE BONDS 13-14 SERIES 2A           | INE134E07430               | 16-Nov-2013      | 8.54        | 16-Nov-2028   | 932.70                      | CARE AAA; Stable                          |
| 8.79% TAX FREE BONDS 13-14 SERIES 2B           | INE134E07448               | 16-Nov-2013      | 8.79        | 16-Nov-2028   | 353.32                      | CARE AAA; Stable                          |
| 8.67% TAX FREE BONDS 13-14 SERIES 3A           | INE134E07455               | 16-Nov-2013      | 8.67        | 16-Nov-2033   | 1,067.00                    | CARE AAA; Stable                          |
| 8.92% TAX FREE BONDS 13-14 SERIES 3B           | INE134E07463               | 16-Nov-2013      | 8.92        | 16-Nov-2033   | 861.96                      | CARE AAA; Stable                          |
| 8.19% PFC SUBORDINATED TIER II DEBT BOND       | INE134E08FT5               | 14-Jun-2013      | 8.19        | 14-Jun-2023   | 800.00                      | CARE AAA; Stable                          |
| 9.65% PFC SUBORDINATED TIER II TAXABLE BOND    | INE134E08FW9               | 13-Jan-2014      | 9.65        | 13-Jan-2024   | 1,000.00                    | CARE AAA; Stable                          |
| 9.70% PFC SUBORDINATED TIER II BOND SERIES-114 | INE134E08FX7               | 21-Feb-2014      | 9.7         | 21-Feb-2024   | 2,000.00                    | CARE AAA; Stable                          |
| 9.37% PFC BOND SERIES 117 OPTION-B             | INE134E08GD7               | 19-Aug-2014      | 9.37        | 19-Aug-2024   | 855.00                      | CARE AAA; Stable                          |
| 9.39% PFC BOND SERIES 118 OPTION B-II          | INE134E08GG0               | 27-Aug-2014      | 9.39        | 27-Aug-2024   | 460.00                      | CARE AAA; Stable                          |

| Name of the Instrument                 | ISIN         | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (₹ crore) | Rating Assigned along with Rating Outlook |
|--|--------------|------------------|-------------|---------------|-----------------------------|---|
| 9.39% PFC BOND SERIES 118 OPTION B-III | INE134E08GH8 | 27-Aug-2014      | 9.39        | 27-Aug-2029   | 460.00                      | CARE AAA; Stable                          |
| 8.98% PFC BOND SERIES 120 Option -A    | INE134E08GK2 | 08-Oct-2014      | 8.98        | 08-Oct-2024   | 961.00                      | CARE AAA; Stable                          |
| 8.98% PFC BOND SERIES 120 Option -B    | INE134E08GL0 | 08-Oct-2014      | 8.98        | 08-Oct-2024   | 950.00                      | CARE AAA; Stable                          |
| 8 48 TX USC BND SRS 124 C              | INE134E08GU1 | 09-Dec-2014      | 8.48        | 09-Dec-2024   | 1,000.00                    | CARE AAA; Stable                          |
| 8 65 TX USC BND SRS 125                | INE134E08GV9 | 29-Dec-2014      | 8.65        | 29-Dec-2024   | 2,826.00                    | CARE AAA; Stable                          |
| 8 65 TX USC BND SRS 126                | INE134E08GW7 | 05-Jan-2015      | 8.65        | 05-Jan-2025   | 5,000.00                    | CARE AAA; Stable                          |
| 8 20 TX USC BND SRS 128                | INE134E08GY3 | 10-Mar-2015      | 8.2         | 10-Mar-2025   | 1,600.00                    | CARE AAA; Stable                          |
| 8 39 TX USC BND SRS 130 C              | INE134E08HD5 | 19-Mar-2015      | 8.39        | 19-Apr-2025   | 925.00                      | CARE AAA; Stable                          |
| 8 41 TX USC BND SRS 131 C              | INE134E08HG8 | 27-Mar-2015      | 8.41        | 27-Mar-2025   | 5,000.00                    | CARE AAA; Stable                          |
| 7 16 TF SEC BND SRS 136                | INE134E07521 | 17-Jul-2015      | 7.16        | 17-Jul-2025   | 300.00                      | CARE AAA; Stable                          |
| 7.11% TAXFREE BONDS 1A 17.10.2025      | INE134E07539 | 17-Oct-2015      | 7.11        | 17-Oct-2025   | 75.10                       | CARE AAA; Stable                          |
| 7.36% TAXFREE BONDS 1B 17.10.2015      | INE134E07547 | 17-Oct-2015      | 7.36        | 17-Oct-2025   | 79.35                       | CARE AAA; Stable                          |
| 7.27% TAXFREE BONDS 2A 17.10.2015      | INE134E07554 | 17-Oct-2015      | 7.27        | 17-Oct-2030   | 131.33                      | CARE AAA; Stable                          |
| 7.52% TAXFREE BONDS 2B 17.10.2015      | INE134E07562 | 17-Oct-2015      | 7.52        | 17-Oct-2030   | 45.18                       | CARE AAA; Stable                          |
| 7.35% TAXFREE BONDS 3A 17.10.2015      | INE134E07570 | 17-Oct-2015      | 7.35        | 17-Oct-2035   | 213.57                      | CARE AAA; Stable                          |
| 7.60% TAXFREE BONDS 3B 17.10.2015      | INE134E07588 | 17-Oct-2015      | 7.6         | 17-Oct-2035   | 155.48                      | CARE AAA; Stable                          |
| 8 40 TX USC BND SRS 141 B              | INE134E08HX3 | 18-Sep-2015      | 8.4         | 18-Sep-2025   | 1,000.00                    | CARE AAA; Stable                          |
| 8 03 TX USC BND SRS 147                | INE134E08IE1 | 02-May-2016      | 8.03        | 02-May-2026   | 1,000.00                    | CARE AAA; Stable                          |

| Name of the Instrument               | ISIN         | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (₹ crore) | Rating Assigned along with Rating Outlook |
|--------------------------------------|--------------|------------------|-------------|---------------|-----------------------------|---|
| 7 63 TX USC BND SRS 150 B            | INE134E08II2 | 16-Aug-2016      | 7.63        | 16-Aug-2026   | 1,675.00                    | CARE AAA; Stable                          |
| 7 56 TX USC BND SRS 151 B            | INE134E08IK8 | 16-Sep-2016      | 7.56        | 16-Sep-2026   | 210.00                      | CARE AAA; Stable                          |
| 7 55 TX USC BND SRS 152              | INE134E08IL6 | 26-Sep-2016      | 7.55        | 26-Sep-2026   | 4,000.00                    | CARE AAA; Stable                          |
| 7 23 TX USC BND SRS 155              | INE134E08IO0 | 05-Jan-2017      | 7.23        | 05-Jan-2027   | 2,635.00                    | CARE AAA; Stable                          |
| 156                                  | INE134E08IP7 | 11-01-2017       | 7.10%       | 11-Jan-27     | 200.00                      | CARE AAA; Stable                          |
| 158                                  | INE134E08IR3 | 20-01-2017       | 7.18%       | 20-Jan-27     | 1,335.00                    | CARE AAA; Stable                          |
| 160                                  | INE134E08IT9 | 20-02-2017       | 7.60%       | 20-Feb-27     | 1,465.00                    | CARE AAA; Stable                          |
| 164                                  | INE134E08IX1 | 22-03-2017       | 7.75%       | 22-Mar-27     | 2,000.00                    | CARE AAA; Stable                          |
| 7 44 TX USC BND SRS 168 B            | INE134E08JC3 | 12-Jun-2017      | 7.44        | 12-Jun-2027   | 1,540.00                    | CARE AAA; Stable                          |
| 7 30 TX USC BND SRS 169 B            | INE134E08JE9 | 08-Aug-2017      | 7.3         | 08-Aug-2027   | 1,500.00                    | CARE AAA; Stable                          |
| 7 65 TX USC BND SRS 170 B            | INE134E08JG4 | 22-Nov-2017      | 7.65        | 22-Nov-2027   | 2,001.00                    | CARE AAA; Stable                          |
| 7 62 TX USC BND SRS 171              | INE134E08JH2 | 15-Dec-2017      | 7.62        | 15-Dec-2027   | 5,000.00                    | CARE AAA; Stable                          |
| 7 74 BS 172 TAXABLE BONDS 29 01 2028 | INE134E08JIO | 30-Jan-2018      | 7.74        | 30-Jan-2028   | 850.00                      | CARE AAA; Stable                          |
| 3.75% USD GREEN BONDS 2027           | XS1725342288 | 06-12-2017       | 3.75        | 06-12-2027    | 826.82                      | CARE AAA; Stable                          |
| 3.75% USD GREEN BONDS 2027           | XS1725342288 | 06-12-2017       | 3.75        | 06-12-2027    | 2,437.52                    | CARE AAA; Stable                          |
| 3.75% USD GREEN BONDS 2027           | XS1725342288 | 06-12-2017       | 3.75        | 06-12-2027    | 42.93                       | CARE AAA; Stable                          |
| 5 75 SEC 54EC BD SR 2 1819 04        | INE134E07687 | 30-Apr-2018      | 5.75        | 30-Apr-2023   | 6.54                        | CARE AAA; Stable                          |
| 5 75 SEC 54EC BD SR 2 1819 05        | INE134E07695 | 31-May-2018      | 5.75        | 31-May-2023   | 7.04                        | CARE AAA; Stable                          |

| Name of the Instrument        | ISIN         | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (₹ crore) | Rating Assigned along with Rating Outlook |
|-------------------------------|--------------|------------------|-------------|---------------|-----------------------------|---|
| 5 75 SEC 54EC BD SR 2 1819 06 | INE134E07703 | 30-Jun-2018      | 5.75        | 30-Jun-2023   | 10.11                       | CARE AAA; Stable                          |
| 5 75 SEC 54EC BD SR 2 1819 07 | INE134E07711 | 31-Jul-2018      | 5.75        | 31-Jul-2023   | 14.32                       | CARE AAA; Stable                          |
| 5 75 SEC 54EC BD SR 2 1819 08 | INE134E07729 | 31-Aug-2018      | 5.75        | 31-Aug-2023   | 15.95                       | CARE AAA; Stable                          |
| 5 75 SEC 54EC BD SR 2 1819 09 | INE134E07737 | 30-Sep-2018      | 5.75        | 30-Sep-2023   | 26.03                       | CARE AAA; Stable                          |
| 5 75 SEC 54EC BD SR 2 1819 10 | INE134E07745 | 31-Oct-2018      | 5.75        | 31-Oct-2023   | 32.95                       | CARE AAA; Stable                          |
| 5 75 SEC 54EC BD SR 2 1819 11 | INE134E07752 | 30-Nov-2018      | 5.75        | 30-Nov-2023   | 41.13                       | CARE AAA; Stable                          |
| 5 75 SEC 54EC BD SR 2 1819 12 | INE134E07760 | 31-Dec-2018      | 5.75        | 31-Dec-2023   | 55.13                       | CARE AAA; Stable                          |
| 5 75 SEC 54EC BD SR 2 1819 01 | INE134E07778 | 31-Jan-2019      | 5.75        | 31-Jan-2024   | 70.63                       | CARE AAA; Stable                          |
| 5.75 SEC 54EC BD SR 2 1819 02 | INE134E07786 | 28-Feb-2019      | 5.75        | 28-Feb-2024   | 66.74                       | CARE AAA; Stable                          |
| 5.75 SEC 54EC BD SR 2 1819 03 | INE134E07794 | 31-Mar-2019      | 5.75        | 31-Mar-2024   | 145.38                      | CARE AAA; Stable                          |
| 7 85 TX USC BND SRS 177       | INE134E08JP5 | 03-Apr-2018      | 7.85        | 03-Apr-2028   | 3,855.00                    | CARE AAA; Stable                          |
| 8 95 TX USC BND SRS 178       | INE134E08JQ3 | 10-Oct-2018      | 8.95        | 10-Oct-2028   | 3,000.00                    | CARE AAA; Stable                          |
| 8 67 TX USC BND SRS 179 A     | INE134E08JR1 | 19-Nov-2018      | 8.67        | 19-Nov-2028   | 1,007.00                    | CARE AAA; Stable                          |
| 8 64 TX USC BND SRS 179 B     | INE134E08JS9 | 19-Nov-2018      | 8.64        | 19-Nov-2033   | 528.40                      | CARE AAA; Stable                          |
| 8 75 TX USC BND SRS 180       | INE134E08JT7 | 22-Feb-2019      | 8.75        | 22-Feb-2034   | 2,654.00                    | CARE AAA; Stable                          |
| 9 25 TX USC BND SRS 184 A     | INE134E08JY7 | 25-Mar-2019      | 9.25        | 25-Sep-2024   | 2,000.00                    | CARE AAA; Stable                          |
| 9 10 TX USC BND SRS 184 B     | INE134E08JX9 | 25-Mar-2019      | 9.1         | 25-Mar-2029   | 2,412.00                    | CARE AAA; Stable                          |
| 8 98 TX USC BND SRS 185       | INE134E08JZ4 | 28-Mar-2019      | 8.98        | 28-Mar-2029   | 1,000.00                    | CARE AAA; Stable                          |



| Name of the Instrument        | ISIN  | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (₹ crore) | Rating Assigned along with Rating Outlook |
|-------------------------------|---|------------------|-------------|---------------|-----------------------------|---|
| 5.25% USD 300 MN NOTES 2028   | XS1864036576                                  | 10-08-2018       | 5.25        | 10-08-2028    | 2,480.45                    | CARE AAA; Stable                          |
| 6 15 GMTN BONDS USD 500MN     | US73928RAA41 (REG S) ;<br>US73928QAA67 (144A) | 06-12-2018       | 6.15        | 06-12-2028    | 4,134.08                    | CARE AAA; Stable                          |
| CANARA BANK                   | Rupee Term Loan                               |                  |             | 20-Feb-2024   | 1,000.00                    | CARE AAA; Stable                          |
| PNB                           | Rupee Term Loan                               |                  |             | 25-Feb-2025   | 750.00                      | CARE AAA; Stable                          |
| BOI                           | Rupee Term Loan                               |                  |             | 02-Mar-2025   | 1,000.00                    | CARE AAA; Stable                          |
| UNION BANK                    | Rupee Term Loan                               |                  |             | 15-Mar-2024   | 200.00                      | CARE AAA; Stable                          |
| SBI                           | Rupee Term Loan                               |                  |             | 27-Sep-2023   | 2,499.98                    | CARE AAA; Stable                          |
| SBI                           | Rupee Term Loan                               |                  |             | 27-Sep-2023   | 500.00                      | CARE AAA; Stable                          |
| HDFC                          | Rupee Term Loan                               |                  |             | 05-Oct-2023   | 750.00                      | CARE AAA; Stable                          |
| PNB                           | Rupee Term Loan                               |                  |             | 24-Dec-2023   | 995.00                      | CARE AAA; Stable                          |
| CANARA BANK                   | Rupee Term Loan                               |                  |             | 28-Dec-2023   | 500.00                      | CARE AAA; Stable                          |
| CANARA BANK                   | Rupee Term Loan                               |                  |             | 15-Jan-2024   | 500.00                      | CARE AAA; Stable                          |
| BANK OF INDIA                 | Rupee Term Loan                               |                  |             | 21-Jan-2024   | 1,000.00                    | CARE AAA; Stable                          |
| BANK OF INDIA                 | Rupee Term Loan                               |                  |             | 21-Jan-2024   | 1,000.00                    | CARE AAA; Stable                          |
| NSSF                          | Rupee Term Loan                               |                  |             | 27-Dec-2028   | 7,500.00                    | CARE AAA; Stable                          |
| Bank of Baroda                | Foreign Currency Term Loan                    |                  |             | 26-Sep-23     | 2,067.04                    | CARE AAA; Stable                          |
| Bank of Tokyo-MUFJ, Singapore | Foreign Currency Term Loan                    |                  |             | 01-Feb-24     | 273.39                      | CARE AAA; Stable                          |

| Name of the Instrument        | ISIN                       | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (₹ crore) | Rating Assigned along with Rating Outlook |
|-------------------------------|----------------------------|------------------|-------------|---------------|-----------------------------|---|
| Mizuho, Singapore             | Foreign Currency Term Loan |                  |             | 01-Feb-24     | 497.90                      | CARE AAA; Stable                          |
| Norinchukin, Singapore        | Foreign Currency Term Loan |                  |             | 01-Feb-24     | 224.52                      | CARE AAA; Stable                          |
| 5.75 SEC 54EC BD SR 3 1920 04 | INE134E07810               | 30-Apr-2019      | 5.75        | 30-Apr-2024   | 48.91                       | CARE AAA; Stable                          |
| 5.75 SEC 54EC BD SR 3 1920 05 | INE134E07828               | 31-May-2019      | 5.75        | 31-May-2024   | 72.72                       | CARE AAA; Stable                          |
| 5.75 SEC 54EC BD SR 3 1920 06 | INE134E07836               | 30-Jun-2019      | 5.75        | 30-Jun-2024   | 81.73                       | CARE AAA; Stable                          |
| 5.75 SEC 54EC BD SR 3 1920 07 | INE134E07844               | 31-Jul-2019      | 5.75        | 31-Jul-2024   | 117.29                      | CARE AAA; Stable                          |
| 5.75 SEC 54EC BD SR 3 1920 08 | INE134E07851               | 31-Aug-2019      | 5.75        | 31-Aug-2024   | 105.73                      | CARE AAA; Stable                          |
| 5.75 SEC 54EC BD SR 3 1920 09 | INE134E07869               | 30-Sep-2019      | 5.75        | 30-Sep-2024   | 102.03                      | CARE AAA; Stable                          |
| 5.75 SEC 54EC BD SR 3 1920 10 | INE134E07877               | 01-Nov-2019      | 5.75        | 31-Oct-2024   | 92.09                       | CARE AAA; Stable                          |
| 5 75 SEC 54EC BD SR3 1920 11  | INE134E07885               | 30-Nov-2019      | 5.75        | 30-Nov-2024   | 89.96                       | CARE AAA; Stable                          |
| 5 75 SEC 54EC BD SR3 1920 12  | INE134E07893               | 31-Dec-2019      | 5.75        | 31-Dec-2024   | 93.08                       | CARE AAA; Stable                          |
| 5 75 SEC 54EC BD SR3 1920 01  | INE134E07901               | 31-Jan-2020      | 5.75        | 31-Jan-2025   | 94.02                       | CARE AAA; Stable                          |
| 5 75 SEC 54EC BD SR3 1920 02  | INE134E07919               | 29-Feb-2020      | 5.75        | 01-Mar-2025   | 107.88                      | CARE AAA; Stable                          |
| 5 75 SEC 54EC BD SR3 1920 03  | INE134E07927               | 31-Mar-2020      | 5.75        | 31-Mar-2025   | 129.01                      | CARE AAA; Stable                          |
| 8 7929 TX USC BND SRS 186     | INE134E08KA5               | 30-Apr-2019      | 8.79        | 30-Apr-2034   | 2,579.00                    | CARE AAA; Stable                          |
| 8 85 TX USC BND SRS 187 B     | INE134E08KC1               | 27-May-2019      | 8.85        | 27-May-2029   | 1,982.00                    | CARE AAA; Stable                          |
| 8 10 TX USC BND SRS 188       | INE134E08KD9               | 04-Jun-2019      | 8.1         | 04-Jun-2024   | 691.10                      | CARE AAA; Stable                          |
| 8 15 TX USC BND SRS 189       | INE134E08KE7               | 08-Aug-2019      | 8.15        | 08-Aug-2034   | 4,035.00                    | CARE AAA; Stable                          |

| Name of the Instrument  | ISIN   | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (₹ crore) | Rating Assigned along with Rating Outlook |
|-------------------------|--|------------------|-------------|---------------|-----------------------------|---|
| 8 25 TX USC BND SRS 190 | INE134E08KF4                                       | 06-Sep-2019      | 8.25        | 06-Sep-2034   | 4,016.00                    | CARE AAA;<br>Stable                       |
| 7 42 TX USC BND SRS 192 | INE134E08KH0                                       | 19-Nov-2019      | 7.42        | 19-Nov-2024   | 3,000.00                    | CARE AAA;<br>Stable                       |
| 7 93 TX USC BND SRS 193 | INE134E08KI8                                       | 31-Dec-2019      | 7.93        | 31-Dec-2029   | 4,711.00                    | CARE AAA;<br>Stable                       |
| 7 04 TX USC BND SRS 194 | INE134E08KJ6                                       | 07-Jan-2020      | 7.04        | 14-Apr-2023   | 1,400.00                    | CARE AAA;<br>Stable                       |
| 7 86 TX USC BND SRS 195 | INE134E08KK4                                       | 14-Jan-2020      | 7.86        | 12-Apr-2030   | 1,100.00                    | CARE AAA;<br>Stable                       |
| 7 41 TX USC BND SRS 196 | INE134E08KL2                                       | 25-Feb-2020      | 7.41        | 25-Feb-2030   | 2,500.00                    | CARE AAA;<br>Stable                       |
| 7 41 TX USC BND SRS 197 | INE134E08KM0                                       | 02-Mar-2020      | 7.41        | 15-May-2030   | 5,000.00                    | CARE AAA;<br>Stable                       |
| 3 75 USD BONDS 2024     | XS2009878880                                       | 18-06-2019       | 3.75        | 18-06-2024    | 3,307.26                    | CARE AAA;<br>Stable                       |
| 4 50 USD BONDS 2029     | XS2013531061                                       | 18-06-2019       | 4.5         | 18-06-2029    | 4,960.90                    | CARE AAA;<br>Stable                       |
| 3 25 USD BONDS 2024     | XS2049301042                                       | 16-09-2019       | 3.25        | 16-09-2024    | 2,067.04                    | CARE AAA;<br>Stable                       |
| 3 25 USD BONDS 2024     | XS2049301042                                       | 16-09-2019       | 3.25        | 16-09-2024    | 413.41                      | CARE AAA;<br>Stable                       |
| 3 90 USD BONDS 2029     | XS2051369671                                       | 16-09-2019       | 3.9         | 16-09-2029    | 3,307.26                    | CARE AAA;<br>Stable                       |
| 3 90 USD BONDS 2029     | XS2051369671                                       | 16-09-2019       | 3.9         | 16-09-2029    | 413.41                      | CARE AAA;<br>Stable                       |
| 3 95 USD BONDS 2030     | US73928RAB24<br>(REG S);<br>US73928QAB41<br>(144A) | 23-01-2020       | 3.95        | 23-04-2030    | 826.82                      | CARE AAA;<br>Stable                       |
| 3 95 USD BONDS 2030     | US73928RAB24<br>(REG S);<br>US73928QAB41<br>(144A) | 23-01-2020       | 3.95        | 23-04-2030    | 4,960.90                    | CARE AAA;<br>Stable                       |
| 3 95 USD BONDS 2030     | US73928RAB24<br>(REG S);<br>US73928QAB41<br>(144A) | 23-01-2020       | 3.95        | 23-04-2030    | 353.82                      | CARE AAA;<br>Stable                       |

| Name of the Instrument | ISIN   | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (₹ crore) | Rating Assigned along with Rating Outlook |
|------------------------|--|------------------|-------------|---------------|-----------------------------|---|
| 3.95 USD BONDS 2030    | US73928RAB24 (REG S);<br>US73928QAB41 (144A) | 23-01-2020       | 3.95        | 23-04-2030    | 59.59                       | CARE AAA;<br>Stable                       |
| CANARA BANK            | Rupee Term Loan 1                            |                  |             | 21-Jun-24     | 500.00                      | CARE AAA;<br>Stable                       |
| CANARA Bank            | Rupee Term Loan 2                            |                  |             | 24-Jun-2024   | 500.00                      | CARE AAA;<br>Stable                       |
| CANARA BANK            | Rupee Term Loan                              |                  |             | 29-Jun-2024   | 1,000.00                    | CARE AAA;<br>Stable                       |
| Indian Bank            | Rupee Term Loan                              |                  |             | 29-Jun-26     | 1,800.00                    | CARE AAA;<br>Stable                       |
| Union Bank             | Rupee Term Loan                              |                  |             | 30-Sep-24     | 200.00                      | CARE AAA;<br>Stable                       |
| PNB                    | Rupee Term Loan                              |                  |             | 30-Sep-25     | 168.75                      | CARE AAA;<br>Stable                       |
| Indian Bank            | Rupee Term Loan                              |                  |             | 02-Jan-2027   | 54.80                       | CARE AAA;<br>Stable                       |
| Indian Bank            | Rupee Term Loan                              |                  |             | 02-Jan-2027   | 445.20                      | CARE AAA;<br>Stable                       |
| SBI                    | Rupee Term Loan                              |                  |             | 19-Dec-2024   | 500.00                      | CARE AAA;<br>Stable                       |
| SBI                    | Rupee Term Loan                              |                  |             | 19-Dec-2024   | 470.00                      | CARE AAA;<br>Stable                       |
| SBI                    | Rupee Term Loan                              |                  |             | 19-Dec-2024   | 1,170.00                    | CARE AAA;<br>Stable                       |
| SBI                    | Rupee Term Loan                              |                  |             | 19-Dec-2024   | 262.20                      | CARE AAA;<br>Stable                       |
| SBI                    | Rupee Term Loan                              |                  |             | 19-Dec-2024   | 167.80                      | CARE AAA;<br>Stable                       |
| SBI                    | Rupee Term Loan                              |                  |             | 19-Dec-2024   | 430.00                      | CARE AAA;<br>Stable                       |
| PNB                    | Rupee Term Loan                              |                  |             | 20-Mar-2025   | 666.67                      | CARE AAA;<br>Stable                       |
| CANARA BANK            | Rupee Term Loan                              |                  |             | 20-Mar-2024   | 875.00                      | CARE AAA;<br>Stable                       |

| Name of the Instrument                    | ISIN                       | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (₹ crore) | Rating Assigned along with Rating Outlook |
|---|----------------------------|------------------|-------------|---------------|-----------------------------|---|
| UNION BANK                                | Rupee Term Loan            |                  |             | 23-Mar-2025   | 1,250.00                    | CARE AAA; Stable                          |
| CANARA BANK                               | Rupee Term Loan            |                  |             | 23-Mar-2026   | 300.00                      | CARE AAA; Stable                          |
| UCO BANK                                  | Rupee Term Loan            |                  |             | 31-Mar-2023   | 500.00                      | CARE AAA; Stable                          |
| Union Bank                                | Rupee Term Loan            |                  |             | 15-Jan-2025   | 800.00                      | CARE AAA; Stable                          |
| State Bank of India                       | Foreign Currency Term Loan |                  |             | 20-Dec-24     | 2,067.04                    | CARE AAA; Stable                          |
| 5 75 SEC 54EC BD SR 4 2021 04             | INE134E07935               | 30-Apr-2020      | 5.75        | 30-Apr-2025   | 12.44                       | CARE AAA; Stable                          |
| 5 75 SEC 54EC BD SR 4 2021 05             | INE134E07943               | 31-May-2020      | 5.75        | 31-May-2025   | 39.39                       | CARE AAA; Stable                          |
| 5 75 SEC 54EC BD SR 4 2021 06             | INE134E07950               | 30-Jun-2020      | 5.75        | 30-Jun-2025   | 117.99                      | CARE AAA; Stable                          |
| 5 75 SEC 54EC BD SR 4 2021 07             | INE134E07976               | 31-Jul-2020      | 5.75        | 31-Jul-2025   | 82.56                       | CARE AAA; Stable                          |
| 5 75 SEC 54EC BD SR 4 2021 08             | INE134E07984               | 31-Aug-2020      | 5           | 31-Aug-2025   | 26.03                       | CARE AAA; Stable                          |
| 5 00 SEC 54EC BD SR 4 2021 09             | INE134E07992               | 30-Sep-2020      | 5           | 30-Sep-2025   | 61.44                       | CARE AAA; Stable                          |
| 5 00 SEC 54EC BD SR 4 2021 10             | INE134E07AA8               | 01-Nov-2020      | 5           | 31-Oct-2025   | 45.90                       | CARE AAA; Stable                          |
| 5 00 SEC 54EC BD SR 4 2021 11             | INE134E07AB6               | 01-Dec-2020      | 5           | 30-Nov-2025   | 48.87                       | CARE AAA; Stable                          |
| 5 00 SEC 54EC BD SR 4 2021 12             | INE134E07AC4               | 31-Dec-2020      | 5           | 31-Dec-2025   | 86.18                       | CARE AAA; Stable                          |
| 5 00 SEC 54EC BD SR 4 2021 01             | INE134E07AD2               | 31-Jan-2021      | 5           | 31-Jan-2026   | 76.54                       | CARE AAA; Stable                          |
| 5 00 SEC 54EC BD SR 4 2021 02             | INE134E07AE0               | 28-Feb-2021      | 5           | 28-Feb-2026   | 101.96                      | CARE AAA; Stable                          |
| 5 00 SEC 54EC BD SR 4 2021 03             | INE134E07AF7               | 31-Mar-2021      | 5           | 31-Mar-2026   | 238.47                      | CARE AAA; Stable                          |
| 4 80 SEC TAX NCD PI TR I SER I CAT III-IV | INE134E07AH3               | 22-Jan-2021      | 4.8         | 22-Jan-2024   | 1.96                        | CARE AAA; Stable                          |

| Name of the Instrument                             | ISIN         | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (₹ crore) | Rating Assigned along with Rating Outlook |
|--|--------------|------------------|-------------|---------------|-----------------------------|---|
| 5 65 SEC TAX NCD PI TR I SER II CAT I-II           | INE134E07AI1 | 22-Jan-2021      | 5.65        | 22-Jan-2026   | 27.05                       | CARE AAA; Stable                          |
| 5 80 SEC TAX NCD PI TR I SER II CAT III-IV         | INE134E07AJ9 | 22-Jan-2021      | 5.8         | 22-Jan-2026   | 3.50                        | CARE AAA; Stable                          |
| 6 63 SEC TAX NCD PI TR I SER III CAT I-II          | INE134E07AK7 | 22-Jan-2021      | 6.63        | 22-Jan-2031   | 0.50                        | CARE AAA; Stable                          |
| 6 82 SEC TAX NCD PI TR I SER III CAT III-IV        | INE134E07AL5 | 22-Jan-2021      | 6.82        | 22-Jan-2031   | 28.74                       | CARE AAA; Stable                          |
| 6 80 SEC TAX NCD PI TR I SER IV CAT I-II           | INE134E07AM3 | 22-Jan-2021      | 6.8         | 22-Jan-2031   | 33.67                       | CARE AAA; Stable                          |
| 7 00 SEC TAX NCD PI TR I SER IV CAT III-IV         | INE134E07AN1 | 22-Jan-2021      | 7           | 22-Jan-2031   | 1,635.53                    | CARE AAA; Stable                          |
| 10YR GSEC LINK SEC TAX NCD PI TR I SER V CAT I-II  | INE134E07AO9 | 22-Jan-2021      | 7.3         | 22-Jan-2031   | 10.35                       | CARE AAA; Stable                          |
| 10YR GSEC LNK SEC TAX NCD PI TR I SER V CAT III-IV | INE134E07AP6 | 22-Jan-2021      | 7.5         | 22-Jan-2031   | 1,250.73                    | CARE AAA; Stable                          |
| 6 78 SEC TAX NCD PI TR I SER VI CAT I-II           | INE134E07AQ4 | 22-Jan-2021      | 6.78        | 22-Jan-2036   | 3.50                        | CARE AAA; Stable                          |
| 6 97 SEC TAX NCD PI TR I SER VI CAT III-IV         | INE134E07AR2 | 22-Jan-2021      | 6.97        | 22-Jan-2036   | 53.36                       | CARE AAA; Stable                          |
| 6 95 SEC TAX NCD PI TR I SER VII CAT I-II          | INE134E07AS0 | 22-Jan-2021      | 6.95        | 22-Jan-2036   | 50.05                       | CARE AAA; Stable                          |
| 7 15 SEC TAX NCD PI TR I SER VII CAT III-IV        | INE134E07AT8 | 22-Jan-2021      | 7.15        | 22-Jan-2036   | 1,330.05                    | CARE AAA; Stable                          |
| 6 98 TX USC BND SRS 198                            | INE134E08KN8 | 20-Apr-2020      | 6.98        | 20-Apr-2023   | 3,160.00                    | CARE AAA; Stable                          |
| 6 83 TX USC BND SRS 199A                           | INE134E08KO6 | 24-Apr-2020      | 6.83        | 24-Apr-2023   | 1,970.00                    | CARE AAA; Stable                          |
| 7 16 TX USC BND SRS 199B                           | INE134E08KP3 | 24-Apr-2020      | 7.16        | 24-Apr-2025   | 1,320.00                    | CARE AAA; Stable                          |
| 7 40 TX USC BND SRS 200                            | INE134E08KQ1 | 08-May-2020      | 7.4         | 08-May-2030   | 2,920.00                    | CARE AAA; Stable                          |
| 7 68 TX USC BND SRS 201                            | INE134E08KR9 | 15-May-2020      | 7.68        | 15-Jul-2030   | 3,101.30                    | CARE AAA; Stable                          |

| Name of the Instrument    | ISIN            | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (₹ crore) | Rating Assigned along with Rating Outlook |
|---------------------------|-----------------|------------------|-------------|---------------|-----------------------------|---|
| 6 75 TX USC BND SRS 202A  | INE134E08KS7    | 22-May-2020      | 6.75        | 22-May-2023   | 2,145.00                    | CARE AAA; Stable                          |
| 7 17 TX USC BND SRS 202B  | INE134E08KT5    | 22-May-2020      | 7.17        | 22-May-2025   | 810.00                      | CARE AAA; Stable                          |
| 7 79 TX USC BND SRS 202C  | INE134E08KU3    | 22-May-2020      | 7.79        | 22-Jul-2030   | 1,936.00                    | CARE AAA; Stable                          |
| 6 72 TX USC BND SRS 203A  | INE134E08KW9    | 11-Jun-2020      | 6.72        | 09-Jun-2023   | 2,206.00                    | CARE AAA; Stable                          |
| 7 75 TX USC BND SRS 203B  | INE134E08KV1    | 11-Jun-2020      | 7.75        | 11-Jun-2030   | 3,318.00                    | CARE AAA; Stable                          |
| 7 41 TX USC BND SRS 196R1 | INE134E08KL2    | 14-Jul-2020      | 7.41        | 25-Feb-2030   | 1,500.00                    | CARE AAA; Stable                          |
| 5 77 TX USC BND SRS 204A  | INE134E08KX7    | 28-Jul-2020      | 5.77        | 11-Apr-2025   | 900.00                      | CARE AAA; Stable                          |
| 6 88 TX USC BND SRS 204B  | INE134E08KY5    | 28-Jul-2020      | 6.88        | 11-Apr-2031   | 1,300.00                    | CARE AAA; Stable                          |
| 7 05 TX USC BND SRS 205A  | INE134E08KZ2    | 10-Aug-2020      | 7.05        | 10-Aug-2030   | 1,610.10                    | CARE AAA; Stable                          |
| 7 20 TX USC BND SRS 205B  | INE134E08LA3    | 10-Aug-2020      | 7.2         | 10-Aug-2035   | 1,605.70                    | CARE AAA; Stable                          |
| 5 47 TX USC BND SRS 206   | INE134E08LB1    | 20-Aug-2020      | 5.47        | 20-Aug-2023   | 3,000.00                    | CARE AAA; Stable                          |
| 7 04 TX USC BND SRS 207   | INE134E08LC9    | 09-Sep-2020      | 7.04        | 16-Dec-2030   | 1,097.40                    | CARE AAA; Stable                          |
| 6 50 TX USC BND SRS 208   | INE134E08LD7    | 17-Sep-2020      | 6.5         | 17-Sep-2025   | 2,806.00                    | CARE AAA; Stable                          |
| 7 34 TX USC BND SRS 209   | INE134E08LE5    | 29-Sep-2020      | 7.34        | 29-Sep-2035   | 1,711.00                    | CARE AAA; Stable                          |
| 7 04 TX USC BND SRS 207R1 | INE134E08LC9    | 11-Nov-2020      | 7.04        | 16-Dec-2030   | 2,549.10                    | CARE AAA; Stable                          |
| 3 35 USD BONDS 2031       | XS2282240907    | 28-01-2021       | 3.35        | 16-05-2031    | 4,134.08                    | CARE AAA; Stable                          |
| SBI                       | Rupee Term Loan |                  |             | 10-Jul-2025   | 3,570.00                    | CARE AAA; Stable                          |
| INDIAN BANK               | Rupee Term Loan |                  |             | 28-Sep-2025   | 1,125.00                    | CARE AAA; Stable                          |

| Name of the Instrument        | ISIN                       | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (₹ crore) | Rating Assigned along with Rating Outlook |
|-------------------------------|----------------------------|------------------|-------------|---------------|-----------------------------|---|
| UNION BANK OF INDIA           | Rupee Term Loan            |                  |             | 30-Sep-2025   | 1,350.00                    | CARE AAA; Stable                          |
| UCO BANK                      | Rupee Term Loan            |                  |             | 26-May-2023   | 200.00                      | CARE AAA; Stable                          |
| BANK OF INDIA                 | Rupee Term Loan            |                  |             | 11-Sep-2026   | 1,000.00                    | CARE AAA; Stable                          |
| CANARA BANK                   | Rupee Term Loan            |                  |             | 22-Sep-2026   | 1,400.00                    | CARE AAA; Stable                          |
| EXIM BANK                     | Foreign Currency Term Loan |                  |             | 13-Oct-25     | 826.82                      | CARE AAA; Stable                          |
| State Bank of India           | Foreign Currency Term Loan |                  |             | 05-Nov-25     | 1,240.22                    | CARE AAA; Stable                          |
| Punjab National Bank          | Foreign Currency Term Loan |                  |             | 05-Nov-25     | 826.82                      | CARE AAA; Stable                          |
| DBS                           | Foreign Currency Term Loan |                  |             | 05-Nov-25     | 413.41                      | CARE AAA; Stable                          |
| 5 00 SEC 54EC BD SR 5 2122 04 | INE134E07AU6               | 30-Apr-2021      | 5           | 30-Apr-2026   | 74.66                       | CARE AAA; Stable                          |
| 5 00 SEC 54EC BD SR 5 2122 05 | INE134E07AV4               | 31-May-2021      | 5           | 31-May-2026   | 66.60                       | CARE AAA; Stable                          |
| 5 00 SEC 54EC BD SR 5 2122 06 | INE134E07AW2               | 30-Jun-2021      | 5           | 30-Jun-2026   | 103.86                      | CARE AAA; Stable                          |
| 5 00 SEC 54EC BD SR 5 2122 07 | INE134E07AX0               | 31-Jul-2021      | 5           | 31-Jul-2026   | 131.00                      | CARE AAA; Stable                          |
| 5 00 SEC 54EC BD SR 5 2122 08 | INE134E07AY8               | 31-Aug-2021      | 5           | 31-Aug-2026   | 106.04                      | CARE AAA; Stable                          |
| 5 00 SEC 54EC BD SR 5 2122 09 | INE134E07AZ5               | 30-Sep-2021      | 5           | 30-Sep-2026   | 135.76                      | CARE AAA; Stable                          |
| 5 00 SEC 54EC BD SR 5 2122 10 | INE134E07BA6               | 31-Oct-2021      | 5           | 31-Oct-2026   | 94.42                       | CARE AAA; Stable                          |
| 5 00 SEC 54EC BD SR 5 2122 11 | INE134E07BB4               | 30-Nov-2021      | 5           | 30-Nov-2026   | 84.94                       | CARE AAA; Stable                          |
| 5 00 SEC 54EC BD SR 5 2122 12 | INE134E07BC2               | 31-Dec-2021      | 5           | 31-Dec-2026   | 125.81                      | CARE AAA; Stable                          |
| 5 00 SEC 54EC BD SR 5 2122 01 | INE134E07BD0               | 31-Jan-2022      | 5           | 31-Jan-2027   | 111.14                      | CARE AAA; Stable                          |



| Name of the Instrument           | ISIN            | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (₹ crore) | Rating Assigned along with Rating Outlook |
|----------------------------------|-----------------|------------------|-------------|---------------|-----------------------------|---|
| 5 00 SEC 54EC BD SR 5 2122 02    | INE134E07BE8    | 28-Feb-2022      | 5           | 28-Feb-2027   | 130.49                      | CARE AAA; Stable                          |
| 5 00 SEC 54EC BD SR 5 2122 03    | INE134E07BF5    | 31-Mar-2022      | 5           | 31-Mar-2027   | 269.93                      | CARE AAA; Stable                          |
| 6 35 TX USC BND SRS 210A STRPP1  | INE134E08LF2    | 30-Jun-2021      | 6.35        | 30-Jun-2025   | 405.60                      | CARE AAA; Stable                          |
| 6 35 TX USC BND SRS 210A STRPP2  | INE134E08LG0    | 30-Jun-2021      | 6.35        | 30-Jun-2026   | 540.80                      | CARE AAA; Stable                          |
| 6 35 TX USC BND SRS 210A STRPP3  | INE134E08LH8    | 30-Jun-2021      | 6.35        | 30-Jun-2027   | 405.60                      | CARE AAA; Stable                          |
| 7 11 TX USC BND SRS 210B         | INE134E08LI6    | 30-Jun-2021      | 7.11        | 30-Jun-2036   | 1,933.50                    | CARE AAA; Stable                          |
| 4 05 TX USC BND SRS 211 Floating | INE134E08LJ4    | 02-Aug-2021      | 6.21        | 02-Aug-2024   | 1,985.00                    | CARE AAA; Stable                          |
| 7 15 TX USC BND SRS 212B         | INE134E08LLO    | 27-Aug-2021      | 7.15        | 27-Aug-2036   | 2,343.70                    | CARE AAA; Stable                          |
| 6 09 TX USC BND SRS 212 A        | INE134E08LK2    | 27-Aug-2021      | 6.09        | 27-Aug-2026   | 2,450.00                    | CARE AAA; Stable                          |
| 6 95 TX UNS BND SRS 213          | INE134E08LM8    | 01-Oct-2021      | 6.95        | 01-Oct-2031   | 1,988.00                    | CARE AAA; Stable                          |
| 6 92 TX USC BND SRS 214 BBETF    | INE134E08LN6    | 21-Dec-2021      | 6.92        | 14-Apr-2032   | 1,180.00                    | CARE AAA; Stable                          |
| 1 841 EUR BOND 2028              | XS2384373341    | 20-09-2021       | 1.84        | 21-09-2028    | 2,626.41                    | CARE AAA; Stable                          |
| HDFC BANK                        | Rupee Term Loan |                  |             | 29-Jun-2023   | 2,300.00                    | CARE AAA; Stable                          |
| HDFC BANK                        | Rupee Term Loan |                  |             | 29-Jun-2023   | 550.00                      | CARE AAA; Stable                          |
| HDFC BANK                        | Rupee Term Loan |                  |             | 29-Jun-2023   | 150.00                      | CARE AAA; Stable                          |
| BANK OF INDIA                    | Rupee Term Loan |                  |             | 18-Sep-2028   | 50.00                       | CARE AAA; Stable                          |
| BANK OF INDIA                    | Rupee Term Loan |                  |             | 18-Sep-2028   | 100.00                      | CARE AAA; Stable                          |
| BANK OF INDIA                    | Rupee Term Loan |                  |             | 18-Sep-2028   | 50.00                       | CARE AAA; Stable                          |

| Name of the Instrument | ISIN                       | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (₹ crore) | Rating Assigned along with Rating Outlook |
|------------------------|----------------------------|------------------|-------------|---------------|-----------------------------|---|
| BANK OF INDIA          | Rupee Term Loan            |                  |             | 18-Sep-2028   | 300.00                      | CARE AAA; Stable                          |
| UCO BANK               | Rupee Term Loan            |                  |             | 24-Sep-2026   | 1,000.00                    | CARE AAA; Stable                          |
| PNB                    | Rupee Term Loan            |                  |             | 27-Sep-2026   | 425.00                      | CARE AAA; Stable                          |
| PNB                    | Rupee Term Loan            |                  |             | 27-Sep-2026   | 75.00                       | CARE AAA; Stable                          |
| PNB                    | Rupee Term Loan            |                  |             | 29-Sep-2026   | 5.00                        | CARE AAA; Stable                          |
| HDFC BANK              | Rupee Term Loan            |                  |             | 30-Sep-2023   | 1,000.00                    | CARE AAA; Stable                          |
| HDFC BANK              | Rupee Term Loan            |                  |             | 30-Sep-2025   | 3,000.00                    | CARE AAA; Stable                          |
| CENTRAL BANK           | Rupee Term Loan            |                  |             | 31-Mar-2027   | 1,000.00                    | CARE AAA; Stable                          |
| UNION BANK             | Rupee Term Loan            |                  |             | 31-Mar-2028   | 3,000.00                    | CARE AAA; Stable                          |
| IIFCL                  | Rupee Term Loan            |                  |             | 30-Sep-2026   | 1,000.00                    | CARE AAA; Stable                          |
| SMBC                   | WCDL                       |                  |             |               | 0.00                        | CARE AAA; Stable                          |
| HDFC                   | WCDL                       |                  |             |               | 3,050.00                    | CARE AAA; Stable                          |
| Axis Bank              | WCDL                       |                  |             |               | 500.00                      | CARE AAA; Stable                          |
| Yes                    | WCDL                       |                  |             |               | 700.00                      | CARE AAA; Stable                          |
| State Bank of India    | Foreign Currency Term Loan |                  |             | 30-Nov-26     | 2,273.74                    | CARE AAA; Stable                          |
| Bank of Baroda         | Foreign Currency Term Loan |                  |             | 30-Nov-26     | 1,240.22                    | CARE AAA; Stable                          |
| Canara Bank            | Foreign Currency Term Loan |                  |             | 30-Nov-26     | 826.82                      | CARE AAA; Stable                          |
| EXIM Bank              | Foreign Currency Term Loan |                  |             | 30-Nov-26     | 826.82                      | CARE AAA; Stable                          |

| Name of the Instrument          | ISIN         | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (₹ crore) | Rating Assigned along with Rating Outlook |
|---------------------------------|--------------|------------------|-------------|---------------|-----------------------------|---|
| 5 00 SEC 54EC BD SR 6 2223 04   | INE134E07BG3 | 30-Apr-2022      | 5           | 30-Apr-2027   | 182.00                      | CARE AAA; Stable                          |
| 5 00 SEC 54EC BD SR 6 2223 05   | INE134E07BH1 | 31-May-2022      | 5           | 31-May-2027   | 190.40                      | CARE AAA; Stable                          |
| 35 00 SEC 54EC BD SR 6 2223 06  | INE134E07BI9 | 30-Jun-2022      | 5           | 30-Jun-2027   | 180.62                      | CARE AAA; Stable                          |
| 5 00 SEC 54EC BD SR 6 2223 07   | INE134E07BJ7 | 31-Jul-2022      | 5           | 31-Jul-2027   | 253.08                      | CARE AAA; Stable                          |
| 5 00 SEC 54EC BD SR 6 2223 08   | INE134E07BK5 | 31-Aug-2022      | 5           | 31-Aug-2027   | 146.19                      | CARE AAA; Stable                          |
| 5 00 SEC 54EC BD SR 6 2223 09   | INE134E07BL3 | 30-Sep-2022      | 5           | 30-Sep-2027   | 214.67                      | CARE AAA; Stable                          |
| 5 00 SEC 54EC BD SR 6 2223 10   | INE134E07BM1 | 31-Oct-2022      | 5           | 31-Oct-2027   | 176.41                      | CARE AAA; Stable                          |
| 5 00 SEC 54EC BD SR 6 2223 11   | INE134E07BN9 | 30-Nov-2022      | 5           | 30-Nov-2027   | 200.25                      | CARE AAA; Stable                          |
| 5 00 SEC 54EC BD SR 6 2223 12   | INE134E07BO7 | 31-Dec-2022      | 5           | 31-Dec-2027   | 212.29                      | CARE AAA; Stable                          |
| 5 00 SEC 54EC BD SR 6 2223 01   | INE134E07BP4 | 31-Jan-2023      | 5           | 31-Jan-2028   | 191.69                      | CARE AAA; Stable                          |
| 7 13 TX UNS BND SRS 215         | INE134E08LO4 | 10-Aug-2022      | 7.13        | 10-Aug-2025   | 2,420.00                    | CARE AAA; Stable                          |
| 7 13 TX UNS BND SRS 216         | INE134E08LP1 | 24-Aug-2022      | 7.13        | 15-Jul-2026   | 3,000.00                    | CARE AAA; Stable                          |
| 7 42 TX UNS BND SRS 217A        | INE134E08LO9 | 08-Sep-2022      | 7.42        | 08-Sep-2032   | 4,000.00                    | CARE AAA; Stable                          |
| 7 15 TX USC BND SRS 217B STRPP1 | INE134E08LR7 | 08-Sep-2022      | 7.15        | 08-Sep-2025   | 276.40                      | CARE AAA; Stable                          |
| 7 15 TX USC BND SRS 217B STRPP2 | INE134E08LS5 | 08-Sep-2022      | 7.15        | 08-Sep-2026   | 276.40                      | CARE AAA; Stable                          |
| 7 15 TX USC BND SRS 217B STRPP3 | INE134E08LT3 | 08-Sep-2022      | 7.15        | 08-Sep-2027   | 276.40                      | CARE AAA; Stable                          |
| 7 59 TX UNS BND SRS 218         | INE134E08LU1 | 03-Nov-2022      | 7.59        | 03-Nov-2025   | 1,450.00                    | CARE AAA; Stable                          |
| 7 65 TX UNS BND SRS 219         | INE134E08LV9 | 14-Nov-2022      | 7.65        | 14-Nov-2037   | 4,000.00                    | CARE AAA; Stable                          |

| Name of the Instrument             | ISIN            | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (₹ crore) | Rating Assigned along with Rating Outlook |
|------------------------------------|-----------------|------------------|-------------|---------------|-----------------------------|---|
| 7 58 TX UNS BND SRS 220 BBETF      | INE134E08LW7    | 14-Dec-2022      | 7.58        | 15-Apr-2033   | 470.00                      | CARE AAA; Stable                          |
| 7 72 TX UNS BND SRS 221A           | INE134E08LY3    | 19-Dec-2022      | 7.72        | 19-Dec-2037   | 2,782.70                    | CARE AAA; Stable                          |
| 7 59 TX UNS BND SRS 221B           | INE134E08LX5    | 19-Dec-2022      | 7.59        | 14-Jan-2028   | 3,500.00                    | CARE AAA; Stable                          |
| 7 58 TX UNS BND SRS 222            | INE134E08LZ0    | 27-Dec-2022      | 7.58        | 15-Jan-2026   | 2,540.00                    | CARE AAA; Stable                          |
| 7 64 TX UNS BND SRS 223            | INE134E08MA1    | 22-Feb-2023      | 7.64        | 22-Feb-2033   | 3,500.00                    | CARE AAA; Stable                          |
| 7 82 TX UNS BND SRS 224            | INE134E08MB9    | 06-Mar-2023      | 7.82        | 06-Mar-2038   | 3,468.50                    | CARE AAA; Stable                          |
| 7 77 TX UNS BND SRS 225A           | INE134E08MC7    | 13-Mar-2023      | 7.77        | 15-Jul-2026   | 3,262.70                    | CARE AAA; Stable                          |
| 7 82 TX USC BND SRS 225B STRPP I   | INE134E08MF0    | 13-Mar-2023      | 7.82        | 13-Mar-2030   | 625.00                      | CARE AAA; Stable                          |
| 7 82 TX USC BND SRS 225B STRPP II  | INE134E08MG8    | 13-Mar-2023      | 7.82        | 13-Mar-2031   | 625.00                      | CARE AAA; Stable                          |
| 7 82 TX USC BND SRS 225B STRPP III | INE134E08ME3    | 13-Mar-2023      | 7.82        | 13-Mar-2032   | 625.00                      | CARE AAA; Stable                          |
| 7 82 TX USC BND SRS 225B STRPP IV  | INE134E08MD5    | 13-Mar-2023      | 7.82        | 13-Mar-2033   | 625.00                      | CARE AAA; Stable                          |
| CANARA BANK                        | Rupee Term Loan |                  |             | 28-Jun-2028   | 2,250.00                    | CARE AAA; Stable                          |
| CANARA BANK                        | Rupee Term Loan |                  |             | 30-Jun-2028   | 250.00                      | CARE AAA; Stable                          |
| IOB                                | Rupee Term Loan |                  |             | 30-Sep-2028   | 1,000.00                    | CARE AAA; Stable                          |
| BANK OF BARODA                     | Rupee Term Loan |                  |             | 17-Nov-2029   | 1,500.00                    | CARE AAA; Stable                          |
| BANK OF BARODA                     | Rupee Term Loan |                  |             | 17-Nov-2029   | 500.00                      | CARE AAA; Stable                          |
| BANK OF BARODA                     | Rupee Term Loan |                  |             | 17-Nov-2029   | 850.00                      | CARE AAA; Stable                          |
| BANK OF BARODA                     | Rupee Term Loan |                  |             | 17-Nov-2029   | 1,100.00                    | CARE AAA; Stable                          |

| Name of the Instrument  | ISIN                       | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (₹ crore) | Rating Assigned along with Rating Outlook |
|---|----------------------------|------------------|-------------|---------------|-----------------------------|---|
| BANK OF BARODA  | Rupee Term Loan            |                  |             | 17-Nov-2029   | 1,050.00                    | CARE AAA; Stable                          |
| KEB HANA BANK   | Rupee Term Loan            |                  |             | 17-Nov-2025   | 100.00                      | CARE AAA; Stable                          |
| Indusind  | WCDL                       |                  |             |               | 500.00                      | CARE AAA; Stable                          |
| Mizuho  | WCDL                       |                  |             |               | 250.00                      | CARE AAA; Stable                          |
| IDFC Bank   | WCDL                       |                  |             |               | 350.00                      | CARE AAA; Stable                          |
| ICICI   | WCDL                       |                  |             |               | 3,000.00                    | CARE AAA; Stable                          |
| SBI   | WCDL                       |                  |             |               | 2,500.00                    | CARE AAA; Stable                          |
| SBI   | WCDL                       |                  |             |               | 500.00                      | CARE AAA; Stable                          |
| RBL   | WCDL                       |                  |             |               | 300.00                      | CARE AAA; Stable                          |
| Citi Bank   | WCDL                       |                  |             |               | 50.00                       | CARE AAA; Stable                          |
| State Bank of India, Hong Kong Branch                           | Foreign Currency Term Loan |                  |             | 28-Dec-26     | 1,069.16                    | CARE AAA; Stable                          |
| State Bank of India, Hong Kong Branch                           | Foreign Currency Term Loan |                  |             | 28-Dec-27     | 1,069.16                    | CARE AAA; Stable                          |
| State Bank of India, Hong Kong Branch                           | Foreign Currency Term Loan |                  |             | 28-Dec-28     | 1,069.48                    | CARE AAA; Stable                          |
| MUFG Bank, Ltd., GIFT Branch                                    | Foreign Currency Term Loan |                  |             | 28-Dec-26     | 534.58                      | CARE AAA; Stable                          |
| MUFG Bank, Ltd., GIFT Branch                                    | Foreign Currency Term Loan |                  |             | 28-Dec-27     | 534.58                      | CARE AAA; Stable                          |
| MUFG Bank, Ltd., GIFT Branch                                    | Foreign Currency Term Loan |                  |             | 28-Dec-28     | 534.74                      | CARE AAA; Stable                          |
| Crédit Agricole Corporate and Investment Bank, Hong Kong Branch | Foreign Currency Term Loan |                  |             | 28-Dec-26     | 200.47                      | CARE AAA; Stable                          |

| Name of the Instrument  | ISIN                             | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (₹ crore) | Rating Assigned along with Rating Outlook |
|---|----------------------------------|------------------|-------------|---------------|-----------------------------|---|
| Crédit Agricole Corporate and Investment Bank, Hong Kong Branch | Foreign Currency Term Loan       |                  |             | 28-Dec-27     | 200.47                      | CARE AAA; Stable                          |
| Crédit Agricole Corporate and Investment Bank, Hong Kong Branch | Foreign Currency Term Loan       |                  |             | 28-Dec-28     | 200.53                      | CARE AAA; Stable                          |
| KFW   | Foreign Currency Term Loan       |                  |             | 15-Nov-31     | 514.31                      | CARE AAA; Stable                          |
| Sumitomo Mitsui Banking Corporation, Singapore Branch           | Foreign Currency Term Loan       |                  |             | 05-Jan-30     | 1,623.92                    | CARE AAA; Stable                          |
| Proposed- Long Term   |                                  |                  |             |               | 8727.90                     | CARE AAA; Stable                          |
| HDFC BANK   | Short Term Rupee Loan            |                  |             | 10-Jun-2023   | 1,000.00                    | CARE A1+                                  |
| HDFC BANK   | Short Term Rupee Loan            |                  |             | 13-Jun-2023   | 650                         | CARE A1+                                  |
| HDFC BANK   | Short Term Rupee Loan            |                  |             | 20-Jun-2023   | 20                          | CARE A1+                                  |
| HDFC BANK   | Short Term Rupee Loan            |                  |             | 22-Jun-2023   | 7                           | CARE A1+                                  |
| HDFC BANK   | Short Term Rupee Loan            |                  |             | 23-Jun-2023   | 55                          | CARE A1+                                  |
| HDFC BANK   | Short Term Rupee Loan            |                  |             | 24-Jun-2023   | 33                          | CARE A1+                                  |
| HDFC BANK   | Short Term Rupee Loan            |                  |             | 27-Jun-2023   | 235                         | CARE A1+                                  |
| HDFC BANK   | Short Term Rupee Loan            |                  |             | 30-Jun-2023   | 1,000.00                    | CARE A1+                                  |
| State Bank of India   | Short Term Foreign Currency Loan |                  |             | 15-Dec-23     | 909.50                      | CARE A1+                                  |
| ICICI Bank  | Short Term Foreign Currency Loan |                  |             | 29-Dec-23     | 825.06                      | CARE A1+                                  |
| Proposed – Short Term   |                                  |                  |             |               | 15,265.40                   | CARE A1+                                  |
| Long Term Market Borrowing FY24                                 | Proposed                         | -                | -           | -             | 60,000.00                   | CARE AAA; Stable                          |

| Name of the Instrument                              | ISIN          | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (₹ crore) | Rating Assigned along with Rating Outlook |
|---|---------------|------------------|-------------|---------------|-----------------------------|---|
| Commercial paper issue for FY24                     | proposed      | -                | -           | -             | 10,000.00                   | CARE A1+                                  |
| 92-C  | INE134E08EX0* | 21-08-2012       | 9.29%       | 21-Aug-22     | 0                           | Withdrawn                                 |
| 94-A  | INE134E07299* | 22-11-2012       | 7.21%       | 22-Nov-22     | 0                           | Withdrawn                                 |
| 95-A  | INE134E07315* | 29-11-2012       | 7.22%       | 29-Nov-22     | 0                           | Withdrawn                                 |
| 7.19% 10 years tax free bonds 2012-13 TR-I series-1 | INE134E07331* | 04-01-2013       | 7.19%       | 04-Jan-23     | 0                           | Withdrawn                                 |
| 7.69% 10 years tax free bonds 2012-13 TR-I series-1 | INE134E07331* | 04-01-2013       | 7.69%       | 04-Jan-23     | 0                           | Withdrawn                                 |
| 99-B  | INE134E08FG2* | 20-02-2013       | 8.82%       | 20-Feb-20     | 0                           | Withdrawn                                 |
| 100-B   | INE134E08FJ6* | 04-03-2013       | 8.84%       | 04-Mar-23     | 0                           | Withdrawn                                 |
| 102-A(II)   | INE134E08FN8* | 18-03-2013       | 8.90%       | 18-Mar-23     | 0                           | Withdrawn                                 |
| 102-B   | INE134E08FP3* | 18-03-2013       | 8.87%       | 18-Mar-23     | 0                           | Withdrawn                                 |
| 112-B   | INE134E07497* | 31-01-2014       | 9.70%       | 31-Jan-20     | 0                           | Withdrawn                                 |
| 112-C   | INE134E07505* | 31-01-2014       | 9.70%       | 31-Jan-21     | 0                           | Withdrawn                                 |
| 115-III   | INE134E08GA3* | 07-07-2014       | 9.20%       | 07-Jul-21     | 0                           | Withdrawn                                 |
| 121-B   | INE134E08GN6* | 21-10-2014       | 8.96%       | 21-Oct-19     | 0                           | Withdrawn                                 |
| 122   | INE134E08GO4* | 07-11-2014       | 8.76%       | 07-Nov-19     | 0                           | Withdrawn                                 |
| 127   | INE134E08GX5* | 26-02-2015       | 8.36%       | 26-Feb-20     | 0                           | Withdrawn                                 |
| 146   | INE134E08ID3* | 27-04-2016       | 8.05%       | 27-Apr-21     | 0                           | Withdrawn                                 |
| 154   | INE134E08IN2* | 22-12-2016       | 7.27%       | 22-Dec-21     | 0                           | Withdrawn                                 |
| 157   | INE134E08IQ5* | 17-01-2017       | 6.83%       | 15-Apr-20     | 0                           | Withdrawn                                 |
| 169A  | INE134E08JD1* | 08-08-2017       | 7.10%       | 08-Aug-22     | 0                           | Withdrawn                                 |
| 170A  | INE134E08JF6* | 22-11-2017       | 7.35%       | 22-Nov-22     | 0                           | Withdrawn                                 |
| 173A  | INE134E08JJ8* | 12-02-2018       | 7.73%       | 12-Mar-21     | 0                           | Withdrawn                                 |
| 173B  | INE134E08JK6* | 12-02-2018       | 7.73%       | 05-Apr-21     | 0                           | Withdrawn                                 |
| 176B  | INE134E08JO8* | 20-03-2018       | 7.99%       | 20-Dec-22     | 0                           | Withdrawn                                 |
| 181   | INE134E08JU5* | 11-03-2019       | 8.45%       | 11-Aug-22     | 0                           | Withdrawn                                 |

| Name of the Instrument                         | ISIN          | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (₹ crore) | Rating Assigned along with Rating Outlook |
|--|---------------|------------------|-------------|---------------|-----------------------------|---|
| 183  | INE134E08JW1* | 19-03-2019       | 8.18%       | 19-Mar-22     | 0                           | Withdrawn                                 |
| 187(A)   | INE134E08KB3* | 27-05-2019       | 8.20%       | 27-May-22     | 0                           | Withdrawn                                 |
| 191  | INE134E08KG2* | 15-10-2019       | 7.35%       | 15-Oct-22     | 0                           | Withdrawn                                 |
| Short-term market borrowing programme for FY18 | -             | -                | -           | -             | 0.00*                       | Withdrawn                                 |
| Short-term market borrowing programme for FY19 | -             | -                | -           | -             | 0.00*                       | Withdrawn                                 |
| Short-term market borrowing programme for FY20 | -             | -                | -           | -             | 0.00*                       | Withdrawn                                 |
| Short-term market borrowing programme for FY21 | -             | -                | -           | -             | 0.00*                       | Withdrawn                                 |
| Short-term Market Borrowing Programme for FY22 | -             | -                | -           | -             | 0.00*                       | Withdrawn                                 |
| Commercial paper issue for FY19                | -             | -                | -           | 7-365 days    | 0.00*                       | Withdrawn                                 |
| Commercial paper issue for FY20                | -             | -                | -           | 7-365 days    | 0.00*                       | Withdrawn                                 |
| Commercial paper issue for FY21                | -             | 06-Aug-20        | 4.03        | 30-Jul-21     | 0.00*                       | Withdrawn                                 |
| Commercial paper issue for FY22                | -             | -                | -           | 7-365 days    | 0.00*                       | Withdrawn                                 |
| Commercial paper issue for FY23                | Proposed      | -                | -           | 7-365 days    | 0.00*                       | Withdrawn                                 |

\*Withdrawn on receipt of no dues certificate and confirmation of non-utilisation from company



## Annexure-2: Rating history for the last three years

| Sr. No. | Name of the Instrument/Bank Facilities | Current Ratings |                              |                  | Rating History   |   |   |   |
|---------|--|-----------------|------------------------------|------------------|--|---|---|---|
|         |  | Type            | Amount Outstanding (₹ crore) | Rating           | Date(s) and Rating(s) assigned in 2022-2023  | Date(s) and Rating(s) assigned in 2021-2022 | Date(s) and Rating(s) assigned in 2020-2021 | Date(s) and Rating(s) assigned in 2019-2020 |
| 1       | Borrowings-Market Borrowing Programme  | LT              | 5338.41                      | CARE AAA; Stable | 1)CARE AAA; Stable (13-Feb-23)<br>2)CARE AAA; Stable (31-Jan-23)<br>3)CARE AAA; Stable (05-Jul-22) | 1)CARE AAA; Stable (06-Jul-21)              | 1)CARE AAA; Stable (01-Oct-20)              | 1)CARE AAA; Stable (03-Oct-19)              |
| 2       | Borrowings-Market Borrowing Programme  | LT              | 4999.53                      | CARE AAA; Stable | 1)CARE AAA; Stable (13-Feb-23)<br>2)CARE AAA; Stable (31-Jan-23)<br>3)CARE AAA; Stable (05-Jul-22) | 1)CARE AAA; Stable (06-Jul-21)              | 1)CARE AAA; Stable (01-Oct-20)              | 1)CARE AAA; Stable (03-Oct-19)              |
| 3       | Debt-Subordinate Debt                  | LT              | 3800.00                      | CARE AAA; Stable | 1)CARE AAA; Stable (13-Feb-23)<br>2)CARE AAA; Stable (31-Jan-23)                                   | 1)CARE AAA; Stable (06-Jul-21)              | 1)CARE AAA; Stable (01-Oct-20)              | 1)CARE AAA; Stable (03-Oct-19)              |

| Sr. No. | Name of the Instrument/Bank Facilities | Current Ratings |                              |                  | Rating History   |   |   |   |
|---------|--|-----------------|------------------------------|------------------|--|---|---|---|
|         |  | Type            | Amount Outstanding (₹ crore) | Rating           | Date(s) and Rating(s) assigned in 2022-2023  | Date(s) and Rating(s) assigned in 2021-2022 | Date(s) and Rating(s) assigned in 2020-2021 | Date(s) and Rating(s) assigned in 2019-2020 |
|         |  |                 |                              |                  | 3)CARE AAA; Stable (05-Jul-22)   |   |   |   |
| 4       | Borrowings-Market Borrowing Programme  | LT              | 20037.00                     | CARE AAA; Stable | 1)CARE AAA; Stable (13-Feb-23)<br>2)CARE AAA; Stable (31-Jan-23)<br>3)CARE AAA; Stable (05-Jul-22) | 1)CARE AAA; Stable (06-Jul-21)              | 1)CARE AAA; Stable (01-Oct-20)              | 1)CARE AAA; Stable (03-Oct-19)              |
| 5       | Borrowings-Market Borrowing Programme  | LT              | 2000.01                      | CARE AAA; Stable | 1)CARE AAA; Stable (13-Feb-23)<br>2)CARE AAA; Stable (31-Jan-23)<br>3)CARE AAA; Stable (05-Jul-22) | 1)CARE AAA; Stable (06-Jul-21)              | 1)CARE AAA; Stable (01-Oct-20)              | 1)CARE AAA; Stable (03-Oct-19)              |
| 6       | Borrowings-Market Borrowing Programme  | LT              | 14520.00                     | CARE AAA; Stable | 1)CARE AAA; Stable (13-Feb-23)   | 1)CARE AAA; Stable (06-Jul-21)              | 1)CARE AAA; Stable (01-Oct-20)              | 1)CARE AAA; Stable (03-Oct-19)              |

| Sr. No. | Name of the Instrument/Bank Facilities      | Current Ratings |                              |                  | Rating History   |   |   |   |
|---------|---|-----------------|------------------------------|------------------|--|---|---|---|
|         |   | Type            | Amount Outstanding (₹ crore) | Rating           | Date(s) and Rating(s) assigned in 2022-2023  | Date(s) and Rating(s) assigned in 2021-2022 | Date(s) and Rating(s) assigned in 2020-2021 | Date(s) and Rating(s) assigned in 2019-2020 |
|         |   |                 |                              |                  | 2)CARE AAA; Stable (31-Jan-23)<br>3)CARE AAA; Stable (05-Jul-22)                                   |   |   |   |
| 7       | Borrowings-Market Borrowing Programme       | LT              | 14198.26                     | CARE AAA; Stable | 1)CARE AAA; Stable (13-Feb-23)<br>2)CARE AAA; Stable (31-Jan-23)<br>3)CARE AAA; Stable (05-Jul-22) | 1)CARE AAA; Stable (06-Jul-21)              | 1)CARE AAA; Stable (01-Oct-20)              | 1)CARE AAA; Stable (03-Oct-19)              |
| 8       | Short Term Instruments-Short Term Borrowing | ST              | -                            | -                | 1)CARE A1+ (13-Feb-23)<br>2)CARE A1+ (31-Jan-23)<br>3)CARE A1+ (05-Jul-22)                         | 1)CARE A1+ (06-Jul-21)                      | 1)CARE A1+ (01-Oct-20)                      | 1)CARE A1+ (03-Oct-19)                      |
| 9       | Borrowings-Market Borrowing Programme       | LT              | 44820.70                     | CARE AAA; Stable | 1)CARE AAA; Stable (13-Feb-23)   | 1)CARE AAA; Stable (06-Jul-21)              | 1)CARE AAA; Stable (01-Oct-20)              | 1)CARE AAA; Stable (03-Oct-19)              |

| Sr. No. | Name of the Instrument/Bank Facilities         | Current Ratings |                              |                  | Rating History   |   |   |   |
|---------|--|-----------------|------------------------------|------------------|--|---|---|---|
|         |  | Type            | Amount Outstanding (₹ crore) | Rating           | Date(s) and Rating(s) assigned in 2022-2023                                | Date(s) and Rating(s) assigned in 2021-2022 | Date(s) and Rating(s) assigned in 2020-2021 | Date(s) and Rating(s) assigned in 2019-2020 |
|         |  |                 |                              |                  | 2)CARE AAA; Stable (31-Jan-23)<br>3)CARE AAA; Stable (05-Jul-22)           |   |   |   |
| 10      | Short Term Instruments-Short Term Borrowing    | ST              | -                            | -                | 1)CARE A1+ (13-Feb-23)<br>2)CARE A1+ (31-Jan-23)<br>3)CARE A1+ (05-Jul-22) | 1)CARE A1+ (06-Jul-21)                      | 1)CARE A1+ (01-Oct-20)                      | 1)CARE A1+ (03-Oct-19)                      |
| 11      | Commercial Paper-Commercial Paper (Standalone) | ST              | -                            | -                | 1)CARE A1+ (13-Feb-23)<br>2)CARE A1+ (31-Jan-23)<br>3)CARE A1+ (05-Jul-22) | 1)CARE A1+ (06-Jul-21)                      | 1)CARE A1+ (01-Oct-20)                      | 1)CARE A1+ (03-Oct-19)                      |
| 12      | Borrowings-Market Borrowing Programme          | LT              | 66946.41                     | CARE AAA; Stable | 1)CARE AAA; Stable (13-Feb-23)   | 1)CARE AAA; Stable (06-Jul-21)              | 1)CARE AAA; Stable (01-Oct-20)              | 1)CARE AAA; Stable (21-Feb-20)              |

| Sr. No. | Name of the Instrument/Bank Facilities         | Current Ratings |                              |                  | Rating History   |   |  |  |
|---------|--|-----------------|------------------------------|------------------|--|---|--|--|
|         |  | Type            | Amount Outstanding (₹ crore) | Rating           | Date(s) and Rating(s) assigned in 2022-2023                                | Date(s) and Rating(s) assigned in 2021-2022 | Date(s) and Rating(s) assigned in 2020-2021                      | Date(s) and Rating(s) assigned in 2019-2020                                |
|         |  |                 |                              |                  | 2)CARE AAA; Stable (31-Jan-23)<br>3)CARE AAA; Stable (05-Jul-22)           |   |  | 2)CARE AAA; Stable (11-Nov-19)<br>3)CARE AAA; Stable (03-Oct-19)           |
| 13      | Short Term Instruments-Short Term Borrowing    | ST              | -                            | -                | 1)CARE A1+ (13-Feb-23)<br>2)CARE A1+ (31-Jan-23)<br>3)CARE A1+ (05-Jul-22) | 1)CARE A1+ (06-Jul-21)                      | 1)CARE A1+ (01-Oct-20)   | 1)CARE A1+ (21-Feb-20)<br>2)CARE A1+ (11-Nov-19)<br>3)CARE A1+ (03-Oct-19) |
| 14      | Commercial Paper-Commercial Paper (Standalone) | ST              | -                            | -                | 1)CARE A1+ (13-Feb-23)<br>2)CARE A1+ (31-Jan-23)<br>3)CARE A1+ (05-Jul-22) | 1)CARE A1+ (06-Jul-21)                      | 1)CARE A1+ (01-Oct-20)   | 1)CARE A1+ (21-Feb-20)<br>2)CARE A1+ (11-Nov-19)<br>3)CARE A1+ (03-Oct-19) |
| 15      | Borrowings-Market Borrowing Programme          | LT              | 62418.70                     | CARE AAA; Stable | 1)CARE AAA; Stable (13-Feb-23)   | 1)CARE AAA; Stable (06-Jul-21)              | 1)CARE AAA; Stable (07-Jan-21)<br>2)CARE AAA; Stable (27-Nov-20) | 1)CARE AAA; Stable (23-Mar-20)   |

| Sr. No. | Name of the Instrument/Bank Facilities         | Current Ratings |                              |        | Rating History   |   |  |   |
|---------|--|-----------------|------------------------------|--------|--|---|--|---|
|         |  | Type            | Amount Outstanding (₹ crore) | Rating | Date(s) and Rating(s) assigned in 2022-2023                                | Date(s) and Rating(s) assigned in 2021-2022 | Date(s) and Rating(s) assigned in 2020-2021                                | Date(s) and Rating(s) assigned in 2019-2020 |
|         |  |                 |                              |        | 2)CARE AAA; Stable (31-Jan-23)<br>3)CARE AAA; Stable (05-Jul-22)           |   | 3)CARE AAA; Stable (01-Oct-20)   |   |
| 16      | Short Term Instruments-Short Term Borrowing    | ST              | -                            | -      | -  | -   | 1)Withdrawn (27-Nov-20)<br>2)CARE A1+ (01-Oct-20)                          | 1)CARE A1+ (23-Mar-20)                      |
| 17      | Commercial Paper-Commercial Paper (Standalone) | ST              | -                            | -      | 1)CARE A1+ (13-Feb-23)<br>2)CARE A1+ (31-Jan-23)<br>3)CARE A1+ (05-Jul-22) | 1)CARE A1+ (06-Jul-21)                      | 1)CARE A1+ (07-Jan-21)<br>2)CARE A1+ (27-Nov-20)<br>3)CARE A1+ (01-Oct-20) | 1)CARE A1+ (23-Mar-20)                      |
| 18      | Short Term Instruments-Short Term Borrowing    | ST              | -                            | -      | 1)CARE A1+ (13-Feb-23)<br>2)CARE A1+ (31-Jan-23)<br>3)CARE A1+ (05-Jul-22) | 1)CARE A1+ (06-Jul-21)                      | 1)CARE A1+ (07-Jan-21)   | -   |
| 19      | Commercial Paper-Commercial Paper (Standalone) | ST              | -                            | -      | 1)CARE A1+   | 1)CARE A1+                                  | 1)CARE A1+ (30-Mar-21)   | -   |

| Sr. No. | Name of the Instrument/Bank Facilities      | Current Ratings |                              |                  | Rating History   |   |   |   |
|---------|---|-----------------|------------------------------|------------------|--|---|---|---|
|         |   | Type            | Amount Outstanding (₹ crore) | Rating           | Date(s) and Rating(s) assigned in 2022-2023  | Date(s) and Rating(s) assigned in 2021-2022 | Date(s) and Rating(s) assigned in 2020-2021 | Date(s) and Rating(s) assigned in 2019-2020 |
|         |   |                 |                              |                  | (13-Feb-23)<br>2)CARE A1+ (31-Jan-23)<br>3)CARE A1+ (05-Jul-22)                                    | (06-Jul-21)                                 |   |   |
| 20      | Short Term Instruments-Short Term Borrowing | ST              | -                            | -                | 1)CARE A1+ (13-Feb-23)<br>2)CARE A1+ (31-Jan-23)<br>3)CARE A1+ (05-Jul-22)                         | 1)CARE A1+ (06-Jul-21)                      | 1)CARE A1+ (30-Mar-21)                      | -   |
| 21      | Borrowings-Market Borrowing Programme       | LT              | 40715.86                     | CARE AAA; Stable | 1)CARE AAA; Stable (13-Feb-23)<br>2)CARE AAA; Stable (31-Jan-23)<br>3)CARE AAA; Stable (05-Jul-22) | 1)CARE AAA; Stable (06-Jul-21)              | 1)CARE AAA; Stable (30-Mar-21)              | -   |
| 22      | Borrowings-Market Borrowing Programme       | LT              | 72000.00                     | CARE AAA; Stable | 1)CARE AAA; Stable   | 1)CARE AAA; Stable                          | -   | -   |

| Sr. No. | Name of the Instrument/Bank Facilities          | Current Ratings |                              |                  | Rating History  |   |   |   |
|---------|---|-----------------|------------------------------|------------------|---|---|---|---|
|         |   | Type            | Amount Outstanding (₹ crore) | Rating           | Date(s) and Rating(s) assigned in 2022-2023   | Date(s) and Rating(s) assigned in 2021-2022 | Date(s) and Rating(s) assigned in 2020-2021 | Date(s) and Rating(s) assigned in 2019-2020 |
|         |   |                 |                              |                  | (13-Feb-23)<br><br>2)CARE AAA; Stable (31-Jan-23)<br><br>3)CARE AAA; Stable (05-Jul-22) | (28-Mar-22)                                 |   |   |
| 23      | Short Term Instruments-Short Term Borrowing     | ST              | 10000.00                     | CARE A1+         | 1)CARE A1+ (13-Feb-23)<br>2)CARE A1+ (31-Jan-23)<br>3)CARE A1+ (05-Jul-22)              | 1)CARE A1+ (28-Mar-22)                      | -   | -   |
| 24      | Commercial Paper- Commercial Paper (Standalone) | ST              | -                            | -                | 1)CARE A1+ (13-Feb-23)<br>2)CARE A1+ (31-Jan-23)<br>3)CARE A1+ (05-Jul-22)              | 1)CARE A1+ (28-Mar-22)                      | -   | -   |
| 25      | Borrowings-Market Borrowing Programme           | LT              | 60000.00                     | CARE AAA; Stable |   |   |   |   |



| Sr. No. | Name of the Instrument/Bank Facilities         | Current Ratings |                              |          | Rating History                              |   |   |   |
|---------|--|-----------------|------------------------------|----------|---|---|---|---|
|         |  | Type            | Amount Outstanding (₹ crore) | Rating   | Date(s) and Rating(s) assigned in 2022-2023 | Date(s) and Rating(s) assigned in 2021-2022 | Date(s) and Rating(s) assigned in 2020-2021 | Date(s) and Rating(s) assigned in 2019-2020 |
| 26      | Short Term Instruments-Short Term Borrowing    | ST              | 10000.00                     | CARE A1+ |   |   |   |   |
| 27      | Commercial Paper-Commercial Paper (Standalone) | ST              | 10000.00                     | CARE A1+ |   |   |   |   |

\*Long term/Short term.

Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities

Not Applicable

Annexure-4: Complexity level of the various instruments rated

| Sr. No. | Name of the Instrument                         | Complexity Level |
|---------|--|------------------|
| 1       | Borrowings-Market Borrowing Programme          | Simple           |
| 2       | Commercial Paper-Commercial Paper (Standalone) | Simple           |
| 3       | Debt-Subordinate Debt                          | Complex          |
| 4       | Short Term Instruments-Short Term Borrowing    | Simple           |

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on the complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

## Contact us

|  |   |
|--|---|
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## About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

## Disclaimer:

The ratings issued by CARE Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings has based its ratings/outlook based on information obtained from reliable and credible sources. CARE Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating/outlook assigned by CARE Ratings is, inter-alia, based on the capital deployed by the partners/proprietors and the current financial strength of the firm. The ratings/outlook may change in case of withdrawal of capital, or the unsecured loans brought in by the partners/proprietors in addition to the financial performance and other relevant factors. CARE Ratings is not responsible for any errors and states that it has no financial liability whatsoever to the users of the ratings of CARE Ratings. The ratings of CARE Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades.

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**CONFIDENTIAL**

RL/PFCLMTD/312172/LTBP/0323/55602/147848070/3  
June 08, 2023



**Mr. Sumeet Kumar**  
General Manager - Finance  
**Power Finance Corporation Limited**  
Urjanidhi, Barakhamba Lane,  
Connaught Place  
New Delhi - 110001

Dear Mr. Sumeet Kumar,

**Re: CRISIL Rating on the Rs.60000 Crore Long-Term Borrowing Programme% of Power Finance Corporation Limited**

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.

Please refer to our rating letters dated May 24, 2023 bearing Ref. no.:

RL/PFCLMTD/312172/LTBP/0323/55602/147848070/2

Please find in the table below the rating outstanding for your company.

| S.No. | Instrument                    | Rated Amount (Rs. in Crore) | Rating Outstanding |
|-------|-------------------------------|-----------------------------|--------------------|
| 1     | Long-Term Borrowing Programme | 60000                       | CRISIL AAA/Stable  |

*%Borrowing programme for fiscal 2024 (refers to financial year, April 1 to March 31). The overall limit for the long-term borrowing programme and the short-term borrowing programme is Rs 80,000 crore. The long-term borrowing programme inter-alia includes tax-free bonds under Section 10 of the Income Tax Act. Total incremental long-term borrowing and short-term borrowings not to exceed Rs 60,000 crore and Rs 20,000 crore (includes commercial paper limits of Rs.10000 crore), respectively, at any point in time during fiscal 2024. The long term borrowing programme includes Public Issue of Taxable Non-Convertible Debentures*

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating. Please visit [www.crisilratings.com](http://www.crisilratings.com) and search with the name of the rated entity to access the latest ratings/s.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at [debtissue@crisil.com](mailto:debtissue@crisil.com). This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at [debtissue@crisil.com](mailto:debtissue@crisil.com) for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Aesha Maru  
Associate Director - CRISIL Ratings

Nivedita Shibu  
Associate Director - CRISIL Ratings



**Disclaimer:** A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, [www.crisilratings.com](http://www.crisilratings.com). CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please visit [www.crisilratings.com](http://www.crisilratings.com) or contact Customer Service Helpdesk at [CRISILRatingdesk@crisil.com](mailto:CRISILRatingdesk@crisil.com) or at 1800-267-1301

RL/PFCLMTD/312172/LTBP/0323/55602/147848070  
March 30, 2023



**Mr. Sumeet Kumar**  
General Manager - Finance  
**Power Finance Corporation Limited**  
Urjanidhi, Barakhamba Lane,  
Connaught Place  
New Delhi - 110001

Dear Mr. Sumeet Kumar,

**Re: CRISIL Rating on the Rs.60000 Crore Long-Term Borrowing Programme% of Power Finance Corporation Limited**

We refer to your request for a rating for the captioned Debt instrument.

CRISIL Ratings has, after due consideration, assigned a CRISIL AAA/Stable (pronounced as CRISIL triple A rating with Stable outlook) rating to the captioned Debt instrument. Securities with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such securities carry lowest credit risk.

Further, in view of your decision to accept the CRISIL Ratings, we request you to apprise us of the instrument details (in the enclosed format) as soon as it has been placed. In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating. Please visit [www.crisilratings.com](http://www.crisilratings.com) and search with the name of the rated entity to access the latest rating/s.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at [debtissue@crisil.com](mailto:debtissue@crisil.com). This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at [debtissue@crisil.com](mailto:debtissue@crisil.com) for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,



Aesha Maru  
Associate Director - CRISIL Ratings



Nivedita Shibu  
Associate Director - CRISIL Ratings



*%Borrowing programme for fiscal 2024 (refers to financial year, April 1 to March 31). The overall limit for the long-term borrowing programme and the short-term borrowing programme is Rs 80,000 crore. The long-term borrowing programme*

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Corporate Identity Number: U67100MH2019PLC326247

inter-alia includes tax-free bonds under Section 10 of the Income Tax Act. Total incremental long-term borrowing and short-term borrowings not to exceed Rs 60,000 crore and Rs 20,000 crore, respectively, at any point in time during fiscal 2024.

**Details of the Rs.60000 Crore Long-Term Borrowing Programme of  
Power Finance Corporation Limited**

|                                      | <i>1st tranche</i> |        | <i>2nd tranche</i> |        | <i>3rd tranche</i> |        |
|--------------------------------------|--------------------|--------|--------------------|--------|--------------------|--------|
| <i>Instrument Series:</i>            |                    |        |                    |        |                    |        |
| <i>Amount Placed:</i>                |                    |        |                    |        |                    |        |
| <i>Maturity Period:</i>              |                    |        |                    |        |                    |        |
| <i>Put or Call Options (if any):</i> |                    |        |                    |        |                    |        |
| <i>Coupon Rate:</i>                  |                    |        |                    |        |                    |        |
| <i>Interest Payment Dates:</i>       |                    |        |                    |        |                    |        |
| <i>Principal Repayment Details:</i>  | Date               | Amount | Date               | Amount | Date               | Amount |
|                                      |                    |        |                    |        |                    |        |
| <i>Investors:</i>                    |                    |        |                    |        |                    |        |
| <i>Trustees:</i>                     |                    |        |                    |        |                    |        |

***In case there is an offer document for the captioned Debt issue, please send us a copy of it.***

**Disclaimer:** A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, [www.crisilratings.com](http://www.crisilratings.com). CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please visit [www.crisilratings.com](http://www.crisilratings.com) or contact Customer Service Helpdesk at [CRISILratingdesk@crisil.com](mailto:CRISILratingdesk@crisil.com) or at 1800-267-1301

**CRISIL Ratings Limited**

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Corporate Identity Number: U67100MH2019PLC326247

## Rating Rationale

March 30, 2023 | Mumbai

### Power Finance Corporation Limited

'CRISIL AAA/Stable' assigned to Long-Term Borrowing Programme; 'CRISIL A1+' assigned to Short Term Borrowing programme

#### Rating Action

|   |                                |
|---|--------------------------------|
| Total Bank Loan Facilities Rated  | Rs.10000 Crore                 |
| Long Term Rating <sup>&amp;</sup>                                       | CRISIL AAA/Stable (Reaffirmed) |
| Rs.60000 Crore Long-Term Borrowing Programme <sup>%</sup>               | CRISIL AAA/Stable (Assigned)   |
| Rs.20000 Crore Short Term Borrowing programme <sup>%</sup>              | CRISIL A1+ (Assigned)          |
| Rs.72000 crore Long-Term Borrowing Programme <sup>^^</sup>              | CRISIL AAA/Stable (Reaffirmed) |
| Rs.10000 Crore Short Term Borrowing programme <sup>^^</sup>             | CRISIL A1+ (Reaffirmed)        |
| Rs.1000 Crore Perpetual Non Convertible Debentures                      | CRISIL AAA/Stable (Reaffirmed) |
| Long-Term Borrowing Programme Aggregating Rs.80000 Crore <sup>@</sup>   | CRISIL AAA/Stable (Reaffirmed) |
| Long-Term Borrowing Programme Aggregating Rs.330000 Crore ~             | CRISIL AAA/Stable (Reaffirmed) |
| Subordinated Non-Convertible Debentures Aggregating Rs.15000 Crore      | CRISIL AAA/Stable (Reaffirmed) |
| Bond Aggregating Rs.82919.86 Crore#<br>(Reduced from Rs.85017.40 Crore) | CRISIL AAA/Stable (Reaffirmed) |

<sup>%</sup>Borrowing programme for fiscal 2024 (refers to financial year, April 1 to March 31). The overall limit for the long-term borrowing programme and the short-term borrowing programme is Rs 80,000 crore. The long-term borrowing programme inter-alia includes tax-free bonds under Section 10 of the Income Tax Act. Total incremental long-term borrowing and short-term borrowings not to exceed Rs 60,000 crore and Rs 20,000 crore, respectively, at any point in time during fiscal 2024.

<sup>^^</sup>Borrowing programme for fiscal 2023 (refers to financial year, April 1 to March 31). The overall limit for the long-term borrowing programme and the short-term borrowing programme is Rs 82,000 crore. The long-term borrowing programme inter-alia includes tax-free bonds under Section 10 of the Income Tax Act. Total incremental long-term borrowing and short-term borrowings not to exceed Rs 72,000 crore and Rs 10,000 crore, respectively, at any point in time during fiscal 2023.

<sup>@</sup> Borrowing programme for 2021-22

<sup>~</sup>Borrowing programme for previous fiscals

<sup>#</sup> This amount excludes long-term borrowing programmes for fiscals 2021, 2022 and 2023, which are listed separately in the rows above. However, the amount includes Rs 5,000 crore of extra budgetary resources to be raised on behalf of the Ministry of Power.

<sup>&</sup> Limit for working capital demand loan/overdraft facility/cash credit/line of credit/bank guarantee. Total working capital borrowing not to exceed board-approved limit of Rs 10,000 crore. However, quantum of sanctioned working capital facilities may be different from the Board-approved limit for outstanding working capital borrowing.

Note: Institutional bonds, 54EC Capital Gain Tax Exemption Bonds, Tax free bonds, Zero coupon bonds, infrastructure bonds and term loans from banks/financial institution are part of long-term borrowing programme

Note: None of the Directors on CRISIL Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

1 crore = 10 million

Refer to annexure for Details of Instruments & Bank Facilities

#### Detailed Rationale

CRISIL Ratings has assigned its 'CRISIL AAA/Stable' rating to the long term borrowing programme of Power Finance Corporation Limited (PFC) and its 'CRISIL A1+' rating to the short term borrowing programme of the company. CRISIL Ratings has also reaffirmed its ratings on the other debt instruments and bank facilities of PFC at 'CRISIL AAA/Stable/CRISIL A1+'

CRISIL Ratings has **withdrawn** its rating on bonds worth Rs 2097.54 crore (See 'Annexure: Details of rating withdrawn' for details) as the outstanding against the same is nil and on receipt of confirmation from the debenture trustee. The withdrawal is in line with the policy of CRISIL Ratings.

Government of India (GoI) had announced, Revamped Distribution Sector Scheme (RDSS) reforms-based and results-linked scheme with an outlay of 3.04 lakh crore over a period of five years, which would be available till fiscal 2026. REC Ltd (REC) and PFC have been appointed as nodal lending agencies for facilitating the implementation of this scheme. The scheme aims to improve operational efficiencies and financial sustainability of distribution companies (discoms) by providing reform-linked financial assistance for strengthening the supply. In fiscal 2022, GoI announced late payment surcharge (LPS) scheme to address dues of discoms to generation and transmission companies. PFC has extended financial assistance to various discoms under the rules, to clear their outstanding dues. PFC shall also act as the nodal agency to monitor implementation of these rules.



The consolidated asset quality improved in the nine months ending December 2023,, led by recoveries in large delinquent private sector exposures. On a consolidated basis, gross non-performing assets (NPAs) and net NPAs were lower at 3.9% and 1.2%, respectively, as on December 31, 2022, versus 5.0% and 1.6% on March 31, 2022. On a standalone basis, gross NPAs and net NPAs stood at 4.2% and 1.2%, respectively, as on December 31, 2022 as against 5.6% and 1.8% on March 31, 2022, (5.7% and 2.1% on March 31, 2021). Most of the NPA accounts are under a resolution process/or at advanced stages of resolution. Further, with most of the stress in the private sector recognised, there may not be further large private sector slippages in the near to medium term.

The ratings continue to reflect the strategic importance of PFC to the Gol, given the key role the company plays in financing the Indian power sector, and majority ownership by the government. The ratings also factor in a strong market position and adequate capitalisation and resource profile. These strengths are partially offset by inherent vulnerability of the asset quality to the weak credit risk profiles of borrowers and significant sectoral and customer concentration in revenue.

### **Analytical Approach**

CRISIL Ratings has combined the business and financial risk profiles of PFC and its subsidiaries including REC. Furthermore, CRISIL Ratings factors in support from the majority owner, Gol, given the company's key role in financing the Indian power sector.

*Please refer Annexure - List of entities consolidated, which captures the list of entities considered and their analytical treatment of consolidation.*

### **Key Rating Drivers & Detailed Description**

#### **Strengths:**

- **Strategic importance to and majority ownership by Gol**

The company plays a major role in implementing government policies, and is important for financing India's power sector, particularly government sector power utilities (87% of the consolidated loan book as on September 30, 2022). PFC is the nodal agency for the development of ultra-mega power projects and the integrated power development scheme, RDSS and LPS and is also the bid process coordinator for the Independent Transmission Projects scheme. It plays a developmental role in channelling finance to meet the power sector's large funding requirement, particularly of public sector utilities (PSUs). PFC is also the nodal agency for channeling finance towards the rural electrification programme under the Deendayal Upadhyaya Gram Jyoti Yojana (formerly known as Rajiv Gandhi Grameen Viduytikaran Yojana) and Pradhan Mantri Sahaj Bijli Har Ghar Yojana, or Saubhagya scheme, and the National Electricity Fund Scheme. PFC and REC are the lending partners for the announced discom package. In fiscal 2022, Gol announced LPS to address dues of discoms to generation and transmission companies. PFC has extended financial assistance (Rs 11,053 crore as of Dec 31, 2022) to various discoms under the rules, to clear their outstanding dues. PFC shall also act as the nodal agency to monitor implementation of these rules.

Gol remains the majority shareholder, with a stake of 56% as on December 31, 2022. The government supports the company financially and operationally in various ways, including conferring special status to raise capital gains tax exemption bonds. Gol has strong strategic reasons and a moral obligation to support PFC, both on an ongoing basis and in the event of distress, given the latter's role in implementing the government's power sector policies and Gol's majority ownership in the company.

- **Dominant market position in the power financing segment**

PFC plays an important role in the Indian power sector, not only by providing finance but also by implementing Gol's power sector policies. The company, at a consolidated level, is the largest lender to the power sector and plays a key role in channeling finance to state power utilities (SPU). The gross consolidated loan book grew by 2% year-on-year to Rs 8.05 lakh crore as on December 31, 2022, from Rs 7.20 lakh crore a year earlier (Rs 7.6 lakh crore as on March 31, 2022). The share of PSUs in the consolidated loan book stood at 88% as on December 31, 2022. Loans outstanding to SPUs on a consolidated basis stood at Rs 6.7 lakh crore as on this date (Rs 6.3 lakh crore a year earlier).

- **Adequate capitalisation**

As on December 31, 2022, on a standalone basis, Tier-I CAR and overall CAR stood at 21.34% and 24.41%, (23.48% and 20.00%, respectively, as on March 31, 2022). Capitalisation is expected to remain adequate over the medium term, supported by a demonstrated ability to raise capital through public issues. Network to net NPA ratio on a standalone basis for PFC is 12.7 times as on September 30, 2022; 9.0 times as on March 31, 2022. Accretion to network is supported by the ability to maintain good interest spreads and a low operating expense ratio. The standalone return on assets ratio was 3.1% and return on equity were 20.3% for the first half of fiscal 2023 (3.1% and 22.5%, respectively, for fiscal 2022). Ability to contain credit costs and hence improve profitability and capitalisation will remain a key monitorable.

- **Sufficient resource profile**

Borrowing costs are competitive and the resource base, though wholesale, is diversified. Debt instruments have wide market acceptability, which is also reflective in its low cost of borrowing compared to peers (7.5% for the nine months ended December 31, 2022). The consolidated resource profile as on December 31, 2022, comprises bonds (57%), term loans (20%), and other borrowings (1%). The company also has access to foreign currency borrowing, which comprised 18% of the total consolidated borrowing as on the same date (20% as on March 31, 2022). As per the board-approved policy for exchange rate risks, PFC has hedged 77% of its foreign currency borrowing with residual maturity of up to five years as on December 31, 2022. The company has also received government approval to raise capital gain bonds under Section 54 EC; which should further support the resource profile. The company participated in the sixth tranche of issue of Bharat Bond

exchange-traded fund (ETF) and raised Rs 1,180 crore for around 10 years maturity on April 14, 2032. With this ETF, the company has been able to establish an additional funding stream in the domestic market.

In fiscal 2017, extra budgetary resources of Rs 5,000 crore were raised on behalf of the GoI. These bonds will be fully serviced by the government through the general budget; hence, a separate government guarantee was not required for issue of these bonds. In its analytical treatment, CRISIL Ratings has assumed that PFC will ensure the bonds are serviced on time.

#### **Weakness:**

- **Inherent vulnerability in asset quality, and significant sectoral and customer concentration**

PFC's asset quality remains inherently vulnerable to the weak credit risk profiles of borrowers. The company caters only to the power sector, with 88% of its consolidated loan book as on December 31, 2022, to government sector power utilities (including generation, transmission, and discoms). PSUs, especially discoms, are an inherently weak asset class because of their poor financial risk profiles. Effective execution of various reform measures is extremely critical for PSUs to produce the desired positive impact, and broad-based political consensus is necessary to implement the much-needed tariff increases to ensure sustained improvement in their performance. NPAs and restructured assets from the PSU book had risen sharply in fiscal 2017 owing to alignment with the restructuring norms of Reserve Bank of India. However, the downgraded accounts had been paying dues regularly, and a majority of them were upgraded in fiscal 2018. As on December 31, 2022, Furthermore, various dispensation schemes by the GOI such as RDSS and LPS have also helped support asset quality for these exposures. Accordingly, NPAs (stage III assets as per IND AS) remained nil from this portfolio (nil as on March 31, 2022)

PFC (consolidated) also has 12% exposure to private sector power players, which have increasingly become more vulnerable to asset quality risks owing to issues such as lack of fuel availability, inability to pass on fuel price increases, and absence of long-term power purchase agreements for assured power offtake. PFC, on a consolidated basis, had gross NPAs (stage III assets as per IND-AS) of 3.9% as on December 31, 2022 (5.0% as on March 31, 2022), all from its private sector book. As on December 31, 2022, 31% of private sector loans have been recognised as stage III assets on which the company has a provision coverage of 71% on a consolidated basis.

#### **Liquidity: Superior**

Asset liability maturity (ALM) profile of PFC shows that liquidity position is superior. As of December 31, 2022, the structural liquidity of PFC had positive mismatches up to one year. The mismatches, if any, are managed mainly through unutilised bank lines. Additionally, debt repayments are well staggered across months, supporting liquidity.

As on February 28, 2023, the company (on a standalone basis) had liquidity cushion of Rs 10,344 crore (Rs 1,196 crore of cash and equivalents and liquid investments and Rs 9,148 crore of unutilised cash credit lines), along with monthly inflows, against debt obligation of Rs 21,294 crore over the three months till May 2023. Further, PFC has raised long term debt of around Rs. 27,720 crore in the first nine months of fiscal 2023 through bonds, term loans from banks and capital market instruments.

#### **ESG Profile**

CRISIL Ratings believes that PFC Environment, Social, and Governance (ESG) profile supports its already strong credit risk profile.

The ESG profile for financial sector entities typically factors in governance as a key differentiator. The sector has reasonable social impact because of its substantial employee and customer base, and it can play a key role in promoting financial inclusion. While the sector does not have a direct adverse environmental impact, the lending decisions may have a bearing on environment.

PFC has a continuous focus on strengthening various aspects of its ESG profile.

#### **PFC Finance's key ESG Highlights:**

- ESG disclosures of the company are evolving and it is in the process of further strengthening the disclosures going forward.
- PFC continues to have sizeable exposure (45% of loan book towards generation companies as on December 31, 2022) as on towards fossil fuel projects, which in turn impacts the environment. However, the company has consciously aimed to increase lending to renewable projects (10% of loan book as of Dec 31, 2022). PFC has issued its first USD Green bond in December, 2017 and raised US \$400 million (Rs 2,575 crore) under the Green Bond Framework for funding renewable project. Further, in September, 2021 PFC issued its first ever Euro Green Bonds amounting to EUR 300 million (Rs 2,597 crore)
- 40% of the board members are independent directors and the PFC has a dedicated investor grievance redressal mechanism.

There is growing importance of ESG among investors and lenders. PFC commitment to ESG principles will play a key role in enhancing stakeholder confidence, given the sizable share of market borrowings in its overall debt and access to both domestic and foreign capital markets.

#### **Outlook: Stable**

CRISIL Ratings believes GoI will retain its majority stake in PFC, which will continue to play a critical role in implementing government policies related to financing the Indian power sector over the medium term. The company is also likely to retain its strong position in the infrastructure-financing segment, while maintaining healthy capitalisation.



The rating on the perpetual bonds remains sensitive to the capital buffer maintained by PFC over regulatory capital requirements; rating transition on these instruments could potentially be sharper than that on other debt instruments and bank facilities.

### **Rating Sensitivity factors**

#### **Downward factors**

- Government shareholding declining below 50% and/or diminution of government support
- Significant deterioration in asset quality, thereby impacting profitability and capitalisation

### **About the Company**

PFC was established in 1986 by Gol as an institution dedicated to funding and developing the power sector in India. Until 1996, it lent exclusively to public sector entities. Since then, it has expanded its customer profile to include private sector power utilities and projects. PFC aims to promote balanced and integrated development of the power sector by providing finance to low-cost, efficient, and reliable projects.

In March 2019, PFC completed the acquisition of Gol's 52.6% stake in REC for Rs 14,500 crore. PFC and REC will remain strategically important to the government, which would provide them timely, need-based support. They will continue to play their respective policy roles and will remain the nodal agencies for implementing power sector policies. Further, they are expected to operate all functions independently as they do currently.

On a consolidated basis, PFC reported profit after tax (PAT) of Rs 18,768 crore and total income (net of interest) of Rs 31,636 crore in fiscal 2022 (Rs 15,716 crore and 27,016 crore, respectively in the previous fiscal). On a standalone basis, PFC reported PAT of Rs 10,002 crore and total income (net of interest) of Rs 15,920 crore in fiscal 2022 as against Rs 8,444 crore and Rs 14,573 crore, respectively in the previous fiscal.

For the nine months ended December 31, 2022, on a consolidated basis, PFC reported PAT of Rs 15,049 crore and total income (net of interest) of Rs 23,171 crore (Rs 14,472 crore and Rs 23,686 crore, respectively, in the corresponding period of the previous fiscal). On a standalone basis, PFC reported PAT of Rs 8,113 crore and total income (net of interest) of Rs 12,337 crore for the nine months ended December 31, 2022 (Rs 7,412 crore and Rs 11,618 crore, respectively, in the corresponding period of the previous fiscal).

### **Key Financial Indicators (PFC; Standalone)**

| As on / for the period ended December 31, | Unit     | 2022   | 2021   |
|---|----------|--------|--------|
| Total income (net of interest expenses)   | Rs crore | 12,337 | 11,618 |
| PAT                                       | Rs crore | 8,113  | 7,412  |
| Gross NPA                                 | %        | 4.2    | 6.1    |
| Overall capital adequacy ratio            | %        | 24.4   | 22.7   |

### **Key financial (PFC; consolidated)**

| As on/for the period ended December 31, | Unit     | 2022   | 2021   |
|---|----------|--------|--------|
| Total income (net of interest expenses) | Rs crore | 23,171 | 23,686 |
| PAT                                     | Rs crore | 15,049 | 14,472 |
| Gross NPA                               | %        | 3.9    | 5.6    |

**Any other information:** Not applicable

### **Note on complexity levels of the rated instrument:**

CRISIL Ratings' complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

CRISIL Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the CRISIL Ratings' complexity levels please visit [www.crisilratings.com](http://www.crisilratings.com). Users may also call the Customer Service Helpdesk with queries on specific instruments.

### **Annexure - Details of Instrument(s)**

| ISIN         | Name of Instrument | Date of Issue | Coupon Rate (%) | Maturity Date | Amount (Rs. Cr) | Complexity Levels | Rating            |
|--------------|--------------------|---------------|-----------------|---------------|-----------------|-------------------|-------------------|
| INE134E07AB6 | Debentures         | 30-Nov-20     | 5%              | 30-Nov-25     | 500.00          | Simple            | CRISIL AAA/Stable |
| INE134E07AC4 | Bonds              | 31-Dec-20     | 5%              | 31-Dec-25     | 500.00          | Simple            | CRISIL AAA/Stable |
| INE134E07AH3 | Debentures         | 22-Jan-21     | 4.80%           | 22-Jan-24     | 1.96            | Simple            | CRISIL AAA/Stable |
| INE134E07AI1 | Debentures         | 22-Jan-21     | 5.65%           | 22-Jan-26     | 27.05           | Simple            | CRISIL AAA/Stable |
| INE134E07AJ9 | Debentures         | 22-Jan-21     | 5.80%           | 22-Jan-26     | 3.50            | Simple            | CRISIL AAA/Stable |

|              |                            |           |       |           |         |        |                   |
|--------------|----------------------------|-----------|-------|-----------|---------|--------|-------------------|
| INE134E07AK7 | Debentures                 | 22-Jan-21 | 6.63% | 22-Jan-31 | 0.50    | Simple | CRISIL AAA/Stable |
| INE134E07AL5 | Debentures                 | 22-Jan-21 | 6.82% | 22-Jan-31 | 28.74   | Simple | CRISIL AAA/Stable |
| INE134E07AM3 | Debentures                 | 22-Jan-21 | 6.80% | 22-Jan-31 | 33.67   | Simple | CRISIL AAA/Stable |
| INE134E07AN1 | Debentures                 | 22-Jan-21 | 7%    | 22-Jan-31 | 1635.53 | Simple | CRISIL AAA/Stable |
| INE134E07AO9 | Debentures                 | 22-Jan-21 | 7.30% | 22-Jan-31 | 10.35   | Simple | CRISIL AAA/Stable |
| INE134E07AP6 | Debentures                 | 22-Jan-21 | 7.50% | 22-Jan-31 | 1250.73 | Simple | CRISIL AAA/Stable |
| INE134E07AQ4 | Debentures                 | 22-Jan-21 | 6.78% | 22-Jan-36 | 3.50    | Simple | CRISIL AAA/Stable |
| INE134E07AS0 | Debentures                 | 22-Jan-21 | 6.95% | 22-Jan-36 | 50.05   | Simple | CRISIL AAA/Stable |
| INE134E07AE0 | Bonds                      | 28-Feb-21 | 5%    | 28-Feb-26 | 66.60   | Simple | CRISIL AAA/Stable |
| INE134E07AU6 | Bonds                      | 30-Apr-21 | 5%    | 30-Apr-26 | 74.66   | Simple | CRISIL AAA/Stable |
| INE134E07AV4 | Bonds                      | 31-May-21 | 5%    | 31-May-26 | 500.00  | Simple | CRISIL AAA/Stable |
| INE134E07AY8 | Bonds                      | 31-Aug-21 | 5%    | 31-Aug-26 | 106.04  | Simple | CRISIL AAA/Stable |
| INE134E07BA6 | Bonds                      | 31-Oct-21 | 5%    | 31-Oct-26 | 45.95   | Simple | CRISIL AAA/Stable |
| INE134E07BB4 | Bonds                      | 30-Nov-21 | 5%    | 30-Nov-26 | 84.94   | Simple | CRISIL AAA/Stable |
| INE134E07BC2 | Bonds                      | 31-Dec-21 | 5%    | 31-Dec-26 | 125.81  | Simple | CRISIL AAA/Stable |
| INE134E08LN6 | Bonds                      | 21-Dec-21 | 6.92% | 14-Apr-32 | 1180.00 | Simple | CRISIL AAA/Stable |
| INE134E07BF5 | Bonds                      | 31-Mar-22 | 5%    | 31-Mar-27 | 269.93  | Simple | CRISIL AAA/Stable |
| INE134E07BG3 | Bonds                      | 30-Apr-22 | 5%    | 30-Apr-27 | 182.00  | Simple | CRISIL AAA/Stable |
| INE134E07BH1 | Bonds                      | 31-May-22 | 5%    | 31-May-27 | 190.40  | Simple | CRISIL AAA/Stable |
| INE134E07BI9 | Bonds                      | 30-Jun-22 | 7.13% | 30-Jun-27 | 180.62  | Simple | CRISIL AAA/Stable |
| INE134E07BJ7 | Bonds                      | 31-Jul-22 | 5%    | 31-Jul-27 | 253.08  | Simple | CRISIL AAA/Stable |
| INE134E08LO4 | Debentures                 | 10-Aug-22 | 7.13% | 8-Aug-25  | 2420.00 | Simple | CRISIL AAA/Stable |
| INE134E07BK5 | Bonds                      | 31-Aug-22 | 7.42% | 31-Aug-27 | 146.19  | Simple | CRISIL AAA/Stable |
| INE134E08LP1 | Debentures                 | 24-Aug-22 | 7.15% | 15-Jul-26 | 3000.00 | Simple | CRISIL AAA/Stable |
| INE134E08LQ9 | Debentures                 | 8-Sep-22  | 7.15% | 8-Sep-32  | 4000.00 | Simple | CRISIL AAA/Stable |
| INE134E08LR7 | Debentures                 | 8-Sep-22  | 7.15% | 8-Sep-25  | 276.40  | Simple | CRISIL AAA/Stable |
| INE134E08LS5 | Debentures                 | 8-Sep-22  | 7.15% | 8-Sep-26  | 276.40  | Simple | CRISIL AAA/Stable |
| INE134E08LT3 | Debentures                 | 8-Sep-22  | 7.15% | 8-Sep-27  | 276.40  | Simple | CRISIL AAA/Stable |
| INE134E07BL3 | Bonds                      | 30-Sep-22 | 5%    | 30-Sep-27 | 214.67  | Simple | CRISIL AAA/Stable |
| INE134E07BM1 | Bonds                      | 31-Oct-22 | 5%    | 31-Oct-27 | 97.16   | Simple | CRISIL AAA/Stable |
| INE134E08LU1 | Non-Convertible Debentures | 3-Nov-22  | 7.59% | 3-Nov-25  | 1450.00 | Simple | CRISIL AAA/Stable |
| INE134E07BN9 | Bonds                      | 30-Nov-22 | 5%    | 30-Nov-27 | 500.00  | Simple | CRISIL AAA/Stable |
| INE134E08LW7 | Bonds                      | 14-Dec-22 | 7.58% | 15-Apr-33 | 470.00  | Simple | CRISIL AAA/Stable |
| INE134E08LX5 | Debentures                 | 19-Dec-22 | 7.59% | 17-Jan-28 | 3500.00 | Simple | CRISIL AAA/Stable |
| INE134E08LY3 | Debentures                 | 19-Dec-22 | 7.72% | 19-Dec-37 | 2782.70 | Simple | CRISIL AAA/Stable |
| INE134E08LZ0 | Debentures                 | 27-Dec-22 | 7.58% | 15-Jan-26 | 2540.00 | Simple | CRISIL AAA/Stable |
| INE134E07BO7 | Bonds                      | 31-Dec-22 | 5%    | 31-Dec-27 | 212.29  | Simple | CRISIL AAA/Stable |
| INE134E07091 | Institutional bonds        | 31-Mar-11 | 8.50% | 31-Mar-26 | 5.27    | Simple | CRISIL AAA/Stable |
| INE134E07109 | Institutional bonds        | 31-Mar-11 | 8.50% | 31-Mar-26 | 19.30   | Simple | CRISIL AAA/Stable |
| INE134E07125 | Institutional bonds        | 15-Oct-11 | 7.75% | 15-Oct-26 | 217.99  | Simple | CRISIL AAA/Stable |
| INE134E07141 | Institutional bonds        | 25-Nov-11 | 8.16% | 25-Nov-26 | 209.34  | Simple | CRISIL AAA/Stable |
| INE134E07174 | Institutional bonds        | 21-Nov-11 | 8.75% | 21-Nov-26 | 2.86    | Simple | CRISIL AAA/Stable |
| INE134E07182 | Institutional bonds        | 21-Nov-11 | 8.75% | 21-Nov-26 | 7.77    | Simple | CRISIL AAA/Stable |
| INE134E08CV8 | Tax Free Bonds             | 30-Mar-10 | 8.95% | 30-Mar-25 | 492.00  | Simple | CRISIL AAA/Stable |
| INE134E07125 | Tax Free Bonds             | 15-Oct-11 | 7.75% | 15-Oct-26 | 217.99  | Simple | CRISIL AAA/Stable |
| INE134E07141 | Tax Free Bonds             | 25-Nov-11 | 8.16% | 25-Nov-26 | 209.34  | Simple | CRISIL AAA/Stable |
| INE134E07307 | Tax Free Bonds             | 22-Nov-12 | 7.38% | 22-Nov-27 | 25.00   | Simple | CRISIL AAA/Stable |

|              |                      |           |       |           |         |        |                   |
|--------------|----------------------|-----------|-------|-----------|---------|--------|-------------------|
| INE134E07323 | Tax Free Bonds       | 29-Nov-12 | 7.38% | 29-Nov-27 | 100.00  | Simple | CRISIL AAA/Stable |
| INE134E07372 | Tax Free Bonds       | 30-Aug-13 | 8.01% | 30-Aug-23 | 113.00  | Simple | CRISIL AAA/Stable |
| INE134E07380 | Tax Free Bonds       | 30-Aug-13 | 8.46% | 30-Aug-28 | 1011.10 | Simple | CRISIL AAA/Stable |
| INE134E07AO9 | Tax Free Bonds       | 22-Jan-21 | 7.30% | 22-Jan-31 | 10.35   | Simple | CRISIL AAA/Stable |
| INE134E08BP2 | Tax Free Bonds       | 7-Aug-09  | 8.60% | 7-Aug-24  | 866.50  | Simple | CRISIL AAA/Stable |
| INE134E08CN5 | Tax Free Bonds       | 15-Dec-09 | 8.50% | 15-Dec-24 | 351.00  | Simple | CRISIL AAA/Stable |
| INE134E08CP0 | Tax Free Bonds       | 15-Jan-10 | 8.80% | 15-Jan-25 | 1172.60 | Simple | CRISIL AAA/Stable |
| INE134E08CS4 | Tax Free Bonds       | 15-Mar-10 | 8.90% | 15-Mar-25 | 184.00  | Simple | CRISIL AAA/Stable |
| INE134E08CY2 | Tax Free Bonds       | 15-May-10 | 8.70% | 15-May-25 | 1337.50 | Simple | CRISIL AAA/Stable |
| INE134E08DA0 | Tax Free Bonds       | 15-Jun-10 | 8.75% | 15-Jun-25 | 1532.00 | Simple | CRISIL AAA/Stable |
| INE134E08DB8 | Tax Free Bonds       | 15-Jun-10 | 8.85% | 15-Jun-30 | 633.00  | Simple | CRISIL AAA/Stable |
| INE134E08DJ1 | Tax Free Bonds       | 15-Dec-10 | 9.05% | 15-Dec-30 | 385.40  | Simple | CRISIL AAA/Stable |
| INE134E08DU8 | Tax Free Bonds       | 1-Sep-11  | 9.45% | 1-Sep-26  | 2568.00 | Simple | CRISIL AAA/Stable |
| INE134E08FW9 | Tax Free Bonds       | 13-Jan-14 | 9.65% | 13-Jan-24 | 1000.00 | Simple | CRISIL AAA/Stable |
| INE134E08SR2 | Tax Free Bonds       | 1-Aug-11  | 9.46% | 1-Aug-26  | 1105.00 | Simple | CRISIL AAA/Stable |
| INE134E07208 | Tax Free Bonds       | 1-Feb-12  | 8.30% | 1-Feb-27  | 1280.58 | Simple | CRISIL AAA/Stable |
| INE134E07232 | Institutional bonds  | 30-Mar-12 | 8.72% | 30-Mar-27 | 0.87    | Simple | CRISIL AAA/Stable |
| INE134E07240 | Institutional bonds  | 30-Mar-12 | 8.72% | 30-Mar-27 | 2.40    | Simple | CRISIL AAA/Stable |
| INE134E07307 | Institutional bonds  | 22-Nov-12 | 7.38% | 22-Nov-27 | 25.00   | Simple | CRISIL AAA/Stable |
| INE134E07323 | Institutional bonds  | 29-Nov-12 | 7.38% | 29-Nov-27 | 100.00  | Simple | CRISIL AAA/Stable |
| INE134E07349 | Tax Free Bonds       | 4-Jan-13  | 7.36% | 4-Jan-28  | 150.10  | Simple | CRISIL AAA/Stable |
| INE134E07349 | Tax Free Bonds       | 4-Jan-13  | 7.86% | 4-Jan-28  | 206.90  | Simple | CRISIL AAA/Stable |
| INE134E07356 | Tax Free Bonds       | 28-Mar-13 | 6.88% | 28-Mar-23 | 54.73   | Simple | CRISIL AAA/Stable |
| INE134E07356 | Tax Free Bonds       | 28-Mar-13 | 7.38% | 28-Mar-23 | 41.43   | Simple | CRISIL AAA/Stable |
| INE134E07364 | Tax Free Bonds       | 28-Mar-13 | 7.04% | 28-Mar-28 | 56.97   | Simple | CRISIL AAA/Stable |
| INE134E07364 | Tax Free Bonds       | 28-Mar-13 | 7.54% | 28-Mar-28 | 63.10   | Simple | CRISIL AAA/Stable |
| INE134E07372 | Institutional bonds  | 30-Aug-13 | 8.01% | 30-Aug-23 | 113.00  | Simple | CRISIL AAA/Stable |
| INE134E07380 | Institutional bonds  | 30-Aug-13 | 8.46% | 30-Aug-28 | 1011.10 | Simple | CRISIL AAA/Stable |
| INE134E07414 | Tax Free Bonds       | 16-Nov-13 | 8.18% | 16-Nov-23 | 325.08  | Simple | CRISIL AAA/Stable |
| INE134E07422 | Tax Free Bonds       | 16-Nov-13 | 8.43% | 16-Nov-23 | 335.47  | Simple | CRISIL AAA/Stable |
| INE134E07430 | Tax Free Bonds       | 16-Nov-13 | 8.54% | 16-Nov-28 | 932.70  | Simple | CRISIL AAA/Stable |
| INE134E07448 | Tax Free Bonds       | 16-Nov-13 | 8.79% | 16-Nov-28 | 353.32  | Simple | CRISIL AAA/Stable |
| INE134E07455 | Tax Free Bonds       | 16-Nov-13 | 8.67% | 16-Nov-33 | 1067.38 | Simple | CRISIL AAA/Stable |
| INE134E07463 | Tax Free Bonds       | 16-Nov-13 | 8.92% | 16-Nov-33 | 861.96  | Simple | CRISIL AAA/Stable |
| INE134E07521 | Institutional bonds  | 17-Jul-15 | 7.16% | 17-Jul-25 | 75.10   | Simple | CRISIL AAA/Stable |
| INE134E07539 | Tax Free Bonds       | 17-Oct-15 | 7.11% | 17-Oct-25 | 79.35   | Simple | CRISIL AAA/Stable |
| INE134E07547 | Tax Free Bonds       | 17-Oct-15 | 7.36% | 17-Oct-25 | 131.33  | Simple | CRISIL AAA/Stable |
| INE134E07554 | Tax Free Bonds       | 17-Oct-15 | 7.27% | 17-Oct-30 | 45.18   | Simple | CRISIL AAA/Stable |
| INE134E07562 | Tax Free Bonds       | 17-Oct-15 | 7.52% | 17-Oct-30 | 213.57  | Simple | CRISIL AAA/Stable |
| INE134E07570 | Tax Free Bonds       | 17-Oct-15 | 7.35% | 17-Oct-35 | 155.48  | Simple | CRISIL AAA/Stable |
| INE134E07588 | Tax Free Bonds       | 17-Oct-15 | 7.60% | 17-Oct-35 | 155.50  | Simple | CRISIL AAA/Stable |
| INE134E07687 | Institutional bonds~ | 30-Apr-18 | 5.75% | 30-Apr-23 | 6.54    | Simple | CRISIL AAA/Stable |
| INE134E07695 | Institutional bonds~ | 31-May-18 | 5.75% | 31-May-23 | 7.04    | Simple | CRISIL AAA/Stable |
| INE134E07703 | Institutional bonds~ | 30-Jun-18 | 5.75% | 30-Jun-23 | 10.11   | Simple | CRISIL AAA/Stable |
| INE134E07711 | Institutional bonds~ | 31-Jul-18 | 5.75% | 31-Jul-23 | 14.32   | Simple | CRISIL AAA/Stable |

|              |                       |           |       |           |         |        |                   |
|--------------|-----------------------|-----------|-------|-----------|---------|--------|-------------------|
| INE134E07729 | Institutional bonds~  | 31-Aug-18 | 5.75% | 31-Aug-23 | 15.95   | Simple | CRISIL AAA/Stable |
| INE134E07737 | Institutional bonds~  | 30-Sep-18 | 5.75% | 30-Sep-23 | 26.03   | Simple | CRISIL AAA/Stable |
| INE134E07745 | Institutional bonds~  | 31-Oct-18 | 5.75% | 31-Oct-23 | 32.95   | Simple | CRISIL AAA/Stable |
| INE134E07752 | Institutional bonds~  | 30-Nov-18 | 5.75% | 30-Nov-23 | 41.13   | Simple | CRISIL AAA/Stable |
| INE134E07760 | Institutional bonds~  | 31-Dec-18 | 5.75% | 31-Dec-23 | 55.14   | Simple | CRISIL AAA/Stable |
| INE134E07778 | Institutional bonds~  | 31-Jan-19 | 5.75% | 31-Jan-24 | 70.63   | Simple | CRISIL AAA/Stable |
| INE134E07786 | Institutional bonds~  | 28-Feb-19 | 5.75% | 29-Feb-24 | 66.74   | Simple | CRISIL AAA/Stable |
| INE134E07794 | Institutional bonds~  | 31-Mar-19 | 5.75% | 31-Mar-24 | 145.38  | Simple | CRISIL AAA/Stable |
| INE134E07810 | Institutional bonds&  | 30-Apr-19 | 5.75% | 30-Apr-24 | 48.91   | Simple | CRISIL AAA/Stable |
| INE134E07828 | Institutional bonds&  | 31-May-19 | 5.75% | 31-May-24 | 72.72   | Simple | CRISIL AAA/Stable |
| INE134E07836 | Institutional bonds&  | 30-Jun-19 | 5.75% | 30-Jun-24 | 81.73   | Simple | CRISIL AAA/Stable |
| INE134E07844 | Institutional bonds&  | 31-Jul-19 | 5.75% | 31-Jul-24 | 117.29  | Simple | CRISIL AAA/Stable |
| INE134E07851 | Institutional bonds&  | 31-Aug-19 | 5.75% | 31-Aug-24 | 105.73  | Simple | CRISIL AAA/Stable |
| INE134E07869 | Institutional bonds&  | 30-Sep-19 | 5.75% | 30-Sep-24 | 102.03  | Simple | CRISIL AAA/Stable |
| INE134E07877 | Institutional bonds&  | 31-Oct-19 | 5.75% | 31-Oct-24 | 92.09   | Simple | CRISIL AAA/Stable |
| INE134E07885 | Institutional bonds&  | 30-Nov-19 | 5.75% | 30-Nov-24 | 89.96   | Simple | CRISIL AAA/Stable |
| INE134E07893 | Institutional bonds&  | 31-Dec-19 | 5.75% | 31-Dec-24 | 93.08   | Simple | CRISIL AAA/Stable |
| XS1725342288 | Foreign Currency Bond | 6-Dec-17  | 3.75% | 6-Dec-27  | 826.82  | Simple | CRISIL AAA/Stable |
| XS1725342288 | Foreign Currency Bond | 6-Dec-17  | 3.75% | 6-Dec-27  | 2437.52 | Simple | CRISIL AAA/Stable |
| XS1725342288 | Foreign Currency Bond | 6-Dec-17  | 3.75% | 6-Dec-27  | 42.93   | Simple | CRISIL AAA/Stable |
| XS1864036576 | Foreign Currency Bond | 10-Aug-18 | 5.25% | 10-Aug-28 | 2480.44 | Simple | CRISIL AAA/Stable |
| US73928QAA67 | Foreign Currency Bond | 6-Dec-18  | 6.15% | 6-Dec-28  | 4134.08 | Simple | CRISIL AAA/Stable |
| XS2009878880 | Foreign Currency Bond | 18-Jun-19 | 3.75% | 18-Jun-24 | 3307.26 | Simple | CRISIL AAA/Stable |
| XS2013531061 | Foreign Currency Bond | 18-Jun-19 | 4.50% | 18-Jun-29 | 4960.90 | Simple | CRISIL AAA/Stable |
| XS2049301042 | Foreign Currency Bond | 16-Sep-19 | 3.25% | 16-Sep-24 | 2067.04 | Simple | CRISIL AAA/Stable |
| XS2049301042 | Foreign Currency Bond | 16-Sep-19 | 3.25% | 16-Sep-24 | 413.41  | Simple | CRISIL AAA/Stable |
| XS2051369671 | Foreign Currency Bond | 16-Sep-19 | 3.90% | 16-Sep-29 | 3307.26 | Simple | CRISIL AAA/Stable |
| XS2051369671 | Foreign Currency Bond | 16-Sep-19 | 3.90% | 16-Sep-29 | 413.41  | Simple | CRISIL AAA/Stable |
| US73928QAB41 | Foreign Currency Bond | 23-Jan-20 | 3.95% | 23-Apr-30 | 826.82  | Simple | CRISIL AAA/Stable |
| US73928QAB41 | Foreign Currency Bond | 23-Jan-20 | 3.95% | 23-Apr-30 | 4960.90 | Simple | CRISIL AAA/Stable |
| US73928QAB41 | Foreign Currency Bond | 23-Jan-20 | 3.95% | 23-Apr-30 | 353.82  | Simple | CRISIL AAA/Stable |
| US73928QAB41 | Foreign Currency Bond | 23-Jan-20 | 3.95% | 23-Apr-30 | 59.59   | Simple | CRISIL AAA/Stable |
| XS2282240907 | Foreign Currency Bond | 28-Jan-21 | 3.35% | 16-May-31 | 4134.08 | Simple | CRISIL AAA/Stable |
| XS2384373341 | Foreign Currency Bond | 20-Sep-21 | 1.84% | 21-Sep-28 | 2626.41 | Simple | CRISIL AAA/Stable |
| INE134E07687 | Capital Gains Bond    | 30-Apr-18 | 5.75% | 30-Apr-23 | 6.54    | Simple | CRISIL AAA/Stable |
| INE134E07695 | Capital Gains Bond    | 31-May-18 | 5.75% | 31-May-23 | 7.04    | Simple | CRISIL AAA/Stable |
| INE134E07703 | Capital Gains Bond    | 30-Jun-18 | 5.75% | 30-Jun-23 | 10.11   | Simple | CRISIL AAA/Stable |
| INE134E07711 | Capital Gains Bond    | 31-Jul-18 | 5.75% | 31-Jul-23 | 14.32   | Simple | CRISIL AAA/Stable |
| INE134E07729 | Capital Gains Bond    | 31-Aug-18 | 5.75% | 31-Aug-23 | 15.95   | Simple | CRISIL AAA/Stable |
| INE134E07737 | Capital Gains Bond    | 30-Sep-18 | 5.75% | 30-Sep-23 | 26.03   | Simple | CRISIL AAA/Stable |
| INE134E07745 | Capital Gains Bond    | 31-Oct-18 | 5.75% | 31-Oct-23 | 32.95   | Simple | CRISIL AAA/Stable |
| INE134E07752 | Capital Gains Bond    | 30-Nov-18 | 5.75% | 30-Nov-23 | 41.13   | Simple | CRISIL AAA/Stable |
| INE134E07760 | Capital Gains Bond    | 31-Dec-18 | 5.75% | 31-Dec-23 | 55.14   | Simple | CRISIL AAA/Stable |
| INE134E07778 | Capital Gains Bond    | 31-Jan-19 | 5.75% | 31-Jan-24 | 70.63   | Simple | CRISIL AAA/Stable |
| INE134E07786 | Capital Gains Bond    | 28-Feb-19 | 5.75% | 28-Feb-24 | 66.74   | Simple | CRISIL AAA/Stable |

|              |                    |           |       |           |        |        |                   |
|--------------|--------------------|-----------|-------|-----------|--------|--------|-------------------|
| INE134E07794 | Capital Gains Bond | 31-Mar-19 | 5.75% | 31-Mar-24 | 145.38 | Simple | CRISIL AAA/Stable |
| INE134E07810 | Capital Gains Bond | 30-Apr-19 | 5.75% | 30-Apr-24 | 48.91  | Simple | CRISIL AAA/Stable |
| INE134E07828 | Capital Gains Bond | 31-May-19 | 5.75% | 31-May-24 | 72.72  | Simple | CRISIL AAA/Stable |
| INE134E07836 | Capital Gains Bond | 30-Jun-19 | 5.75% | 30-Jun-24 | 81.73  | Simple | CRISIL AAA/Stable |
| INE134E07844 | Capital Gains Bond | 31-Jul-19 | 5.75% | 31-Jul-24 | 117.29 | Simple | CRISIL AAA/Stable |
| INE134E07851 | Capital Gains Bond | 31-Aug-19 | 5.75% | 31-Aug-24 | 105.73 | Simple | CRISIL AAA/Stable |
| INE134E07869 | Capital Gains Bond | 30-Sep-19 | 5.75% | 30-Sep-24 | 102.03 | Simple | CRISIL AAA/Stable |
| INE134E07877 | Capital Gains Bond | 1-Nov-19  | 5.75% | 30-Nov-26 | 92.09  | Simple | CRISIL AAA/Stable |
| INE134E07885 | Capital Gains Bond | 30-Nov-19 | 5.75% | 31-Dec-26 | 89.96  | Simple | CRISIL AAA/Stable |
| INE134E07893 | Capital Gains Bond | 31-Dec-19 | 5.75% | 31-Jan-27 | 93.08  | Simple | CRISIL AAA/Stable |
| INE134E07919 | Capital Gains Bond | 29-Feb-20 | 5.75% | 28-Feb-27 | 107.88 | Simple | CRISIL AAA/Stable |
| INE134E07927 | Capital Gains Bond | 31-Mar-20 | 5.75% | 31-Mar-27 | 129.01 | Simple | CRISIL AAA/Stable |
| INE134E07976 | Capital Gains Bond | 31-Jul-20 | 5.75% | 30-Apr-27 | 82.56  | Simple | CRISIL AAA/Stable |
| INE134E07984 | Capital Gains Bond | 31-Aug-20 | 5.00% | 31-May-27 | 26.03  | Simple | CRISIL AAA/Stable |
| INE134E07992 | Capital Gains Bond | 30-Sep-20 | 5.00% | 30-Jun-27 | 61.44  | Simple | CRISIL AAA/Stable |
| INE134E07AA8 | Capital Gains Bond | 1-Nov-20  | 5.00% | 31-Jul-27 | 45.90  | Simple | CRISIL AAA/Stable |
| INE134E07AB6 | Capital Gains Bond | 1-Dec-20  | 5.00% | 31-Aug-27 | 48.87  | Simple | CRISIL AAA/Stable |
| INE134E07AC4 | Capital Gains Bond | 31-Dec-20 | 5.00% | 30-Sep-27 | 86.18  | Simple | CRISIL AAA/Stable |
| INE134E07AD2 | Capital Gains Bond | 31-Jan-21 | 5.00% | 31-Oct-27 | 76.54  | Simple | CRISIL AAA/Stable |
| INE134E07AE0 | Capital Gains Bond | 28-Feb-21 | 5.00% | 30-Nov-27 | 101.96 | Simple | CRISIL AAA/Stable |
| INE134E07AF7 | Capital Gains Bond | 31-Mar-21 | 5.00% | 31-Dec-27 | 238.47 | Simple | CRISIL AAA/Stable |
| INE134E07AU6 | Capital Gains Bond | 30-Apr-21 | 5.00% | 30-Apr-23 | 74.66  | Simple | CRISIL AAA/Stable |
| INE134E07AV4 | Capital Gains Bond | 31-May-21 | 5.00% | 31-May-23 | 66.60  | Simple | CRISIL AAA/Stable |
| INE134E07AW2 | Capital Gains Bond | 30-Jun-21 | 5.00% | 30-Jun-23 | 103.86 | Simple | CRISIL AAA/Stable |
| INE134E07AX0 | Capital Gains Bond | 31-Jul-21 | 5.00% | 31-Jul-23 | 131.00 | Simple | CRISIL AAA/Stable |
| INE134E07AY8 | Capital Gains Bond | 31-Aug-21 | 5.00% | 31-Aug-23 | 106.04 | Simple | CRISIL AAA/Stable |
| INE134E07AZ5 | Capital Gains Bond | 30-Sep-21 | 5.00% | 30-Sep-23 | 135.76 | Simple | CRISIL AAA/Stable |
| INE134E07BA6 | Capital Gains Bond | 31-Oct-21 | 5.00% | 31-Oct-23 | 94.42  | Simple | CRISIL AAA/Stable |
| INE134E07BB4 | Capital Gains Bond | 30-Nov-21 | 5.00% | 30-Nov-23 | 84.94  | Simple | CRISIL AAA/Stable |
| INE134E07BC2 | Capital Gains Bond | 31-Dec-21 | 5.00% | 31-Dec-23 | 125.81 | Simple | CRISIL AAA/Stable |
| INE134E07BD0 | Capital Gains Bond | 31-Jan-22 | 5.00% | 31-Jan-24 | 111.14 | Simple | CRISIL AAA/Stable |
| INE134E07BE8 | Capital Gains Bond | 28-Feb-22 | 5.00% | 28-Feb-24 | 130.49 | Simple | CRISIL AAA/Stable |
| INE134E07BF5 | Capital Gains Bond | 31-Mar-22 | 5.00% | 31-Mar-24 | 269.93 | Simple | CRISIL AAA/Stable |
| INE134E07BG3 | Capital Gains Bond | 30-Apr-22 | 5.00% | 30-Apr-24 | 182.00 | Simple | CRISIL AAA/Stable |
| INE134E07BH1 | Capital Gains Bond | 31-May-22 | 5.00% | 31-May-24 | 190.40 | Simple | CRISIL AAA/Stable |
| INE134E07BI9 | Capital Gains Bond | 30-Jun-22 | 5.00% | 30-Jun-24 | 180.62 | Simple | CRISIL AAA/Stable |
| INE134E07BJ7 | Capital Gains Bond | 31-Jul-22 | 5.00% | 31-Jul-24 | 253.08 | Simple | CRISIL AAA/Stable |
| INE134E07BK5 | Capital Gains Bond | 31-Aug-22 | 5.00% | 31-Aug-24 | 146.19 | Simple | CRISIL AAA/Stable |
| INE134E07BL3 | Capital Gains Bond | 30-Sep-22 | 5.00% | 30-Sep-24 | 214.67 | Simple | CRISIL AAA/Stable |
| INE134E07BM1 | Capital Gains Bond | 31-Oct-22 | 5.00% | 30-Nov-26 | 176.41 | Simple | CRISIL AAA/Stable |
| INE134E07BN9 | Capital Gains Bond | 30-Nov-22 | 5.00% | 31-Dec-26 | 200.25 | Simple | CRISIL AAA/Stable |
| INE134E07BO7 | Capital Gains Bond | 31-Dec-22 | 5.00% | 31-Jan-27 | 212.29 | Simple | CRISIL AAA/Stable |
| INE134E07901 | Capital Gains Bond | 31-Jan-20 | 5.75% | 31-Jan-25 | 94.00  | Simple | CRISIL AAA/Stable |

|              |                         |           |        |           |         |         |                   |
|--------------|-------------------------|-----------|--------|-----------|---------|---------|-------------------|
| INE134E07919 | Institutional bonds&    | 29-Feb-20 | 5.75%  | 28-Feb-25 | 500.00  | Simple  | CRISIL AAA/Stable |
| INE134E07927 | Institutional bonds&    | 31-Mar-20 | 5.75%  | 31-Mar-25 | 500.00  | Simple  | CRISIL AAA/Stable |
| INE134E07935 | Capital Gain Bonds@     | 30-Apr-20 | 5.75%  | 30-Apr-25 | 12.44   | Simple  | CRISIL AAA/Stable |
| INE134E07943 | Capital Gain Bonds@     | 31-May-20 | 5.75%  | 31-May-25 | 39.39   | Simple  | CRISIL AAA/Stable |
| INE134E07950 | Capital Gain Bonds@     | 30-Jun-20 | 5.75%  | 30-Jun-25 | 117.99  | Simple  | CRISIL AAA/Stable |
| INE134E07976 | Institutional bonds     | 31-Jul-20 | 5.75%  | 31-Jul-25 | 500.00  | Simple  | CRISIL AAA/Stable |
| INE134E07984 | Institutional bonds     | 31-Aug-20 | 5%     | 31-Aug-25 | 500.00  | Simple  | CRISIL AAA/Stable |
| INE134E07992 | Institutional bonds     | 30-Sep-20 | 5%     | 30-Sep-25 | 500.00  | Simple  | CRISIL AAA/Stable |
| INE134E07AD2 | Institutional bonds     | 31-Jan-21 | 5%     | 31-Jan-26 | 500.00  | Simple  | CRISIL AAA/Stable |
| INE134E07AF7 | Institutional bonds     | 31-Mar-21 | 5.00%  | 31-Mar-26 | 500.00  | Simple  | CRISIL AAA/Stable |
| INE134E07AW2 | Institutional bonds     | 30-Jun-21 | 5%     | 30-Jun-26 | 500.00  | Simple  | CRISIL AAA/Stable |
| INE134E07AX0 | Institutional bonds     | 31-Jul-21 | 5%     | 31-Jul-26 | 131.00  | Simple  | CRISIL AAA/Stable |
| INE134E07AZ5 | Institutional bonds     | 30-Sep-21 | 5%     | 30-Sep-26 | 135.76  | Simple  | CRISIL AAA/Stable |
| INE134E08BP2 | Institutional bonds     | 7-Aug-09  | 8.60%  | 7-Aug-24  | 866.50  | Simple  | CRISIL AAA/Stable |
| INE134E08CN5 | Institutional bonds     | 15-Dec-09 | 8.50%  | 15-Dec-24 | 351.00  | Simple  | CRISIL AAA/Stable |
| INE134E08CP0 | Institutional bonds     | 15-Jan-10 | 8.80%  | 15-Jan-25 | 1172.60 | Simple  | CRISIL AAA/Stable |
| INE134E08CS4 | Institutional bonds     | 15-Mar-10 | 8.90%  | 15-Mar-25 | 184.00  | Simple  | CRISIL AAA/Stable |
| INE134E08CV8 | Institutional bonds     | 30-Mar-10 | 8.95%  | 30-Mar-25 | 492.00  | Simple  | CRISIL AAA/Stable |
| INE134E08CY2 | Institutional bonds     | 14-May-10 | 8.70%  | 14-May-25 | 1337.50 | Simple  | CRISIL AAA/Stable |
| INE134E08DA0 | Institutional bonds     | 15-Jun-10 | 8.75%  | 15-Jun-25 | 1532.00 | Simple  | CRISIL AAA/Stable |
| INE134E08DB8 | Institutional bonds     | 15-Jun-10 | 8.85%  | 15-Jun-30 | 633.00  | Simple  | CRISIL AAA/Stable |
| INE134E08D13 | Institutional bonds     | 15-Dec-10 | 9.05%  | 15-Dec-25 | 192.70  | Simple  | CRISIL AAA/Stable |
| INE134E08DJ1 | Institutional bonds     | 15-Dec-10 | 9.05%  | 15-Dec-30 | 192.70  | Simple  | CRISIL AAA/Stable |
| INE134E08DS2 | Institutional bonds     | 1-Aug-11  | 9.46%  | 1-Aug-26  | 1105.00 | Simple  | CRISIL AAA/Stable |
| INE134E08DU8 | Institutional bonds     | 1-Sep-11  | 9.45%  | 1-Sep-26  | 2568.00 | Simple  | CRISIL AAA/Stable |
| INE134E08FL2 | Institutional bonds     | 11-Mar-13 | 9.00%  | 11-Mar-28 | 1370.00 | Simple  | CRISIL AAA/Stable |
| INE134E08FO6 | Institutional bonds     | 18-Mar-13 | 8.90%  | 18-Mar-28 | 403.00  | Simple  | CRISIL AAA/Stable |
| INE134E08FQ1 | Institutional bonds     | 25-Mar-13 | 8.94%  | 25-Mar-28 | 2807.00 | Simple  | CRISIL AAA/Stable |
| INE134E08JY7 | Subordinated debt issue | 25-Mar-19 | 9.25   | 25-Sep-24 | 2000    | Complex | CRISIL AAA/Stable |
| INE134E08JX9 | Subordinated debt issue | 25-Mar-19 | 9.1    | 25-Mar-29 | 2411.5  | Complex | CRISIL AAA/Stable |
| INE134E08JZ4 | Subordinated debt issue | 28-Mar-19 | 8.98   | 28-Mar-29 | 1000    | Complex | CRISIL AAA/Stable |
| INE134E08FT5 | Subordinated debt issue | 41439     | 0.0819 | 14-Jun-23 | 800     | Complex | CRISIL AAA/Stable |
| INE134E08FT5 | Institutional bonds     | 14-Jun-13 | 8.19%  | 14-Jun-23 | 800.00  | Simple  | CRISIL AAA/Stable |
| INE134E08FW9 | Subordinated debt issue | 13-Jan-14 | 9.65%  | 13-Jan-24 | 1000    | Complex | CRISIL AAA/Stable |
| INE134E08FW9 | Institutional bonds     | 13-Jan-14 | 9.65%  | 13-Jan-24 | 1000.00 | Simple  | CRISIL AAA/Stable |
| INE134E08FX7 | Subordinated debt issue | 21-Feb-14 | 9.70%  | 21-Feb-24 | 2000    | Complex | CRISIL AAA/Stable |
| INE134E08FX7 | Institutional bonds     | 21-Feb-14 | 9.70%  | 21-Feb-24 | 2000.00 | Simple  | CRISIL AAA/Stable |
| INE134E08GD7 | Institutional bonds     | 19-Aug-14 | 9.37%  | 19-Aug-24 | 855.00  | Simple  | CRISIL AAA/Stable |
| INE134E08GG0 | Institutional bonds     | 27-Aug-14 | 9.39%  | 27-Aug-24 | 460.00  | Simple  | CRISIL AAA/Stable |
| INE134E08GH8 | Institutional bonds     | 27-Aug-14 | 9.39%  | 27-Aug-29 | 460.00  | Simple  | CRISIL AAA/Stable |
| INE134E08GK2 | Institutional bonds     | 8-Oct-14  | 8.98%  | 8-Oct-24  | 961.00  | Simple  | CRISIL AAA/Stable |
| INE134E08GL0 | Institutional bonds     | 8-Oct-14  | 8.98%  | 8-Oct-24  | 950.00  | Simple  | CRISIL AAA/Stable |
| INE134E08GU1 | Institutional bonds     | 9-Dec-14  | 8.48%  | 9-Dec-24  | 1000.00 | Simple  | CRISIL AAA/Stable |
| INE134E08GV9 | Institutional bonds     | 29-Dec-14 | 8.65%  | 28-Dec-24 | 2826.00 | Simple  | CRISIL AAA/Stable |
| INE134E08GW7 | Institutional bonds     | 5-Jan-15  | 8.65%  | 4-Jan-25  | 5000.00 | Simple  | CRISIL AAA/Stable |

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|--------------|----------------------|-----------|--------|-----------|---------|--------|-------------------|
| INE134E08GY3 | Institutional bonds  | 10-Mar-15 | 8.20%  | 10-Mar-25 | 1600.00 | Simple | CRISIL AAA/Stable |
| INE134E08HD5 | Institutional bonds  | 19-Mar-15 | 8.39%  | 19-Apr-25 | 925.00  | Simple | CRISIL AAA/Stable |
| INE134E08HG8 | Institutional bonds  | 27-Mar-15 | 8.41%  | 27-Mar-25 | 5000.00 | Simple | CRISIL AAA/Stable |
| INE134E08HX3 | Institutional bonds  | 18-Sep-15 | 8.40%  | 18-Sep-25 | 1000.00 | Simple | CRISIL AAA/Stable |
| INE134E08IE1 | Institutional bonds  | 2-May-16  | 8.03%  | 2-May-26  | 1000.00 | Simple | CRISIL AAA/Stable |
| INE134E08II2 | Institutional bonds  | 16-Aug-16 | 7.63%  | 14-Aug-26 | 1675.00 | Simple | CRISIL AAA/Stable |
| INE134E08IK8 | Institutional bonds  | 16-Sep-16 | 7.56%  | 16-Sep-26 | 210.00  | Simple | CRISIL AAA/Stable |
| INE134E08IL6 | Institutional bonds  | 26-Sep-16 | 7.55%  | 25-Sep-26 | 4000.00 | Simple | CRISIL AAA/Stable |
| INE134E08IO0 | Institutional bonds  | 5-Jan-17  | 7.23%  | 5-Jan-27  | 2635.00 | Simple | CRISIL AAA/Stable |
| INE134E08IP7 | Institutional bonds  | 11-Jan-17 | 0.071  | 11-Jan-27 | 200.00  | Simple | CRISIL AAA/Stable |
| INE134E08IR3 | Institutional bonds  | 20-Jan-17 | 0.0718 | 20-Jan-27 | 1335.00 | Simple | CRISIL AAA/Stable |
| INE134E08IT9 | Institutional bonds  | 20-Feb-17 | 7.60%  | 20-Feb-27 | 1465.00 | Simple | CRISIL AAA/Stable |
| INE134E08IX1 | Institutional bonds  | 22-Mar-17 | 7.75%  | 22-Mar-27 | 2000.00 | Simple | CRISIL AAA/Stable |
| INE134E08JC3 | Institutional bonds* | 12-Jun-17 | 7.44%  | 11-Jun-27 | 1540.00 | Simple | CRISIL AAA/Stable |
| INE134E08JE9 | Institutional bonds* | 8-Aug-17  | 7.30%  | 7-Aug-27  | 1500.00 | Simple | CRISIL AAA/Stable |
| INE134E08JG4 | Institutional bonds* | 22-Nov-17 | 7.65%  | 22-Nov-27 | 2001.00 | Simple | CRISIL AAA/Stable |
| INE134E08JH2 | Institutional bonds* | 15-Dec-17 | 7.62%  | 15-Dec-27 | 5000.00 | Simple | CRISIL AAA/Stable |
| INE134E08JI0 | Institutional bonds* | 30-Jan-18 | 7.74%  | 29-Jan-28 | 850.00  | Simple | CRISIL AAA/Stable |
| INE134E08JP5 | Institutional bonds~ | 3-Apr-18  | 7.85%  | 3-Apr-28  | 3855.00 | Simple | CRISIL AAA/Stable |
| INE134E08JQ3 | Institutional bonds~ | 10-Oct-18 | 8.95%  | 10-Oct-28 | 3000.00 | Simple | CRISIL AAA/Stable |
| INE134E08JR1 | Institutional bonds~ | 19-Nov-18 | 8.67%  | 18-Nov-28 | 1007.40 | Simple | CRISIL AAA/Stable |
| INE134E08JS9 | Institutional bonds~ | 19-Nov-18 | 8.64%  | 19-Nov-33 | 528.40  | Simple | CRISIL AAA/Stable |
| INE134E08JT7 | Institutional bonds~ | 22-Feb-19 | 8.75%  | 22-Feb-34 | 2654.00 | Simple | CRISIL AAA/Stable |
| INE134E08JX9 | Institutional bonds~ | 25-Mar-19 | 9.10%  | 23-Mar-29 | 2411.50 | Simple | CRISIL AAA/Stable |
| INE134E08JY7 | Institutional bonds~ | 25-Mar-19 | 9.25%  | 25-Sep-24 | 2000.00 | Simple | CRISIL AAA/Stable |
| INE134E08JZ4 | Institutional bonds~ | 28-Mar-19 | 8.98%  | 28-Mar-29 | 1000.00 | Simple | CRISIL AAA/Stable |
| INE134E08KA5 | Institutional bonds& | 30-Apr-19 | 8.79%  | 29-Apr-34 | 2578.90 | Simple | CRISIL AAA/Stable |
| INE134E08KC1 | Institutional bonds& | 27-May-19 | 8.85%  | 25-May-29 | 1982.10 | Simple | CRISIL AAA/Stable |
| INE134E08KD9 | Institutional bonds& | 4-Jun-19  | 8.10%  | 4-Jun-24  | 691.10  | Simple | CRISIL AAA/Stable |
| INE134E08KE7 | Institutional bonds& | 8-Aug-19  | 8.15%  | 8-Aug-34  | 4035.00 | Simple | CRISIL AAA/Stable |
| INE134E08KF4 | Institutional bonds& | 6-Sep-19  | 8.25%  | 6-Sep-34  | 4016.00 | Simple | CRISIL AAA/Stable |
| INE134E08KH0 | Institutional bonds& | 19-Nov-19 | 7.42%  | 19-Nov-24 | 3000.00 | Simple | CRISIL AAA/Stable |
| INE134E08KI8 | Institutional bonds& | 31-Dec-19 | 7.93%  | 31-Dec-29 | 4710.50 | Simple | CRISIL AAA/Stable |
| INE134E08KJ6 | Institutional bonds& | 7-Jan-20  | 7.04%  | 14-Apr-23 | 1400.00 | Simple | CRISIL AAA/Stable |
| INE134E08KK4 | Institutional bonds& | 14-Jan-20 | 7.86%  | 12-Apr-30 | 1100.00 | Simple | CRISIL AAA/Stable |
| INE134E08KL2 | Institutional bonds& | 25-Feb-20 | 7.41%  | 25-Feb-30 | 2500.00 | Simple | CRISIL AAA/Stable |
| INE134E08KL2 | Institutional bonds@ | 14-Jul-20 | 6.90%  | 25-Feb-30 | 1500.00 | Simple | CRISIL AAA/Stable |
| INE134E08KM0 | Institutional bonds& | 2-Mar-20  | 7.41%  | 15-May-30 | 5000.00 | Simple | CRISIL AAA/Stable |
| INE134E08KN8 | Institutional bonds@ | 20-Apr-20 | 6.98%  | 20-Apr-23 | 3160.00 | Simple | CRISIL AAA/Stable |
| INE134E08KO6 | Institutional bonds@ | 24-Apr-20 | 6.83%  | 24-Apr-23 | 1970.00 | Simple | CRISIL AAA/Stable |
| INE134E08KP3 | Institutional bonds@ | 24-Apr-20 | 7.16%  | 24-Apr-25 | 1320.00 | Simple | CRISIL AAA/Stable |
| INE134E08KQ1 | Institutional bonds@ | 8-May-20  | 7.40%  | 8-May-30  | 2920.00 | Simple | CRISIL AAA/Stable |
| INE134E08KR9 | Institutional bonds@ | 15-May-20 | 7.68%  | 15-Jul-30 | 3101.30 | Simple | CRISIL AAA/Stable |
| INE134E08KS7 | Institutional bonds@ | 22-May-20 | 6.75%  | 22-May-23 | 2145.00 | Simple | CRISIL AAA/Stable |

|              |   |           |                       |           |         |        |                   |
|--------------|---|-----------|-----------------------|-----------|---------|--------|-------------------|
| INE134E08KT5 | Institutional bonds@                          | 22-May-20 | 7.17%                 | 22-May-25 | 810.00  | Simple | CRISIL AAA/Stable |
| INE134E08KU3 | Institutional bonds@                          | 22-May-20 | 7.79%                 | 22-Jul-30 | 1936.00 | Simple | CRISIL AAA/Stable |
| INE134E08KV1 | Institutional bonds@                          | 11-Jun-20 | 7.75%                 | 11-Jun-30 | 3318.00 | Simple | CRISIL AAA/Stable |
| INE134E08KW9 | Institutional bonds@                          | 11-Jun-20 | 6.72%                 | 9-Jun-23  | 2206.00 | Simple | CRISIL AAA/Stable |
| INE134E08KX7 | Institutional bonds@                          | 28-Jul-20 | 5.77%                 | 11-Apr-25 | 900.00  | Simple | CRISIL AAA/Stable |
| INE134E08KY5 | Institutional bonds@                          | 28-Jul-20 | 6.88%                 | 11-Apr-31 | 1300.00 | Simple | CRISIL AAA/Stable |
| INE134E08KZ2 | Institutional bonds@                          | 10-Aug-20 | 7.05%                 | 9-Aug-30  | 1610.10 | Simple | CRISIL AAA/Stable |
| INE134E08LA3 | Institutional bonds@                          | 10-Aug-20 | 7.20%                 | 10-Aug-35 | 1605.70 | Simple | CRISIL AAA/Stable |
| INE134E08LB1 | Institutional bonds@                          | 20-Aug-20 | 5.47%                 | 19-Aug-23 | 3000.00 | Simple | CRISIL AAA/Stable |
| INE134E08LC9 | Institutional bonds@                          | 9-Sep-20  | 7.04%                 | 16-Dec-30 | 1097.40 | Simple | CRISIL AAA/Stable |
| INE134E08LC9 | Institutional bonds@                          | 11-Nov-20 | 7.04%                 | 16-Dec-30 | 2549.10 | Simple | CRISIL AAA/Stable |
| INE134E08LD7 | Institutional bonds@                          | 17-Sep-20 | 6.50%                 | 17-Sep-25 | 2806.00 | Simple | CRISIL AAA/Stable |
| INE134E08LE5 | Institutional bonds@                          | 29-Sep-20 | 7.34%                 | 29-Sep-35 | 1711.00 | Simple | CRISIL AAA/Stable |
| INE134E08LF2 | Institutional bonds                           | 30-Jun-21 | 6.35%                 | 30-Jun-25 | 405.60  | Simple | CRISIL AAA/Stable |
| INE134E08LG0 | Institutional bonds                           | 30-Jun-21 | 6.35%                 | 30-Jun-26 | 540.80  | Simple | CRISIL AAA/Stable |
| INE134E08LH8 | Institutional bonds                           | 30-Jun-21 | 6.35%                 | 30-Jun-27 | 405.60  | Simple | CRISIL AAA/Stable |
| INE134E08LI6 | Institutional bonds                           | 30-Jun-21 | 7.11%                 | 30-Jun-36 | 1933.50 | Simple | CRISIL AAA/Stable |
| INE134E08LJ4 | Institutional bonds                           | 2-Aug-21  | 3 MONTH T-BILL LINKED | 2-Aug-24  | 1985.00 | Simple | CRISIL AAA/Stable |
| INE134E08LK2 | Institutional bonds                           | 27-Aug-21 | 6.09%                 | 27-Aug-26 | 2450.00 | Simple | CRISIL AAA/Stable |
| INE134E08LL0 | Institutional bonds                           | 27-Aug-21 | 7.15%                 | 27-Aug-36 | 2343.70 | Simple | CRISIL AAA/Stable |
| INE134E08LM8 | Institutional bonds                           | 1-Oct-21  | 6.95%                 | 1-Oct-31  | 1988.00 | Simple | CRISIL AAA/Stable |
| INE134E08EH3 | Institutional bonds                           | 6-Mar-12  | 9.26%                 | 15-Apr-23 | XX      | Simple | CRISIL AAA/Stable |
| INE134E07BP4 | Institutional bonds                           | 31-Jan-23 | 5.00%                 | 31-Jan-28 | 500.00  | Simple | CRISIL AAA/Stable |
| INE134E07BQ2 | Institutional bonds                           | 28-Feb-23 | 5.00%                 | 29-Feb-28 | 500.00  | Simple | CRISIL AAA/Stable |
| INE134E08MC7 | Debentures                                    | 13-Mar-23 | 7.77%                 | 15-Jul-26 | 3262.70 | Simple | CRISIL AAA/Stable |
| INE134E08MD5 | Debentures                                    | 13-Mar-23 | 7.82%                 | 11-Mar-33 | 625.00  | Simple | CRISIL AAA/Stable |
| INE134E08ME3 | Debentures                                    | 13-Mar-23 | 7.82%                 | 12-Mar-32 | 625.00  | Simple | CRISIL AAA/Stable |
| INE134E08MF0 | Debentures                                    | 13-Mar-23 | 7.82%                 | 13-Mar-30 | 625.00  | Simple | CRISIL AAA/Stable |
| INE134E08MG8 | Debentures                                    | 13-Mar-23 | 7.82%                 | 13-Mar-31 | 625.00  | Simple | CRISIL AAA/Stable |
| NA           | Short Term Loan (HDFC Bank)                   | 10-Jun-22 | NA                    | 10-Jun-23 | 1000.00 | Simple | CRISIL A1+        |
| NA           | Short Term Loan (HDFC Bank)                   | 13-Jun-22 | NA                    | 13-Jun-23 | 650.00  | Simple | CRISIL A1+        |
| NA           | Short Term Loan (HDFC Bank)                   | 20-Jun-22 | NA                    | 20-Jun-23 | 20.00   | Simple | CRISIL A1+        |
| NA           | Short Term Loan (HDFC Bank)                   | 22-Jun-22 | NA                    | 22-Jun-23 | 7.00    | Simple | CRISIL A1+        |
| NA           | Short Term Loan (HDFC Bank)                   | 23-Jun-22 | NA                    | 23-Jun-23 | 55.00   | Simple | CRISIL A1+        |
| NA           | Short Term Loan (HDFC Bank)                   | 24-Jun-22 | NA                    | 24-Jun-23 | 33.00   | Simple | CRISIL A1+        |
| NA           | Short Term Loan (HDFC Bank)                   | 27-Jun-22 | NA                    | 27-Jun-23 | 235.00  | Simple | CRISIL A1+        |
| NA           | Short Term Loan (HDFC Bank)                   | 30-Jun-22 | NA                    | 30-Jun-23 | 1000.00 | Simple | CRISIL A1+        |
| NA           | Working Capital Demand Loan (Indusind Bank)   | 21-Dec-22 | NA                    | 21-Dec-23 | 500.00  | Simple | CRISIL AAA/Stable |
| NA           | Working Capital Demand Loan (Mizuho Bank)     | 25-Aug-22 | NA                    | 25-Aug-23 | 250.00  | Simple | CRISIL AAA/Stable |
| NA           | Working Capital Demand Loan (IDFC First Bank) | 29-Jul-22 | NA                    | 29-Jul-23 | 350.00  | Simple | CRISIL AAA/Stable |
| NA           | Working Capital Demand Loan (ICICI Bank)      | 9-Nov-22  | NA                    | 9-Nov-23  | 3000.00 | Simple | CRISIL AAA/Stable |



|    |  |           |    |           |         |        |                   |
|----|--|-----------|----|-----------|---------|--------|-------------------|
| NA | Working Capital Demand Loan (HDFC Bank)            | 24-Mar-22 | NA | 24-Mar-23 | 3050.00 | Simple | CRISIL AAA/Stable |
| NA | Working Capital Demand Loan (Axis Bank)            | 25-Oct-21 | NA | 25-Oct-22 | 500.00  | Simple | CRISIL AAA/Stable |
| NA | Working Capital Demand Loan (State Bank of India)  | 9-Mar-23  | NA | 9-Mar-24  | 3000.00 | Simple | CRISIL AAA/Stable |
| NA | Working Capital Demand Loan (Yes Bank)             | 25-Jun-21 | NA | 25-Jun-22 | 700.00  | Simple | CRISIL AAA/Stable |
| NA | Working Capital Demand Loan (RBL Bank)             | 26-Apr-22 | NA | 28-Feb-23 | 300.00  | Simple | CRISIL AAA/Stable |
| NA | Working Capital Demand Loan (Citi Bank)            | 27-Feb-23 | NA | 27-Feb-24 | 50.00   | Simple | CRISIL AAA/Stable |
| NA | Working Capital Demand Loan (RBL Bank)             | 28-Mar-23 | NA | 28-Mar-24 | 500.00  | Simple | CRISIL AAA/Stable |
| NA | Foreign Currency Term Loan (KFW)                   | 3-Jan-23  | NA | 30-Jun-35 | 40.98   | Simple | CRISIL AAA/Stable |
| NA | Foreign Currency Term Loan (KFW)                   | 19-Jun-95 | NA | 15-Nov-31 | 514.31  | Simple | CRISIL AAA/Stable |
| NA | Foreign Currency Term Loan(Asian Development Bank) | 1-Nov-07  | NA | 15-Apr-23 | 3.73    | Simple | CRISIL AAA/Stable |
| NA | Foreign Currency Term Loan(Asian Development Bank) | 6-Dec-07  | NA | 15-Oct-23 | 3.21    | Simple | CRISIL AAA/Stable |
| NA | Foreign Currency Term Loan(Asian Development Bank) | 10-Dec-07 | NA | 15-Oct-25 | 24.73   | Simple | CRISIL AAA/Stable |
| NA | Foreign Currency Term Loan(Asian Development Bank) | 8-Feb-08  | NA | 15-Apr-26 | 4.89    | Simple | CRISIL AAA/Stable |
| NA | Foreign Currency Term Loan(Asian Development Bank) | 20-Feb-08 | NA | 15-Oct-26 | 5.01    | Simple | CRISIL AAA/Stable |
| NA | Foreign Currency Term Loan(Asian Development Bank) | 16-Apr-08 | NA | 15-Apr-27 | 3.45    | Simple | CRISIL AAA/Stable |
| NA | Foreign Currency Term Loan(Asian Development Bank) | 15-May-08 | NA | 15-Apr-27 | 0.81    | Simple | CRISIL AAA/Stable |
| NA | Foreign Currency Term Loan(Asian Development Bank) | 14-Jul-08 | NA | 15-Oct-27 | 2.89    | Simple | CRISIL AAA/Stable |
| NA | Foreign Currency Term Loan(Asian Development Bank) | 4-Aug-08  | NA | 15-Apr-28 | 1.92    | Simple | CRISIL AAA/Stable |
| NA | Foreign Currency Term Loan(Asian Development Bank) | 5-Sep-08  | NA | 15-Oct-28 | 1.00    | Simple | CRISIL AAA/Stable |
| NA | Foreign Currency Term Loan(Credit National)        | 29-Apr-89 | NA | 30-Jun-28 | 18.42   | Simple | CRISIL AAA/Stable |
| NA | Foreign Currency Term Loan (Mizuho Bank)           | 1-Feb-19  | NA | 1-Feb-24  | 497.90  | Simple | CRISIL AAA/Stable |
| NA | Foreign Currency Term Loan(Bank of Baroda)         | 30-Nov-21 | NA | 30-Nov-26 | 1240.21 | Simple | CRISIL AAA/Stable |
| NA | Foreign Currency Term Loan(Bank of Baroda)         | 26-Sep-18 | NA | 26-Sep-23 | 2067.04 | Simple | CRISIL AAA/Stable |
| NA | Foreign Currency Term Loan (Bank of Tokyo-MUFG)    | 1-Feb-19  | NA | 1-Feb-24  | 273.39  | Simple | CRISIL AAA/Stable |
| NA | Foreign Currency Term Loan (MUFG)                  | 28-Dec-22 | NA | 28-Dec-26 | 534.58  | Simple | CRISIL AAA/Stable |
| NA | Foreign Currency Term Loan (MUFG)                  | 28-Dec-22 | NA | 28-Dec-27 | 534.58  | Simple | CRISIL AAA/Stable |
| NA | Foreign Currency Term Loan (MUFG)                  | 28-Dec-22 | NA | 28-Dec-28 | 534.73  | Simple | CRISIL AAA/Stable |
| NA | Foreign Currency Term Loan(The Norinchukin Bank)   | 1-Feb-19  | NA | 1-Feb-24  | 224.52  | Simple | CRISIL AAA/Stable |
| NA | Foreign Currency(EXIM Bank) Term Loan              | 30-Nov-21 | NA | 30-Nov-26 | 826.82  | Simple | CRISIL AAA/Stable |

|    |  |           |    |           |         |        |                   |
|----|--|-----------|----|-----------|---------|--------|-------------------|
| NA | Foreign Currency(EXIM Bank) Term Loan                                      | 13-Oct-20 | NA | 13-Oct-25 | 826.82  | Simple | CRISIL AAA/Stable |
| NA | Foreign Currency Term Loan(Punjab National Bank)                           | 5-Nov-20  | NA | 5-Nov-25  | 826.83  | Simple | CRISIL AAA/Stable |
| NA | Foreign Currency Term Loan (DBS Bank)                                      | 5-Nov-20  | NA | 5-Nov-25  | 413.41  | Simple | CRISIL AAA/Stable |
| NA | Foreign Currency Term Loan (Canara Bank)                                   | 30-Nov-21 | NA | 30-Nov-26 | 826.82  | Simple | CRISIL AAA/Stable |
| NA | Foreign Currency Term Loan (Crédit Agricole Corporate and Investment Bank) | 28-Dec-22 | NA | 28-Dec-26 | 200.47  | Simple | CRISIL AAA/Stable |
| NA | Foreign Currency Term Loan (Crédit Agricole Corporate and Investment Bank) | 28-Dec-22 | NA | 28-Dec-27 | 200.47  | Simple | CRISIL AAA/Stable |
| NA | Foreign Currency Term Loan (Crédit Agricole Corporate and Investment Bank) | 28-Dec-22 | NA | 28-Dec-28 | 200.53  | Simple | CRISIL AAA/Stable |
| NA | Foreign Currency Term Loan (ICICI Bank)                                    | 29-Dec-22 | NA | 29-Dec-23 | 825.06  | Simple | CRISIL A1+        |
| NA | Foreign Currency Term Loan (State Bank of India)                           | 20-Dec-19 | NA | 20-Dec-24 | 2067.04 | Simple | CRISIL AAA/Stable |
| NA | Foreign Currency Term Loan (State Bank of India)                           | 5-Nov-20  | NA | 5-Nov-25  | 1240.22 | Simple | CRISIL AAA/Stable |
| NA | Foreign Currency Term Loan (State Bank of India)                           | 30-Nov-21 | NA | 30-Nov-26 | 2273.74 | Simple | CRISIL AAA/Stable |
| NA | Foreign Currency Term Loan (State Bank of India)                           | 28-Dec-22 | NA | 28-Dec-26 | 1069.16 | Simple | CRISIL AAA/Stable |
| NA | Foreign Currency Term Loan (State Bank of India)                           | 28-Dec-22 | NA | 28-Dec-27 | 1069.16 | Simple | CRISIL AAA/Stable |
| NA | Foreign Currency Term Loan (State Bank of India)                           | 28-Dec-22 | NA | 28-Dec-28 | 1069.47 | Simple | CRISIL AAA/Stable |
| NA | Foreign Currency Term Loan (State Bank of India)                           | 15-Dec-22 | NA | 15-Dec-23 | 909.50  | Simple | CRISIL A1+        |
| NA | Foreign Currency Term Loan (Sumitomo Mitsui Banking Corporation)           | 5-Jan-23  | NA | 5-Jan-30  | 1623.92 | Simple | CRISIL AAA/Stable |
| NA | Long Term Loan (Canara Bank)   | 20-Feb-19 | NA | 20-Feb-24 | 1000.00 | Simple | CRISIL AAA/Stable |
| NA | Long Term Loan (Canara Bank)   | 21-Jun-19 | NA | 21-Jun-24 | 500.00  | Simple | CRISIL AAA/Stable |
| NA | Long Term Loan (Canara Bank)   | 24-Jun-19 | NA | 24-Jun-24 | 500.00  | Simple | CRISIL AAA/Stable |
| NA | Long Term Loan (Canara Bank)   | 29-Jun-19 | NA | 29-Jun-24 | 1000.00 | Simple | CRISIL AAA/Stable |
| NA | Long Term Loan (Canara Bank)   | 28-Dec-18 | NA | 28-Dec-23 | 500.00  | Simple | CRISIL AAA/Stable |
| NA | Long Term Loan (Canara Bank)   | 15-Jan-19 | NA | 15-Jan-24 | 500.00  | Simple | CRISIL AAA/Stable |
| NA | Long Term Loan (Canara Bank)   | 23-Mar-20 | NA | 23-Mar-26 | 300.00  | Simple | CRISIL AAA/Stable |
| NA | Long Term Loan (Canara Bank)   | 22-Sep-20 | NA | 22-Sep-26 | 1400.00 | Simple | CRISIL AAA/Stable |
| NA | Long Term Loan (Canara Bank)   | 28-Jun-22 | NA | 28-Jun-28 | 2250.00 | Simple | CRISIL AAA/Stable |
| NA | Long Term Loan (Canara Bank)   | 30-Jun-22 | NA | 30-Jun-28 | 250.00  | Simple | CRISIL AAA/Stable |
| NA | Long Term Loan (OBC)   | 25-Feb-19 | NA | 25-Feb-25 | 750.00  | Simple | CRISIL AAA/Stable |
| NA | Long Term Loan (OBC)   | 30-Sep-19 | NA | 30-Sep-25 | 168.75  | Simple | CRISIL AAA/Stable |
| NA | Long Term Loan (OBC)   | 20-Mar-20 | NA | 20-Mar-25 | 666.67  | Simple | CRISIL AAA/Stable |
| NA | Long Term Loan (Bank of India)   | 21-Jan-19 | NA | 21-Jan-24 | 1000.00 | Simple | CRISIL AAA/Stable |
| NA | Long Term Loan (Bank of India)   | 30-Jan-19 | NA | 21-Jan-24 | 1000.00 | Simple | CRISIL AAA/Stable |

|    |                                       |             |    |             |         |        |                   |
|----|---------------------------------------|-------------|----|-------------|---------|--------|-------------------|
| NA | Long Term Loan (Bank of India)        | 11-Sep-20   | NA | 11-Sep-26   | 1000.00 | Simple | CRISIL AAA/Stable |
| NA | Long Term Loan (Bank of India)        | 18-Sep-21   | NA | 18-Sep-28   | 50.00   | Simple | CRISIL AAA/Stable |
| NA | Long Term Loan (Bank of India)        | 20-Sep-21   | NA | 18-Sep-28   | 100.00  | Simple | CRISIL AAA/Stable |
| NA | Long Term Loan (Bank of India)        | 22-Sep-21   | NA | 18-Sep-28   | 50.00   | Simple | CRISIL AAA/Stable |
| NA | Long Term Loan (Bank of India)        | 24-Sep-21   | NA | 18-Sep-28   | 300.00  | Simple | CRISIL AAA/Stable |
| NA | Long Term Loan (Bank of India)        | 2-Mar-19    | NA | 2-Mar-25    | 1000.00 | Simple | CRISIL AAA/Stable |
| NA | Long Term Loan (United Bank of India) | 30-Sep-2020 | NA | 30-Sep-2025 | 995.00  | Simple | CRISIL AAA/Stable |
| NA | Long Term Loan (Corporation Bank)     | 15-Mar-19   | NA | 15-Mar-24   | 200.00  | Simple | CRISIL AAA/Stable |
| NA | Long Term Loan (Corporation Bank)     | 30-Sep-19   | NA | 30-Sep-24   | 200.00  | Simple | CRISIL AAA/Stable |
| NA | Long Term Loan (Allahabad Bank)       | 29-Jun-19   | NA | 29-Jun-26   | 1800.00 | Simple | CRISIL AAA/Stable |
| NA | Long Term Loan (Allahabad Bank)       | 2-Jan-20    | NA | 2-Jan-27    | 54.80   | Simple | CRISIL AAA/Stable |
| NA | Long Term Loan (Allahabad Bank)       | 31-Mar-20   | NA | 2-Jan-27    | 445.20  | Simple | CRISIL AAA/Stable |
| NA | Long Term Loan (State Bank of India)  | 10-Jul-20   | NA | 10-Jul-25   | 3570.00 | Simple | CRISIL AAA/Stable |
| NA | Long Term Loan (State Bank Of India)  | 27-Sep-18   | NA | 27-Sep-23   | 2499.98 | Simple | CRISIL AAA/Stable |
| NA | Long Term Loan (State Bank of India)  | 5-Oct-18    | NA | 27-Sep-23   | 500.00  | Simple | CRISIL AAA/Stable |
| NA | Long Term Loan (State Bank of India)  | 19-Dec-19   | NA | 19-Dec-24   | 500.00  | Simple | CRISIL AAA/Stable |
| NA | Long Term Loan (State Bank of India)  | 27-Dec-19   | NA | 19-Dec-24   | 470.00  | Simple | CRISIL AAA/Stable |
| NA | Long Term Loan (State Bank of India)  | 30-Dec-19   | NA | 19-Dec-24   | 1170.00 | Simple | CRISIL AAA/Stable |
| NA | Long Term Loan (State Bank of India)  | 31-Dec-19   | NA | 19-Dec-24   | 262.20  | Simple | CRISIL AAA/Stable |
| NA | Long Term Loan (State Bank of India)  | 1-Jan-20    | NA | 19-Dec-24   | 167.80  | Simple | CRISIL AAA/Stable |
| NA | Long Term Loan (State Bank of India)  | 2-Jan-20    | NA | 19-Dec-24   | 430.00  | Simple | CRISIL AAA/Stable |
| NA | Long Term Loan (Indian Bank)          | 28-Sep-20   | NA | 28-Sep-25   | 1125.00 | Simple | CRISIL AAA/Stable |
| NA | Long Term Loan (Union Bank of India)  | 30-Sep-20   | NA | 30-Sep-25   | 1350.00 | Simple | CRISIL AAA/Stable |
| NA | Long Term Loan (Union Bank of India)  | 23-Mar-20   | NA | 23-Mar-25   | 1250.00 | Simple | CRISIL AAA/Stable |
| NA | Long Term Loan (Union Bank of India)  | 31-Mar-22   | NA | 31-Mar-28   | 3000.00 | Simple | CRISIL AAA/Stable |
| NA | Long Term Loan (HDFC Bank)            | 5-Oct-18    | NA | 5-Oct-23    | 750.00  | Simple | CRISIL AAA/Stable |
| NA | Long Term Loan (HDFC Bank)            | 29-Jun-21   | NA | 29-Jun-23   | 2300.00 | Simple | CRISIL AAA/Stable |
| NA | Long Term Loan (HDFC Bank)            | 16-Sep-21   | NA | 29-Jun-23   | 550.00  | Simple | CRISIL AAA/Stable |
| NA | Long Term Loan (HDFC Bank)            | 17-Sep-21   | NA | 29-Jun-23   | 150.00  | Simple | CRISIL AAA/Stable |
| NA | Long Term Loan (HDFC Bank)            | 30-Sep-21   | NA | 30-Sep-23   | 1000.00 | Simple | CRISIL AAA/Stable |
| NA | Long Term Loan (HDFC Bank)            | 30-Sep-21   | NA | 30-Sep-25   | 3000.00 | Simple | CRISIL AAA/Stable |
| NA | Long Term Loan (Syndicate Bank)       | 20-Mar-20   | NA | 20-Mar-24   | 875.00  | Simple | CRISIL AAA/Stable |
| NA | Long Term Loan (Andhra Bank)          | 31-Mar-20   | NA | 15-Jan-25   | 800.00  | Simple | CRISIL AAA/Stable |
| NA | Long Term Loan (Punjab National Bank) | 27-Sep-21   | NA | 27-Sep-26   | 425.00  | Simple | CRISIL AAA/Stable |
| NA | Long Term Loan (Punjab National Bank) | 29-Sep-21   | NA | 27-Sep-26   | 75.00   | Simple | CRISIL AAA/Stable |

|              |  |             |       |             |          |         |                   |
|--------------|--|-------------|-------|-------------|----------|---------|-------------------|
| NA           | Long Term Loan (Punjab National Bank)        | 29-Sep-21   | NA    | 29-Sep-26   | 5.00     | Simple  | CRISIL AAA/Stable |
| NA           | Long Term Loan (UCO bank)                    | 31-Mar-2020 | NA    | 31-Mar-2023 | 500.00   | Simple  | CRISIL AAA/Stable |
| NA           | Long Term Loan (UCO bank)                    | 26-May-20   | NA    | 26-May-2023 | 200.00   | Simple  | CRISIL AAA/Stable |
| NA           | Long Term Loan (UCO bank)                    | 24-Sep-2021 | NA    | 24-Sep-2026 | 1000.00  | Simple  | CRISIL AAA/Stable |
| NA           | Long Term Loan (Indian Overseas Bank)        | 30-Sep-22   | NA    | 30-Sep-28   | 1000.00  | Simple  | CRISIL AAA/Stable |
| NA           | Long Term Loan (Bank of Baroda)              | 17-Nov-22   | NA    | 17-Nov-29   | 1500.00  | Simple  | CRISIL AAA/Stable |
| NA           | Long Term Loan (Bank of Baroda)              | 19-Nov-22   | NA    | 17-Nov-29   | 500.00   | Simple  | CRISIL AAA/Stable |
| NA           | Long Term Loan (Bank of Baroda)              | 21-Nov-22   | NA    | 17-Nov-29   | 850.00   | Simple  | CRISIL AAA/Stable |
| NA           | Long Term Loan (Bank of Baroda)              | 22-Nov-22   | NA    | 17-Nov-29   | 1100.00  | Simple  | CRISIL AAA/Stable |
| NA           | Long Term Loan (Bank of Baroda)              | 24-Nov-22   | NA    | 17-Nov-29   | 1050.00  | Simple  | CRISIL AAA/Stable |
| NA           | Long Term Loan (KEB Hana Bank)               | 17-Nov-22   | NA    | 17-Nov-25   | 100.00   | Simple  | CRISIL AAA/Stable |
| NA           | Long Term Loan (IIFCL)                       | 30-Sep-21   | NA    | 30-Sep-26   | 1000.00  | Simple  | CRISIL AAA/Stable |
| NA           | Long Term Loan (National Small Savings Fund) | 27-Dec-18   | NA    | 27-Dec-28   | 7500.00  | Simple  | CRISIL AAA/Stable |
| NA           | Long Term Loan (Central Bank)                | 28-Jun-22   | NA    | 28-Jun-28   | 1000.00  | Simple  | CRISIL AAA/Stable |
| NA           | Subordinated debt issue^^                    | NA          | NA    | NA          | 5788.50  | Complex | CRISIL AAA/Stable |
| NA           | Cash Credit#                                 | NA          | NA    | NA          | 10000.00 | NA      | CRISIL AAA/Stable |
| NA           | Perpetual Non-Convertible Debentures@        | NA          | NA    | NA          | 1000.00  | Complex | CRISIL AAA/Stable |
| NA           | Long Term Borrowing Programme (FY24)         | NA          | NA    | NA          | 60000.00 | Simple  | CRISIL AAA/Stable |
| NA           | Short Term Borrowing Programme (FY24)        | NA          | NA    | NA          | 20000.00 | Simple  | CRISIL A1+        |
| NA           | Long Term Borrowing Programme (FY22)         | NA          | NA    | NA          | 80000.00 | Simple  | CRISIL AAA/Stable |
| NA           | Long Term Borrowing Programme (FY23)         | NA          | NA    | NA          | 72000.00 | Simple  | CRISIL AAA/Stable |
| NA           | Short Term Borrowing Programme (FY23)        | NA          | NA    | NA          | 10000.00 | Simple  | CRISIL A1+        |
| NA           | Long Term Borrowing Programme (FY21)&        | NA          | NA    | NA          | 33293.38 | Simple  | CRISIL AAA/Stable |
| INE134E07091 | Infrastructure Bonds                         | 31-Mar-11   | 8.50% | 31-Mar-26   | 5.27     | Simple  | CRISIL AAA/Stable |
| INE134E07092 | Infrastructure Bonds                         | 31-Mar-11   | 8.50% | 31-Mar-26   | 19.33    | Simple  | CRISIL AAA/Stable |
| INE134E07174 | Infrastructure Bonds                         | 21-Nov-11   | 8.75% | 21-Nov-26   | 2.86     | Simple  | CRISIL AAA/Stable |
| INE134E07182 | Infrastructure Bonds                         | 21-Nov-11   | 8.75% | 21-Nov-26   | 7.77     | Simple  | CRISIL AAA/Stable |
| INE134E07232 | Infrastructure Bonds                         | 30-Mar-12   | 8.72% | 30-Mar-27   | 0.87     | Simple  | CRISIL AAA/Stable |
| INE134E07240 | Infrastructure Bonds                         | 30-Mar-12   | 8.72% | 30-Mar-27   | 2.40     | Simple  | CRISIL AAA/Stable |
| INE134E07109 | Infrastructure Bonds                         | 31-Mar-11   | 8.50% | 31-Mar-26   | 22.75    | Simple  | CRISIL AAA/Stable |
| INE134E07463 | Tax Free Bonds                               | 16-Nov-13   | 8.92% | 16-Nov-33   | 861.96   | Simple  | CRISIL AAA/Stable |
| INE134E08DI3 | Institutional bonds                          | 15-Dec-10   | 9.05% | 15-Dec-25   | 192.70   | Simple  | CRISIL AAA/Stable |
| INE134E08DS2 | Institutional bonds                          | 1-Aug-11    | 9.46% | 1-Aug-26    | 1105.00  | Simple  | CRISIL AAA/Stable |
| INE134E07AG5 | Debentures                                   | 22-Jan-21   | 4.65% | 22-Jan-24   | 5000.00  | Simple  | CRISIL AAA/Stable |
| INE134E07BD0 | Bonds  | 31-Jan-22   | 5%    | 31-Jan-27   | 111.14   | Simple  | CRISIL AAA/Stable |
| INE134E07BE8 | Bonds  | 28-Feb-22   | 5%    | 28-Feb-27   | 130.49   | Simple  | CRISIL AAA/Stable |

Revision in instruments details based on data shared by client

^^Not yet issued

@Part of borrowing programme for fiscal 2021

&Part of borrowing programme for fiscal 2020

~Part of borrowing programme for fiscal 2019

\*Part of borrowing programme for fiscal 2018

#Limit for working capital demand loan/overdraft facility/cash credit/line of credit/bank guarantee- Total working capital borrowing not to exceed board-approved limit of Rs 10,000 crore. However, quantum of sanctioned working capital facilities may be different from the Board-approved limit for outstanding working capital borrowing.

#### Annexure: Details of Rating Withdrawn

| ISIN         | Name of Instrument  | Date of Issue | Coupon Rate (%) | Maturity Date | Issue Size (Rs. Cr) | Complexity Level |
|--------------|---------------------|---------------|-----------------|---------------|---------------------|------------------|
| INE134E07331 | Tax Free Bonds      | 4-Jan-13      | 7.19%           | 4-Jan-23      | 138.33              | Simple           |
| INE134E07331 | Tax Free Bonds      | 4-Jan-13      | 7.69%           | 4-Jan-23      | 176.21              | Simple           |
| INE134E08FJ6 | Institutional bonds | 4-Mar-13      | 8.84%           | 4-Mar-23      | 1310                | Simple           |
| INE134E08FN8 | Institutional bonds | 18-Mar-13     | 8.90%           | 18-Mar-23     | 403                 | Simple           |
| INE134E08FP3 | Institutional bonds | 18-Mar-13     | 8.87%           | 18-Mar-23     | 70                  | Simple           |

#### Annexure – List of entities consolidated

| Names of Entities Consolidated               | Extent of Consolidation | Rationale for Consolidation |
|--|-------------------------|-----------------------------|
| REC Limited                                  | Full                    | Subsidiary                  |
| PFC Consulting Limited                       | Full                    | Subsidiary                  |
| Energy Efficiently Services Limited          | Proportionate           | Joint Venture               |
| Chattisgarh Surguja Power Limited            | Proportionate           | Associate                   |
| Coastal Karnataka Power Limited              | Proportionate           | Associate                   |
| Coastal Maharashtra Mega Power Limited       | Proportionate           | Associate                   |
| Coastal Tamil Nadu Power Limited             | Proportionate           | Associate                   |
| Orissa Integrated Power Limited              | Proportionate           | Associate                   |
| Sakhigopal Integrated Power Company Limited  | Proportionate           | Associate                   |
| Ghogarpalli Integrated Power Company Limited | Proportionate           | Associate                   |
| Tatiya Andhra Mega Power Limited             | Proportionate           | Associate                   |
| Deoghar Mega Power Limited                   | Proportionate           | Associate                   |
| Cheyur Infra Limited                         | Proportionate           | Associate                   |
| Odisha Infrapower Limited                    | Proportionate           | Associate                   |
| Deoghar Infrapower Limited                   | Proportionate           | Associate                   |
| Bihar Infrapower Limited                     | Proportionate           | Associate                   |
| Bihar Mega Power Limited                     | Proportionate           | Associate                   |
| Jharkhand Infrapower Limited                 | Proportionate           | Associate                   |

#### Annexure - Rating History for last 3 Years

| Instrument                    | Current |                    |                   | 2023 (History) |                   | 2022     |                   | 2021              |                   | 2020              |                   | Start of 2020     |
|-------------------------------|---------|--------------------|-------------------|----------------|-------------------|----------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                               | Type    | Outstanding Amount | Rating            | Date           | Rating            | Date     | Rating            | Date              | Rating            | Date              | Rating            | Rating            |
| Fund Based Facilities         | LT      | 10000.0            | CRISIL AAA/Stable | 13-02-23       | CRISIL AAA/Stable | 24-03-22 | CRISIL AAA/Stable | 31-03-21          | CRISIL AAA/Stable | 03-12-20          | CRISIL AAA/Stable | CRISIL AAA/Stable |
|                               |         |                    | --                | --             | --                | --       | 08-01-21          | CRISIL AAA/Stable | 16-07-20          | CRISIL AAA/Stable | Withdrawn         |                   |
|                               |         |                    | --                | --             | --                | --       | --                | --                | 29-03-20          | CRISIL AAA/Stable | --                |                   |
|                               |         |                    | --                | --             | --                | --       | --                | --                | 19-02-20          | CRISIL AAA/Stable | --                |                   |
| Bond                          | LT      | 82919.76           | CRISIL AAA/Stable | 13-02-23       | CRISIL AAA/Stable | 24-03-22 | CRISIL AAA/Stable | 31-03-21          | CRISIL AAA/Stable | 03-12-20          | CRISIL AAA/Stable | CRISIL AAA/Stable |
|                               |         |                    | --                | --             | --                | --       | 08-01-21          | CRISIL AAA/Stable | 16-07-20          | CRISIL AAA/Stable | --                |                   |
|                               |         |                    | --                | --             | --                | --       | --                | --                | 29-03-20          | CRISIL AAA/Stable | --                |                   |
|                               |         |                    | --                | --             | --                | --       | --                | --                | 19-02-20          | CRISIL AAA/Stable | --                |                   |
| Long-Term Borrowing Programme | LT      | 532000.0           | CRISIL AAA/Stable | 13-02-23       | CRISIL AAA/Stable | 24-03-22 | CRISIL AAA/Stable | 31-03-21          | CRISIL AAA/Stable | 03-12-20          | CRISIL AAA/Stable | CRISIL AAA/Stable |
|                               |         |                    | --                | --             | --                | --       | 08-01-21          | CRISIL AAA/Stable | 16-07-20          | CRISIL AAA/Stable | --                |                   |
|                               |         |                    | --                | --             | --                | --       | --                | --                | 29-03-20          | CRISIL AAA/Stable | --                |                   |

|  |    |         |                   |          |                   |          |                   |          |                   |          |                   |                   |
|--|----|---------|-------------------|----------|-------------------|----------|-------------------|----------|-------------------|----------|-------------------|-------------------|
|  |    |         | --                |          | --                |          | --                |          | --                | 19-02-20 | CRISIL AAA/Stable | --                |
| <b>Perpetual Non Convertible Debentures</b>    | LT | 1000.0  | CRISIL AAA/Stable | 13-02-23 | CRISIL AAA/Stable | 24-03-22 | CRISIL AAA/Stable | 31-03-21 | CRISIL AAA/Stable | 03-12-20 | CRISIL AAA/Stable | --                |
|  |    |         | --                |          | --                |          | --                | 08-01-21 | CRISIL AAA/Stable | 16-07-20 | CRISIL AAA/Stable | --                |
| <b>Short Term Borrowing programme</b>          | ST | 40000.0 | CRISIL A1+        | 13-02-23 | CRISIL A1+        | 24-03-22 | CRISIL A1+        | 31-03-21 | CRISIL A1+        | 03-12-20 | CRISIL A1+        | CRISIL A1+        |
|  |    |         | --                |          | --                |          | --                | 08-01-21 | CRISIL A1+        | 16-07-20 | CRISIL A1+        | --                |
|  |    |         | --                |          | --                |          | --                |          | --                | 29-03-20 | CRISIL A1+        | --                |
|  |    |         | --                |          | --                |          | --                |          | --                | 19-02-20 | CRISIL A1+        | --                |
| <b>Subordinated Non-Convertible Debentures</b> | LT | 15000.0 | CRISIL AAA/Stable | 13-02-23 | CRISIL AAA/Stable | 24-03-22 | CRISIL AAA/Stable | 31-03-21 | CRISIL AAA/Stable | 03-12-20 | CRISIL AAA/Stable | CRISIL AAA/Stable |
|  |    |         | --                |          | --                |          | --                | 08-01-21 | CRISIL AAA/Stable | 16-07-20 | CRISIL AAA/Stable | --                |
|  |    |         | --                |          | --                |          | --                |          | --                | 29-03-20 | CRISIL AAA/Stable | --                |
|  |    |         | --                |          | --                |          | --                |          | --                | 19-02-20 | CRISIL AAA/Stable | --                |

All amounts are in Rs.Cr.

#### Annexure - Details of Bank Lenders & Facilities\*

| Facility                     | Amount (Rs crore) | Name of lender                                | Rating            |
|------------------------------|-------------------|---|-------------------|
| Short-term loan              | 3,000.00          | HDFC Bank                                     | CRISIL A1+        |
| Working capital demand loan  | 500               | Indusind Bank                                 | CRISIL AAA/Stable |
| Working capital demand loan  | 250               | Mizuho Bank                                   | CRISIL AAA/Stable |
| Working capital demand loan  | 350               | IDFC First Bank                               | CRISIL AAA/Stable |
| Working capital demand loan  | 3000              | ICICI Bank                                    | CRISIL AAA/Stable |
| Working capital demand loan  | 3050              | HDFC Bank                                     | CRISIL AAA/Stable |
| Working capital demand loan  | 500               | Axis Bank                                     | CRISIL AAA/Stable |
| Working capital demand loan  | 3,500.00          | State Bank of India                           | CRISIL AAA/Stable |
| Working capital demand loan  | 700               | Yes Bank                                      | CRISIL AAA/Stable |
| Working capital demand loan  | 300               | RBL Bank                                      | CRISIL AAA/Stable |
| Working capital demand loan  | 50                | Citi Bank                                     | CRISIL AAA/Stable |
| Foreign currency term loan#  | 555.29            | KFW   | CRISIL AAA/Stable |
| Foreign currency term loan\$ | 51.64             | Asian Development Bank                        | CRISIL AAA/Stable |
| Foreign currency term loan#  | 18.43             | Credit National                               | CRISIL AAA/Stable |
| Foreign currency term loan\$ | 6490.5            | State Bank of India                           | CRISIL AAA/Stable |
| Foreign currency term loan\$ | 909.5             | State Bank of India                           | CRISIL A1+        |
| Foreign currency term loan&  | 497.9             | Mizuho Bank                                   | CRISIL AAA/Stable |
| Foreign currency term loan\$ | 3307.26           | Bank of Baroda                                | CRISIL AAA/Stable |
| Foreign currency term loan&  | 273.39            | Bank of Tokyo-MUFG                            | CRISIL AAA/Stable |
| Foreign currency term loan&  | 224.52            | The Norinchukin Bank                          | CRISIL AAA/Stable |
| Foreign currency term loan\$ | 1653.63           | EXIM Bank                                     | CRISIL AAA/Stable |
| Foreign currency term loan\$ | 826.82            | Punjab National Bank                          | CRISIL AAA/Stable |
| Foreign currency term loan\$ | 413.41            | DBS Bank                                      | CRISIL AAA/Stable |
| Foreign currency term loan\$ | 826.82            | Canara Bank                                   | CRISIL AAA/Stable |
| Foreign currency term loan\$ | 601.46            | Crédit Agricole Corporate and Investment Bank | CRISIL AAA/Stable |
| Foreign currency term loan&  | 825.06            | ICICI Bank                                    | CRISIL A1+        |
| Foreign currency term loan#  | 3207.79           | State Bank of India                           | CRISIL AAA/Stable |
| Foreign currency term loan&  | 1603.89           | MUFG Bank                                     | CRISIL AAA/Stable |
| Foreign currency term loan&  | 1623.92           | Sumitomo Mitsui Banking Corporation           | CRISIL AAA/Stable |

|                             |         |                             |                   |
|-----------------------------|---------|-----------------------------|-------------------|
| Foreign currency term loan& | 3207.79 | State Bank of India         | CRISIL AAA/Stable |
| Long-term loan              | 8200    | Canara Bank                 | CRISIL AAA/Stable |
| Long-term loan              | 1585.42 | OBC                         | CRISIL AAA/Stable |
| Long-term loan              | 4500    | Bank of India               | CRISIL AAA/Stable |
| Long-term loan              | 400     | Corporation Bank            | CRISIL AAA/Stable |
| Long-term loan              | 2300    | Allahabad Bank              | CRISIL AAA/Stable |
| Long-term loan              | 9569.98 | State Bank of India         | CRISIL AAA/Stable |
| Long-term loan              | 1125    | Indian Bank                 | CRISIL AAA/Stable |
| Long-term loan              | 5600    | Union Bank of India         | CRISIL AAA/Stable |
| Long-term loan              | 7750    | HDFC                        | CRISIL AAA/Stable |
| Long-term loan              | 995     | United Bank of India        | CRISIL AAA/Stable |
| Long-term loan              | 875     | Syndicate Bank              | CRISIL AAA/Stable |
| Long-term loan              | 800     | Andhra Bank                 | CRISIL AAA/Stable |
| Long-term loan              | 505     | Punjab National Bank        | CRISIL AAA/Stable |
| Long-term loan              | 1700    | UCO bank                    | CRISIL AAA/Stable |
| Long-term loan              | 1000    | Indian Overseas Bank        | CRISIL AAA/Stable |
| Long-term loan              | 5000    | Bank of Baroda              | CRISIL AAA/Stable |
| Long-term loan              | 100     | KEB Hana Bank               | CRISIL AAA/Stable |
| Long-term loan              | 1000    | IIFCL                       | CRISIL AAA/Stable |
| Long-term loan              | 7500    | National Small Savings Fund | CRISIL AAA/Stable |
| Long-term loan              | 1000    | Central Bank                | CRISIL AAA/Stable |

This Annexure has been updated on 30-Mar-23 in line with the lender-wise facility details as on 23-Mar-23 received from the rated entity.

\*Bank Lenders are part of Borrowing program of company.

\$ Exchange rate as on March 23, 2023: 1 USD = INR 0.0122

# Exchange rate as on March 23, 2023: 1 EUR = INR 0.0112

& Exchange rate as on March 23, 2023: 1 JPY = INR 1.5901

## Criteria Details

### Links to related criteria

[CRISILs Bank Loan Ratings - process, scale and default recognition](#)

[Rating Criteria for Banks and Financial Institutions](#)

[Criteria for Notching up Stand Alone Ratings of Entities Based on Government Support](#)

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ICRA Limited

Ref No: ICRA/Power Finance Corporation Ltd./22062023/1

June 22, 2023

Mr. Sumeet Kumar  
GM - Finance  
**Power Finance Corporation Ltd.**  
1, Urjanidhi, Barakhamba Lane  
Connaught Place, New Delhi- 110001

Dear Sir,

**Re: ICRA Credit Rating for the Rs. 60,000 crore Long Term Borrowing Programme of Power Finance Corporation Ltd. for the financial year 2023-24**

Please refer to your request for revalidating the rating letter issued for the captioned programme.

We confirm that the **[ICRA]AAA** (pronounced ICRA triple A) rating assigned to your captioned programme and last communicated to you vide our letter dated March 28, 2023 stands. Instruments with [ICRA]AAA rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. The outlook on the long-term rating is **Stable**.

In any of your publicity material or other document wherever you are using our above rating, it should be stated as **[ICRA]AAA (Stable)**.

This rating is specific to the terms and conditions of the proposed issue as was indicated to us by you and any change in the terms or size of the issue would require the rating to be reviewed by us. The rating is restricted to your Long-Term Borrowing programme size of Rs. 60,000 crore<sup>1</sup>. If there is any change in the terms and conditions or size of the instrument rated, as above, the same must be brought to our notice before the issue of the instrument. If there is any such change after the rating is assigned by us and accepted by you, it would be subject to our review and may result in change in the rating assigned.

The other terms and conditions for the credit rating of the aforementioned instrument shall remain the same vide our letter dated March 28, 2023.

We look forward to your communication and assure you of our best services.

With kind regards,

For ICRA Limited

R SRINIVASAN  
Vice President  
[r.srinivasan@icraindia.com](mailto:r.srinivasan@icraindia.com)

<sup>1</sup>The long term borrowing programme includes Public Issue of Taxable Non-Convertible Debentures

Mr. Sumeet Kumar

GM - Finance

Power Finance Corporation Ltd.  
1, Urjanidhi, Barakhamba Lane  
Connaught Place, New Delhi- 110001

Dear Sir,

Re: ICRA Credit Rating for the Rs. 60,000 crore Long Term Borrowing Programme of Power Finance Corporation Ltd. for the financial year 2023-24

Please refer the Statement of work **between ICRA Limited ("ICRA") and your company for carrying out the rating of the** aforesaid Long Term Borrowing Programme. The Rating Committee of ICRA, after due consideration, has assigned a [ICRA]AAA (pronounced as ICRA triple A) rating to the captioned Long term Borrowing Programme. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. The Outlook on the long-term rating is 'Stable'.

In any of your publicity material or other document wherever you are using our above rating, it should be stated as [ICRA]AAA (Stable).

We request you to provide your acceptance for the rating by sending an email acceptance to us latest by March 30, 2023. In case you do not communicate your acceptance/non acceptance of the assigned credit rating, or do not appeal against the assigned credit rating by the aforesaid date, the credit rating will be **treated by us as non accepted and shall be disclosed on ICRA's website as non accepted Rating.**

Any intimation by you about the above rating to any Banker/Lending Agency/Government Authorities/Stock Exchange would constitute use of this rating by you and shall be deemed acceptance of the rating.

This rating is specific to the terms and conditions of the proposed issue as was indicated to us by you and any change in the terms or size of the issue would require the rating to be reviewed by us. If there is any change in the terms and conditions or size of the instrument rated, as above, the same must be brought to our notice before the issue of the instrument. If there is any such change after the rating is assigned by us and accepted by you, it would be subject to our review and may result in change in the rating assigned. ICRA reserves the right to review and/or, revise the above at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the rating assigned to you.

You are also requested to forthwith inform us about any default or delay in repayment of interest or principal amount of the instrument rated, as above, or any other debt instruments/ borrowing and keep us informed of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for re-schedulement or postponement of the repayment programmes of the dues/ debts of the company with any lender(s) / investor(s). Further, you are requested to inform us immediately as and when the borrowing limit for the instrument rated, as above, or as prescribed by the regulatory authority(ies) is exceeded.

We thank you for your kind cooperation extended during the course of the rating exercise. Should you require any clarification, please do not hesitate to get in touch with us.

We look forward to your communication and assure you of our best services.

With kind regards,

For ICRA Limited

Srikumar Krishnamurthy  
Vice President  
[ksrikumar@icraindia.com](mailto:ksrikumar@icraindia.com)

Acknowledgement

*(To be signed and returned to ICRA Limited)*

Please refer to your rating communication letter dated March 30, 2023 I hereby unconditionally accept and acknowledge the assigned rating.

We confirm that the undersigned is legally authorized to accept the rating on behalf of Power Finance Corporation Limited.

*For Power Finance Corporation Limited*

\_\_\_\_\_  
Name:

Designation:

Date:

*Note: Please return a copy of the above communication along with the acknowledgement to ICRA Limited*

March 30, 2023

## Power Finance Corporation Ltd.: ratings reaffirmed, and rated amount enhanced

### Summary of rating action

| Instrument*  | Previous Rated Amount<br>(Rs. crore) | Current Rated Amount<br>(Rs. crore) | Rating Action                            |
|--|--------------------------------------|-------------------------------------|--|
| Long-term borrowing programme FY2024               | 0.00                                 | 60,000.00                           | [ICRA]AAA(Stable); assigned              |
| Short-term borrowing programme FY2024              | 0.00                                 | 20,000.00                           | [ICRA]A1+; assigned                      |
| Long-term borrowing programme FY2023               | 70,000.00                            | 72,000.00                           | [ICRA]AAA(Stable); reaffirmed/assigned   |
| Short-term borrowing programme FY2023              | 10,000.00                            | 10,000.00                           | [ICRA]A1+; reaffirmed                    |
| Short-term borrowing programme FY2023 <sup>^</sup> | 2,000.00                             | 0.00                                | [ICRA]A1+; reaffirmed and withdrawn      |
| Long-term borrowing programme FY2022               | 80,000.00                            | 80,000.00                           | [ICRA]AAA(Stable); outstanding           |
| Short-term borrowing programme FY2022              | 20,000.00                            | 20,000.00                           | [ICRA]A1+; outstanding                   |
| Long-term borrowing programme FY2021               | 98,000.00                            | 98,000.00                           | [ICRA]AAA(Stable); outstanding           |
| Short-term borrowing programme FY2021              | 20,000.00                            | 20,000.00                           | [ICRA]A1+; outstanding                   |
| Perpetual bond programme                           | 1,000.00                             | 1,000.00                            | [ICRA]AA+(Stable); outstanding           |
| Long-term borrowing programme FY2020               | 87,800.00                            | 87,800.00                           | [ICRA]AAA(Stable); outstanding           |
| LT/ST borrowing programmes of earlier years        | 133,852.80                           | 133,852.80                          | [ICRA]AAA(Stable)/[ICRA]A1+; outstanding |
| <b>Total</b>                                       | <b>522,652.80</b>                    | <b>602,652.80</b>                   |  |

\*Instrument details are provided in Annexure-1; <sup>^</sup>Ratings withdrawn for Rs. 2,000 crore ST borrowing programme at request from the company, no amount outstanding against the amount to be withdrawn; LT – Long term; ST – Short term

### Rationale

While arriving at the ratings, ICRA takes a consolidated view of the credit profiles of Power Finance Corporation Ltd. (PFC) and REC Limited (REC), as REC is a subsidiary of PFC and both entities are in a similar line of business with strategic importance to the Government of India (GoI) and overlapping clientele.

The ratings continue to draw significant strength from PFC's sovereign ownership<sup>1</sup>, its importance to the GoI, given its role as a nodal agency for various power sector schemes, and its dominant market position (including REC) in the power sector financing segment. The ratings also continue to draw comfort from the diversified borrowing mix, healthy financial flexibility by virtue of ownership, adequate liquidity and established track record of healthy profitability. The aforesaid strengths are partly offset by the moderate, albeit improving, capitalisation with a consolidated gearing of about 6.6x as on September 30, 2022. The group also remains exposed to risks arising from exposure to a single sector (i.e. power) with a high concentration towards relatively weak state power utilities as well as the vulnerability of its exposure to private sector borrowers. This is reflected by the elevated asset quality indicators with the gross stage 3 assets at 4.8% and 4.4% of total advances at standalone and consolidated level, respectively, as of September 30, 2022, despite having improved significantly over last two years. PFC is also exposed to risks arising from fluctuations in foreign exchange rates, given the sizeable foreign currency denominated borrowings, nonetheless, PFC has been actively focused on hedging its foreign currency borrowings, the risk is mitigated to some degree with 95% of foreign exchange borrowings with residual maturity of up to 5 years fully hedged as on September 30, 2022 compared to 65% till March 31, 2020.

ICRA believes that prudent capitalisation is a key mitigant against the risks arising out of the sectoral and credit concentration. In this context, cognizance has been taken of the various government schemes with PFC and REC as lending partners. The impact on the capitalisation ratios has been cushioned by the lower risk weight applicable to the exposures backed by state government guarantees. Based on discussions with the managements and stakeholders of both entities, including the principal

<sup>1</sup> 56% held by the GoI as on December 31, 2022

shareholder, ICRA understands that PFC and REC remain important vehicles for the implementation of the Gol's various power sector schemes. Moreover, support will be forthcoming from the Gol if needed. Support to REC, if required, will be extended by the Gol through PFC. Thus, the Stable outlook reflects ICRA's expectation that PFC, along with REC, will remain strategically important to the Gol and will continue to play a major role in various power sector schemes of the Government. Consequently, PFC and REC are likely to retain a dominant position in power sector financing while maintaining an adequate profitability, borrowing and capitalisation profile.

Notwithstanding the ratings of [ICRA]AAA(Stable) and [ICRA]A1+ outstanding on the other borrowing programmes of the company, the one notch lower rating for the perpetual debt programme reflects the specific features of these instruments as per the guidelines issued by the Reserve Bank of India (RBI) for hybrid debt capital instruments.

## Key rating drivers and their description

### Credit strengths

**Majority ownership by Gol and importance, given the role played in implementing various Gol schemes and dominant position in power sector financing** – As nodal agencies for implementing various Gol schemes aimed at developing the country's power sector (such as Revamped Distribution Sector Scheme (RDSS) & Integrated Power Development System (IPDS Scheme), PFC and REC remain strategically important to the Gol for achieving its objective of augmenting the power capacity across the country. Further, the Gol remains a majority shareholder in PFC with a stake of ~56%, as of December 31, 2022, and has representation on the company's board.

PFC has an experienced management team with the senior team having an experience of more than 30 years in power financing. Moreover, the company, along with REC, has maintained a dominant position in power sector financing with a large share of funding to state power utilities. ICRA notes that PFC's acquisition of REC further strengthened its position, while supporting better portfolio diversity, compared to individual entities. At the same time, with PFC and REC being a part of the same group, sustained challenges in incremental fund-raising owing to the group exposure limits of lenders will remain a monitorable.

**Good financial flexibility and resource profile** – The group enjoys good financial flexibility, given its sovereign ownership, which augurs well for raising long-term funding from both domestic and international financial institutions at competitive rates. Given the Gol's support, PFC has been able to raise funds at competitive rates. Precedents, wherein it received approval from the Gol to raise tax-free and 54EC low-cost capital gain bonds, provide comfort with respect to its financial flexibility, ability to raise low-cost funds, and maintain a diversified borrowing profile. The funding mix remains adequately diversified and includes long term market instruments, foreign currency borrowings, Banks and FIs. Over the past few years PFC has significantly increased the share of hedged foreign currency borrowing with residual maturity of up to 5 years (95% as on September 30, 2022 as compared to 66% as on March 31, 2020).

**Established track record of healthy profitability** – More than commensurate decline in cost of funds as compared to the decline in yields and decline in gearing resulted in improvement in net interest margins (NIMs) to 3.5% in FY2022 as compared to 3.4% in FY2021. Notwithstanding the elevated levels (though declining) share of gross stage 3 assets resulting in credit costs 0.7% in FY2022 as compared to 0.8% in FY2021 on a consolidated basis. Given the wholesale nature of business, the operating expenses remained low at 0.1% in FY2022 (0.1% in FY2021). PFC's profitability remains healthy with a return on equity (RoE) of 18% and 21% at the standalone and consolidated level, respectively, in FY2022. At the standalone level, PFC's three-year average RoA and RoE for FY2019-FY2022 stood at 2.0% and 16%, respectively. Further, profitability remained healthy in H1FY2023 with RoA and RoE of 2.5% and 17% respectively for PFC on standalone basis.

### Credit challenges

**High concentration risk and portfolio vulnerability** – PFC's exposure to a single sector (i.e. power), large ticket size of loans, high concentration of exposure towards financially weak state power utilities and the vulnerability of its exposure to private sector borrowers increase the portfolio vulnerability. The independent power producer (IPP) portfolio remains impacted by



concerns regarding fuel availability, disputed and competitive power sale tariffs, absence of power purchase agreements (PPAs), environmental clearance and land acquisition issues.

The gross stage 3 assets as on September 30, 2022 stood elevated at 4.8% and 4.4% of total advances at standalone and consolidated level, respectively; though, having improved from peak of over 8%. With provision cover of 71%, the net stage 3 assets as of September 30, 2022 stood at 1.3% of total advances at standalone and consolidated level. As on September 30, 2022, about 41% of the consolidated private sector book is recognised as a part of the Stage III assets on which the company has made sizeable provisions of 71%. ICRA, however, believes that any incremental stress in the loan book is likely to be restricted to the private sector book, wherein most of the stressed loans are already in stage 3. Going forward, the Group's ability to grow its loan book, while controlling the credit costs and maintaining the profitability, would be imperative.

**Moderate capitalisation** – In the past, the acquisition of REC by PFC impacted the Group's consolidated capitalisation. While a considerable recovery has been witnessed since then, nonetheless leverage remains moderate with a consolidated gearing of about 6.6x as on September 30, 2022. Comparatively, PFC's capitalisation at the standalone level was characterised by a CRAR of 24.3% as of September 30, 2022. ICRA believes that prudent capitalisation is a key mitigant against the risks arising out of the sectoral and credit concentration. In this context, cognizance has been taken of the various government schemes with PFC and REC as lending partners. The impact on the capitalisation ratios will be cushioned by the lower risk weight applicable to the exposures backed by state government guarantees.

### Liquidity position: Adequate

As of December 31, 2022, PFC's asset liability maturity (ALM) profile reflected debt maturities (principal only; at standalone level) of about Rs. 49,081 crore for the 12-month period ending December 31, 2022, against which its scheduled inflows from advances were Rs. 77,949 crore. Asset liability maturity (ALM) profile improved has in recent years due to the decline in dependence upon short term borrowings and relatively longer tenor borrowings raised in last one year resulting in positive cumulative mismatches in all buckets up to 1 year. PFC's ALM profile had historically been characterised by some cumulative negative mismatches in the up to one-year buckets, given the relatively long tenure of the loans extended by it. While such gaps, when existing, are partially bridged through sizeable unutilised bank lines (about Rs. 7,346 crore as of December 31, 2022) and cash & equivalents (about Rs. 5,791 crore as of December 31, 2022), the company also relies on interest income and refinancing, at times, to repay its maturing debt. Nevertheless, the healthy financial flexibility, supported by the sovereign ownership and ability to raise funds at short notice, provides comfort.

### Rating sensitivities

**Positive factors** – Not applicable

**Negative factors** – ICRA could change the rating outlook to Negative or downgrade the ratings on a change in the ownership and/or a change in PFC's strategic role or importance to the GoI. Also, a deterioration in the consolidated solvency (net Stage 3/NOF) to a level above 40% on a sustained basis will be a negative trigger.

### Analytical approach

| Analytical Approach             | Comments  |
|---------------------------------|---|
| Applicable Rating Methodologies | <a href="#">ICRA's Credit Rating Methodology for Non-Banking Finance Companies</a><br><a href="#">Rating Approach - Implicit parent or group support</a><br><a href="#">Rating Approach - Consolidation</a><br><a href="#">Policy of Withdrawal of Credit Ratings</a>         |
| Parent/Group Support            | The ratings derive significant strength from the GoI's majority ownership (56% as on December 31, 2022) of PFC and the company's important role as a nodal agency for various power sector schemes of the Government; the GoI ownership supports PFC's financial flexibility. |
| Consolidation/Standalone        | Consolidation   |



## About the company

PFC, incorporated in 1986, is a non-banking financial company (NBFC) with infrastructure finance company status. It was set up by the Government of India (GoI) as a specialised financial institution to fund projects in the domestic power sector. The GoI held a 56% stake in the company as on December 31, 2022.

PFC provides loans for a range of power sector activities including generation, distribution, transmission, and plant renovation and maintenance. It finances state sector entities including generating and distribution companies as well as IPPs. PFC is also the nodal agency for the Revamped Distribution Sector Scheme (RDSS) & Integrated Power Development System (IPDS) Scheme and the bid process coordinator for the Independent Transmission Projects (ITP) Scheme.

PFC is the promoter and holding company of REC Limited. In March 2019, it acquired 103.94-crore equity shares of REC from the President of India constituting 52.63% of the paid-up share capital of REC.

PFC, on a standalone basis, reported a profit after tax (PAT) of Rs. 10,022 crore in FY2022 compared to PAT of Rs. 8,444 crore in FY2021. Subsequently, in H1 FY2023, it has reported a PAT of Rs. 5,108 crore. As of September 30, 2022, its reported capital adequacy at standalone level was 24.3% and it had a total loan book of Rs. 376,696 crore (Rs. 373,135 crore as of March 31, 2022).

At the consolidated level, PFC achieved a PAT of Rs. 18,768 crore in FY2022 compared to PAT of Rs. 15,716 crore in FY2021. Subsequently, in H1 FY2023, it has reported a PAT of Rs. 9,809 crore. As of September 30, 2022, it had a total loan book of Rs. 771,128 crore (Rs. 758,506 crore as on March 31, 2022).

## Key financial indicators - PFC

| Amounts in Rs. crore                 | Standalone |          |         |             | Consolidated |          |         |             |
|--------------------------------------|------------|----------|---------|-------------|--------------|----------|---------|-------------|
|                                      | FY2020     | FY2021   | FY2022  | 6M FY2023   | FY2020       | FY2021   | FY2022  | 6M FY2023   |
|                                      | Audited    | Audited  | Audited | Provisional | Audited      | Audited  | Audited | Provisional |
| <b>PAT</b>                           | 5,655      | 8,444    | 10,022  | 5,108       | 9,477        | 15,716   | 18,768  | 9,809       |
| <b>Net Worth</b>                     | 45,164     | 52,393   | 59,350  | 62,680      | 66,165       | 81,790   | 96,275  | 102,280     |
| <b>Loan Book</b>                     | 3,44,905   | 3,70,772 | 373,135 | 376,696     | 6,67,330     | 7,48,190 | 758,506 | 771,128     |
| <b>CRAR (%)</b>                      | 17.0%      | 18.8%    | 23.5%   | 24.3%       |              |          |         |             |
| <b>Tier I (%)</b>                    | 12.5%      | 15.5%    | 20.0%   | 21.0%       |              |          |         |             |
| <b>Gearing (ex. GoI FSBs; times)</b> | 6.9        | 6.4      | 5.5     | 5.1         | 9.0          | 8.1      | 6.9     | 6.6         |
| <b>Return on Net Worth (%)</b>       | 13%        | 17%      | 18%     | 17%         | 15%          | 21%      | 21%     | 20%         |
| <b>Gross Stage 3 (%)</b>             | 8.1%       | 5.7%     | 5.6%    | 4.8%        | 7.4%         | 5.3%     | 5.2%    | 4.4%        |
| <b>Net Stage 3 (%)</b>               | 3.8%       | 2.1%     | 1.8%    | 1.3%        | 3.7%         | 1.9%     | 1.8%    | 1.3%        |
| <b>Net Stage 3/Net Worth</b>         | 29%        | 15%      | 13%     | 8%          | 36%          | 17%      | 14%     | 10%         |
| <b>Net Stage 3/NOF<sup>^</sup></b>   | 47%        | 22%      | 15%     | 10%         | 44%          | 20%      | 14%     | 10%         |

Source: Financial statements of PFC and REC; Amounts in Rs. Crore; <sup>^</sup> Reported basis – Not adjusted for reserve available in the form of reserve for bad & doubtful debt; ICRA calculation

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information: None**

### Rating history for past three years

|    | Instrument                                    | Current Rating (FY2023) |                          |                                 |                                  | Rating History for the Past 3 Years |                                  |                                  |                                  |                                  |                                  |                                  |                                  |                                  |
|----|---|-------------------------|--------------------------|---------------------------------|----------------------------------|-------------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
|    |   | Type                    | Amount Rated (Rs. crore) | Amount Outstanding (Rs. crore)^ | Date and rating                  |                                     | Date and rating in FY2022        |                                  | Date and rating in FY2021        |                                  |                                  |                                  | Date and rating in FY2020        |                                  |
|    |   |                         |                          |                                 | Mar 30, 2023                     | Feb 09, 2023                        | Mar 30, 2022                     | Apr 07, 2021                     | Jan 08, 2021                     | Dec 03, 2020                     | Jul 24, 2020                     | Apr 01, 2020                     | Feb 25, 2020                     | Nov 18, 2019                     |
| 1  | LT borrowing programme FY2024                 | LT                      | 60,000                   | 0.00                            | [ICRA]AAA (Stable)               | -                                   | -                                | -                                | -                                | -                                | -                                | -                                | -                                | -                                |
| 3  | ST borrowing programme FY2024                 | ST                      | 20,000                   | 0.00                            | [ICRA]A1+                        | -                                   | -                                | -                                | -                                | -                                | -                                | -                                | -                                | -                                |
| 2  | LT borrowing programme FY2023                 | LT                      | 72,000                   | 60,556.62                       | [ICRA]AAA (Stable)               | [ICRA]AAA (Stable)                  | [ICRA]AAA (Stable)               | -                                | -                                | -                                | -                                | -                                | -                                | -                                |
| 3  | ST borrowing programme FY2023                 | ST                      | 10,000                   | 7,400.00                        | [ICRA]A1+                        | [ICRA]A1+                           | [ICRA]A1+                        | -                                | -                                | -                                | -                                | -                                | -                                | -                                |
| 4  | ST borrowing programme FY2023                 | ST                      | 2,000                    | 0                               | [ICRA]A1+; withdrawn             | [ICRA]A1+                           | [ICRA]A1+                        | -                                | -                                | -                                | -                                | -                                | -                                | -                                |
| 5  | LT borrowing programme FY2022                 | LT                      | 80,000                   | 33,839.44                       | [ICRA]AAA (Stable)               | [ICRA]AAA (Stable)                  | [ICRA]AAA (Stable)               | [ICRA]AAA (Stable)               | -                                | -                                | -                                | -                                | -                                | -                                |
| 6  | ST borrowing programme FY2022                 | ST                      | 20,000                   | 4,250.00                        | [ICRA]A1+                        | [ICRA]A1+                           | [ICRA]A1+                        | [ICRA]A1+                        | -                                | -                                | -                                | -                                | -                                | -                                |
| 7  | LT borrowing programme FY2021                 | LT                      | 98,000                   | 58,284.63                       | [ICRA]AAA (Stable)               | [ICRA]AAA (Stable)                  | [ICRA]AAA (Stable)               | [ICRA]AAA (Stable)               | [ICRA]AAA (Stable)               | [ICRA]AAA (Stable)               | [ICRA]AAA (Stable)               | [ICRA]AAA (Stable)               | -                                | -                                |
| 8  | ST borrowing programme FY2021                 | ST                      | 20,000                   | 0                               | [ICRA]A1+                        | [ICRA]A1+                           | [ICRA]A1+                        | [ICRA]A1+                        | [ICRA]A1+                        | [ICRA]A1+                        | [ICRA]A1+                        | [ICRA]A1+                        | -                                | -                                |
| 9  | LT borrowing programme FY2020                 | LT                      | 87,800                   | 46,275.50                       | [ICRA]AAA (stable)               | [ICRA]AAA (stable)                  | [ICRA]AAA (stable)               | [ICRA]AAA (stable)               | [ICRA]AAA (stable)               | [ICRA]AAA (Stable)               | [ICRA]AAA (Stable)               | [ICRA]AAA (Stable)               | [ICRA]AAA (Stable)               | [ICRA]AAA (Stable)               |
| 10 | LT/ST borrowing programmes from earlier years | LT/ST                   | 133,852.8                | 114,968.95                      | [ICRA]AAA (Stable)/<br>[ICRA]A1+ | [ICRA]AAA (Stable)/<br>[ICRA]A1+    | [ICRA]AAA (Stable)/<br>[ICRA]A1+ | [ICRA]AAA (Stable)/<br>[ICRA]A1+ | [ICRA]AAA (Stable)/<br>[ICRA]A1+ | [ICRA]AAA (Stable)/<br>[ICRA]A1+ | [ICRA]AAA (Stable)/<br>[ICRA]A1+ | [ICRA]AAA (Stable)/<br>[ICRA]A1+ | [ICRA]AAA (Stable)/<br>[ICRA]A1+ | [ICRA]AAA (Stable)/<br>[ICRA]A1+ |
| 11 | Perpetual debt programme                      | LT                      | 1,000                    | -                               | [ICRA]AA+ (Stable)               | [ICRA]AA+ (Stable)                  | [ICRA]AA+ (Stable)               | [ICRA]AA+ (Stable)               | [ICRA]AA+ (Stable)               | [ICRA]AA+ (Stable)               | [ICRA]AA+ (Stable)               | [ICRA]AA+ (Stable)               | -                                | -                                |

Source: ICRA research; Note: LT: Long term, ST: Short term, Long-term/short-term borrowing programmes include bonds, commercial papers, bank lines and other instruments; ^As on March 23, 2023

### Complexity level of the rated instrument

| Instrument                               | Complexity Indicator |
|--|----------------------|
| Long-term borrowing programme            | Simple               |
| Short-term borrowing programme           | Simple               |
| Perpetual bond programme                 | Complex              |
| Long-term/Short-term borrowing programme | Simple               |

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

**Annexure-1: Instrument details as on March 30, 2023**

| ISIN         | Instrument name | Date of Issuance / Sanction | Coupon Rate | Maturity Date | Amount Rated | Current Rating              |
|--------------|-----------------|-----------------------------|-------------|---------------|--------------|-----------------------------|
| INE134E07091 | Infra Bonds     | 31-Mar-11                   | 8.50%       | 31-Mar-26     | 5.27         | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E07092 | Infra Bonds     | 31-Mar-11                   | 8.50%       | 31-Mar-26     | 19.33        | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E07174 | Infra Bonds     | 21-Nov-11                   | 8.75%       | 21-Nov-26     | 2.86         | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E07182 | Infra Bonds     | 21-Nov-11                   | 8.75%       | 21-Nov-26     | 7.77         | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E07232 | Infra Bonds     | 30-Mar-12                   | 8.72%       | 30-Mar-27     | 0.87         | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E07240 | Infra Bonds     | 30-Mar-12                   | 8.72%       | 30-Mar-27     | 2.40         | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08IP7 | Gol FSB         | 11-Jan-17                   | 7.10%       | 11-Jan-27     | 200.00       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08IR3 | Gol FSB         | 20-Jan-17                   | 7.18%       | 20-Jan-27     | 1,335.00     | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08IT9 | Gol FSB         | 20-Feb-17                   | 7.60%       | 20-Feb-27     | 1,465.00     | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08IX1 | Gol FSB         | 22-Mar-17                   | 7.75%       | 22-Mar-27     | 2,000.00     | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E07125 | Tax Free Bonds  | 15-Oct-11                   | 7.75%       | 15-Oct-26     | 217.99       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E07141 | Tax Free Bonds  | 25-Nov-11                   | 8.16%       | 25-Nov-26     | 209.34       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E07208 | Tax Free Bonds  | 1-Feb-12                    | 8.30%       | 1-Feb-27      | 1,280.58     | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E07307 | Tax Free Bonds  | 22-Nov-12                   | 7.38%       | 22-Nov-27     | 25.00        | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E07323 | Tax Free Bonds  | 29-Nov-12                   | 7.38%       | 29-Nov-27     | 100.00       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E07349 | Tax Free Bonds  | 4-Jan-13                    | 7.36%       | 4-Jan-28      | 176.21       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E07349 | Tax Free Bonds  | 4-Jan-13                    | 7.86%       | 4-Jan-28      | 180.78       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E07356 | Tax Free Bonds  | 28-Mar-13                   | 6.88%       | 28-Mar-23     | 54.73        | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E07356 | Tax Free Bonds  | 28-Mar-13                   | 7.38%       | 28-Mar-23     | 41.43        | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E07364 | Tax Free Bonds  | 28-Mar-13                   | 7.04%       | 28-Mar-28     | 12.24        | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E07364 | Tax Free Bonds  | 28-Mar-13                   | 7.54%       | 28-Mar-28     | 56.97        | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E07372 | Tax Free Bonds  | 30-Aug-13                   | 8.01%       | 30-Aug-23     | 113.00       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E07380 | Tax Free Bonds  | 30-Aug-13                   | 8.46%       | 30-Aug-28     | 1,011.10     | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E07414 | Tax Free Bonds  | 16-Nov-13                   | 8.18%       | 16-Nov-23     | 325.08       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E07422 | Tax Free Bonds  | 16-Nov-13                   | 8.43%       | 16-Nov-23     | 335.47       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E07430 | Tax Free Bonds  | 16-Nov-13                   | 8.54%       | 16-Nov-28     | 932.70       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E07448 | Tax Free Bonds  | 16-Nov-13                   | 8.79%       | 16-Nov-28     | 353.32       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E07455 | Tax Free Bonds  | 16-Nov-13                   | 8.67%       | 16-Nov-33     | 1,067.38     | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E07463 | Tax Free Bonds  | 16-Nov-13                   | 8.92%       | 16-Nov-33     | 861.96       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E07521 | Tax Free Bonds  | 17-Jul-15                   | 7.16%       | 17-Jul-25     | 300.00       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E07539 | Tax Free Bonds  | 17-Oct-15                   | 7.11%       | 17-Oct-25     | 75.10        | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E07547 | Tax Free Bonds  | 17-Oct-15                   | 7.36%       | 17-Oct-25     | 79.35        | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E07554 | Tax Free Bonds  | 17-Oct-15                   | 7.27%       | 17-Oct-30     | 131.33       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E07562 | Tax Free Bonds  | 17-Oct-15                   | 7.52%       | 17-Oct-30     | 45.18        | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E07570 | Tax Free Bonds  | 17-Oct-15                   | 7.35%       | 17-Oct-35     | 213.57       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E07588 | Tax Free Bonds  | 17-Oct-15                   | 7.60%       | 17-Oct-35     | 155.48       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E07687 | CG Bonds        | 30-Apr-18                   | 5.75%       | 30-Apr-23     | 6.54         | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E07695 | CG Bonds        | 31-May-18                   | 5.75%       | 31-May-23     | 7.04         | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E07703 | CG Bonds        | 30-Jun-18                   | 5.75%       | 30-Jun-23     | 10.11        | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E07711 | CG Bonds        | 31-Jul-18                   | 5.75%       | 31-Jul-23     | 14.32        | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E07729 | CG Bonds        | 31-Aug-18                   | 5.75%       | 31-Aug-23     | 15.95        | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E07737 | CG Bonds        | 30-Sep-18                   | 5.75%       | 30-Sep-23     | 26.03        | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E07745 | CG Bonds        | 31-Oct-18                   | 5.75%       | 31-Oct-23     | 32.95        | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E07752 | CG Bonds        | 30-Nov-18                   | 5.75%       | 30-Nov-23     | 41.13        | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E07760 | CG Bonds        | 31-Dec-18                   | 5.75%       | 31-Dec-23     | 55.14        | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E07778 | CG Bonds        | 31-Jan-19                   | 5.75%       | 31-Jan-24     | 70.63        | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E07786 | CG Bonds        | 28-Feb-19                   | 5.75%       | 28-Feb-24     | 66.74        | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E07794 | CG Bonds        | 31-Mar-19                   | 5.75%       | 31-Mar-24     | 145.38       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E07810 | CG Bonds        | 30-Apr-19                   | 5.75%       | 30-Apr-24     | 48.91        | [ICRA]AAA(Stable)           |
| INE134E07828 | CG Bonds        | 31-May-19                   | 5.75%       | 31-May-24     | 72.72        | [ICRA]AAA(Stable)           |
| INE134E07836 | CG Bonds        | 30-Jun-19                   | 5.75%       | 30-Jun-24     | 81.73        | [ICRA]AAA(Stable)           |
| INE134E07844 | CG Bonds        | 31-Jul-19                   | 5.75%       | 31-Jul-24     | 117.29       | [ICRA]AAA(Stable)           |
| INE134E07851 | CG Bonds        | 31-Aug-19                   | 5.75%       | 31-Aug-24     | 105.73       | [ICRA]AAA(Stable)           |
| INE134E07869 | CG Bonds        | 30-Sep-19                   | 5.75%       | 30-Sep-24     | 102.03       | [ICRA]AAA(Stable)           |
| INE134E07877 | CG Bonds        | 1-Nov-19                    | 5.75%       | 31-Oct-24     | 92.09        | [ICRA]AAA(Stable)           |

| ISIN         | Instrument name | Date of Issuance / Sanction | Coupon Rate | Maturity Date | Amount Rated | Current Rating              |
|--------------|-----------------|-----------------------------|-------------|---------------|--------------|-----------------------------|
| INE134E07885 | CG Bonds        | 30-Nov-19                   | 5.75%       | 30-Nov-24     | 89.96        | [ICRA]AAA(Stable)           |
| INE134E07893 | CG Bonds        | 31-Dec-19                   | 5.75%       | 31-Dec-24     | 93.08        | [ICRA]AAA(Stable)           |
| INE134E07901 | CG Bonds        | 31-Jan-20                   | 5.75%       | 31-Jan-25     | 94.02        | [ICRA]AAA(Stable)           |
| INE134E07919 | CG Bonds        | 29-Feb-20                   | 5.75%       | 1-Mar-25      | 107.88       | [ICRA]AAA(Stable)           |
| INE134E07927 | CG Bonds        | 31-Mar-20                   | 5.75%       | 31-Mar-25     | 129.01       | [ICRA]AAA(Stable)           |
| INE134E07935 | CG Bonds        | 30-Apr-20                   | 5.75%       | 30-Apr-25     | 12.44        | [ICRA]AAA(Stable)           |
| INE134E07943 | CG Bonds        | 31-May-20                   | 5.75%       | 31-May-25     | 39.39        | [ICRA]AAA(Stable)           |
| INE134E07950 | CG Bonds        | 30-Jun-20                   | 5.75%       | 30-Jun-25     | 117.99       | [ICRA]AAA(Stable)           |
| INE134E07976 | CG Bonds        | 31-Jul-20                   | 5.75%       | 31-Jul-25     | 82.56        | [ICRA]AAA(Stable)           |
| INE134E07984 | CG Bonds        | 31-Aug-20                   | 5.00%       | 31-Aug-25     | 26.03        | [ICRA]AAA(Stable)           |
| INE134E07992 | CG Bonds        | 30-Sep-20                   | 5.00%       | 30-Sep-25     | 61.44        | [ICRA]AAA(Stable)           |
| INE134E07AA8 | CG Bonds        | 1-Nov-20                    | 5.00%       | 31-Oct-25     | 45.90        | [ICRA]AAA(Stable)           |
| INE134E07AB6 | CG Bonds        | 1-Dec-20                    | 5.00%       | 30-Nov-25     | 48.87        | [ICRA]AAA(Stable)           |
| INE134E07AC4 | CG Bonds        | 31-Dec-20                   | 5.00%       | 31-Dec-25     | 86.18        | [ICRA]AAA(Stable)           |
| INE134E07AD2 | CG Bonds        | 31-Jan-21                   | 5.00%       | 31-Jan-26     | 76.54        | [ICRA]AAA(Stable)           |
| INE134E07AE0 | CG Bonds        | 28-Feb-21                   | 5.00%       | 28-Feb-26     | 101.96       | [ICRA]AAA(Stable)           |
| INE134E07AF7 | CG Bonds        | 31-Mar-21                   | 5.00%       | 31-Mar-26     | 238.47       | [ICRA]AAA(Stable)           |
| INE134E07AU6 | CG Bonds        | 30-Apr-21                   | 5.00%       | 30-Apr-26     | 74.66        | [ICRA]AAA(Stable)           |
| INE134E07AV4 | CG Bonds        | 31-May-21                   | 5.00%       | 31-May-26     | 66.60        | [ICRA]AAA(Stable)           |
| INE134E07AW2 | CG Bonds        | 30-Jun-21                   | 5.00%       | 30-Jun-26     | 103.86       | [ICRA]AAA(Stable)           |
| INE134E07AX0 | CG Bonds        | 31-Jul-21                   | 5.00%       | 31-Jul-26     | 131.00       | [ICRA]AAA(Stable)           |
| INE134E07AY8 | CG Bonds        | 31-Aug-21                   | 5.00%       | 31-Aug-26     | 106.04       | [ICRA]AAA(Stable)           |
| INE134E07AZ5 | CG Bonds        | 30-Sep-21                   | 5.00%       | 30-Sep-26     | 135.76       | [ICRA]AAA(Stable)           |
| INE134E07BA6 | CG Bonds        | 31-Oct-21                   | 5.00%       | 31-Oct-26     | 94.42        | [ICRA]AAA(Stable)           |
| INE134E07BB4 | CG Bonds        | 30-Nov-21                   | 5.00%       | 30-Nov-26     | 84.94        | [ICRA]AAA(Stable)           |
| INE134E07BC2 | CG Bonds        | 31-Dec-21                   | 5.00%       | 31-Dec-26     | 125.81       | [ICRA]AAA(Stable)           |
| INE134E07BD0 | CG Bonds        | 31-Jan-22                   | 5.00%       | 31-Jan-27     | 111.14       | [ICRA]AAA(Stable)           |
| INE134E07BE8 | CG Bonds        | 28-Feb-22                   | 5.00%       | 28-Feb-27     | 130.49       | [ICRA]AAA(Stable)           |
| INE134E07BF5 | CG Bonds        | 31-Mar-22                   | 5.00%       | 31-Mar-27     | 269.93       | [ICRA]AAA(Stable)           |
| INE134E07BG3 | CG Bonds        | 30-Apr-22                   | 5.00%       | 30-Apr-27     | 182.00       | [ICRA]AAA(Stable)           |
| INE134E07BH1 | CG Bonds        | 31-May-22                   | 5.00%       | 31-May-27     | 190.40       | [ICRA]AAA(Stable)           |
| INE134E07BI9 | CG Bonds        | 30-Jun-22                   | 5.00%       | 30-Jun-27     | 180.62       | [ICRA]AAA(Stable)           |
| INE134E07BJ7 | CG Bonds        | 31-Jul-22                   | 5.00%       | 31-Jul-27     | 253.08       | [ICRA]AAA(Stable)           |
| INE134E07BK5 | CG Bonds        | 31-Aug-22                   | 5.00%       | 31-Aug-27     | 146.19       | [ICRA]AAA(Stable)           |
| INE134E07BL3 | CG Bonds        | 30-Sep-22                   | 5.00%       | 30-Sep-27     | 214.67       | [ICRA]AAA(Stable)           |
| INE134E07BM1 | CG Bonds        | 31-Oct-22                   | 5.00%       | 31-Oct-27     | 176.41       | [ICRA]AAA(Stable)           |
| INE134E07BN9 | CG Bonds        | 30-Nov-22                   | 5.00%       | 30-Nov-27     | 200.25       | [ICRA]AAA(Stable)           |
| INE134E07BO7 | CG Bonds        | 31-Dec-22                   | 5.00%       | 31-Dec-27     | 212.29       | [ICRA]AAA(Stable)           |
| INE134E07BP4 | CG Bonds        | 31-Jan-23                   | 5.00%       | 31-Jan-28     | 191.69       | [ICRA]AAA(Stable)           |
| INE134E08BP2 | Taxable bonds   | 7-Aug-09                    | 8.60%       | 7-Aug-24      | 866.50       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08CN5 | Taxable bonds   | 15-Dec-09                   | 8.50%       | 15-Dec-24     | 351.00       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08CP0 | Taxable bonds   | 15-Jan-10                   | 8.80%       | 15-Jan-25     | 1,172.60     | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08CS4 | Taxable bonds   | 15-Mar-10                   | 8.90%       | 15-Mar-25     | 184.00       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08CV8 | Taxable bonds   | 30-Mar-10                   | 8.95%       | 30-Mar-25     | 492.00       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08CY2 | Taxable bonds   | 15-May-10                   | 8.70%       | 15-May-25     | 1,337.50     | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08DA0 | Taxable bonds   | 15-Jun-10                   | 8.75%       | 15-Jun-25     | 1,532.00     | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08DB8 | Taxable bonds   | 15-Jun-10                   | 8.85%       | 15-Jun-30     | 633.00       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08DJ1 | Taxable bonds   | 15-Dec-10                   | 9.05%       | 15-Dec-30     | 385.40       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08SR2 | Taxable bonds   | 1-Aug-11                    | 9.46%       | 1-Aug-26      | 1,105.00     | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08DU8 | Taxable bonds   | 1-Sep-11                    | 9.45%       | 1-Sep-26      | 2,568.00     | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08EH3 | Taxable bonds   | 6-Mar-12                    | 9.26%       | 15-Apr-23     | 736.00       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08FL2 | Taxable bonds   | 11-Mar-13                   | 9.00%       | 11-Mar-28     | 1,370.00     | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08FO6 | Taxable bonds   | 18-Mar-13                   | 8.90%       | 18-Mar-28     | 403.00       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08FQ1 | Taxable bonds   | 25-Mar-13                   | 8.94%       | 25-Mar-28     | 2,807.00     | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08FT5 | Taxable bonds   | 14-Jun-13                   | 8.19%       | 14-Jun-23     | 800.00       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08FW9 | Taxable bonds   | 13-Jan-14                   | 9.65%       | 13-Jan-24     | 1,000.00     | [ICRA]AAA(Stable)/[ICRA]A1+ |



| ISIN         | Instrument name | Date of Issuance / Sanction | Coupon Rate | Maturity Date | Amount Rated | Current Rating              |
|--------------|-----------------|-----------------------------|-------------|---------------|--------------|-----------------------------|
| INE134E08FX7 | Taxable bonds   | 21-Feb-14                   | 9.70%       | 21-Feb-24     | 2,000.00     | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08GD7 | Taxable bonds   | 19-Aug-14                   | 9.37%       | 19-Aug-24     | 855.00       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08GG0 | Taxable bonds   | 27-Aug-14                   | 9.39%       | 27-Aug-24     | 460.00       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08GH8 | Taxable bonds   | 27-Aug-14                   | 9.39%       | 27-Aug-29     | 460.00       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08GK2 | Taxable bonds   | 8-Oct-14                    | 8.98%       | 8-Oct-24      | 961.00       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08GL0 | Taxable bonds   | 8-Oct-14                    | 8.98%       | 8-Oct-24      | 950.00       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08GU1 | Taxable bonds   | 9-Dec-14                    | 8.48%       | 9-Dec-24      | 1,000.00     | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08GV9 | Taxable bonds   | 29-Dec-14                   | 8.65%       | 29-Dec-24     | 2,826.00     | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08GW7 | Taxable bonds   | 5-Jan-15                    | 8.65%       | 5-Jan-25      | 5,000.00     | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08GY3 | Taxable bonds   | 10-Mar-15                   | 8.20%       | 10-Mar-25     | 1,600.00     | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08HD5 | Taxable bonds   | 19-Mar-15                   | 8.39%       | 19-Apr-25     | 925.00       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08HG8 | Taxable bonds   | 27-Mar-15                   | 8.41%       | 27-Mar-25     | 5,000.00     | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08HX3 | Taxable bonds   | 18-Sep-15                   | 8.40%       | 18-Sep-25     | 1,000.00     | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08IE1 | Taxable bonds   | 2-May-16                    | 8.03%       | 2-May-26      | 1,000.00     | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08II2 | Taxable bonds   | 16-Aug-16                   | 7.63%       | 16-Aug-26     | 1,675.00     | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08IK8 | Taxable bonds   | 16-Sep-16                   | 7.56%       | 16-Sep-26     | 210.00       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08IL6 | Taxable bonds   | 26-Sep-16                   | 7.55%       | 26-Sep-26     | 4,000.00     | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08IO0 | Taxable bonds   | 5-Jan-17                    | 7.23%       | 5-Jan-27      | 2,635.00     | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08JC3 | Taxable bonds   | 12-Jun-17                   | 7.44%       | 12-Jun-27     | 1,540.00     | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08JE9 | Taxable bonds   | 8-Aug-17                    | 7.30%       | 8-Aug-27      | 1,500.00     | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08JG4 | Taxable bonds   | 22-Nov-17                   | 7.65%       | 22-Nov-27     | 2,001.00     | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08JH2 | Taxable bonds   | 15-Dec-17                   | 7.62%       | 15-Dec-27     | 5,000.00     | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08JI0 | Taxable bonds   | 30-Jan-18                   | 7.74%       | 30-Jan-28     | 850.00       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08JP5 | Taxable bonds   | 3-Apr-18                    | 7.85%       | 3-Apr-28      | 3,855.00     | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08JQ3 | Taxable bonds   | 10-Oct-18                   | 8.95%       | 10-Oct-28     | 3,000.00     | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08JR1 | Taxable bonds   | 19-Nov-18                   | 8.67%       | 19-Nov-28     | 1,007.40     | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08JS9 | Taxable bonds   | 19-Nov-18                   | 8.64%       | 19-Nov-33     | 528.40       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08JT7 | Taxable bonds   | 22-Feb-19                   | 8.75%       | 22-Feb-34     | 2,654.00     | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08JY7 | Taxable bonds   | 25-Mar-19                   | 9.25%       | 25-Sep-24     | 2,000.00     | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08JX9 | Taxable bonds   | 25-Mar-19                   | 9.10%       | 25-Mar-29     | 2,411.50     | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08JZ4 | Taxable bonds   | 28-Mar-19                   | 8.98%       | 28-Mar-29     | 1,000.00     | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08KA5 | Taxable bonds   | 30-Apr-19                   | 8.79%       | 30-Apr-34     | 2,578.90     | [ICRA]AAA(Stable)           |
| INE134E08KC1 | Taxable bonds   | 27-May-19                   | 8.85%       | 27-May-29     | 1,982.10     | [ICRA]AAA(Stable)           |
| INE134E08KD9 | Taxable bonds   | 4-Jun-19                    | 8.10%       | 4-Jun-24      | 691.10       | [ICRA]AAA(Stable)           |
| INE134E08KE7 | Taxable bonds   | 8-Aug-19                    | 8.15%       | 8-Aug-34      | 4,035.00     | [ICRA]AAA(Stable)           |
| INE134E08KF4 | Taxable bonds   | 6-Sep-19                    | 8.25%       | 6-Sep-34      | 4,016.00     | [ICRA]AAA(Stable)           |
| INE134E08KH0 | Taxable bonds   | 19-Nov-19                   | 7.42%       | 19-Nov-24     | 3,000.00     | [ICRA]AAA(Stable)           |
| INE134E08KI8 | Taxable bonds   | 31-Dec-19                   | 7.93%       | 31-Dec-29     | 4,710.50     | [ICRA]AAA(Stable)           |
| INE134E08KJ6 | Taxable bonds   | 7-Jan-20                    | 7.04%       | 14-Apr-23     | 1,400.00     | [ICRA]AAA(Stable)           |
| INE134E08KK4 | Taxable bonds   | 14-Jan-20                   | 7.86%       | 12-Apr-30     | 1,100.00     | [ICRA]AAA(Stable)           |
| INE134E08KL2 | Taxable bonds   | 25-Feb-20                   | 7.41%       | 25-Feb-30     | 2,500.00     | [ICRA]AAA(Stable)           |
| INE134E08KM0 | Taxable bonds   | 2-Mar-20                    | 7.41%       | 15-May-30     | 5,000.00     | [ICRA]AAA(Stable)           |
| INE134E08KN8 | Taxable bonds   | 20-Apr-20                   | 6.98%       | 20-Apr-23     | 3,160.00     | [ICRA]AAA(Stable)           |
| INE134E08KO6 | Taxable bonds   | 24-Apr-20                   | 6.83%       | 24-Apr-23     | 1,970.00     | [ICRA]AAA(Stable)           |
| INE134E08KP3 | Taxable bonds   | 24-Apr-20                   | 7.16%       | 24-Apr-25     | 1,320.00     | [ICRA]AAA(Stable)           |
| INE134E08KQ1 | Taxable bonds   | 8-May-20                    | 7.40%       | 8-May-30      | 2,920.00     | [ICRA]AAA(Stable)           |
| INE134E08KR9 | Taxable bonds   | 15-May-20                   | 7.68%       | 15-Jul-30     | 3,101.30     | [ICRA]AAA(Stable)           |
| INE134E08KS7 | Taxable bonds   | 22-May-20                   | 6.75%       | 22-May-23     | 2,145.00     | [ICRA]AAA(Stable)           |
| INE134E08KT5 | Taxable bonds   | 22-May-20                   | 7.17%       | 22-May-25     | 810.00       | [ICRA]AAA(Stable)           |
| INE134E08KU3 | Taxable bonds   | 22-May-20                   | 7.79%       | 22-Jul-30     | 1,936.00     | [ICRA]AAA(Stable)           |
| INE134E08KW9 | Taxable bonds   | 11-Jun-20                   | 6.72%       | 9-Jun-23      | 2,206.00     | [ICRA]AAA(Stable)           |
| INE134E08KV1 | Taxable bonds   | 11-Jun-20                   | 7.75%       | 11-Jun-30     | 3,318.00     | [ICRA]AAA(Stable)           |
| INE134E08KL2 | Taxable bonds   | 14-Jul-20                   | 7.41%       | 25-Feb-30     | 1,500.00     | [ICRA]AAA(Stable)           |
| INE134E08KX7 | Taxable bonds   | 28-Jul-20                   | 5.77%       | 11-Apr-25     | 900.00       | [ICRA]AAA(Stable)           |
| INE134E08KY5 | Taxable bonds   | 28-Jul-20                   | 6.88%       | 11-Apr-31     | 1,300.00     | [ICRA]AAA(Stable)           |
| INE134E08KZ2 | Taxable bonds   | 10-Aug-20                   | 7.05%       | 10-Aug-30     | 1,610.10     | [ICRA]AAA(Stable)           |

| ISIN         | Instrument name                         | Date of Issuance / Sanction | Coupon Rate | Maturity Date | Amount Rated | Current Rating              |
|--------------|---|-----------------------------|-------------|---------------|--------------|-----------------------------|
| INE134E08LA3 | Taxable bonds                           | 10-Aug-20                   | 7.20%       | 10-Aug-35     | 1,605.70     | [ICRA]AAA(Stable)           |
| INE134E08LB1 | Taxable bonds                           | 20-Aug-20                   | 5.47%       | 20-Aug-23     | 3,000.00     | [ICRA]AAA(Stable)           |
| INE134E08LC9 | Taxable bonds                           | 9-Sep-20                    | 7.04%       | 16-Dec-30     | 1,097.40     | [ICRA]AAA(Stable)           |
| INE134E08LD7 | Taxable bonds                           | 17-Sep-20                   | 6.50%       | 17-Sep-25     | 2,806.00     | [ICRA]AAA(Stable)           |
| INE134E08LE5 | Taxable bonds                           | 29-Sep-20                   | 7.34%       | 29-Sep-35     | 1,711.00     | [ICRA]AAA(Stable)           |
| INE134E08LC9 | Taxable bonds                           | 11-Nov-20                   | 7.04%       | 16-Dec-30     | 2,549.10     | [ICRA]AAA(Stable)           |
| INE134E07AH3 | Taxable bonds                           | 22-Jan-21                   | 4.80%       | 22-Jan-24     | 1.96         | [ICRA]AAA(Stable)           |
| INE134E07AI1 | Taxable bonds                           | 22-Jan-21                   | 5.65%       | 22-Jan-26     | 27.05        | [ICRA]AAA(Stable)           |
| INE134E07AJ9 | Taxable bonds                           | 22-Jan-21                   | 5.80%       | 22-Jan-26     | 3.50         | [ICRA]AAA(Stable)           |
| INE134E07AK7 | Taxable bonds                           | 22-Jan-21                   | 6.63%       | 22-Jan-31     | 0.50         | [ICRA]AAA(Stable)           |
| INE134E07AL5 | Taxable bonds                           | 22-Jan-21                   | 6.82%       | 22-Jan-31     | 28.74        | [ICRA]AAA(Stable)           |
| INE134E07AN1 | Taxable bonds                           | 22-Jan-21                   | 7.00%       | 22-Jan-31     | 1,635.53     | [ICRA]AAA(Stable)           |
| INE134E07AO9 | Taxable bonds                           | 22-Jan-21                   | 7.30%       | 22-Jan-31     | 10.35        | [ICRA]AAA(Stable)           |
| INE134E07AP6 | Taxable bonds                           | 22-Jan-21                   | 7.50%       | 22-Jan-31     | 1,250.73     | [ICRA]AAA(Stable)           |
| INE134E07AQ4 | Taxable bonds                           | 22-Jan-21                   | 6.78%       | 22-Jan-36     | 3.50         | [ICRA]AAA(Stable)           |
| INE134E07AR2 | Taxable bonds                           | 22-Jan-21                   | 6.97%       | 22-Jan-36     | 53.36        | [ICRA]AAA(Stable)           |
| INE134E07AS0 | Taxable bonds                           | 22-Jan-21                   | 6.95%       | 22-Jan-36     | 50.05        | [ICRA]AAA(Stable)           |
| INE134E07AT8 | Taxable bonds                           | 22-Jan-21                   | 7.15%       | 22-Jan-36     | 1,330.05     | [ICRA]AAA(Stable)           |
| INE134E07AM3 | Taxable bonds                           | 22-Jan-21                   | 6.80%       | 22-Jan-31     | 33.67        | [ICRA]AAA(Stable)           |
| INE134E08LF2 | Taxable bonds                           | 30-Jun-21                   | 6.35%       | 30-Jun-25     | 405.60       | [ICRA]AAA(Stable)           |
| INE134E08LG0 | Taxable bonds                           | 30-Jun-21                   | 6.35%       | 30-Jun-26     | 540.80       | [ICRA]AAA(Stable)           |
| INE134E08LH8 | Taxable bonds                           | 30-Jun-21                   | 6.35%       | 30-Jun-27     | 405.60       | [ICRA]AAA(Stable)           |
| INE134E08LI6 | Taxable bonds                           | 30-Jun-21                   | 7.11%       | 30-Jun-36     | 1,933.50     | [ICRA]AAA(Stable)           |
| INE134E08LJ4 | Taxable bonds                           | 2-Aug-21                    | 6.21%       | 2-Aug-24      | 1,985.00     | [ICRA]AAA(Stable)           |
| INE134E08LL0 | Taxable bonds                           | 27-Aug-21                   | 7.15%       | 27-Aug-36     | 2,343.70     | [ICRA]AAA(Stable)           |
| INE134E08LK2 | Taxable bonds                           | 27-Aug-21                   | 6.09%       | 27-Aug-26     | 2,450.00     | [ICRA]AAA(Stable)           |
| INE134E08LM8 | Taxable bonds                           | 1-Oct-21                    | 6.95%       | 1-Oct-31      | 1,988.00     | [ICRA]AAA(Stable)           |
| INE134E08LN6 | Taxable bonds                           | 21-Dec-21                   | 6.92%       | 14-Apr-32     | 1,180.00     | [ICRA]AAA(Stable)           |
| INE134E08LO4 | Taxable bonds                           | 10-Aug-22                   | 7.13%       | 10-Aug-25     | 2,420.00     | [ICRA]AAA(Stable)           |
| INE134E08LP1 | Taxable bonds                           | 24-Aug-22                   | 7.13%       | 15-Jul-26     | 3,000.00     | [ICRA]AAA(Stable)           |
| INE134E08LQ9 | Taxable bonds                           | 8-Sep-22                    | 7.42%       | 8-Sep-32      | 4,000.00     | [ICRA]AAA(Stable)           |
| INE134E08LR7 | Taxable bonds                           | 8-Sep-22                    | 7.15%       | 8-Sep-25      | 276.40       | [ICRA]AAA(Stable)           |
| INE134E08LS5 | Taxable bonds                           | 8-Sep-22                    | 7.15%       | 8-Sep-26      | 276.40       | [ICRA]AAA(Stable)           |
| INE134E08LT3 | Taxable bonds                           | 8-Sep-22                    | 7.15%       | 8-Sep-27      | 276.40       | [ICRA]AAA(Stable)           |
| INE134E08LU1 | Taxable bonds                           | 3-Nov-22                    | 7.59%       | 3-Nov-25      | 1,450.00     | [ICRA]AAA(Stable)           |
| INE134E08LV9 | Taxable bonds                           | 14-Nov-22                   | 7.65%       | 14-Nov-37     | 4,000.00     | [ICRA]AAA(Stable)           |
| INE134E08LW7 | Taxable bonds                           | 14-Dec-22                   | 7.58%       | 15-Apr-33     | 470.00       | [ICRA]AAA(Stable)           |
| INE134E08LX5 | Taxable bonds                           | 19-Dec-22                   | 7.59%       | 14-Jan-28     | 3,500.00     | [ICRA]AAA(Stable)           |
| INE134E08LY3 | Taxable bonds                           | 19-Dec-22                   | 7.72%       | 19-Dec-37     | 2,782.70     | [ICRA]AAA(Stable)           |
| INE134E08LZ0 | Taxable bonds                           | 27-Dec-22                   | 7.58%       | 15-Jan-26     | 2,540.00     | [ICRA]AAA(Stable)           |
| INE134E08MC7 | Taxable bonds                           | 13-Mar-23                   | 777.00%     | 15-Jul-26     | 3,262.70     | [ICRA]AAA(Stable)           |
| INE134E08MF0 | Taxable bonds                           | 13-Mar-23                   | 782.00%     | 13-Mar-30     | 625.00       | [ICRA]AAA(Stable)           |
| INE134E08MG8 | Taxable bonds                           | 13-Mar-23                   | 782.00%     | 13-Mar-31     | 625.00       | [ICRA]AAA(Stable)           |
| INE134E08ME3 | Taxable bonds                           | 13-Mar-23                   | 782.00%     | 13-Mar-32     | 625.00       | [ICRA]AAA(Stable)           |
| INE134E08MD5 | Taxable bonds                           | 13-Mar-23                   | 782.00%     | 13-Mar-33     | 625.00       | [ICRA]AAA(Stable)           |
| INE134E08MB9 | Taxable bonds                           | 6-Mar-23                    | 782.00%     | 6-Mar-38      | 3,468.50     | [ICRA]AAA(Stable)           |
| INE134E08MA1 | Taxable bonds                           | 22-Feb-23                   | 764.00%     | 22-Feb-33     | 3,500.00     | [ICRA]AAA(Stable)           |
| NA           | ECB-Credit National                     | 29-Apr-89                   | NA          | 30-Jun-28     | 18.43        | [ICRA]AAA(Stable)/[ICRA]A1+ |
| NA           | ECB-Kreditanstalt für Wiederaufbau(kfw) | 19-Jun-95                   | NA          | 30-Jun-35     | 40.98        | [ICRA]AAA(Stable)/[ICRA]A1+ |
| NA           | ECB-Asian Development Bank              | 1-Nov-07                    | NA          | 15-Apr-23     | 3.73         | [ICRA]AAA(Stable)/[ICRA]A1+ |
| NA           | ECB-Asian Development Bank              | 6-Dec-07                    | NA          | 15-Oct-23     | 3.21         | [ICRA]AAA(Stable)/[ICRA]A1+ |
| NA           | ECB-Asian Development Bank              | 10-Dec-07                   | NA          | 15-Oct-25     | 24.73        | [ICRA]AAA(Stable)/[ICRA]A1+ |

| ISIN | Instrument name                                 | Date of Issuance / Sanction | Coupon Rate | Maturity Date | Amount Rated | Current Rating              |
|------|---|-----------------------------|-------------|---------------|--------------|-----------------------------|
| NA   | ECB-Asian Development Bank                      | 8-Feb-08                    | NA          | 15-Apr-26     | 4.89         | [ICRA]AAA(Stable)/[ICRA]A1+ |
| NA   | ECB-Asian Development Bank                      | 20-Feb-08                   | NA          | 15-Oct-26     | 5.01         | [ICRA]AAA(Stable)/[ICRA]A1+ |
| NA   | ECB-Asian Development Bank                      | 16-Apr-08                   | NA          | 15-Apr-27     | 3.45         | [ICRA]AAA(Stable)/[ICRA]A1+ |
| NA   | ECB-Asian Development Bank                      | 15-May-08                   | NA          | 15-Apr-27     | 0.81         | [ICRA]AAA(Stable)/[ICRA]A1+ |
| NA   | ECB-Asian Development Bank                      | 14-Jul-08                   | NA          | 15-Oct-27     | 2.89         | [ICRA]AAA(Stable)/[ICRA]A1+ |
| NA   | ECB-Asian Development Bank                      | 4-Aug-08                    | NA          | 15-Apr-28     | 1.92         | [ICRA]AAA(Stable)/[ICRA]A1+ |
| NA   | ECB-Asian Development Bank                      | 5-Sep-08                    | NA          | 15-Oct-28     | 1.00         | [ICRA]AAA(Stable)/[ICRA]A1+ |
| NA   | ECB-State Bank of India                         | 22-Mar-18                   | NA          | 22-Mar-23     | 688.99       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| NA   | ECB-Indian Bank                                 | 22-Mar-18                   | NA          | 22-Mar-23     | 248.04       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| NA   | ECB-Axis Bank Limited                           | 22-Mar-18                   | NA          | 22-Mar-23     | 440.94       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| NA   | ECB-Mizuho Bank Limited                         | 22-Mar-18                   | NA          | 22-Mar-23     | 689.07       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| NA   | ECB-Bank of Baroda                              | 26-Sep-18                   | NA          | 26-Sep-23     | 2,067.04     | [ICRA]AAA(Stable)/[ICRA]A1+ |
| NA   | ECB-Bank of Tokyo-MUFG, Singapore               | 1-Feb-19                    | NA          | 1-Feb-24      | 273.39       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| NA   | ECB-Mizuho Bank Limited                         | 1-Feb-19                    | NA          | 1-Feb-24      | 497.90       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| NA   | ECB-Norinchukin, Singapore                      | 1-Feb-19                    | NA          | 1-Feb-24      | 224.52       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| NA   | ECB-State Bank of India                         | 20-Dec-19                   | NA          | 20-Dec-24     | 2,067.04     | [ICRA]AAA(Stable)           |
| NA   | ECB-Export-Import Bank of India                 | 13-Oct-20                   | NA          | 13-Oct-25     | 826.82       | [ICRA]AAA(Stable)           |
| NA   | ECB-State Bank of India                         | 5-Nov-20                    | NA          | 5-Nov-25      | 1,240.22     | [ICRA]AAA(Stable)           |
| NA   | ECB-Punjab National Bank                        | 5-Nov-20                    | NA          | 5-Nov-25      | 826.82       | [ICRA]AAA(Stable)           |
| NA   | ECB-DBS Bank Limited                            | 5-Nov-20                    | NA          | 5-Nov-25      | 413.41       | [ICRA]AAA(Stable)           |
| NA   | ECB-State Bank of India                         | 30-Nov-21                   | NA          | 30-Nov-26     | 2,273.74     | [ICRA]AAA(Stable)           |
| NA   | ECB-Bank of Baroda                              | 30-Nov-21                   | NA          | 30-Nov-26     | 1,240.22     | [ICRA]AAA(Stable)           |
| NA   | ECB-Canara Bank                                 | 30-Nov-21                   | NA          | 30-Nov-26     | 826.82       | [ICRA]AAA(Stable)           |
| NA   | ECB-Export-Import Bank of India                 | 30-Nov-21                   | NA          | 30-Nov-26     | 826.82       | [ICRA]AAA(Stable)           |
| NA   | ECB-State Bank of India                         | 28-Dec-22                   | NA          | 28-Dec-26     | 1,069.16     | [ICRA]AAA(Stable)           |
| NA   | ECB-State Bank of India                         | 28-Dec-22                   | NA          | 28-Dec-27     | 1,069.16     | [ICRA]AAA(Stable)           |
| NA   | ECB-State Bank of India                         | 28-Dec-22                   | NA          | 28-Dec-28     | 1,069.48     | [ICRA]AAA(Stable)           |
| NA   | ECB-MUFG Bank Limited, Singapore                | 28-Dec-22                   | NA          | 28-Dec-26     | 534.58       | [ICRA]AAA(Stable)           |
| NA   | ECB-MUFG Bank Limited, Singapore                | 28-Dec-22                   | NA          | 28-Dec-27     | 534.58       | [ICRA]AAA(Stable)           |
| NA   | ECB-MUFG Bank Limited, Singapore                | 28-Dec-22                   | NA          | 28-Dec-28     | 534.74       | [ICRA]AAA(Stable)           |
| NA   | ECB-Credit Agricole Corporate & Investment Bank | 28-Dec-22                   | NA          | 28-Dec-26     | 200.47       | [ICRA]AAA(Stable)           |
| NA   | ECB-Credit Agricole Corporate & Investment Bank | 28-Dec-22                   | NA          | 28-Dec-27     | 200.47       | [ICRA]AAA(Stable)           |
| NA   | ECB-Credit Agricole Corporate & Investment Bank | 28-Dec-22                   | NA          | 28-Dec-28     | 200.53       | [ICRA]AAA(Stable)           |



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|------|---|-----------------------------|-------------|---------------|--------------|-----------------------------|
| NA   | ECB-Kreditanstalt fur Wiederaufbau(kfw)                   | 3-Jan-23                    | NA          | 15-Nov-31     | 514.31       | [ICRA]AAA(Stable)           |
| NA   | ECB-Sumitomo Mitsui Banking Corporation, Singapore Branch | 5-Jan-23                    | NA          | 5-Jan-30      | 1,623.92     | [ICRA]AAA(Stable)           |
| NA   | TL-State Bank of India                                    | 27-Sep-18                   | NA          | 27-Sep-2023   | 2,499.98     | [ICRA]AAA(Stable)/[ICRA]A1+ |
| NA   | TL-State Bank of India                                    | 5-Oct-18                    | NA          | 27-Sep-2023   | 500.00       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| NA   | TL-HDFC   | 5-Oct-18                    | NA          | 05-Oct-2023   | 750.00       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| NA   | TL-Punjab National Bank (ex-United Bank of India)         | 24-Dec-18                   | NA          | 24-Dec-2023   | 995.00       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| NA   | TL-National Social Security Fund                          | 27-Dec-18                   | NA          | 27-Dec-2028   | 7,500.00     | [ICRA]AAA(Stable)/[ICRA]A1+ |
| NA   | TL-Canara Bank  | 28-Dec-18                   | NA          | 28-Dec-2023   | 500.00       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| NA   | TL-Canara Bank  | 15-Jan-19                   | NA          | 15-Jan-2024   | 500.00       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| NA   | TL-Bank of India  | 21-Jan-19                   | NA          | 21-Jan-2024   | 1,000.00     | [ICRA]AAA(Stable)/[ICRA]A1+ |
| NA   | TL-Bank of India  | 30-Jan-19                   | NA          | 21-Jan-2024   | 1,000.00     | [ICRA]AAA(Stable)/[ICRA]A1+ |
| NA   | TL-Canara Bank  | 20-Feb-19                   | NA          | 20-Feb-2024   | 1,000.00     | [ICRA]AAA(Stable)/[ICRA]A1+ |
| NA   | TL-Punjab National Bank (ex-OBC)                          | 25-Feb-19                   | NA          | 25-Feb-2025   | 750.00       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| NA   | TL-Bank of India  | 2-Mar-19                    | NA          | 02-Mar-2025   | 1,000.00     | [ICRA]AAA(Stable)/[ICRA]A1+ |
| NA   | TL-Corporation Bank                                       | 15-Mar-19                   | NA          | 15-Mar-2024   | 200.00       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| NA   | TL-Canara Bank  | 21-Jun-19                   | NA          | 21-Jun-2024   | 500.00       | [ICRA]AAA(Stable)           |
| NA   | TL-Canara Bank  | 24-Jun-19                   | NA          | 24-Jun-2024   | 500.00       | [ICRA]AAA(Stable)           |
| NA   | TL-Canara Bank  | 29-Jun-19                   | NA          | 29-Jun-2024   | 1,000.00     | [ICRA]AAA(Stable)           |
| NA   | TL-Indian Bank (ex-Allahabad Bank)                        | 29-Jun-19                   | NA          | 29-Jun-2026   | 1,800.00     | [ICRA]AAA(Stable)           |
| NA   | TL-Corporation Bank                                       | 30-Sep-19                   | NA          | 30-Sep-2024   | 200.00       | [ICRA]AAA(Stable)           |
| NA   | TL-Punjab National Bank (ex-OBC)                          | 30-Sep-19                   | NA          | 30-Sep-2025   | 168.75       | [ICRA]AAA(Stable)           |
| NA   | TL-State Bank of India                                    | 19-Dec-19                   | NA          | 19-Dec-2024   | 500.00       | [ICRA]AAA(Stable)           |
| NA   | TL-State Bank of India                                    | 27-Dec-19                   | NA          | 19-Dec-2024   | 470.00       | [ICRA]AAA(Stable)           |
| NA   | TL-State Bank of India                                    | 30-Dec-19                   | NA          | 19-Dec-2024   | 1,170.00     | [ICRA]AAA(Stable)           |
| NA   | TL-State Bank of India                                    | 31-Dec-19                   | NA          | 19-Dec-2024   | 262.20       | [ICRA]AAA(Stable)           |
| NA   | TL-State Bank of India                                    | 1-Jan-20                    | NA          | 19-Dec-2024   | 167.80       | [ICRA]AAA(Stable)           |
| NA   | TL-Indian Bank (ex-Allahabad Bank)                        | 2-Jan-20                    | NA          | 02-Jan-2027   | 54.80        | [ICRA]AAA(Stable)           |
| NA   | TL-State Bank of India                                    | 2-Jan-20                    | NA          | 19-Dec-2024   | 430.00       | [ICRA]AAA(Stable)           |
| NA   | TL-Punjab National Bank (ex-OBC)                          | 20-Mar-20                   | NA          | 20-Mar-2025   | 666.67       | [ICRA]AAA(Stable)           |
| NA   | TL-Canara Bank (ex-Syndicate Bank)                        | 20-Mar-20                   | NA          | 20-Mar-2024   | 875.00       | [ICRA]AAA(Stable)           |
| NA   | TL-Union Bank of India                                    | 23-Mar-20                   | NA          | 23-Mar-2025   | 1,250.00     | [ICRA]AAA(Stable)           |
| NA   | TL-Canara Bank  | 23-Mar-20                   | NA          | 23-Mar-2026   | 300.00       | [ICRA]AAA(Stable)           |
| NA   | TL-Indian Bank (ex-Allahabad Bank)                        | 31-Mar-20                   | NA          | 02-Jan-2027   | 445.20       | [ICRA]AAA(Stable)           |
| NA   | TL-UCO Bank   | 31-Mar-20                   | NA          | 31-Mar-2023   | 500.00       | [ICRA]AAA(Stable)           |
| NA   | TL-Andhra Bank  | 31-Mar-20                   | NA          | 15-Jan-2025   | 800.00       | [ICRA]AAA(Stable)           |
| NA   | TL-UCO Bank   | 26-May-20                   | NA          | 26-May-2023   | 200.00       | [ICRA]AAA(Stable)           |
| NA   | TL-State Bank of India                                    | 10-Jul-20                   | NA          | 10-Jul-2025   | 3,570.00     | [ICRA]AAA(Stable)           |
| NA   | TL-Bank of India  | 11-Sep-20                   | NA          | 11-Sep-2026   | 1,000.00     | [ICRA]AAA(Stable)           |
| NA   | TL-Canara Bank  | 22-Sep-20                   | NA          | 22-Sep-2026   | 1,400.00     | [ICRA]AAA(Stable)           |
| NA   | TL-Indian Bank  | 28-Sep-20                   | NA          | 28-Sep-2025   | 1,125.00     | [ICRA]AAA(Stable)           |
| NA   | TL-Union Bank of India                                    | 30-Sep-20                   | NA          | 30-Sep-2025   | 1,350.00     | [ICRA]AAA(Stable)           |
| NA   | TL-HDFC Bank Limited                                      | 29-Jun-21                   | NA          | 29-Jun-2023   | 2,300.00     | [ICRA]AAA(Stable)           |
| NA   | TL-HDFC Bank Limited                                      | 16-Sep-21                   | NA          | 29-Jun-2023   | 550.00       | [ICRA]AAA(Stable)           |
| NA   | TL-HDFC Bank Limited                                      | 17-Sep-21                   | NA          | 29-Jun-2023   | 150.00       | [ICRA]AAA(Stable)           |

| ISIN | Instrument name                                 | Date of Issuance / Sanction | Coupon Rate | Maturity Date | Amount Rated | Current Rating    |
|------|---|-----------------------------|-------------|---------------|--------------|-------------------|
| NA   | TL-Bank of India                                | 18-Sep-21                   | NA          | 18-Sep-2028   | 50.00        | [ICRA]AAA(Stable) |
| NA   | TL-Bank of India                                | 20-Sep-21                   | NA          | 18-Sep-2028   | 100.00       | [ICRA]AAA(Stable) |
| NA   | TL-Bank of India                                | 22-Sep-21                   | NA          | 18-Sep-2028   | 50.00        | [ICRA]AAA(Stable) |
| NA   | TL-Bank of India                                | 24-Sep-21                   | NA          | 18-Sep-2028   | 300.00       | [ICRA]AAA(Stable) |
| NA   | TL-UCO Bank                                     | 24-Sep-21                   | NA          | 24-Sep-2026   | 1,000.00     | [ICRA]AAA(Stable) |
| NA   | TL-Punjab National Bank                         | 27-Sep-21                   | NA          | 27-Sep-2026   | 425.00       | [ICRA]AAA(Stable) |
| NA   | TL-Punjab National Bank                         | 29-Sep-21                   | NA          | 27-Sep-2026   | 75.00        | [ICRA]AAA(Stable) |
| NA   | TL-Punjab National Bank                         | 29-Sep-21                   | NA          | 29-Sep-2026   | 5.00         | [ICRA]AAA(Stable) |
| NA   | TL-HDFC Bank Limited                            | 30-Sep-21                   | NA          | 30-Sep-2023   | 1,000.00     | [ICRA]AAA(Stable) |
| NA   | TL-HDFC Bank Limited                            | 30-Sep-21                   | NA          | 30-Sep-2025   | 3,000.00     | [ICRA]AAA(Stable) |
| NA   | TL-India Infrastructure Finance Company Limited | 30-Sep-21                   | NA          | 30-Sep-2026   | 1,000.00     | [ICRA]AAA(Stable) |
| NA   | TL-Central Bank of India                        | 31-Mar-22                   | NA          | 31-Mar-2027   | 1,000.00     | [ICRA]AAA(Stable) |
| NA   | TL-Union Bank of India                          | 31-Mar-22                   | NA          | 31-Mar-2028   | 3,000.00     | [ICRA]AAA(Stable) |
| NA   | TL-HDFC Bank Limited                            | 10-Jun-22                   | NA          | 10-Jun-2023   | 1,000.00     | [ICRA]AAA(Stable) |
| NA   | TL-HDFC Bank Limited                            | 13-Jun-22                   | NA          | 13-Jun-2023   | 650.00       | [ICRA]AAA(Stable) |
| NA   | TL-HDFC Bank Limited                            | 20-Jun-22                   | NA          | 20-Jun-2023   | 20.00        | [ICRA]AAA(Stable) |
| NA   | TL-HDFC Bank Limited                            | 22-Jun-22                   | NA          | 22-Jun-2023   | 7.00         | [ICRA]AAA(Stable) |
| NA   | TL-HDFC Bank Limited                            | 23-Jun-22                   | NA          | 23-Jun-2023   | 55.00        | [ICRA]AAA(Stable) |
| NA   | TL-HDFC Bank Limited                            | 24-Jun-22                   | NA          | 24-Jun-2023   | 33.00        | [ICRA]AAA(Stable) |
| NA   | TL-HDFC Bank Limited                            | 27-Jun-22                   | NA          | 27-Jun-2023   | 235.00       | [ICRA]AAA(Stable) |
| NA   | TL-Canara Bank                                  | 28-Jun-22                   | NA          | 28-Jun-2028   | 2,250.00     | [ICRA]AAA(Stable) |
| NA   | TL-HDFC Bank Limited                            | 30-Jun-22                   | NA          | 30-Jun-2023   | 1,000.00     | [ICRA]AAA(Stable) |
| NA   | TL-Canara Bank                                  | 30-Jun-22                   | NA          | 30-Jun-2028   | 250.00       | [ICRA]AAA(Stable) |
| NA   | TL-Indian Overseas Bank                         | 30-Sep-22                   | NA          | 30-Sep-2028   | 1,000.00     | [ICRA]AAA(Stable) |
| NA   | TL-Bank of Baroda                               | 17-Nov-22                   | NA          | 17-Nov-2029   | 1,500.00     | [ICRA]AAA(Stable) |
| NA   | TL-KEB Hana Bank                                | 17-Nov-22                   | NA          | 17-Nov-2025   | 100.00       | [ICRA]AAA(Stable) |
| NA   | TL-Bank of Baroda                               | 19-Nov-22                   | NA          | 17-Nov-2029   | 500.00       | [ICRA]AAA(Stable) |
| NA   | TL-Bank of Baroda                               | 21-Nov-22                   | NA          | 17-Nov-2029   | 850.00       | [ICRA]AAA(Stable) |
| NA   | TL-Bank of Baroda                               | 22-Nov-22                   | NA          | 17-Nov-2029   | 1,100.00     | [ICRA]AAA(Stable) |
| NA   | TL-Bank of Baroda                               | 24-Nov-22                   | NA          | 17-Nov-2029   | 1,050.00     | [ICRA]AAA(Stable) |
| NA   | CC/OD- Yes Bank Limited                         | 25-Jun-21                   | NA          | NA            | 700.00       | [ICRA]A1+         |
| NA   | CC/OD- Axis Bank Limited                        | 25-Oct-21                   | NA          | NA            | 500.00       | [ICRA]A1+         |
| NA   | CC/OD- HDFC Bank Limited                        | 24-Mar-22                   | NA          | NA            | 3,050.00     | [ICRA]A1+         |
| NA   | CC/OD- RBL Bank Limited                         | 26-Apr-22                   | NA          | NA            | 300.00       | [ICRA]A1+         |
| NA   | CC/OD- IDFC First Bank Limited                  | 29-Jul-22                   | NA          | NA            | 350.00       | [ICRA]A1+         |
| NA   | CC/OD- Mizuho Bank Limited                      | 25-Aug-22                   | NA          | NA            | 250.00       | [ICRA]A1+         |
| NA   | CC/OD- ICICI Bank Limited                       | 9-Nov-22                    | NA          | NA            | 3,000.00     | [ICRA]A1+         |
| NA   | CC/OD- IndusInd Bank Limited                    | 21-Dec-22                   | NA          | NA            | 500.00       | [ICRA]A1+         |
| NA   | CC/OD- State Bank of India                      | 9-Mar-23                    | NA          | NA            | 2,500.00     | [ICRA]A1+         |
| NA   | CC/OD- State Bank of India                      | NA                          | NA          | NA            | 500.00       | [ICRA]A1+         |

| ISIN         | Instrument name                               | Date of Issuance / Sanction | Coupon Rate | Maturity Date | Amount Rated | Current Rating              |
|--------------|---|-----------------------------|-------------|---------------|--------------|-----------------------------|
| NA           | CC/OD- State Bank of India                    | NA                          | NA          | NA            | 500.00       | [ICRA]A1+                   |
| NA           | CC/OD- Citibank N.A.                          | NA                          | NA          | NA            | 50.00        | [ICRA]A1+                   |
| NA           | STL-State Bank of India                       | 15-Dec-22                   | NA          | 15-Dec-23     | 909.50       | [ICRA]A1+                   |
| NA           | STL-ICICI Bank Limited                        | 29-Dec-22                   | NA          | 29-Dec-23     | 825.06       | [ICRA]A1+                   |
| INE134E07216 | Infra Bonds*                                  | 30-Mar-12                   | 8.43%       | 30-Mar-22     | 7.40         | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E07224 | Infra Bonds*                                  | 30-Mar-12                   | 8.43%       | 30-Mar-22     | 15.50        | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E07331 | Tax Free Bonds*                               | 4-Jan-13                    | 7.19%       | 4-Jan-23      | 204.42       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E07331 | Tax Free Bonds*                               | 4-Jan-13                    | 7.69%       | 4-Jan-23      | 138.33       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08FJ6 | Taxable bonds*                                | 4-Mar-13                    | 8.84%       | 4-Mar-23      | 1,310.00     | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08FN8 | Taxable bonds*                                | 18-Mar-13                   | 8.90%       | 18-Mar-23     | 403.00       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08693 | Taxable bonds*                                | 30-Dec-02                   | 8.10%       | 30-Dec-22     | 750.00       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08EO9 | Taxable bonds*                                | 28-Mar-12                   | 9.48%       | 15-Apr-22     | 184.70       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08EX0 | Taxable bonds*                                | 21-Aug-12                   | 9.29%       | 21-Aug-22     | 640.00       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E07299 | Taxable bonds*                                | 22-Nov-12                   | 7.21%       | 22-Nov-22     | 255.00       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E07315 | Taxable bonds*                                | 29-Nov-12                   | 7.22%       | 29-Nov-22     | 30.00        | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08JB5 | Taxable bonds*                                | 12-Jun-17                   | 7.28%       | 10-Jun-22     | 1,950.00     | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08JD1 | Taxable bonds*                                | 8-Aug-17                    | 7.10%       | 8-Aug-22      | 3,395.00     | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08JF6 | Taxable bonds*                                | 22-Nov-17                   | 7.35%       | 22-Nov-22     | 800.00       | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08JO8 | Taxable bonds*                                | 20-Mar-18                   | 7.99%       | 20-Dec-22     | 1,295.00     | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08JU5 | Taxable bonds*                                | 11-Mar-19                   | 8.45%       | 11-Aug-22     | 2,155.00     | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08JW1 | Taxable bonds*                                | 19-Mar-19                   | 8.18%       | 19-Mar-22     | 3,751.20     | [ICRA]AAA(Stable)/[ICRA]A1+ |
| INE134E08KB3 | Taxable bonds*                                | 27-May-19                   | 8.20%       | 27-May-22     | 1,605.00     | [ICRA]AAA(Stable)           |
| INE134E08KG2 | Taxable bonds*                                | 15-Oct-19                   | 7.35%       | 15-Oct-22     | 3,735.00     | [ICRA]AAA(Stable)           |
| INE134E08FP3 | Taxable bonds*                                | 18-Mar-13                   | 8.87%       | 18-Mar-23     | 70.00        | [ICRA]AAA(Stable)/[ICRA]A1+ |
| NA^          | Perpetual bond programme                      | NA                          | NA          | NA            | 1,000.00     | [ICRA]AA+(Stable)           |
| NA^          | LT/ST borrowing programmes from earlier years | NA                          | NA          | NA            | 1,529.28     | [ICRA]AAA(Stable)/[ICRA]A1+ |
| NA^          | LT Borrowing Programme FY2020                 | NA                          | NA          | NA            | 36,184.50    | [ICRA]AAA(Stable)           |
| NA^          | LT Borrowing Programme FY2021                 | NA                          | NA          | NA            | 39,715.37    | [ICRA]AAA(Stable)           |
| NA^          | ST Borrowing Programme FY2021                 | NA                          | NA          | 7-365 days    | 20,000.00    | [ICRA]A1+                   |
| NA^          | LT Borrowing Programme FY2022                 | NA                          | NA          | NA            | 46,160.50    | [ICRA]AAA(Stable)           |
| NA^          | ST Borrowing Programme FY2022                 | NA                          | NA          | 7-365 days    | 15,750.00    | [ICRA]A1+                   |
| NA^          | LT Borrowing Programme FY2023                 | NA                          | NA          | NA            | 13,177.94    | [ICRA]AAA(Stable)           |
| NA^          | ST Borrowing Programme FY2023                 | NA                          | NA          | 7-365 days    | 315.44       | [ICRA]A1+                   |
| NA^          | LT Borrowing Programme FY2024                 | NA                          | NA          | NA            | 60,000.00    | [ICRA]AAA(Stable)           |
| NA^          | ST Borrowing Programme FY2024                 | NA                          | NA          | 7-365 days    | 20,000.00    | [ICRA]A1+                   |
| NA^          | ST Borrowing Programme FY2023                 | NA                          | NA          | 7-365 days    | 2,000.00     | [ICRA]A1+; withdrawn        |

Source: PFC; Note: CG bonds: 54EC bonds or capital gain bonds; \* To be withdrawn later; ^Yet to be placed; Excluding those placed and captured above  
 TL: Term Loan, CC/OD: Cash Credit (Including Overdraft, working capital loans), ECB: External Commercial Borrowing

[Please click here to view details of lender-wise facilities rated by ICRA](#)

**Annexure-2: List of entities considered for consolidated analysis (for current year and/or previous years)**

| <b>Company Name</b>                                 | <b>Ownership</b> | <b>Consolidation Approach</b> |
|---|------------------|-------------------------------|
| <b>Power Finance Corporation Ltd.</b>               | Rated Entity     | Full Consolidation            |
| <b>REC Limited</b>                                  | Subsidiary       | Full Consolidation            |
| <b>PFC Consulting Limited</b>                       | Subsidiary       | Full Consolidation            |
| <b>Coastal Maharashtra Mega Power Limited</b>       | Associate        | Proportionate Consolidation   |
| <b>Orissa Integrated Power Limited</b>              | Associate        | Proportionate Consolidation   |
| <b>Coastal Karnataka Power Limited</b>              | Associate        | Proportionate Consolidation   |
| <b>Coastal Tamil Nadu Power Limited</b>             | Associate        | Proportionate Consolidation   |
| <b>Chhattisgarh Surguja Power Limited</b>           | Associate        | Proportionate Consolidation   |
| <b>Sakhigopal Integrated Power Company Limited</b>  | Associate        | Proportionate Consolidation   |
| <b>Ghogarpalli Integrated Power Company Limited</b> | Associate        | Proportionate Consolidation   |
| <b>Tatiya Andhra Mega Power Limited</b>             | Associate        | Proportionate Consolidation   |
| <b>Deoghar Mega Power Limited</b>                   | Associate        | Proportionate Consolidation   |
| <b>Cheyur Infra Limited</b>                         | Associate        | Proportionate Consolidation   |
| <b>Odisha Infrapower Limited</b>                    | Associate        | Proportionate Consolidation   |
| <b>Deoghar Infra Limited</b>                        | Associate        | Proportionate Consolidation   |
| <b>Bihar Infrapower Limited</b>                     | Associate        | Proportionate Consolidation   |
| <b>Bihar Mega Power Limited</b>                     | Associate        | Proportionate Consolidation   |
| <b>Jharkhand Infrapower Limited</b>                 | Associate        | Proportionate Consolidation   |

Source: FY2022 Annual report

## ANALYST CONTACTS

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## MEDIA AND PUBLIC RELATIONS CONTACT

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## Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)  
[info@icraindia.com](mailto:info@icraindia.com)

## About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit [www.icra.in](http://www.icra.in)

## ICRA Limited



### Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



### Branches



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**ANNEXURE B – DEBENTURE TRUSTEE CONSENT LETTER**

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Ref.No. : BTL/OPR/2023-24/34555

Date: 21<sup>st</sup> June 2023

**Power Finance Corporation Limited**

Urjanidhi, 1, Barakhamba Lane,  
Connaught Place,  
New Delhi 110 001.

Dear Ma'am/Sir

**Sub: Proposed public issue by Power Finance Corporation Limited ("Company" or "Issuer") of secured, rated, listed, redeemable, non-convertible debentures of face value of ₹ 1,000/- each ("NCDs") for an amount aggregating up to ₹ 10,000 Crore ("Shelf Limit") ("Issue").**

We, the undersigned, hereby consent to be named as the Debenture Trustee to the Issue and to our name being inserted as the Debenture Trustee to the Issue in (i) the draft shelf prospectus ("Draft Shelf Prospectus") to be filed with the BSE Limited ("BSE"), and/or the National Stock Exchange of India Limited ("NSE" together with BSE, the "Stock Exchanges") for the purpose of receiving public comments and submitted with the Securities and Exchange Board of India ("SEBI") for record purposes; (ii) the shelf prospectus proposed to be filed with the Registrar of Companies, NCT of Delhi and Haryana at New Delhi ("RoC") and submitted to SEBI and the Stock Exchanges in relation to the Issue ("Shelf Prospectus"); (iii) any relevant tranche prospectuses proposed to be filed with the RoC and submitted to SEBI and the Stock Exchanges in relation to the Issue ("Tranche Prospectus(es)"); (iv) the abridged prospectus; and (v) all related advertisements and subsequent communications sent pursuant to the Issue. The NCDs are proposed to be listed on the Stock Exchanges. The following details with respect to us may be disclosed in the aforementioned offer documents and any other documents in relation to the Issue:

Logo:

Name:

Address:

Tel:

Fax:

Email:

Investor Grievance email:

Website:

Contact Person:

Compliance Officer:

SEBI Registration No:

CIN:

**BEACON**

TRUSTEESHIP

Beacon Trusteeship Limited

4C & D, Siddhivinayak Chambers, Opp. MIG Cricket Club, Gandhi Nagar, Bandra (East), Mumbai – 400 051

022 - 26558759

022 - 26558760

contact@beacontrustee.co.in

investorgrievances@beacontrustee.co.in

www.beacontrustee.co.in

Mr. Kaustubh Kulkarni

Mr. Kaustubh Kulkarni

IND000000569

U74999MH2015PLC271288

We confirm that the information in relation to us in this letter together with the annexures is true, correct and complete in all respect and may be disclosed in the Draft Shelf Prospectus, Shelf Prospectus, any relevant Tranche Prospectus(es) and other issue related documents.

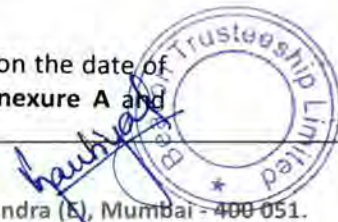
We confirm that we are registered with the SEBI and that such registration is valid as on the date of this letter. We enclose a copy of our registration certificate enclosed herein as **Annexure A** and

## BEACON TRUSTEESHIP LIMITED

Registered & Corporate Office : 4C & D, Siddhivinayak Chambers, Gandhi Nagar, Opp MIG Cricket Club, Bandra (E), Mumbai - 400 051.

Phone : 022-26558759 | Email : contact@beacontrustee.co.in | Website : www.beacontrustee.co.in

CIN : U74999MH2015PLC271288





declaration regarding our registration with SEBI as **Annexure B**.

We also confirm that we have not been prohibited by SEBI or any other regulatory authority from acting as an intermediary in capital market issues. We also confirm that we have not been debarred from functioning as Debenture Trustee by any regulatory authority, court or tribunal.

We further confirm that no enquiry/investigation is presently being conducted by SEBI on us.

We hereby authorise you to deliver this letter of consent to the RoC, pursuant to the provisions of Section 26 of the Companies Act, 2013, as amended, the SEBI, the Stock Exchanges and any other applicable laws or any other regulatory/statutory authorities as required by law.

We also agree to keep strictly confidential, until such time as the proposed Issue is publicly announced by the Company in the form of a press release, (i) the nature and scope of the Issue; and (ii) our knowledge of the proposed Issue.

We confirm that we will immediately inform the Company and the Lead Managers of any change, in writing, to the above information until the date when the proposed Public Issue of NCDs commence trading on the Stock Exchanges. In the absence of any such communication from us, the above information should be taken as accurate and updated information until the NCDs commence trading on the Stock Exchanges.

This letter may be relied upon by you, the Lead Managers and the legal advisor to the Issue in respect of the Issue.

Sincerely

For **Beacon Trusteeship Limited**



---

Authorised Signatory  
Name: Veena Nautiyal  
Designation: Associate Director

CC:

**Lead Managers**

**JM Financial Limited**

7th Floor, Cnergy,  
Appasaheb Marathe Marg,  
Prabhadevi, Mumbai 400 025  
Maharashtra, India

**AK Capital Services Limited**

603, 6th Floor, Windsor,  
Off CST Road, Kalina,  
Santacruz (East),  
Mumbai – 400 098

**Edelweiss Financial Services Limited**

801 - 804, Wing A, Building No 3,  
Inspire BKC, G Block,  
Bandra Kurla Complex,  
Bandra East,  
Mumbai – 400051  
Maharashtra, India

**SMC Capitals Limited**

A 401/402,  
Lotus Corporate Park Jai Coach Junction,  
Off Western Express Highway,  
Goregaon (East), Mumbai 400 063

**Trust Investment Advisors Private Limited**

109/110, Balarama,  
Bandra Kurla Complex,  
Bandra (East), Mumbai – 400 051  
Maharashtra, India


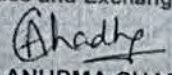
**Khaitan & Co**

One World Centre  
10<sup>th</sup> & 13<sup>th</sup> Floor, Tower 1C,  
Senapati Bapat Marg,  
Mumbai 400 013  
Maharashtra, India





## Annexure A

|  |   |   |
|--|---|---|
| <b>डिबेंचर न्यासी</b>  | प्रकार का<br>FORM-B   | <b>DEBENTURE TRUSTEE</b>  |
| <b>भारतीय प्रतिभूति और विनियम बोर्ड</b><br><b>SECURITIES AND EXCHANGE BOARD OF INDIA</b><br>(डिबेंचर न्यासी) विनियम, 1993<br>(DEBENTURE TRUSTEE) REGULATIONS, 1993<br>000 270 (विनियम 8)<br>(Regulation 8)<br><b>रजिस्ट्रीकरण प्रमाणपत्र</b><br><b>CERTIFICATE OF REGISTRATION</b>   |   |   |
| <p>1) बोर्ड, भारतीय प्रतिभूति और विनियम बोर्ड अधिनियम, 1992 के अधीन डिबेंचर न्यासी के लिए बनाए गए नियमों और विनियमों के साथ पठित उक्त अधिनियम की धारा-12 की उपधारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए,<br/>1) In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the rules and regulations made thereunder for the debenture trustee the Board hereby grants a certificate of registration to</p> <p><b>BEACON TRUSTEESHIP LIMITED</b><br/>4C &amp; D, SIDDHIVINAYAK CHAMBERS,<br/>GANDHI NAGAR, OPP. MIG CRICKET CLUB,<br/>BANDRA EAST, MUMBAI - 400051<br/>MAHARASHTRA, INDIA</p> |   |   |
| <p>को नियमों में, शर्तों के अधीन रहते हुए और विनियमों के अनुसार डिबेंचर न्यासी के रूप में रजिस्ट्रीकरण का प्रमाणपत्र इसके द्वारा प्रदान करता है।<br/>as a debenture trustee subject to the conditions in the rules and in accordance with the regulations.</p>   |   |   |
| 2) डिबेंचर न्यासी के लिए रजिस्ट्रीकरण कोड  | है।   |   |
| 2) Registration Code for the debenture trustee is  |   | <b>IND000000569</b>   |
| <b>This Certificate of registration shall be valid for permanent, unless suspended or cancelled by the Board</b>   |   |   |
| 3) जब तक नवीकृत न किया जाए, रजिस्ट्रीकरण का प्रमाणपत्र   | है।   | तक विधिमान्य है।  |
| 3) Unless renewed, the certificate of registration is valid from   | to  |   |
| स्थान Place : <b>Mumbai</b>  |  | आदेश से<br>भारतीय प्रतिभूति और विनियम बोर्ड<br>के लिए और उसकी ओर से<br>By order<br>For and on behalf of<br><b>Securities and Exchange Board of India</b>      |
| तारीख Date : <b>February 12, 2021</b>  |   | <br><b>ANUPMA CHADHA</b><br>प्राधिकृत हस्ताक्षरकर्ता Authorised Signatory |





**Annexure B****Date: 21<sup>st</sup> June 2023****Power Finance Corporation Limited**Urjanidhi, 1, Barakhamba Lane,  
Connaught Place,  
New Delhi 110 001.

Dear Ma'am/Sir

**Sub: Proposed public issue by Power Finance Corporation Limited ("Company" or "Issuer") of secured, rated, listed, redeemable, non-convertible debentures of face value of ₹ 1,000/- each ("NCDs") for an amount aggregating up to ₹ 10,000 Crore ("Shelf Limit") ("Issue").**

We hereby confirm that as on date the following details in relation to our registration with the Securities and Exchange Board of India as a Debenture Trustee is true and correct:

|    |   |                       |
|----|---|-----------------------|
| 1. | Registration Number   | IND000000569          |
| 2. | Date of registration/ Renewal of registration                                     | February 12, 2021     |
| 3. | Date of expiry of registration  | Permanent Certificate |
| 4. | If applied for renewal, date of application                                       | NA                    |
| 5. | Any communication from SEBI prohibiting the entity from acting as an intermediary | NA                    |
| 6. | Any enquiry/ investigation being conducted by SEBI                                | NA                    |
| 7. | Period up to which registration/ renewal fees has been paid:                      | NA                    |
| 8. | Details of any penalty imposed by SEBI  | NA                    |

For Beacon Trusteeship Limited

\_\_\_\_\_  
Authorised Signatory

Name: Veena Nautiyal

Designation: Associate Director