POWER FINANCE CORPORATION LIMITED

(A Govt. of India Undertaking)

Registered & Corporate Office :
Urjanidhi Building, 1-Barakhamba Lane,
Connaught Place, New Delhi – 110001
Tel : (011) 23456000 **Fax :** (011) 23456293
E-mail : 54ECinvestorcell@pfcindia.com
Website : www.pfcindia.com
Date of Incorporation : 16th July 1986
CIN : L65910DL1986GOI024862

INFORMATION MEMORANDUM DATED MARCH 31, 2022
PRIVATE PLACEMENT OF SECURED, NON-CONVERTIBLE, NON-CUMULATIVE, REDEEMABLE, TAXABLE BONDS IN THE NATURE OF DEBENTURES OF Rs. 10,000/- EACH FOR CASH AT PAR "ON TAP" BASIS WITH BENEFITS UNDER SECTION 54EC OF THE INCOME TAX ACT, 1961, PFC CAPITAL GAIN TAX EXEMPTION BONDS – SERIES VI ("BONDS"), FOR Rs. 500 CRORE PLUS GREEN SHOE OPTION TO RETAIN OVERSUBSCRIPTION

REGISTRAR TO THE ISSUE	TRUSTEE FOR THE BONDHOLDERS
KFIN TECHNOLOGIES LTD. **(formerly known as Karvy Fintech Pvt Ltd and KFIN Technologies Private Ltd)** Selenium Tower B, Plot Number 31 & 32, Financial District, Nanakramguda, Serilingampally Hyderabad Rangareddy, Telengana- 500 032 Tel: +91 40 67162222 Fax:+91 40 2343 1551	**BEACON TRUSTEESHIP LTD.** 4C & D, Siddhivinayak Chambers, Gandhi Nagar, Opp MIG Cricket Club, Bandra (E), Mumbai, Maharashtra - 400051 Tel: +91 22 26558759

List of Arrangers to the Issue: Please visit our website: www.pfcindia.com

Bankers to the Issue:

HDFC BANK LIMITED	INDUSIND BANK LIMITED
YES BANK LIMITED	ICICI BANK LIMITED
KOTAK MAHINDRA BANK LIMITED	CANARA BANK

For list of branches of the bankers to the issue, please visit our website: www.pfcindia.com

ISSUE SCHEDULE*	
Issue Opening Date	April 1, 2022
Issue Closing Date	March 31, 2023

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

Table of Contents

ABBREVIATIONS

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

CHAPTER I DISCLAIMER

This Information Memorandum dated 31st March 2022 is neither a Prospectus nor a statement in lieu of Prospectus. It does not and shall not deem to constitute an offer or an invitation to the Public to subscribe to the Capital Gain Bonds issued by Power Finance Corporation Limited ("PFC" or "Company" or "Issuer"). This Information Memorandum is not intended for distribution and is for the consideration of the person to whom it is addressed and should not be reproduced/redistributed by the recipient. It cannot be acted upon by any person other than to whom it has been specifically addressed. Multiple copies hereof given to the same entity shall be deemed to be offered to the same person. The bonds mentioned herein are being issued strictly on a private placement basis and this offer does not and shall not deem to constitute a public offer/invitation.

This Information Memorandum is not intended to form the basis of evaluation for the potential investors to whom it is addressed and who are willing and eligible to subscribe to these Bonds issued by PFC. This Information Memorandum has been prepared to give general information regarding PFC to parties proposing to invest in this issue of Bonds and it does not purport to contain all the information that any such party may require. PFC believes that the information provided in this Information Memorandum as of the date hereof is true and correct in all respects. PFC and the Arrangers do not undertake to update this Information Memorandum to reflect subsequent events and thus, it should not be relied upon without first confirming its accuracy with PFC.

Potential investors are required to make their own independent evaluation and judgment before making the investment and are believed to be experienced in investing in debt markets and are able to bear the economic risks of investing in the Bonds. It is the responsibility of potential investors to have obtained all consents, approvals or authorizations required by them to make an offer to subscribe for, and purchase the Bonds. It is the responsibility of the potential investors to verify if they have necessary power and competence to apply for the Bonds under the relevant laws and regulations in force. Potential investors should conduct their own investigation, due diligence and analysis before applying for the Bonds. Potential investors should not rely solely on information provided in the Information Memorandum or by the Arrangers nor would providing of such information by the Arrangers be construed as advice or recommendation by the Issuer or by the Arrangers to subscribe to and purchase the Bonds. Potential investors also acknowledge that the Arrangers do not owe them any duty of care in respect of their offer to subscribe for and purchase of the Bonds. Potential investors should also consult their own tax advisors on the tax implications of the acquisition, ownership and redemption of Bonds and income arising thereon. PFC reserves the right to withdraw the Private Placement prior to the closing date at its discretion. In such an event, the Issuer may, at its sole discretion, make the allotment under the new series of PFC 54EC bonds, if open for subscription at that time.

For Power Finance Corporation Limited,

(Sanjay Mehrotra)
Chief General Manager
Power Finance Corporation Ltd

Place: New Delhi
Date: 31st March 2022

CHAPTER II ISSUE HIGHLIGHTS

PRIVATE PLACEMENT OF SECURED, NON-CONVERTIBLE, NON-CUMULATIVE, REDEEMABLE, TAXABLE BONDS IN THE NATURE OF DEBENTURES OF Rs. 10,000/- EACH FOR CASH AT PAR “ON TAP” BASIS WITH BENEFITS UNDER SECTION 54EC OF THE INCOME TAX ACT, 1961.

Security Name	PFC Capital Gain Tax Exemption Bonds –SERIES VI
Rating	‘AAA/Stable’ by CRISIL, ‘AAA (Stable)’ by ICRA, & 'AAA/Stable' by CARE
Issue size	Rs 500 crore + Green Shoe option to retain oversubscription
Face Value	Rs. 10,000 (Rupees Ten Thousand only) per bond
Issue Price	At par (Rs. 10,000/- per bond)
Coupon Rate	5.00% p.a.
Issue Opening & Closing Date	Issue Opening Date: April 1, 2022 Issue Closing Date: March 31, 2023 (at the close of the banking hours) or at a date / time as may be decided by PFC in its absolute discretion
Minimum application size and in multiple of thereafter	Application must be for a minimum size of Rs. 20,000/- (2 bonds) and then in multiple of Rs. 10,000/- (1 bond) thereafter
Maximum application size	500 bonds of Rs. 10,000/- each (Rs. 50,00,000/-) during this financial year
Mode of Issue	Private placement basis
Mode of Subscription	Applicants may make remittance of application money through electronic mode or cheque / draft drawn in favour of ‘PFC Capital Gain Bonds’.
Deemed Date of allotment	Last day of each month in which the subscription money is received and credited to PFC Capital Gain Collection Account
Coupon payment date	Every year on 31st July till redemption and balance along with redemption
Tenor	5 years from the deemed date of allotment
Date of Redemption	At the end of 5 years from the Deemed Date of Allotment
Transferability	Non-transferable, Non-Marketable, Non-negotiable and cannot be offered as a security for any loan or advance
Listing	The Bonds will not be listed on any stock exchange due to non-transferability during the tenure of Bonds
Trustees	Beacon Trusteeship Limited
Bankers to Issue	HDFC Bank Ltd., IndusInd Bank Ltd., , ICICI Bank Ltd., YES Bank Ltd., Kotak Mahindra Bank Ltd. and Canara Bank (For Designated Branches please visit our website: www.pfcindia.com)

Note:

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

2. PFC reserves the right to revise the coupon rate and/or close the issue by giving notice on its website. The investors are advised to consult PFC/Arrangers, before depositing the application with bank. It may be noted that rate of interest on the bond shall be as applicable on the date of credit of application money in PFC collection account. The applicable rate where application money is credited in PFC's collection account on 01.04.2021 is 5% p.a.. Change in interest rate, if any, for application money credited in PFC's collection account thereafter shall be published on websites of PFC as well as of Registrar to the issue.

3. All applications submitted but rejected by PFC would be returned by PFC to the applicant/ collection banker, without any Interest.

4. Application for minimum Rs. 20,000/- (in multiples of Rs. 10,000/- thereafter) will be accepted, any amount received in fraction will be refunded to the investor without interest.

CHAPTER III BRIEF SUMMARY OF THE BUSINESS/ ACTIVITIES OF THE ISSUER AND ITS LINE OF BUSINESS AND SUBSIDIARIES

OVERVIEW

Our Company was incorporated by Government of India (GoI) as Power Finance Corporation Limited on 16.07.1986 by GoI in order to finance, facilitate and promote power sector development. Our Company was granted a certificate of commencement of business on 31.12.1986.

Our Company plays a strategic role in the initiatives of the GoI for the development of the power sector in India and works with GoI 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. In addition, our Company is involved in various GoI programs relating to the power sector, including acting as the nodal agency for the UMPP program, the IPDS/R-APDRP (now subsumed under the IPDS) and funding DISCOMs under the COVID 19 liquidity package.

Our Company provides a comprehensive range of financial products and other services to our clients in the power sector, primarily including:

- services ranging from project conceptualization to the post-commissioning stage, including auditor
- (conventional and renewable), transmission and distribution projects, and related renovation and modernization projects;
- various forms of fund-based assistance, including long-term project finance, short-term loans, buyers' lines of credit, underwriting of debt and debt refinancing schemes;
- various forms of non-fund based assistance including default payment guarantees, credit enhancement guarantees and letters of comfort; and
- various fee-based technical advisory and consultancy services for power sector projects through our wholly owned subsidiary PFC Consulting Limited.

The focus areas of our Company 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. We also fund power trading initiatives.

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 ₹ 62,000 crore, and (b) "CRISIL A1+" rating in relation to our short term borrowing programme, for a limit of ₹ 20,000 crore and (ii) ICRA has granted us (a) "[ICRA]AAA" rating in relation to our long term borrowing programme, for a limit of ₹ 62,000 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 ₹ 62,000 crore, and (b) "CARE A1+"

rating in relation to our commercial paper programme, for a limit of ₹ 15,000 crore & “CARE A1+” rating in relation to our short term borrowing programme, for a limit of ₹ 5,000 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 Negative”, (ii) Fitch has granted us long-term issuer default rating of “BBB-/ Negative”.

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. We believe that our NBFC and IFC classifications enable us to effectively capitalize on available financing opportunities in the Indian power sector. With effect from April 1, 2016, our Company is required to follow the applicable provisions of RBI prudential norms for “Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies”, as notified from time to time. The latest prudential norms were notified in the RBI Master Direction dated September 1, 2016. In addition, as a GoI-owned NBFC, loans made by our Company to central and state entities in the power sector are exempt from the RBI’s Concentration of Credit(exposure) norms that are applicable to other non-GoI-owned NBFCs until March 31, 2022. RBI has now been requested to grant further exemption from adhering to credit concentration norms in respect of PFC’s exposure to Central/State Government entities. Reply of RBI on the same is awaited.

Our Company was granted the “Maharatna” status by the GoI in 2021,. Some of the key awards and recognitions received by our Company are:

- CBIP Award 2019 for ‘Best Power Finance Company’;
- 6th Governance Now Best PSU Award (Navratna) – 2019;
- Rajbhasha Kirti Pratham Puraskar Award (in category of Region ‘A’) for the year 2018-19;
- Construction Industry Development Council’s (CIDC’s) “Partners in Progress” Trophy for the year 2018;
- Amar Ujala “CSR Award” in 2018;
- First Prize in “Annual Report” category for Fiscal 2017 at the SCOPE CC Awards;
- One Globe Award for Excellence in Enabling a Mobile Economy for the URJA application at the 6th Annual One Globe Forum (2017);
- Featured in the 2017 Fortune India 500, a list of India’s largest corporations;
- Dun & Bradstreet “India's Leading NBFC (2019) Award” in the “Infrastructure Financing”;
- Dun & Bradstreet (D&B) Award for Best PSU in ‘Financial Services’;
- SCOPE Gold Trophy for Good Corporate Governance”, 2017;
- Winner, Financial Services – NBFC category at the 2016 Dainik Bhaskar India Pride PSU Awards;
- SCOPE Corporate Communication Excellence Award 2019 in Best Annual Report category;
- Swachh Bharat Award 2019 for significant contribution under Swachh Bharat Kosh;
- Rajbhasha Kirti Pratham Puraskar for the year 2018-19;

- National CSR Award in the category of 'Environment, Sustainable Development & Solar Energy';
- Asia's Most Trusted Companies Award 2019 by IBC;
- Governance Now PSU Award in the category of Resilient Growth;
- Rajbhasha Kirti Pratham Puraskar Award (in category of Region 'A') 2019-20;
- Gold Award for "Best Performing PSU" at SKOCH Awards in the year 2020; and
- 'Beacons of Hope'- Certificate of Merit for its immense contribution on project for relief activities during COVID-19.
- Accorded 'Mahartana' Status by Government of India in October 2021.
- Ranked 29th in Fortune India 500 Companies : 2021
- Conferred ICAI Silver Award For Excellence in Financial Reporting FY 2020-21

Key Ratios (according to IND AS)

Certain key ratios of our Company as per Ind AS, are as follows:

Particulars	FY 19-20	FY 20-21	As at and for the Nine months ended December 31, 2021
Yield on interest bearing loan assets (%)	10.63	10.58	10.21
Cost of Funds (%)	7.79	7.48	7.18
Interest Spread (%)	2.83	3.10	3.03
Net Interest Margin (%)	3.17	3.54	3.70
Return on net worth (%)	12.79	17.31	17.83
Earnings per share (Face value of ₹ 10 per share)	21.42	31.98	28.08
Book value per share (Face value of ₹ 10 per share)	171.07	198.45	221.48

Yield = Ratio of interest income to average interest earning loan assets.

Cost of funds = Ratio of finance costs to average borrowings, without foreign exchange fluctuation gain/loss amortized.

Interest spread = Yield minus cost of funds.

Net interest margin = Ratio of net interest income, without foreign exchange fluctuation gain/loss amortized to average interest earning loan assets.

Return on average net worth = Ratio of PAT to average net worth.

KEY OPERATIONAL AND FINANCIAL PARAMETERS

A summary of the key operational and financial parameters for the last three completed financial years of the Company, which comprises: (a) key operational and financial parameters for Fiscals 2021, 2020 and 2019 as per Ind AS (b) key operational and financial parameters for Fiscal 2018 and 2017 as per Indian GAAP, and (c) key financial parameters for the quarter ended December 31, 2021 as per the Limited Review Financial Results are as under:

(₹ in crore, except for % figures)

Particulars	Consolidated			Standalone		
	As at and for the year ended March 31			As at and for the year ended March 31		
	2021	2020	2019	2021	2020	2019
	IND AS	IND AS	IND AS	IND AS	IND AS	IND AS
Net worth	60,767.48	49,399.80	47,121.25	52,393.12	45,164.13	43,287.99
Total Debt at Amortised Cost	6,59,682.16	5,96,561.10	5,39,487.53	3,32,959.34	3,10,274.68	2,95,238.72
Other Financial Liabilities	32,145.03	29,232.38	24,649.19	5,828.05	5,375.16	5,327.84
Derivative Financial Instruments (Liabilities)	1,340.35	1,925.55	664.99	494.04	599.82	505.59
Other Non-Financial Liabilities	749.21	635.52	707.46	409.52	373.47	495.55
Property, Plant & Equipment& Intangibles (including CWIP)	677.75	526.48	394.16	37.45	31.76	28.33
Investment Property	0.01	0.01	0.01	-	-	-
Cash and Cash Equivalents and Other Bank Balances	8,202.56	4,188.17	16,331.44	4,762.20	198.99	14,155.01
Derivative Financial Instruments (Assets)	3,562.67	5,182.27	2,370.56	1,251.45	1,863.42	567.98
Investments	2,950.48	3,853.72	4,603.77	15,973.50	16,473.32	16,586.20
Loans (Assets)	7,22,386.84	6,46,196.11	5,73,661.28	3,60,124.77	3,34,112.60	3,03,210.36
Other financial assets	29,947.48	27,599.43	23,761.47	5,336.77	5,339.12	5,376.40
Other non-financial assets	411.43	263.94	393.50	305.23	128.87	242.09
Current and Deferred Tax Assets (s)	6,986.35	6,143.64	7,295.64	4,257.40	3,603.43	4,689.32
Interest Income	70,845.42	61,628.35	53,435.70	36,145.76	31,950.42	28,440.97

Particulars	Consolidated			Standalone		
	As at and for the year ended March 31			As at and for the year ended March 31		
	2021	2020	2019	2021	2020	2019
	IND AS	IND AS	IND AS	IND AS	IND AS	IND AS
Dividend and Fee Commission Income	579.10	267.56	450.74	1,599.11	1,412.48	316.05
Other Income	275.99	379.45	270.39	21.70	8.16	9.29
Finance Costs	44,683.52	40,844.65	34,620.96	23,194.49	21,853.19	18,981.76
Fees and Commission Expense	24.23	36.20	44.47	14.28	10.76	10.09
Net translation/ transaction exchange loss	166.20	4,991.32	1,041.42	(164.06)	2,633.42	520.23
Impairment on financial instruments	5,942.29	1,910.83	(625.73)	3,496.40	991.22	(871.48)
Other Expenses Including Employee benefits expense, CSR, Depreciation	1,053.17	1,094.32	994.39	499.20	388.98	394.90
Net loss on fair value changes	(53.39)	(673.20)	263.54	518.95	(699.05)	(84.98)
Share of Profit in JV and Associates	6.24	21.43	44.25	-	-	-
Tax Expenses	4,174.53	4,615.42	5,221.76	1,763.30	2,537.40	2,862.87
Profit for the Period	15,716.20	9.477.25	12,640.27	8,444.01	5,655.14	6,952.92
Other Comprehensive Income/Loss net of Tax	547.89	(888.61)	(267.75)	90.20	(334.63)	(206.97)
Total Comprehensive Income	16,264.09	8,588.64	12,372.52	8,534.21	5,320.51	6,745.95
Gross Stage 3 Assets (%) (1)	5.29%	7.36%	8.37%	5.70%	8.08%	9.39%
Net Stage 3 Assets (%)(2)	1.97%	3.71%	4.43%	2.16%	3.97%	4.85%
Tier I Capital Adequacy Ratio (%)	PFC – 15.46 REC -16.31	PFC – 12.45 REC-13.17	PFC -11.73 REC-14.44	15.46%	12.45%	11.73%
Tier II Capital Adequacy Ratio (%)	PFC – 3.37 REC - 3.41	PFC – 4.51 REC -2.89	PFC – 5.36 REC – 3.33	3.37%	4,51%	5.36%

Particulars	Consolidated		Standalone	
	As at and for the year ended March 31		As at and for the year ended March 31	
	2018	2017	2018	2017
	IGAAP	IGAAP	IGAAP	IGAAP
Net worth	40,201.74	36,844.91	39,860.67	36,470.21
Total Debt of which –	2,30,310.42	2,02,992.74	2,29,538.35	2,02,588.04
Non-Current Maturities of Long Term Borrowing	1,92,054.48	1,75,103.36	1,91,498.68	1,74,841.36
Short Term Borrowing	7,126.10	2,543.48	6,924.74	2,400.79
Current Maturities of Long Term Borrowing	31,129.84	25,345.90	31,114.93	25,345.89
Net Fixed Assets	782.06	401.82	64.83	62.57
Non-Current Assets other than Fixed Assets	2,42,350.13	2,08,484.96	2,41,977.84	2,08,167.10
Cash and cash Equivalents and Bank Balance	780.54	3,792.83	553.20	3,573.15
Current Investments	1,070.78	1,325.67	1,070.76	1,325.53
Current Assets except Cash & Bank Balances, Investments	43,191.52	45,532.18	42,798.54	45,333.10
Current Liabilities (other than Short term borrowings and current maturity of Long Term Borrowing)	9,182.86	10,642.05	8,601.61	10,347.28
Interest Income	25,870.01	26,333.11	25,820.86	26,270.08
Finance Costs	17,541.41	16,767.64	17,204.85	16,432.69
Provisioning and write-offs	570.02	5,112.33	560.83	5,101.08
PAT	5,844.11	2,236.10	5,855.22	2,126.39
Gross NPA (%)	9.57	12.50	9.57	12.50
Net NPA (%)	7.55	10.55	7.55	10.55
Tier I Capital Adequacy Ratio (%)	17.11	16.33	16.98	16.20
Tier II Capital Adequacy Ratio (%)	3.01	3.08	3.01	3.08
Total Loan Assets (net)	2,73,223.12	2,40,545.92	2,72,812.16	2,40,169.02
Capital Adequacy ratio (%)	20.12	19.41	19.99	19.28
Return on Net Worth (average)	15.17%	6.14%	15.35%	5.89%
Debt equity ratio (times)	5.73	5.51	5.76	5.55
Total Assets	2,88,175.03	2,59,537.48	2,86,465.17	2,58,343.58
Return on Total Assets (Average)	2.13%	0.88%	2.15%	0.84%

(₹ in crore)

Particulars	Consolidated		Standalone	
	As at and for the Nine months ended December 31, 2021	As at and for the Nine months ended December 31, 2020	As at and for the Nine months ended December 31, 2021	As at and for the Nine months ended December 31, 2020
	Un- audited	Un- audited	Un- audited	Un- audited
Total Revenue from Operations	57,408.64	53,507.22	28,675.03	28,072.58
Other Income	62.89	38.15	41.74	19.57
Total Income	57,471.53	53,545.37	28,716.77	28,092.15
Profit /(Loss) for the period (from continuing and discontinued operations)	14,472.31	11,810.15	7,412.45	6,117.40
Basic and diluted EPS (in ₹)	40.94	33.43	28.08	23.17

COMPETITIVE STRENGTHS

We believe that the following are our principal strengths:

Comprehensive financial assistance platform focused on the Indian power sector :

We provide 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.

We also provide clients with fee-based technical advisory and consultancy services for power sector projects through our wholly owned subsidiary, PFC Consulting Limited. Further, we provide 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, during Fiscal 2019, our Company acquired 52.63% of the shareholding held by GoI in REC Limited ("REC"). By virtue of this acquisition, PFC has become the holding company of REC. REC is also engaged in extending financial assistance to the power sector and is a Systemically Important (Non-Deposit Taking) Non-Banking Finance Company ("NBFC") registered with RBI, and is also registered with RBI as an IFC. We believe that the acquisition of REC has presented our Company with a significant inorganic growth opportunity, and may help us 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

We have played a strategic role in the GoI's initiatives for the promotion and development of the power sector in India for more than two decades. We have been involved in the development and implementation of various policies and of structural and procedural reforms in the power sector in India. We have been involved in various GoI programmes for the power sector, including acting as the nodal agency for the UMPP and the IPDS / R- APDRP, as a bid process coordinator for the ITP scheme, disbursement to DISCOMs under DISCOM Liquidity Package in the year 2020 as a part of stimulus package aimed at combating COVID-19 pandemic induced stress etc.

We believe that we have developed strong working relationships with the Central and the State Governments, various regulatory authorities, significant power sector organizations, Central and State power utilities, private sector project developers, as well as other intermediaries in the power sector. We believe that our 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. We believe 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

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

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

Prudential norms are generally set out and enforced by the RBI. The norms, among others, define and set out asset classification, income recognition and credit concentration. We adhere to the RBI-notified Prudential Norms for "Systemically Important Non-Banking Financial (Non-Deposit Taking) Companies", the latest norms being those issued by the RBI's NBFC-ND Master Directions dated September 1, 2016, and as amended from time to time. These norms were implemented, subject to exemption available from the RBI on credit concentration for exposure to central /state government entities, up to March 31, 2022. RBI has now been requested to grant further exemption from adhering to credit concentration norms in respect of PFC's exposure to Central/State Government entities. Reply of RBI on the same is awaited.

In July, 2010, our Company was classified as an IFC, a distinct category of NBFCs that is primarily engaged in infrastructure financing. We believe 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 example, an IFC is entitled to lend up to 25.00% of its owned funds to a single borrower in the infrastructure sector, compared to 20.00% of owned funds by other NBFCs categorized as a "loan company". As an IFC, our Company has to maintain minimum level of CRAR of 15.00% (with a minimum Tier I capital of 10.00%).

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 ₹ 62,000 crore, and (b) "CRISIL A1+" rating in relation to our short term borrowing programme, for a limit of ₹ 20,000 crore and (ii) ICRA has granted us (a) "[ICRA]AAA" rating in relation to our long term borrowing programme, for a limit of ₹ 62,000 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 ₹ 62,000 crore, and (b) "CARE A1+" rating in relation to our commercial paper programme, for a limit of ₹ 15,000 crore & "CARE A1+" rating in relation to our short term borrowing programme, for a limit of ₹ 5,000 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 Negative", (ii) Fitch has granted us long-term issuer default rating of "BBB-/ Negative".

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 and KfW Development Bank. Our average cost of funds in Fiscals 2019 , 2020 and 2021 was 7.95% , 7.79% 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 December 31, 2021, 86.20% 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 ₹ 2,78,914.76 crore as of March 31, 2018 to ₹ 3,71345.02. crore as of December 31, 2021. In addition, our loan asset portfolio has increasingly diversified by sector and customer base. As of December 31, 2021, 83.48% of our total loan assets related to government sector borrowers, while 16.52% related to private sector borrowers. As of December 31, 2021, 68.76%, 8.45%, 22.02% and 0.77% of our total loan assets related to power generation projects, transmission projects, distribution projects and others (including transitional finance, short-term loans, buyer lines of credit, studies and funding of regulatory assets), respectively. As of December 31, 2021, our top five, ten and twenty borrowers represented 34.17%, 47.88% and 64.13%, respectively, of our total loan assets.

Our total income increased from ₹ 26,737.74 crore in Fiscal 2018 to ₹ 37,766.57 crore in Fiscal 2021, and our profit after tax increased from ₹ 5,855.22 crore to ₹ 8,444.01 crore in the same period. Our RoA and RoNW were 2.38% and 17.83%, respectively, in Fiscal 2021, while NIM (on earning assets) was 3.54% in the same period. As of March 31, 2021, our net worth was ₹ 52,393.12 crore, while our capital adequacy ratio was 18.83%. For the Nine month period ended December 31, 2021, our total income was ₹ 28,716.77 crore, and our profit after tax stood at ₹ 7,412.45 crore.

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 RGGVY from April, 2005; (d) the launch of the DDUGJY scheme (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 UDAY scheme to turn around Discoms in November, 2015. 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

We intend 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. We also intend 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

We intend to increase our focus on debt syndication activities in the power sector. We plan to continue to target debt syndication opportunities. We 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.

Broaden loan asset base and borrower profile

Private sector projects

As of March 31, 2018, 2019 , 2020 and as of 31 December 2021, 18.21%, 17.04% , 16.64% and 16.52% 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.

We believe that the renewable energy space in India provides significant untapped potential. Furthermore, the GoI has scaled-up the target for renewable energy capacity to 175,000 MW by the year 2022, which includes 100,000 MW from solar sources, 60,000 MW from wind sources, 10,000 MW from bio-power and 5,000 MW from small hydro sources. 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. Our total loan assets outstanding with regard to renewable energy projects aggregated ₹ 21487.00 crore as of December 31, 2021. As of December 31, 2021, 5.79% 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

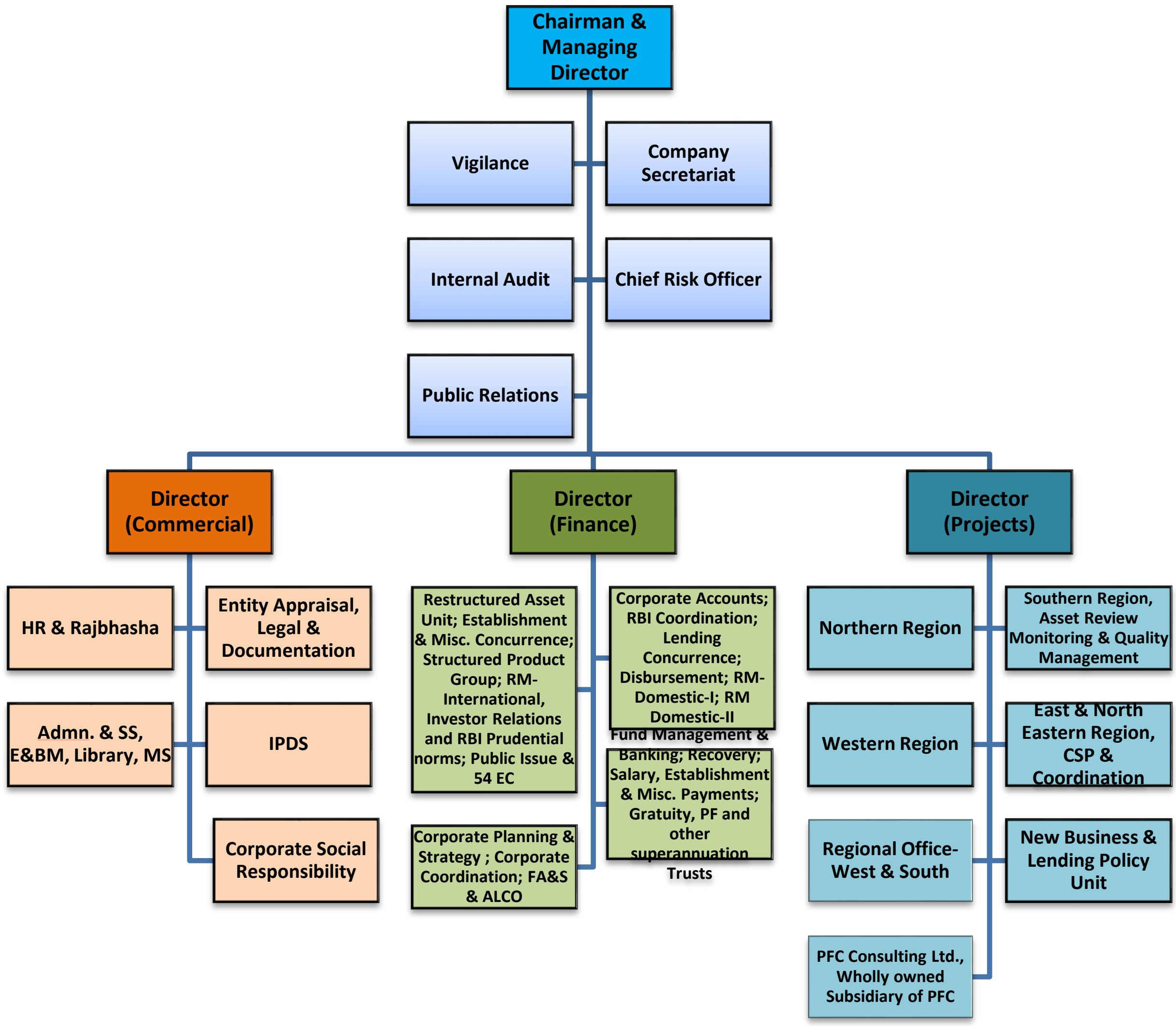
The GoI has introduced various reforms for the development of fuel sources for thermal power generation projects, including allocation of coal blocks to public and private sector entities as well as the development of related infrastructure facilities for the transportation of coal and other fuel sources such as natural gas. We intend to provide financing assistance to fuel supply projects and related infrastructure development projects.

Continue to develop strategic partnerships and evaluate new business opportunities

We propose to continue to develop partnerships and alliances and evaluate new business opportunities related to the power sector in India. We are an equity shareholder in PTC, which is involved in power trading and related activities. In addition, we invested in the “Small is Beautiful” fund, a SEBI-registered venture capital fund that invests in power generation projects. We have also jointly promoted EESL with other GoI companies focused on the Indian power sector to develop energy efficient products and services and to provide consultancy services related to CDM, carbon markets and energy efficiency initiatives.

CORPORATE STRUCTURE

The following chart presents the corporate structure of our Company:



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 as of the dates indicated:

(₹ in crore)

Particulars	As of March 31						As of December 31, 2021	
	2018		2019		2020			
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
Rupee loans								
Term loans	2,67,027.34	95.73%	3,01,447.03	95.79%	3,33,699.45	96.75%	3,70,102.53	99.67%
Short term loans	11,646.43	4.18%	12,978.91	4.13%	10,964.13	3.18%	1001.50	0.27%
Foreign currency loans	240.99	0.09%	240.99	0.08%	240.99	0.07%	240.99	0.064%
Total	**2,78,914.76**	**100.00 %**	**3,14,666.93**	**100.00 %**	**3,44,904.57**	**100.00 %**	**371345.02**	**100.00 %**

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

Particulars	For the Fiscal						April 1, 2021 to December 31, 2021	
	2019		2020		2021			
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
Term loans	55,276.89	81.68%	56,947.29	83.75%	79,647.87	90.20%	33,740.44	97.54%
Short term loans	12,400.70	18.32%	11,050.02	16.25%	8,654.18	9.80%	850.00	2.46%
Total	**67,677.59**	**100.00%**	**67,997.31**	**100.00%**	**88,302.05**	**100.00%**	**34,590.44**	**100.00%**

Rupee Term Loans

Rupee term loans (which comprise Rupee long-term loans and Rupee short-term loans) accounted for 99.91%, 99.92% ,99.93% & 99.67% of our total loan assets as of March 31, 2018, 2019 ,2020, and December 31, 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.

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 December 31, 2021, 86.20% 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.

Short-term loans

We provide short-term loans to borrowers to meet their immediate funding requirements. Short-term loans accounted for 4.18%, 4.13% ,3.18% and 0.27% of our total loan assets as of March 31, 2018, 2019 , 2020, and December 31, 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 December 31, 2021, the total amount of Rupee-denominated default payment guarantees issued by us amounted to ₹ 508.32 crore.

Letters of Comfort-

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 December 31, 2021 , we had outstanding letters of comfort aggregating ₹ 6,261.97 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 December 31, 2021, 68.76%, 8.45%, 22.02% and 0.77% of our total loan assets related to power generation projects, transmission projects, distribution projects and others (including transitional finance, short-term loans, buyer lines of credit, studies and funding of regulatory assets), 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 as of December 31, 2021:

(Amount in ₹ Crore)

State Name	Total
ANDHRA PRADESH	29,835.56
ASSAM	476.00
BIHAR	3,133.80
CHATTISGARH	17,916.36
DELHI	3,542.83
GUJARAT	4,011.69
HARYANA	440.81
HIMACHAL PRADESH	1,567.21
JAMMU & KASHMIR	8,600.49
JHARKHAND	3,561.86
KARNATAKA	14,985.96
KERALA	1,170.60
MADHYA PRADESH	20,602.28
MAHARASHTRA	18,520.44
MANIPUR	55.74
MEGHALAYA	1,521.16
MIZORAM	4.61
NAGALAND	3.24
ORISSA	5,508.37
PUDUCHERRY	46.27
PUNJAB	7,757.78
RAJASTHAN	40,072.98
SIKKIM	8,991.64
TAMILNADU	52,455.52
TELANGANA	56,722.21
TRIPURA	16.13
UTTAR PRADESH	59,719.61

State Name	Total
UTTARAKHAND	1,600.87
WEST BENGAL	8,502.99
TOTAL	371,345.02

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

(₹ in crore, except percentage)

Particulars	2021		2020		2019	
	Amount	% of total	Amount	% of total	Amount	% of total
Thermal	170,122.77	45.81%	1,79,416.23	52.02%	1,73,428.61	55.11%
Hydro	16,168.59	4.35%	17,703.41	5.13%	13,342.36	4.24%
Wind	9,126.74	2.46%	7,869.40	2.28%	6,931.43	2.20%
Solar	11,672.38	3.14%	10,486.02	3.04%	7,484.04	2.38%
RE: Bagasse	24.88	0.01%	24.88	0.01%	24.88	0.01%
RE: Biomass	33.47	0.01%	33.47	0.01%	33.47	0.01%
RE: Waste to Energy (Other than biomass)	629.53	0.17%	409.43	0.12%	412.67	0.13%
Corporate term loan	1,017.33	0.27%	7,162.41	2.08%	6,673.43	2.12%
Thermal generation	4,585.37	1.23%	4,575.12	1.33%	4,462.44	1.42%
Hydro generation	366.17	0.10%	413.37	0.12%	420.54	0.13%
Transmission (including R&M)	28,778.79	7.75%	27,322.02	7.92%	23,601.50	7.50%
Distribution (including shunt capacitor and metering)	81,506.67	21.95%	60,830.20	17.64%	47,673.42	15.15%
Short-term loans	1,001.50	0.27%	10,520.04	3.05%	12,582.27	4.00%
Transitional finance	4,070.50	1.10%	6,794.68	1.97%	7,972.84	2.53%
Others[1]	42,211.95	11.37%	11,343.90	3.29%	9,623.04	3.06%
Total	**371,345.02**	**100.00%**	**3,44,904.57**	**100.00%**	**3,14,666.93**	**100.00%**

[1] Note: "Others" include BLC, Computerization, Equipment manufacturing, funding of Regulatory Assets, Counterpart funding, DPG, and others

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

(₹ in crore, except percentages)

Scheme	For the Fiscal					
	2019		2020		2021	
	Amount	% of total	Amount	% of total	Amount	% of total
Thermal generation	16,058.52	23.73%	11,268.63	16.57%	17,123.35	19.39%
Hydel generation (>25MW)	133.69	0.20%	5,846.34	8.60%	737.15	0.83%
Re: wind power	1,466.71	2.17%	1,583.44	2.33%	2,524.42	2.86%
Re: solar power	2,163.84	3.2%	4,419.09	6.50%	2,050.68	2.32%
Re: Bagasse	0.00	0.00%	0.00	0.00%	0.00	0.00%
Re: Waste to energy (other than biomass)	122.67	0.18%	39.11	0.06%	72.14	0.08%
Irrigation	9,903.47	14.63%	7,855.11	11.55%	5,870.84	6.65%
Equipment manufacturing	0.00	0.00%	0.00	0.00%	13.72	0.02%
Corporate term loan	745.29	1.10%	600.00	0.88%	314.46	0.36%
R&M Thermal	142.13	0.21%	421.97	0.62%	767.36	0.87%
R&M Hydel	10.17	0.02%	35.81	0.05%	35.26	0.04%
Transmission (including R&M)	4,221.96	6.24%	4,743.04	6.98%	4,455.23	5.05%
Distribution (including shunt capacitor, metering, energy saving)	1,095.25	1.62%	1,918.80	2.82%	2,215.43	2.51%
Short term loan	12,400.70	18.32%	11,050.02	16.25%	8,654.18	9.80%
Transitional finance	0.00	0.00%	0.00	0.00%	714.38	0.81%
Medium term loan	16,576.80	24.49%	14,937.95	21.97%	5,647.02	6.40%
Special Long term transition loan to DISCOMS for COVID19	0.00	0.00%	0.00	0.00%	35,739.44	40.47%
Others	2,636.39	3.89%	3,278.00	4.82%	1,366.99	1.54%
Total	**67,677.59**	**100.00%**	**67,997.31**	**100.00%**	**88,302.05**	**100.00%**

Note:

"Others" include studies, buyer line of credit, equipment manufacturing loan, associated infrastructure, purchase through PXIL, Counterpart 'B' RAPDRP (PFC), Corporate loan, Re: Hydel small, IPDS Counterpart PFC loan and funding of regulatory assets.

The following table sets forth information relating to our top ten borrowers (primarily generation companies) in terms of loans outstanding as of December 31, 2021:

(₹ in crore, except percentages)

Borrower	Loan outstanding as of December 31, 2021	% of total outstanding
Borrower 1	34,933.87	9.41%
Borrower 2	30,447.75	8.20%
Borrower 3	23,510.01	6.33%
Borrower 4	23,009.08	6.20%
Borrower 5	14,976.39	4.03%
Borrower 6	11,470.48	3.09%
Borrower 7	11,004.26	2.96%
Borrower 8	10,408.40	2.80%
Borrower 9	9,547.82	2.57%
Borrower 10	8,505.23	2.29%
Total	**177,813.30**	**47.88%**

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 of March 31						As on December 31	
	2018		2019		2020		2021	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
Public sector	2,28,114.15	81.79%	2,61,054.99	82.96%	2,87,513.78	83.36%	310,008	83.48%
Private sector	50,800.60	18.21%	53,611.94	17.04%	57,390.79	16.64%	61,337	16.52%
Total	**2,78,914.75**	**100.00%**	**3,14,666.93**	**100.00%**	**3,44,904.57**	**100.00%**	**371,345**	**100.00%**

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)

(₹ in crore)

Particulars	For the Fiscal					
	2019		2020		2021	
	Amount	% of total	Amount	% of total	Amount	% of total
Public sector	63,161.42	93.33	59,180.28	87.03%	79,050.63	89.52%

Particulars	For the Fiscal					
	2019		2020		2021	
	Amount	% of total	Amount	% of total	Amount	% of total
Private sector	4,516.17	6.67	8,817.03	12.97%	9,251.42	10.48%
Total	**67,677.59**	**100.00**	**67,997.31**	**100.00%**	**88,302.05**	**100.00%**

Note :

(1) The disbursement other than Private Sector Disbursement is considered as Public Sector Disbursement.

(2) Besides above PFC's loan disbursement, the amount received from GOI/MOP under RAPDRP/IPDS Schemes (for which PFC is acting as Nodal Agency) was released to concerned utilities as advised by GOI/MOP.

1. The disbursement other than Private Sector Disbursement is considered as Public Sector Disbursement.
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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 of March 31					
	2019		2020		2021	
	Amount	% of total	Amount	% of total	Amount	% of total
Rupee	2,59,600.93	2,55,751.00	2,55,751.00	84.28%	2,74,575.66	84.46%
Foreign currency [(1)]	28,826.86	47,700.79	47,700.79	15.72%	49,835.80	15.54%
Total	**2,88,427.79**	**3,03,452.79**	**3,03,452.79**	**100.00%**	**3,24,416.36**	**100.00%**

[(1)] ***Note:***

The Rupee equivalent of foreign currency borrowings is based on the relevant bank's telegraphic transfer selling rate for Fiscals 2019, 2020 and 2021.

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, 2020, we had outstanding borrowings aggregating ₹ 1,96,614.02 crore and ₹ 57,098.98 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						As of December 31	
	2018		2019		2020		2021	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
Taxable bonds	1,81,553.42	85.93 %	1,78,049.17	68.59%	1,84,338.91	72.08%	2,01,201.57	73.28%
Tax free bonds	12,275.11	5.81%	12,275.11	4.72%	12,275.11	4.80%	12,275.11	4.47%
Term loans from Indian banks, foreign banks and financial institution s	10,525.00	4.98%	46,203.55	17.80%	57,098.98	22.33%	61,098.98	22.25%
Short term loans	6,924.74	3.28%	23,073.00	8.89%	2,038.36	0.79%	-	-
Total	**2,11,278.2 7**	**100.00**	**2,59,600.9 3**	**100.00 %**	**2,55,751.3 6**	**100.00 %**	**2,74,575.6 6**	**100.00 %**

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					
	2019		2020		2021	
	Amount	% of total	Amount	% of total	Amount	% of total
FCL Bonds	8,298.60	28.79%	27,892.78	58.48%	30,871.97	61.95%
FCL Syndicated Loans	15,852.09	54.99%	19,635.63	41.16%	18,813.18	37.75%
Other FCL Loans	4,676.17	16.22%	172.38	0.36%	150.65	0.30%
Total	**28,826.86**	**100.00%**	**47,700.79**	**100.00%**	**49,835.80**	**100.00%**

Particulars	As of March 31, 2021	
	Amount	% of total
FCL Bonds	33,728.40	60.96%
FCL Syndicated Loans	21,478.02	38.82%
Other FCL Loans	126.41	0.23%
Total	**55,332.83**	**100.00%**

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

ACQUISITION OF REC

On March 28, 2019, our Company has acquired a 52.63% equity stake in REC from GoI. REC, is also a PFI engaged in the financing and promotion of transmission, distribution and generation including renewable energy projects in India. REC has also been granted “Navratna” status by the Department of Public Enterprise, GoI. We believe, REC also plays a strategic role in the GoI’s initiatives and plays a pre-eminent role in the power sector, in terms of financing state power utilities and being an agency to implement key power sector initiatives of the central government. Apart from DDUGJY and Saubhagya schemes, REC is also the nodal agency for National Electricity Fund programme and also the coordinating agency for UDAY – Ujwal Discom Assurance Yojana and 24X7 Power For All initiatives.

PFCCL

Our wholly owned subsidiary PFCCL, also provides various technical consultancy and advisory services for power sector projects. PFCCL provides consultancy and other fee-based services to state power utilities, power distribution licensees, IPPs, public sector undertakings and SERCs. PFCCL acts as a bid process coordinator for ITP scheme projects. Other consultancy services include and relate to bid process coordination for power procurement by distribution licensees through a tariff-based competitive bidding process; renewable and nonconventional energy schemes; coal block joint ventures and selection of developers for coal blocks and linked power projects; preparation of detailed project reports; and project management consultancy for distribution system improvement schemes, including those covered under the R-APDRP scheme.

PFCCL is also involved in the following government initiatives:

Discovery of efficient electricity price ("DEEP")

The DEEP e-Bidding Portal has been developed to promote uniformity, transparency and competition in power procurement and facilitate the Distribution Licensees for Procurement of power as per the Guidelines issued by the MoP. Pursuant to the guidelines, PFCCL acts as the authorized representative for the DEEP e-Bidding Portal. PFCCL developed the DEEP e-Bidding portal through MSTC Limited and is responsible for its overall function and smooth operation.

DEEP e-Bidding Portal is being utilized for the following:

1. Procurement of power by utilities on short-term basis with effect from April 12, 2016,
2. Procurement of power by utilities on medium-term basis with effect from August 17, 2016,
3. Utilization of domestic coal in IPP power stations (coal flexibility) with effect from July 5, 2017.
4. Procurement of Aggregated Power of 2,500 MW for three years under pilot power – I for three years (covered under Medium Term) facilitated by PFC Consulting Limited as nodal agency.
5. Procurement of Aggregated Power of 2,500 MW for three years under pilot power – II for three years (covered under Medium Term) facilitated by PFC Consulting Limited as nodal agency.
6. Procurement of Solar Power by utilities on long-term basis with effect from August 01, 2019
7. Procurement of Power by utilities on long-term basis with effect from September 09, 2019

Payment ratification and analysis in power procurement for bringing transparency in invoicing of generators ("PRAAPTI")

The MoP authorized PFCCL for development of an application and web-based portal for transparency in power payments to generators. PFCCL developed an application and web-based portal namely PRAAPTI. The application and web-based portal was launched on May 29, 2018 and the application can be downloaded through Google Play Store, and Apple Store.

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, the 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.

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.

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.

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 2021, the total rebate offered by us to our borrowers was ₹ 331.27 crore.

Non-Performing Assets

The following table sets forth information relating to our Gross NPAs / Stage-III loan assets relating to our net loan assets as of the dates indicated, by sector:

(percentages)

Particulars	As of March 31							
	2019		2020		2021		2021	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
Public sector	0	0.00%	0	0%	0	0%	0	0%
Private sector	29,540.31	100.00%	27,871.70	100.00%	21,150.16	100%	22,504.81	100%
Total	**29,540.31**	**100.00%**	**27,871.70**	**100.00%**	**21,150.16**	**100%**	**22,504,81**	**100%**

We had adopted Indian GAAP accounting principles until March 31, 2018, which classified assets based on the RBI income recognition and asset classification norms. However, the adoption of IND-AS by our Company with effect from April 1, 2018 introduced a new model of provisioning based on the ECL model as compared with the RBI prudential norms of assets classification. We had gross NPAs/Stage III loan assets of ₹ **26,702.67** crore, ₹ 29,540.31 crore, ₹ 27,871.70 crore, ₹ **21,150.16 crore and ₹ 22,504.81** as of March 31, 2018, 2019, 2020,2021 and December 31, 2021 respectively, which represented 9.57%, 9.39%, 8.08%, 5.70% and 6.06% 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 December 31, 2021, 86.20% 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.

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 through forward-looking resource mobilization based on projected disbursements and maturing obligations.

We have established an effective asset liability management system and formed an ALCO. The ALCO monitors risks related to liquidity and interest rates and also monitors the implementation of decisions taken in the ALCO meetings. Liquidity risk is monitored through asset liquidity gap analysis. The asset liability management framework includes periodic analysis of the long-term liquidity profile of asset receipts and debt service obligations. 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.

In order to ensure that we have sufficient funds to meet our commitments, we maintain satisfactory levels of liquidity to ensure availability of funds at any time covering up to three months' liquidity requirements. Currently, surplus funds are invested by way of short-term deposits with banks and mutual funds. We have an active policy of managing the maturities of our assets and liabilities.

The asset liability management maturity pattern of items of assets and liabilities as on December 31, 2021, is set out below:

Asset Liability Management Maturity pattern of items of Assets and Liabilities					
As on 31-Dec-2021				(In Rs. Crores)	
Bucket As at 31.12.2021	Deposits / Investments	Advances	Domestic Borrowings	Foreign Currency Items	
				Assets	Liabilities
0 day to 7 Days	1092.75	0.00	0.00	0.00	0.00
8 day to 14 Days	500.00	2112.16	0.00	0.00	0.00
15 day to 30/31 Days	2217.65	3,888.70	0.00	0.00	0.00
Over 1 Month upto 2 Month	4550.01	823.49	2,752.55	0.00	0.00
Over 2 Months upto 3 Month	0.00	1,400.69	5,203.06	0.00	0.00

Asset Liability Management Maturity pattern of items of Assets and Liabilities					
Over 3 Month & upto 6 Month	0.00	7,097.01	6,939.70	0.00	2,215.58
Over 6 Month & upto 1 Year	0.00	13,942.24	15,804.29	0.00	3,180.00
Over 1 Year & upto 3 Years	0.00	62,033.16	73,910.54	0.00	13,732.88
Over 3 Years & upto 5 Years	0.00	62,435.89	54,637.91	0.00	7,642.63
Over 5 Years	14913.76	2,02,829.38	1,09,024.24	0.00	28,561.74
Total	**23,274.16**	**3,56,562.72**	**2,68,272.28**	**(0.00)**	**55,332.83**

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 & 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 empanelled 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 December 31, 2021, the details of outstanding foreign currency liabilities based on currency are USD 6,783 million, JPY 36,336 million and Euro 308 million. Total outstanding foreign currency liabilities as on December, 31, 2021 are eq. USD 7,447 million out of which eq. USD 4,075 million is hedged through permitted instruments such as Forwards, Swaps, Options etc. for full/part tenor in compliance with RBI guidelines. Further, 91% of the foreign currency portfolio with residual maturity up to five years has been hedged.

As of December 31, 2021, our foreign currency liabilities that are not hedged by a derivative instrument or otherwise are USD 2,708 million, Euro 308 million and JPY 36,336 million 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 provides 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.

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 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 Government of India 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, 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; IPDS (R-APDRP subsumed) and Revamped Distribution Sector Scheme (RDSS) launched by Govt. of India in July, 2021.

Revamped Distribution Sector Scheme (RDSS)

MoP/ GoI vide OM dated 20.07.2021 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 strengthening of supply infrastructure based on meeting pre-qualifying criteria and achieving basic minimum benchmarks in reforms with objectives to improve the quality, reliability and affordability of power supply to consumers through a financially sustainable and operationally efficient distribution sector; reduce AT&C losses to pan-India levels of 12-15% by 2024-25 and reduce ACS-ARR gap to zero by 2024-25 through conditional financial support to DISCOMs for upgradation of the Distribution Infrastructure and Prepaid Smart Metering & System Metering. PFC (along with 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. PFC has been designated as Nodal Agency for 17 States/ UTs under the Scheme. Ongoing approved projects under IPDS (R-APDRP subsumed) have been subsumed in RDSS. All State-owned distribution companies and State/ UT Power Dept. excluding private sector companies are eligible for financial assistance under the Scheme. The implementation period of the Scheme is 5 Years (FY 2021-22 to FY 2025-26). The sunset date for the Scheme is 31.03.2026.

Scheme Objectives

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.

Outlay and Budgetary Support

The Scheme has an outlay of Rs. 3,03,758 Cr. with an estimated gross budgetary support of Rs. 97,631 Cr. from the GoI.

Integrated Power Development Scheme (IPDS)

Ministry of Power, Government of India notified "Integrated Power Development Scheme" (IPDS) on 3rd Dec, 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. Restructured Accelerated Power Development & Reforms Programme (R-APDRP) Scheme notified vide MoP order dated 19th Sep, 2008 was subsumed into IPDS. PFC is the Nodal Agency for operationalization of the IPDS/ R-APDRP Scheme.

Components of IPDS:

The major components envisaged under the Scheme and additional components included by Ministry of Power from time-to-time are as under:

i. Strengthening of sub-transmission and distribution networks in the urban areas;

ii. Metering of distribution transformers / feeders / consumers in the urban areas;

iii. Schemes for Enterprise Resource Planning (ERP) and IT enablement of balance urban towns are also included under IPDS. Scope of IT enablement has been extended to all urban towns as per Census 2011.

iv. Smart metering solution for performing UDAY States and Solar panels on Govt. buildings with net-metering are also permissible under the Scheme.

v. Gas Insulated Sub-stations (GIS) at locations where space constraint exists are also permissible

vi. Real Time-Data Acquisition System (RT-DAS) Projects for accurate measurement of power interruption parameters like SAIDI/ SAIFI at 11KV feeder level are also covered under the Scheme.

vii. IT enablement of distribution sector and strengthening of distribution network under R-APDRP for 12th and 13th Plans by carrying forward the approved outlay for R-APDRP to IPDS.

Outlay & Budgetary Support

- The components covered under IPDS have an estimated outlay of Rs 32,612 Cr. including a budgetary support of Rs 25,354 Cr. from Government of India during the entire implementation period.

- R-APDRP Scheme cost of Rs 44,011 Cr. including a budgetary support of Rs 22,727 Cr. as already approved by CCEA has been carried forward to the new scheme of IPDS in addition to the outlay for components at (i) to (vi) indicated above.

The sanctions and disbursements under the IPDS (R-APDRP subsumed) Scheme as of Dec 31, 2021, are as follows:

(₹ in crore)

Particulars	IPDS	R-APDRP
Cumulative Sanction Cost	30,834.41	31,504.97
Cumulative GoI Fund Disbursements to Discoms	16,696.78	13,439.68

Ultra Mega Power Projects ("UMPP")

The GoI introduced the UMPP program with the objective of developing large capacity power projects in India. We have been designated to act as a nodal agency by the 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.

The CEA is the technical partner for the development of these UMPPs, while the MoP is involved as a facilitator. As of December 31, 2021, 17 UMPPs have been identified, located in Madhya Pradesh (one), Gujarat (two), Karnataka (one), Maharashtra (one), Andhra Pradesh (two), Jharkhand (two), Tamil Nadu (two), Odisha (three), Uttar Pradesh (one), Bihar (one) and Chhattisgarh (one). As of the date of this Information memorandum, we have incorporated a total of 14 wholly owned SPVs for these UMPPs. In relation to such SPVs, we in conjunction with the MoP and the CEA, will undertake preliminary site investigations and obtain fuel linkages and appropriate regulatory and other approvals (including for land, water and for power selling) and environment and forest clearances necessary to conduct the bidding process for these projects. 4 of these SPVs have been transferred to successful bidders (as detailed in the table below). These SPVs are proposed to be transferred in due course to successful bidder(s) selected through a tariff-based international competitive bidding process in accordance with the guidelines notified by the GoI under section 63 of the Electricity Act, 2003.

As of December 31, 2021, the following SPVs have been transferred to successful bidders:

Name of SPV	UMPP	Transferee	Date of transfer
Coastal Gujarat Power Limited	Mundra, Gujarat	Tata Power Company Limited	April 22, 2007
Sasan Power Limited	Sasan, Madhya Pradesh	Reliance Power Limited	August 7, 2007
Coastal Andhra Power Limited[#]	Krishnapatnam, Andhra Pradesh	Reliance Power Limited	January 29, 2008
Jharkhand Integrated Power Limited*	Tilaiya, Jharkhand	Reliance Power Limited	August 7, 2009

Due to delay in developmental activities by the selected developer (Reliance Power Ltd), PPA was terminated by Procurers

* Reliance Power Limited / Jharkhand Integrated Power Limited (JIPL) issued a termination notice in respect of the power purchase agreement (PPA) for the Tilaiya UMPP on April 28, 2015. Jharkhand Urja Vikas Nigam Limited had, on behalf of all the procurers, taken over JIPL on May 16, 2018 from Reliance Power Limited.

In addition to the above, five SPVs were incorporated by us for the purposes of (a) holding land for power plant and coal blocks in case of domestic coal-based UMPPs, and (b) holding land for power plant and ports in case of the imported coal-based UMPP at Cheyyur. However, in a meeting held on November 2, 2017 between officials of the MoP, PFC, CEA and procurers, the decision was taken to develop Cheyyur UMPP on domestic coal. These infra SPVs are proposed to be transferred to the respective procurers of power from these projects and thereafter the successful bidders will be expected to develop and implement these projects.

As of December 31, 2021, the subsidiaries promoted as SPVs for UMPPs are as follows:

State	Number of UMPP	Name of SPV	Date of transfer
Gujarat	1	Coastal Gujarat Power Limited	April 22, 2007
	1	SPV yet to be created (Gujarat 2nd UMPP)	-
Andhra Pradesh	1	Coastal Andhra Power Limited#	January 29, 2008
	1 (In liquidation)	Tatiya Andhra Mega Power Limited	-
Madhya Pradesh	1	Sasan Power Limited	August 7, 2007
Jharkhand	1	Jharkhand Integrated Power Limited* Jharkhand Infra Power Limited	August 7, 2009
	1	Deoghar Mega Power Limited Deoghar Infra Limited	
Karnataka	1 (In liquidation)**	Coastal Karnataka Power Limited	-
Maharashtra	1 (In liquidation)	Coastal Maharashtra Mega Power Limited	-
Chhattisgarh	1 (In liquidation)	Chhattisgarh Surguja Power Limited	-
Tamil Nadu	1	Coastal Tamil Nadu Power Limited Cheyyur Infra Limited	
	1	SPV yet to be created (Tamil Nadu 2nd UMPP)	-
Odisha	1	Orissa Integrated Power Company Limited Odisha Infrapower Limited	

State	Number of UMPP	Name of SPV	Date of transfer
	1	Sakhigopal Integrated Power Company Limited	-
	1	Ghogarpali Integrated Power Company Limited	-
Bihar	1	Bihar Mega Power Limited Bihar Infra Power Limited	
Uttar Pradesh	1	SPV yet to be created (UP UMPP)	-
Total	17 (including SPVs under liquidation)	-	-

Note:

 # Due to delay in developmental activities by the selected developer (Reliance Power Ltd), PPA was terminated by Procurers

** Reliance Power Limited/Jharkhand Integrated Power Limited (JIPL) has issued a termination notice in respect of the power purchase agreement (PPA) for the Tilaiya UMPP on April 28, 2015. Jharkhand Urja Vikas Nigam Limited had, on behalf of all the procurers, taken over JIPL on May 16, 2018 from Reliance Power Limited.*

As of December 31, 2021, the GoI has decided to close down the Chhattisgarh Surguja Power Limited UMPP, Tatiya Andhra Mega Power Limited UMPP and Coastal Maharashtra Mega Power Limited UMPP. The action has been initiated to strike off the name of these SPVs from the "RoC records".

**In addition, at the request of Government of Karnataka, MoP asked PFC to initiate the process for closure of Coastal Karnataka Power Limited. In the meantime PFC has in principally decided to utilize the SPV Coastal Karnataka Power Limited established for development of Karnataka UMPP for submission of lenders backed resolution plan in the CIRP of KSK Mahanadi Power Company Limited (KSKMPCL) - 6x600 MW coal based thermal power project at Nariayara, Janjgir Champa District, Chhattisgarh

MoP requested the State Govts to confirm the closure of UMPPs (Coastal Tamil Nadu Power Ltd Sakhigopal Integrated Power Company Ltd, Ghogharpali Integrated Power Company Ltd, UP UMPP, 2nd Tamil Nadu UMPP and 2nd Gujarat UMPP) as developmental activities for these projects were not progressing for a considerable time. Response from State Govts. is awaited.

MoP vide letter dated 12.11.2021 conveyed its decision to defer any action on formulation of UMPPs Bidding framework as of now as the country is making energy transition from fossil fuel to non-fossil fuel. Further, in QPRM held on 16.12.2021, Secretary (Power) advised to review the status of UMPPs and take necessary action for closure wherever required, in consultation with stakeholders. The matter is under consideration.

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

We believe that the renewable energy space in India provides significant untapped potential. Furthermore, the GoI has scaled up the target of renewable energy capacity to be achieved by 2022 to 175,000 MW, which includes a target of 100,000 MW to be achieved from solar power, 60,000 MW from wind power, 10,000 MW from bio-power and 5,000 MW from small hydro.

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.

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.

REGULATIONS AND POLICIES

We are a Non-Banking Finance Company, that is Non Deposit taking and Systemically Important ("NBFC-ND-SI"),and are notified as a public financial institution under section 2(72) of the Companies Act, 2013 (corresponding to Section 4A of the erstwhile Companies Act, 1956). We have also been classified as an IFC by the RBI vide certificate dated July 28, 2010. NBFCs are primarily governed by the RBI Act, Non-Banking Financial Company Systemically Important NBFC Directions, and the Non-Banking Financial Company – Non-Systemically Important Non-Deposit Taking Company and Deposit Taking Company (Reserve Bank) Directions, 2016, as amended from time to time. Additionally, NBFCs are also governed by various circulars, notifications, guidelines and directions issued by the RBI and SEBI (being a listed company) from time to time.

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 one independent Director 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.

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.

EMPLOYEES

We have an experienced, qualified and committed management and employee base. As of December 31, 2021, we had 501 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 2021 was ₹ 16.85 crore which indicates a high level of employee productivity.

TRAINING AND DEVELOPMENT

We attach great importance to providing continuous training to our officials to keep them updated on the latest developments in the industry and expand their knowledge and skillsets. During Fiscal 2021, in order to ensure specific skill development, the focus of conducting in-house programs was maintained in line with the corporate goals. Customized virtual training programs on Leadership Development, General Management Programs, Induction Program for new recruits, Communication Skills - Writing Documentation & Presentation Skills, Workshop on Gender Sensitisation, Workshop on PFC CDA Rules & PIDPI, Virtual Training On Cyber Security, Government e-Marketplace (GEM), Awareness Program on Sexual Harassment were organized till December 31, 2021. The Corporation is also in the process of conducting customized training programs on Stressed Asset Management & IBC 2016, KYC AML & CFT, Corporate Credit and Financial Management along with need-based programs.

As of December 31, 2021, a total of 1148 man-days were achieved in Fiscal 2021 by conducting various in-house programs and by sponsoring employees to other need-based programs conducted by external training agencies.

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT

CSR is a cornerstone of our operations and we discharge our social responsibility obligations as a part of our growth philosophy. The Company aims to act as a responsible corporate citizen and is committed to improving the welfare of the society through inclusive growth aimed at the empowerment of communities through (i) environment protection through promotion of renewable energy, sanitation and provision for safe drinking water, (ii) skill development programmes and (iii) activities related to the healthcare sector. Our Company has a CSR & Sustainability Policy. The aim of our CSR & Sustainability Policy is to ensure that our Company becomes a socially responsible corporate entity committed to improving the quality of life of the 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 Financial Year 2021-22, our Board had approved a CSR budget of ₹ 170.43 crore based on 2% of the average stand-alone profit before tax excluding dividend received from other companies covered under and complying with Section 135 of the Companies Act, 2013, for last three financial years in line with Companies (Corporate Social Responsibility Policy) Rules, 2014. Further, there was excess CSR spent of ₹ 39.39 crore during FY 2020-21 which has been set off with the current year budget. Accordingly, the net CSR Budget for FY 2021-22 shall be ₹ 131.04 crore. During the financial year 2021-22 (till 31.12.2021), our Company implemented a wide range of activities in various states for COVID19 pandemic, solar energy, sanitation, health and education, skill development, etc.

Due to the gestation period involved in the sanctioned projects, our Company has disbursed ₹ 32.69 crore out of the available sanctions, and the remaining budget will be utilized / disbursed based on the progress achieved for completion of the projects.

CERTIFICATIONS

We were awarded the ISO 9001:2015 certification with effect from January8, 2022, valid until January 8, 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. 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 the 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.

LEGAL AND REGULATORY PROCEEDINGS

We are involved in certain legal and tax-related proceedings. These proceedings are pending at different levels of adjudication before various government authorities, courts, tribunals and appellate authorities.

MAJOR EVENTS AND MILESTONES

Calendar Year	Event
1986	Incorporation of the Company.
1988	Commenced lending activities.
1990	Declared as a public financial institution under section 4A of Companies Act, 1956.
1996	Started funding private power projects.
1998	• Registered as a NBFC with RBI; • Declared as a Mini Ratna (category I) public sector undertaking by the GoI.
1999	Promoted Power Trading Corporation of India (now PTC India Limited) as a joint venture with NTPC, NHPC and Power Grid Corporation.
2007	• Declared as a Navratna Public Sector Undertaking ("PSU") on June 22, 2007; • Initial Public Offer ("IPO") of equity shares with listing on both Bombay Stock Exchange ("BSE") and National Stock Exchange ("NSE").
2008	• Appointed as the nodal agency for R-APDRP; • Incorporated PFC Consulting Limited (PFCCL) as wholly owned subsidiary.
2010	Registered by RBI as "NBFC-ND-IFC" (Infrastructure finance company)
2011	Public issuance of long-term infrastructure bonds.
2012-13	Issued tax free bonds of 10 (ten) and 15 (fifteen) years tenors.
2014	• Crossed ₹ two trillion loan assets; • Appointed as nodal agency for Integrated Power Development Scheme ("IPDS").
2015	• Incorporation of a subsidiary, namely Bihar Mega Power Limited on July 9, 2015, for the development of ultra-mega power projects; • Incorporation of two other subsidiaries, namely Deoghar Infra Limited & Bihar Infrapower Limited on June 30, 2015, for the development of ultra-mega power projects; • PFC received "India Pride PSU Award 2015-16".
2016	'SCOPE Gold Trophy for Good Corporate Governance for the year 2014-15' to Mr. Rajeev Sharma, CMD.
2017	• Crossed annual sanctions of ₹ one trillion; • Issued 54 EC Capital Gain Bonds; • Issued $ 400 million 10 years Reg S green bonds. • Amalgamation of PFC Green Energy Limited with the Company
2018	• Issued $ 300 million 10Y Reg S bonds; • Issued $ 500 million 10Y Reg S/ 144A bonds under GMTN program. • Amalgamation of PFC Capital Advisory Services Limited with PFC Consulting Limited

Calendar Year	Event
2019	• Acquired 52.63% equity stake in REC Limited; • Largest Financial Player in the Power Sector with about Rs. 6 trillion in Loan Assets
2020	Till September 30, 2020, the Company has sanctioned an approximate amount of Rs.59,000 crores under the DISCOM Liquidity Package
2021	• Accorded 'Mahartana' Status by Government of India in October 2021. • Ranked 29th in Fortune India 500 Companies : 2021 • Conferred ICAI Silver Award For Excellence in Financial Reporting FY 2020-21

MANAGEMENT OF THE COMPANY

A. Details of current directors of the company

S. No	Name, Designation and DIN	Age (Completed Years)	Address	Director of the Company since	Other Directorships
1.	Shri. R. S. Dhillon Designation: Chairman and Managing Director DIN: 00278074 Nationality: Indian	58	Urjanidhi. 1 Barakhamba Lane, Connaught Place , New Delhi -110001	01/06/2020	• PFC Consulting Limited
2.	Shri. Vishal Kapoor Designation: Govt. Nominee DIN: 08700132 Nationality: Indian	47	Ministry of Power, Shram Shakti Bhawan, Rafi Marg, New Delhi -1	07/09/2021	• REC Limited
3.	Shri. R. C. Mishra Designation: Independent Director DIN:02469982 Nationality: Indian	69	12A03, Imperial Tower 03, Jaypee Greens Wish Town, Sector 128, Noida, Uttar Pradesh	11/07/2019	• Nil
4.	Smt. Parminder Chopra Designation: Director (Finance) DIN: 08530587 Nationality: Indian	54	Urjanidhi. 1 Barakhamba Lane, Connaught Place , New Delhi -110001	01/07/2020	• Coastal Tamil Nadu Power Ltd • Cheyyur Infra Ltd • PFC Consulting Limited • Bihar Mega Power Limited • Deoghar Mega Power Limited • Chhattisgarh Surguja Power Limited • PTC India Limited • REC Limited
5.	Shri Rajiv Ranjan Jha Designation: Director (Projects) DIN: 03523954 Nationality: Indian	55	Urjanidhi. 1 Barakhamba Lane, Connaught Place , New Delhi -110001	28/10/2021	• PFC Consulting Limited

S. No	Name, Designation and DIN	Age (Completed Years)	Address	Director of the Company since	Other Directorships
6.	Shri Prasanna Tantri Designation: Independent Director DIN: 06471864 Nationality: Indian	40	Urjanidhi. 1 Barakhamba Lane, Connaught Place , New Delhi -110001	23.12.2021	--
7.	Adv. Bhaskar Bhattacharya Designation: Independent Director DIN: 09406292 Nationality: Indian	63	Urjanidhi. 1 Barakhamba Lane, Connaught Place , New Delhi -110001	23.12.2021	--
8.	Smt. Usha Sajeev Nair Designation: Independent Director DIN: 09408454 Nationality: Indian	45	Urjanidhi. 1 Barakhamba Lane, Connaught Place , New Delhi -110001	23.12.2021	--

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

B. Details of change in directors since last three years

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

Name, Designation and DIN	Date of appointment/ Cessation	Director of the Company since (in case of cessation)	Remarks
Shri. Rajeev Sharma Designation: Chairman and Managing Director DIN:00973413 Nationality: Indian	1 June, 2020	01 October, 2016	Superannuated
Dr. Arun Kumar Verma Designation: Govt. Nominee DIN: 02190047 Nationality: Indian	28 August,2019	13 October, 2015	Nomination changed by Government

Name, Designation and DIN	Date of appointment/ Cessation	Director of the Company since (in case of cessation)	Remarks
Shri. Mritunjay Kumar Narayan Designation: Govt. Nominee DIN: 03426753 Nationality: Indian	4 November, 2020	28 August,2019	Nomination changed by Government
Shri. Tanmay Kumar Designation: Govt. Nominee DIN: 02574098 Nationality: Indian	4 November, 2020	06 September, 2021	Nomination changed by Government
Shri. D. Ravi Designation: Director (Commercial) DIN: 00038452 Nationality: Indian	01 June, 2018	16 November, 2015	Superannuated
Shri. C. Gangopadhyay Designation: Director (Projects) DIN:02271398 Nationality: Indian	1 May, 2019	1 January, 2017	Superannuated
Shri. Sitaram Pareek Designation: Independent Director DIN: 00165036 Nationality: Indian	06 February, 2020	06 February, 2017	Completion of Tenure
Shri. N.B. Gupta Designation: Director (Finance) DIN: 00530741 Nationality: Indian	1 July 2020	18 August, 2017	Superannuated
Smt. Gouri Chaudhury Designation: Independent Director DIN: 07970522 Nationality: Indian	3 November, 2020	3 November, 2017	Completion of Tenure

Name, Designation and DIN	Date of appointment/ Cessation	Director of the Company since (in case of cessation)	Remarks
Shri. R. S. Dhillon Designation: Chairman and Managing Director DIN: 00278074 Nationality: Indian	01 June, 2020	Continuing	Appointment
Shri. R. C. Mishra Designation: Independent DIN:02469982 Nationality: Indian	11 July, 2019	Continuing	Appointment
Shri. Praveen Kumar Singh Designation: Director (Commercial) DIN: 03548218 Nationality: Indian	10 August, 2018	Continuing	Appointment
Smt. Parminder Chopra Designation: Director (Finance) DIN: 08530587 Nationality: Indian	01 July 2020	Continuing	Appointment
Shri. Vishal Kapoor Designation: Govt. Nominee DIN: 08700132 Nationality: Indian	07.09.2021	Continuing	Appointment
Shri Rajiv Ranjan Jha Designation: Director (Projects) DIN: 03523954 Nationality: Indian	28.10.2021	Continuing	Appointment

Name, Designation and DIN	Date of appointment/ Cessation	Director of the Company since (in case of cessation)	Remarks
Shri Prasanna Tantri Designation: Independent Director DIN: 06471864 Nationality: Indian	23.12.2021	Continuing	Appointment
Adv. Bhaskar Bhattacharya Designation: Independent Director DIN: 09406292 Nationality: Indian	23.12.2021	Continuing	Appointment
Smt. Usha Sajeev Nair Designation: Independent Director DIN: 09408454 Nationality: Indian	23.12.2021	Continuing	Appointment
Shri. Praveen Kumar Singh Designation: Director (Commercial) DIN: 03548218 Nationality: Indian	01.02.2022	10.08.2018	Superannuated

Relationship with other Directors

On the basis of disclosures provided by the Directors, none of the Directors of our Company are related to each other.

Details of Appointment and Term of our Directors

S. No.	Name of Director	MoP Order No.	Term
1.	Mr Ravinder Singh Dhillon	F. No. 24-8/1/2019-PFC (MoP) dated September 16, 2020	Five years with effect from June 1, 2020 or till the date of his superannuation or until further orders, whichever is earlier
2.	Mrs Parminder Chopra	F. No. 24-8/2/2019-PFC (MoP) dated August 20, 2020	Five years with effect from July 1, 2020 or till the date of his superannuation, or until further orders, whichever is earlier

S. No.	Name of Director	MoP Order No.	Term
3.	Mr Rajiv Ranjan Jha	F. No. 24-8/1/2020-PFC (MoP) dated October 28, 2021	Five years with effect from October 28, 2021or till the date of his superannuation, or until further orders, whichever is earlier
4.	Mr Vishal Kapoor	F. No. 8/1/2007-PFC Desk dated September 7, 2021	With immediate effect and until further orders.
5.	Mr R.C. Mishra	No. 20/6/2017-Coord.dated July 11, 2017	Three years with effect from July 11, 2017 or until further orders, whichever is earlier
6.	Adv. Bhaskar Bhattacharya	No. 8/1/2012- PFC Desk (Vol II) dated 15th November, 2021	Three years with effect from December 23, 2021 or until further orders, whichever is earlier
7.	Smt. Usha Sajeev Nair	No. 8/1/2012- PFC Desk (Vol II) dated 15th November, 2021	Three years with effect from December 23, 2021 or until further orders, whichever is earlier
8.	Mr Prasanna Tantri	No. 8/1/2012- PFC Desk (Vol II) dated 15th November, 2021	Three years with effect from December 23, 2021 or until further orders, whichever is earlier

Terms of Appointment and Remuneration of the Chairman & Managing Director

The present remuneration structure of the Chairman & Managing Director consists of pay, dearness allowance and other perks and benefits. The following table sets forth compensation paid to Mr. Ravinder Singh Dhillon, Chairman & Managing Director with effect from June 1, 2020:

S. No	Particulars	Remuneration
1.	Period	The appointment will be for a period of five years w.e.f. June 1, 2020 (date of appointment) in the first instance or till the date of superannuation or until further orders whichever event occurs earlier and in accordance with the provisions of the Companies Act, 1956 as amended.
2.	Pay	The Chairman & Managing Director will draw a basic pay of ₹ 2,33,490/- (Rupees Two lakhs thirty-three thousand four hundred and ninety only) per month in the scale of pay of ₹2,00,000-3%-3,70,000 from the date of assumption of office i.e. June 1, 2020.
3.	Dearness allowance	The Chairman & Managing Director would be paid dearness allowance in accordance with IDA scheme spelt out in the DPE's OMs. dated August 3, 2017.

Other Directors

Independent Directors are paid remuneration by way of sitting fees for attending the Board/Committee meetings, as follows:

S.No.	Name of Committee/Board	Sitting Fee Amount (in ₹) per meeting
1.	Board Meetings	40,000
2.	Audit Committee	30,000
3.	Nomination and Remuneration Committee	30,000
4.	Stakeholder Relationship and Shareholders'/Investors' Grievance Committee	30,000
5.	IT Strategy Committee	30,000
6.	CSR and Sustainable Development Committee	30,000
7.	Investment Committee of Directors	30,000
8.	Board Level Risk Management Committee	30,000

Remuneration, commission, sitting fees, etc. paid by our Company to the Directors in the last three Fiscals

C. Chairman & Managing Director and Whole Time Directors

The remuneration paid to the Whole-time Directors comprises of remuneration, benefits, allowances and performance linked incentives etc. The following table sets forth the details of remuneration paid to the whole-time Directors during Fiscals 2020, 2019 and 2018:

(₹ in crores)

S. No.	Name of the Director	Fiscal 2020	Fiscal 2019	Fiscal 2018
1.	Mr. Ravinder Singh Dhillon	0.39	NIL	NIL
2.	Ms. Parminder Chopra	NIL	NIL	NIL
3.	Mr. Praveen Kumar Singh	0.73	0.42	NIL

D. Remuneration of government nominee Directors

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

E. Remuneration of Independent Directors

The Independent Directors of the Company are entitled to sitting fees at a rate fixed by the Board within the limits as prescribed under the Companies Act, 2013 for attending the meetings of the Board and Committees of Directors. Presently, sitting fee of ₹ 30,000 for attending each meeting of the Board and Committees of Directors is being paid its Independent Director. The following table sets forth the details of remuneration paid to the Independent Director during Fiscals 2020, 2019 and 2018

(in ₹)

S. No.	Name of the Director	Fiscal 2020	Fiscal 2019	Fiscal 2018
1.	Mr. R.C. Mishra	4,40,000	NIL	NIL
2.	Mrs. Gouri Choudhury	6,10,000	5,40,000	2,20,000
3.	Mr Sitaram Pareekh	5,60,000	6,60,000	5,40,500

Relationship between our Directors

On the basis of disclosures provided by the Directors, none of the Directors of our Company are related to each other.

Interest of our Directors

Except as otherwise stated in the section titled "Annexure C - Financial Statements", our Company has not entered into any contract, agreement or arrangement during the two years preceding the date of this Draft Shelf Prospectus in which the Directors are interested directly or indirectly, and no payments have been made to them in respect of such contracts or agreements.

All our Directors, including our independent Directors, may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board or a committee thereof, as well as to the extent of other remuneration and reimbursement of expenses payable to them.

Our Directors may also be regarded as interested, to the extent they, their relatives or the entities in which they are interested as directors, members, partners or trustees, are allotted bonds pursuant to this Issue, if any.

Some of our Directors may also be regarded as interested in the Equity Shares and stock options held by them, their relatives or by the companies, firms, trusts in which they are interested as directors, members, partners, trustees and promoters, as well as the benefits arising out of such shareholding.

Further, none of the Directors have any interest in the promotion of our Company. Further, none of our Directors have any direct or indirect interest in any immovable property acquired by our Company in the two years preceding the date of this Draft Shelf Prospectus or any immovable property proposed to be acquired by it.

Further, no relative of any of our Director has been appointed to any office or place of profit in our Company. No Director of our Company has any interest in the appointment of the Debenture Trustee to the Issue.

None of our Directors, nor any firm or company in which they are member has received or agreed to receive, in cash or shares or otherwise from any person either to induce them to become, or to help them qualify as a director, or otherwise for services rendered by them or by such firm or company, in connection with the promotion or formation of the Company.

All our Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective declarations.

No remuneration has been paid or is payable to any of our Directors by the Company's subsidiaries or associate companies.

None of our Directors hold any equity shares in the Company's Subsidiaries or associate companies or joint ventures.

Other undertakings and confirmations

No Director 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, defaulter list maintained by the RBI and/or Export Credit Guarantee Corporation of India Limited.

As on the date of this Draft Shelf Prospectus, our Directors do not hold any outstanding options.

Shareholding of Directors

For details of the shareholding of Directors in our Company, please refer to the section *"Capital Structure- Details of the Directors' shareholding in our Company"* on page 55 of the 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 exchanges and where the board of directors is headed by an executive chairman, the number of independent directors shall be at least 50% of the total strength of the board of directors. In other cases, the number of independent directors shall be at least one third of the total strength of the board of directors.

iv. None of the directors should be members of more than ten committees or act as chairman of more than five committees across all companies in which they hold directorship.

Our Company is in compliance with the requirements of Corporate Governance as prescribed under DPE, SEBI Listing Regulations, Companies Act 2013. As on date, there are eight Directors on the Board of PFC which comprises of three whole- time Directors including the Chairman & Managing Director, one Government Nominee Director and four Independent Directors (including one Independent Woman Director). Further, our Company is in compliance with the Corporate Governance norms as prescribed by RBI for non-deposit taking NBFCs.

Committees of our Board

Our Company has constituted the following committees of Directors, having the members listed below:

S. No.	Names of the Committees	Members
1.	Audit Committee	Shri R C Mishra Chairman Shri Prasanna Tantri Member Director(Projects)- Member Director(Commercial)- Permanent Invitee Director(Finance) - Permanent Invitee
2.	Nomination and Remuneration Committee	Shri Prasanna Tantri Chairman Adv. Bhaskar Bhattacharya Member Smt. Usha Sajeev Nair Member Director (Commercial) Permanent Invitee Director (Finance) Permanent Invitee Director (Projects) Permanent Invitee
3.	Stakeholder Relationship and Shareholders'/ Investors' Grievance Committee	Smt. Usha Sajeev Nair Chairman Shri Prasanna Tantri Member Director (Finance) Member Director (Projects) Member
4.	Board Level Risk Management Committee	Adv. Bhaskar Bhattacharya Chairman Director (Commercial) Member Director (Finance) Member Director (Projects) Member Chief Risk Officer Permanent Invitee
5.	CSR and Sustainable Development Committee	Smt. Usha Sajeev Nair Member Director (Commercial) Member Director (Finance) Member
6.	HR Committee	Director (Commercial) Chairman Director (Projects) Member Director (Finance) Member
7.	Investment Committee of Directors	CMD Chairman All Functional Directors Member Adv. Bhaskar Bhattacharya Member
8.	IT Strategy Committee	Shri R C Mishra Chairman Chief Information Officer / Chief Technology Officer Member Chief Information Security Officer Member & Convener

S. No.	Names of the Committees	Members
		One ED each from Projects, Commercial and Finance divisions nominated by CMD as Permanent Invitee

CHAPTER VI DETAILS OF AUDITOR OF THE COMPANY

A. Auditors of the company

Year	Name	Address	Auditor Since
2021-22	M/s Dass Gupta & Associates Chartered Accountants Registration No.: 000112N	B-4, Gulmohar Park, New Delhi – 110049 Tel No.: (011)46111000 E-mail: admin@dassgupta.com	Aug 01, 2019
	M/s Prem Gupta & Co Chartered Accountants Registration No.:000425N	2342, Faiz Road, Karol Bagh, New Delhi – 110005 Tel No.: (011) 25466394 E-mail: office@pguptaco.com	August 19, 2021

B. Details of change in auditor since last three years:

S. No.	Financial Year	Name	Address	Date of Appointment/ Cessation	Auditor of the Company since (in case of Cessation)	Remark (if any)
1.	2021-22	M/s Prem Gupta & Company Chartered Accountants, ICAI Firm Registration: 000425N	2342, Faiz Road, Karol Bagh, New Delhi - 110005	August 19, 2021	-	Appointed by the CAG.
2.	2021-22	M/s Gandhi Minocha & Co. Chartered Accountants, ICAI Firm Registration: 000458N	B-6, Shakti Nagar Extension, New Delhi – 110052	Ceased to be the statutory auditor w.e.f. AGM for Fiscal 2021 i.e. September 21, 2021.	Auditors are appointed by CAG for a financial year and first time Gandhi Minocha & Co. was appointed PFC's auditors on July 11, 2017	Cessation after completing four years
3.	2019-20	M/s Dass Gupta & Associates	NDG Center, B-4,	August 1, 2019	-	Appointed by the CAG.

S. No.	Financial Year	Name	Address	Date of Appointment/ Cessation	Auditor of the Company since (in case of Cessation)	Remark (if any)
		Chartered Accountants, ICAI Firm Registration: 000112N	Gulmohar Park, New Delhi 110049			
4.	2019-20	M/s M.K. Aggarwal & Co., Chartered Accountants ICAI Firm Registration: 01411N	30, Nishat Kunj, Pitam Pura, New Delhi-110034	Ceased to be the statutory auditor w.e.f. AGM for Fiscal 2019 i.e. August 27, 2019.	Auditors are appointed by CAG for a financial year and first time M.K. Agarwal & Co. was appointed PFC's auditors on July 12, 2016	Cessation after completing four years

CHAPTER VII ISSUER INFORMATION

Name of the Issuer	**Power Finance Corporation Limited**
Registered & Corporate Office	UrjaNidhi Building, 1-Barakhamba Lane, Connaught Place New Delhi – 110001 Tel: +91 11 2345 6000, Fax: +91 11 2345 6285 Website: www.pfcindia.com E-mail: 54ECinvestorcell@pfcindia.com
Chairman & Managing Director	**Shri Ravinder Singh Dhillon** Chairman and Managing Director UrjaNidhi Building 1-Barakhamba Lane, Connaught Place, New Delhi – 110001 Tel: +91 11 2345 6000, Fax: +91 11 2341 2545
Compliance Officer	**Shri Manohar Balwani** **Company Secretary** Urjanidhi, 1 Barakhamba Lane, Connaught Place New Delhi – 110001 Tel: +91 11 2345 6749 Fax: +91 11 2345 6285 E-mail: mb @pfcindia.com
	Head of Unit for PFC's 54EC Capital Gain Bonds Shri Sanjay Mehrotra Chief General Manager(Finance) Urjanidhi, 1 Barakhamba Lane, Connaught Place New Delhi – 110001 Tel: +91 11 2345 629268, Fax: +91 11 2345 6285 E-mail: sanjay_mehrotra @pfcindia.com
Registrar to the Issue	**KFIN TECHNOLOGIES LTD. (formerly known as Karvy Fintech Pvt Ltd)** Selenium Tower B, Plot Number 31 & 32, Financial District, Nanakramguda, Serilingampally Hyderabad Rangareddy, Telengana- 500 032 Tel: +91 40 67162222 Fax:+91 40 2343 1551 Email : einward.ris@kfintech.com Website : www.kfintech.com

Trustee to the Issue	**Beacon Trusteeship Ltd.** 4C & D, Siddhivinayak Chambers, Gandhi Nagar, Opp MIG Cricket Club, Bandra (E), Mumbai, Maharashtra 400051 Tel: 022-26558759	
Auditors of the Company	**M/s Dass Gupta & Associates** Chartered Accountants, B-4, Gulmohar Park, New Delhi – 110049 Tel No.: (011)46111000 E-mail: admin@dassgupta.com ICAI Firm Registration no.: 000112N Auditor since: August 01, 2019	**M/s Prem Gupta & Company** Chartered Accountants, 2342, Faiz Road, Karol Bagh, New Delhi – 110005 Tel No.: (011) 25466394 E-mail: office@pguptaco.com ICAI Firm Registration: 000425N Auditor since: August 19, 2021
Credit Rating Agencies	**Credit Rating Information Services of India Limited (CRISIL Limited)** Regd. Office: CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai-400075 Tel: +91 11 22 3342 3000, Fax: +91 22 3342 3050	

SUMMARY TERM SHEET

Security Name	PFC Capital Gain Tax Exemption Bonds – Series VI
Issuer	Power Finance Corporation Limited
Type of Instrument	Secured, Redeemable, Non-Convertible, Non-Cumulative, Taxable Bonds in the nature of Debentures having benefits under Section 54EC of Income Tax Act, 1961
Nature of Instrument	Secured
Seniority	Senior
Mode of Issue	Private placement basis
Eligible investors	1. Individuals 2. Hindu Undivided Families (HUF) 3. Partnership firm 4. Insurance Companies 5. Companies and Body Corporates 6. Provident Funds, Superannuation Funds and Gratuity Funds 7. Banks 8. Mutual Funds 9. Financial Institutions (FIs)

	10. Foreign Portfolio Investors (Subject to existing regulations) 11. Regional Rural Banks 12. NRIs/other foreign eligible investor investing out of NRO A/c on non-repatriable basis 13. Co-operative Banks 14. Limited liability Partnership However, out of the aforesaid class of investors eligible to invest, this Information Memorandum is intended solely for the use of the person to whom it has been sent by PFC for the purpose of evaluating a possible investment opportunity by the recipient(s) in respect of the Bonds offered herein, and it is not to be reproduced or distributed to any other persons (other than professional advisors of the prospective investor receiving this Information Memorandum from PFC).
Listing	The Bonds will not be listed on any stock exchange due to non-transferability during the tenure of Bonds.
Rating	'AAA/Stable' by CRISIL, 'AAA (Stable)' by ICRA, & 'AAA/Stable' by CARE
Issue size	₹ 500 crore + Green Shoe option to retain oversubscription
Object of the Issue	To augment resources of PFC for meeting fund requirement.
Details of utilization of the proceeds	The funds raised through private placement are not meant for any specific project as such and therefore the proceeds of this issue after meeting all expenses of the Issue shall be used for meeting the object of the Issue.
Tenor	5 years from the deemed date of allotment
Coupon Rate	5.00 % p.a.
Coupon Payment frequency	Annual
Coupon payment dates:-	Every year on 31st July till redemption and balance along with redemption.
Coupon type	Fixed
Day count basis	Actual/Actual
Date of Redemption	At the end of 5 years from the Deemed Date of Allotment.
Redemption amount	At par (Rs 10,000/- per Bond)
Redemption Premium/ Discount	Not applicable
Face Value	Rs. 10,000 (Rupees Ten Thousand only) per bond
Issue Price	At par (Rs 10,000/- per bond)

Minimum application size and in multiple of thereafter	Application must be for a minimum size of Rs 20,000/- (2 bonds) and then in multiple of Rs. 10,000/- (1 bond) thereafter
Maximum application size	500 bonds of Rs 10,000/- each (Rs. 50,00,000/-) during this financial year.
Discount / Premium at which security is issued	Not applicable
Put Option	Not applicable
Call Option	Not applicable
Issue Opening & Closing Date	Issue Opening Date: April 1, 2022 Issue Closing Date: March 31, 2023 (at the close of the banking hours) or at a date / time as may be decided by PFC in its absolute discretion This Information Memorandum shall be valid for above period
Deemed Date of allotment	Last day of each month in which the subscription money is received and credited to PFC Capital Gain Bonds
Transferability	Non-transferable, Non-Marketable, Non-negotiable and cannot be offered as a security for any loan or advance
Issuance mode of instrument	In demat / physical mode.
Depository	National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL")
Business Days/ Working Days	"Business Days"/ "Working Days" shall be all days on which money market is functioning in Mumbai. However, for the purpose of credit of Demat A/c, Working Days shall be all days on which NSDL/CDSL are open for business.
Effect of holidays (Note 1)	If any Coupon Payment Date falls on a day that is not a Business Day, the payment shall be made by the Issuer on the immediately succeeding Business Day along with interest for such additional period. Further, interest for such additional period so paid, shall be deducted out of the interest payable on the next Coupon Payment Date. If the Redemption Date (also being the last Coupon Payment Date) of the Bonds falls on a day that is not a Business Day, the redemption proceeds shall be paid by the Issuer on the immediately succeeding Business Day along with interest accrued on the Bonds until but excluding the date of such payment. In the event the Record Date falls on a day which is not a Business Day, the immediately succeeding Business Day will be considered as the Record Date.
Record Date	15 calendar days prior to actual interest/principal payment date

Security	The bonds proposed to be issued are secured by way of first pari-passu charge by way of hypothecation of present & future receivables of PFC (excluding receivables on which specific charge has already been created). as may be agreed between the Company and the debenture trustee, pursuant to the terms of the Debenture Trust Deed excluding the Receivables on which specific charge has already been created by the Company. Further, the Company undertakes that it has obtained consent from existing creditors to create first pari passu charge on the said assets.
Registrar & Transfer Agent	M/s KFin Technologies Pvt. Ltd.
Mode of Subscription	Applicants may make remittance of application money through electronic mode or cheque / draft drawn in favour of 'PFC Capital Gain Bonds'.
Trustees	Beacon Trusteeship Ltd.
Governing Law and Jurisdiction	The Bonds shall be construed to be governed in accordance with Indian Law. The Competent Courts in New Delhi alone shall have jurisdiction in connection with any matter arising out of or under these precincts.

Notes:

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

2. *PFC reserves the right to revise the coupon rate and/or close the issue by giving notice on its website. The investors are advised to consult PFC/Arrangers, before depositing the application with bank. It may be noted that rate of interest on the bond shall be as applicable on the date of credit of application money in PFC collection account. The applicable rate where application money is credited in PFC's collection account on 01.04.2021 is 5% p.a.. Change in interest rate, if any, for application money credited in PFC's collection account thereafter shall be published on websites of PFC as well as of Registrar to the issue.*

3. *All applications submitted but rejected by PFC would be returned by PFC to the applicant/ collection banker, without any Interest.*

4. *Application for minimum Rs. 20,000/- (in multiples of Rs. 10,000/- thereafter) will be accepted, any amount received in fraction will be refunded to the investor without interest.*

PARTICULARS OF THE OFFER

OFFERING DETAILS

Issue of Secured, Redeemable, Non-Convertible, Non-Cumulative, Taxable Bonds in the nature of Debentures having benefits under Section 54 EC of Income Tax Act, 1961 of face value of Rs. 10,000 for Power Finance Corporation Limited - 54EC – Series VI for cash at par aggregating to Rs. 500 crore with green shoe option with the right to retain over subscription on private placement basis.

PRINCIPAL TERMS AND CONDITIONS OF THE ISSUE

The bond will be subject to the terms of the Private Placement of the Bonds as stated in the Information Memorandum and Application forms, the relevant statutory guidelines and regulations for allotment issued from time to time by the Govt. of India (GOI), Reserve Bank of India etc.

NATURE OF BONDS

The Bonds shall be Secured, Redeemable, Non-Convertible, Non-Cumulative, Taxable Bonds in the nature of Debentures having benefits under Section 54 EC of Income Tax Act, 1961. The Bonds shall rank pari passu inter se and, subject to any obligations preferred by mandatory provisions of the law prevailing from time to time, shall also, as regards repayment of principal and payment of interest, rank pari passu with all other existing secured borrowings (except subordinated debt) of the Corporation.

AUTHORITY FOR THE ISSUE AND DATE OF PASSING RESOLUTION

The bonds are being issued in pursuance of Section 54EC of Income Tax Act, 1961 and other applicable laws.

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

i. Special resolution passed by the shareholders of the Company under clause c of sub-section 1 of section 180 of The Companies Act, 2013 on September 29, 2020 and delegation provided there under;

ii. The resolution passed by Board of Directors of the Company at its 423rd meeting held on 28th February 2022.

iii. Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, Government of India notification no. 47/2017. F. No. 370142/18/2017-TPL dated June 8, 2017.

iv. Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, Government of India notification no. 27/2018/F. No. 275/27/2017-IT(B) dated 18th June 2018

The Company can issue the 54EC Capital Gain Bonds in pursuance of the above approvals and no further approval from any Government Authority is required for the present Issue.

ELIGIBILITY OF PFC TO COME OUT WITH THE ISSUE

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

SECURITY

The bonds are proposed to be issued as secured by a first pari passu charge by way of hypothecation on present & future receivables of the Company and/ or identified movable property by a first/pari pasu charge as may be agreed between the Company and the debenture trustee, pursuant to the terms of the Debenture Trust Deed excluding the receivables on which specific charge has already been created by the Company.

TAX BENEFITS UNDER SECTION 54EC OF INCOME TAX ACT, 1961

Capital gain not to be charged on investment in certain bonds – Section 54EC

1. Where the capital gain arises from the transfer of a long-term capital asset [being land or building or both,] (the capital asset so transferred being hereafter in this section referred to as the original asset) and the assessee has, at any time within a period of six months after the date of such transfer, invested the whole or any part of capital gains in the long-term specified asset, the capital gain shall be dealt with in accordance with the following provisions of this section, that is to say,—

    a. if the cost of the long-term specified asset is not less than the capital gain arising from the transfer of the original asset, the whole of such capital gain shall not be charged under section 45;

    b. if the cost of the long-term specified asset is less than the capital gain arising from the transfer of the original asset, so much of the capital gain as bears to the whole of the capital gain the same proportion as the cost of acquisition of the long-term specified asset bears to the whole of the capital gain, shall not be charged under section 45 :

    Provided that the investment made on or after the 1st day of April, 2007 in the long-term specified asset by an assessee during any financial year does not exceed fifty lakh rupees :

    Provided further that the investment made by an assessee in the long-term specified asset, from capital gains arising from transfer of one or more original assets, during the financial year in which the original asset or assets are transferred and in the subsequent financial year does not exceed fifty lakh rupees.

2. Where the long-term specified asset is transferred or converted (otherwise than by transfer) into money at any time within a period of three years from the date of its acquisition, the amount of capital gains arising from the transfer of the original asset not charged under section 45 on the basis of the cost of such long-term specified asset as provided in clause (a) or, as the case may be, clause (b) of sub-section (1) shall be deemed to be the income chargeable under the head "Capital gains" relating to long-term capital asset of the previous year in which the long-term specified asset is transferred or converted (otherwise than by transfer) into money:

    Provided that in case of long-term specified asset referred to in sub-clause (ii) of clause (ba) of the Explanation occurring after sub-section (3), this sub-section shall have effect as if for the words "three years", the words "five years" had been substituted.]

    Explanation.—In a case where the original asset is transferred and the assessee invests the whole or any part of the capital gain received or accrued as a result of transfer of the original asset in any long-term specified asset and such assessee takes any loan or advance on the security of such specified asset, he shall be deemed to have converted (otherwise than by transfer) such specified asset into money on the date on which such loan or advance is taken.

3. Where the cost of the long-term specified asset has been taken into account for the purposes of clause (a) or clause (b) of sub-section (1),—

    a. a deduction from the amount of income-tax with reference to such cost shall not be allowed under section 88 for any assessment year ending before the 1st day of April, 2006;

b. a deduction from the income with reference to such cost shall not be allowed under section 80C for any assessment year beginning on or after the 1st day of April, 2006.

Explanation.—For the purposes of this section,—

a. "cost", in relation to any long-term specified asset, means the amount invested in such specified asset out of capital gains received or accruing as a result of the transfer of the original asset;

b. "long-term specified asset" for making any investment under this section during the period commencing from the 1st day of April, 2006 and ending with the 31st day of March, 2007, means any bond, redeemable after three years and issued on or after the 1st day of April, 2006, but on or before the 31st day of March, 2007,—

   i. by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988 (68 of 1988); or

   ii. by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956 (1 of 1956),

and notified by the Central Government in the Official Gazette for the purposes of this section with such conditions (including the condition for providing a limit on the amount of investment by an assessee in such bond) as it thinks fit:

Provided that where any bond has been notified before the 1st day of April, 2007, subject to the conditions specified in the notification, by the Central Government in the Official Gazette under the provisions of clause (b) as they stood immediately before their amendment by the Finance Act, 2007, such bond shall be deemed to be a bond notified under this clause;

a. "long-term specified asset" for making any investment under this section,—

   i. on or after the 1st day of April, 2007 but before the 1st day of April, 2018, means any bond, redeemable after three years and issued on or after the 1st day of April, 2007 but before the 1st day of April, 2018;

   ii. on or after the 1st day of April, 2018, means any bond, redeemable after five years and issued on or after the 1st day of April, 2018,

by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988 (68 of 1988) or by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956 (1 of 1956) or any other bond notified in the Official Gazette by the Central Government in this behalf.]

Please Note:

PFC shall not be responsible for denial of benefit under Section 54EC of the Income Tax Act, 1961 to the investor and any consequences arising thereof.

MINIMUM SUBSCRIPTION

Application must be for a minimum size of Rs. 20,000 (2 bonds) and in multiple of Rs. 10,000 (1 bond) thereafter.

MAXIMUM SUBSCRIPTION

A person can apply for maximum 500 bonds (Rs. 50,00,000/-) during this financial year as provided u/s 54EC of Income Tax Act, 1961

UNDERWRITING

The present Issue of Bonds is not underwritten.

FORCE MAJEURE

PFC reserves the right to withdraw the Issue prior to the closing date in the event of any unforeseen development adversely affecting the economic and regulatory environment.

DEEMED DATE OF ALLOTMENT/BOND CERTIFICATE

Deemed Date of Allotment of Bonds will be the last day of the month during which the subscription amount has been credited to PFC account. Investors are informed that Corporation would normally process allotments pertaining to a month in the next month. PFC shall endeavour to make a firm allotment for all valid applications received from eligible investors.

Subject to the completion of all legal requirements, PFC will issue the Bond Certificates within 6 months as per Section 56(4)(d) of the Companies Act, 2013 (in case of Physical option) or Bonds shall be credited to the depository account if marked so by the Applicant in the application form (in case of Demat option)

WHO CAN APPLY

1. Individuals
2. Hindu Undivided Families (HUF)
3. Partnership firm
4. Insurance Companies
5. Companies and Body Corporates
6. Provident Funds, Superannuation Funds and Gratuity Funds
7. Banks
8. Mutual Funds
9. Financial Institutions (FIs)
10. Foreign Portfolio Investors (Subject to existing regulations)
11. Regional Rural Banks
12. NRIs/other foreign eligible investor investing out of NRO A/c on non-repatriable basis
13. Co-operative Banks
14. Limited Liability Partnership

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

HOW TO APPLY

A. By depositing application form with Cheque/DD:

Investors are required to submit the duly filled in Application Form along with necessary enclosures at the specified Collecting Banks as indicated at our website: www.pfcindia.com. Demand Draft or crossed Cheque should be payable in favour of “PFC Capital Gain Bonds”. Demand Draft charges, if any, shall be borne by the applicant. Investors can obtain the application form from any of the arrangers to the issue or directly download application form through PFC’s website www.pfcindia.com.

B. By RTGS/NEFT payment:

The investor can also directly deposit the amount in the PFC’s Collection Account by way of NEFT/RTGS and invariably submit the duly filled application in the same bank to which the investor has transferred the funds to. Investor would need to mention the UTR No. at space provided in the application form for Cheque/UTR details. Details of PFC’s Collection Accounts with various Collection Banks is as under:

BANK	A/C NO	IFSC CODE	MICR CODE	BRANCH
HDFC Bank	57500000034792	HDFC0000003	110240001	209 - 214, Kailash Building, 26, Kasturba Gandhi Marg, New Delhi-110001
Indusind Bank	201001384575	INDB0000005	110234002	Barakhambha Branch, Dr. Gopal Das Bhawan, 28, 1st Floor, Barakhamba Road, New Delhi - 110001
ICICI Bank	000405115137	ICIC0000004	400229002	Nariman Point, Mumbai-400020
Kotak Mahindra Bank	5411819692	KKBK0000172	400485002	Ambadeep Building, 14, Kasturba Gandhi Marg, New Delhi-110001
Canara Bank	2471201001212	CNRB0002471	110015115	Capital Market Branch Jeevan Bharti Building, Parliament Street, New Delhi – 110 001a
YES Bank Limited	013661000000070	YESB0000136	110532031	56, Janpath, Ground Floor, ALPS Building, Connaught Place, New Delhi - 110001

C. APPLICATION BY POST

The applicant, if they so desire, may forward their applications through post to any of the branches of the collection bankers as given below, provided they are accompanied with a Demand Draft payable at par or payable locally for the application amount as to reach during such period when the issue is open for subscription.

BANK NAME	ADDRESS
HDFC Bank	B-7/3, Asaf Ali Road, New Delhi - 110002
IndusInd Bank	PNA House Office, 5th Floor, Plot No. 57 & 57/1, Street No. 17, Near SRL Diagnostic Centre, MIDC, Andheri East, Mumbai – 400093
ICICI Bank	ICICI Bank Tower, Regional Office, Plot No. 12, Gachibowli, Hyderabad – 500032
Kotak Mahindra Bank	Cash Management Services, Kotak Towers, 6th Floor, Zone 3, Building No. 21, Infinity Park, off Western Express Highway, Goregaon, Mulund Link Road, Malad (E) Mumbai - 400097

D. ONLINE APPLICATION

The applicant, may utilize the online system available through PFC's website www.pfcindia.com to apply for the bonds. An investor can fill up and submit online application form and make payment through Net Banking / Debit Card using the provided payment gateway. Facility to upload application form where investor has transferred funds through NEFT/RTGS is also available.

DOCUMENTS TO BE PROVIDED BY ALL INVESTORS APPLYING IN PHYSICAL MODE

a. Self-attested copy of PAN Card (In case of Joint application, self-attested PAN copy of all the applicants) or Form 60 where bond application size is Rs 50,000/- or more

b. Cancelled cheque or its photo copy for NECS/ NEFT/ RTGS facility.

c. Additional documents for KYC as per Application form are required to be submitted.

DOCUMENTS TO BE PROVIDED BY INVESTORS OTHER THAN INDIVIDUALS (IN ADDITION TO THE DOCUMENTS TO BE PROVIDED WITH KNOW YOUR CUSTOMER FORM)

a. Companies and Body Corporate, Financial Institutions, Foreign Portfolio Investors: A certified true copy of (i) Board resolution authorizing investment and containing operating instructions and (ii) Specimen signatures of authorized signatories.

b. Partnership Firms: A certified true copy of: (i) Documentary evidence of authorization to invest in the Bonds and to receive the money on redemption, if the same is not provided in the partnership deed and (ii) Specimen signature of authorized signatories.

c. Banks: A certified true copy of (i) Power of Attorney and (ii) Specimen signatures of authorized signatories.

d. Provident Funds, Superannuation Funds and Gratuity Funds: (i) Resolution passed by the competent authority authorizing the investment and (ii) Specimen signatures of the authorized signatories.

e. Mutual Funds : A certified true copy of (i) SEBI registration certificate; (ii) Resolution passed by the competent authority authorizing the investment and containing operating instructions and (iii) Specimen signatures of the authorized signatories.

JOINT APPLICATION

Only individuals/ NRI can apply in joint names and maximum three individuals can apply through a Joint Application and in case of application with Demat option, the sequence of joint applicants name must be same as mentioned in the Demat Account.

NOMINATION

In accordance with Section 72 of Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014, the sole bondholder (only Individual/ NRI) or where the Bonds are held by more than one person, first bondholder, along with other joint Bondholders being individual(s) may nominate any one person (being an individual) who, in the event of death of sole holder or all the joint holders, as the case may be, shall become entitled to the Bond(s). Nominee shall be entitled to the same rights to which he will be entitled if he was the registered holder of the Bond(s). During the validity of the bonds, in case of demise of the nominee or otherwise also, the bondholder(s) will be entitled to change the nominee or make fresh nomination accordance with the procedure set out in the Companies (Share Capital and Debenture) Rules, 2014 read with section 72 of Companies Act, 2013. When the Bond is held by two or more persons, the nominee shall become entitled to receive the amount only on the demise of all the Bondholders in succession.

To expedite the transmission of Bond(s) to the nominee, the Bondholders are advised to provide the specimen signature of the nominee at the place specified in the application form. In case bonds are in Demat form, demographic and nominee details will be picked up from DP ID/CLIENT ID and the details of the nominee, if any, as mentioned in the application form will be invalid. Where the nominee is a minor, it shall be lawful for the holder of the securities, making the nomination to appoint, in the prescribed manner, any person to become entitled to the securities of the company, in the event of the death of the nominee during his minority.

It is to further mention that in case of letter of administration/ succession certificate/ probated will from an appropriate court in India, the bonds will be transferred in the name of the such administrator/ holder of succession certificate/ executor of will only after the death of all Original Bondholder(s).

PFC shall not be responsible or liable for any demand, claim, legal action, proceeding, suit, litigation, prosecution, mediation, arbitration, enquiry or assessment taken by any governmental, statutory, regulatory, administrative, fiscal, judicial, or government-owned body, department, commission, authority, tribunal, agency or any other person in relation to the vesting of the Bonds in accordance with the Companies Act, 2013 and the rules thereunder with the nominee, as nominated by the original Bondholders.

RIGHT TO ACCEPT OR REJECT APPLICATIONS

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

TRANSMISSION / SUCCESSION

In the event of demise of the sole holder of the Bonds, the Company will recognise the executor or administrator of the deceased Bondholders, or the holder of succession certificate or other legal representative as having title to the Bonds in accordance with the applicable provisions of law, including the Companies Act, 2013 and the rules thereunder, only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or produces evidence of legal representation, as the case may be, from an appropriate court in India.

Where Bonds are held in the joint names and first holder dies, the second holder will be recognized as the Bondholder(s) and in case, second holder dies, the third holder will be recognized as the Bondholder. It will be sufficient for the Company to delete the name of the deceased Bondholder after obtaining satisfactory evidence of his death. Company will not be held liable for any payment made in the account of the holder in case the information about death of holder is not brought into the notice of the Company at least 15 days prior to the payment date.

In case of physical form, the beneficial owners of deceased Bondholder are advised to send the Bond Certificate(s) to the Registrar, along with all the required documents. PFC and/or persons/ Registrar appointed by them for this purpose after examining and being satisfied regarding adequacy and correctness of the documentation shall register the transmission in its books. In case bonds are issued in Dematerialised form successor(s) will be, as intimated by Depositary Participant of the Bondholder.

MODE OF TRANSFER OF BONDS

To avail the benefit under Section 54EC of the Income Tax Act, 1961, the investment made in the Bonds needs to be held for a period of at least five years from the Deemed Date of Allotment. The Bonds are for tenure of 5 years and are NON TRANSFERABLE NON NEGOTIBLE and cannot be offered as a security for any loan or advance. However, Transmission of the Bonds to the legal heirs in case of death of the Bondholder/Beneficiary to the Bonds is allowed.

REGISTERED BONDHOLDER

Bondholder whose name appears in the register of Bondholders maintained by the Corporation or its Registrar (in case of investors opting for physical certificates) and beneficial owners on the record date (in case of investors opting for demat option).

PAYMENT OF INTEREST

a. The interest will be payable annually on July 31 each year on actual/actual basis.

b. The interest payment on the Bonds shall be made to the registered bondholders.

c. First Interest from the date of credit to PFC account in respect of the allotments made up to June 30, 2022 will be made on July 31, 2022. First Interest on subsequent allotment would be made on July 31, 2022.

d. The interest payment for the first and last year or part thereof beginning from the date of credit and ending with the date of redemption, respectively, shall be proportionate (on actual/actual basis) and all interest on Bonds will cease on the date of redemption.

e. PFC will not be liable to pay any interest after the redemption / maturity date of the bonds.

PAYMENT ON REDEMPTION

PFC's liability to Bondholder(s) towards all their rights including payment of face value shall cease and stand extinguished upon redemption of the Bonds in all events. Further, PFC will not be liable to pay any interest, income or compensation of any kind after the date of such Redemption of the Bond(s).

The Bonds will be automatically redeemed by PFC on maturity i. e. on the expiry of 5 years from the deemed date of allotment, Physical bond certificate need not to be surrendered for redemption. The redemption proceeds would be paid to the Registered Bondholders.

In case of transmission applications pending on the Record Date, the redemption proceeds will be issued to the legal heirs after the confirmation of the adequacy and correctness of the documentation submitted with such application, till such time, the redemption proceeds will be kept in abeyance.

PFC will not be responsible for any payment made to a deceased bondholder, in case the information about the death of the bondholder is not provided to PFC at least 15 days prior to maturity payment date.

DEDUCTION OF TAX AT SOURCE

TDS provisions as prevailing from time to time shall be applicable. As per extant law, tax will not be deducted at source for Resident Indians as PFC has been exempted from deduction of TDS under section 193 (iib) of the Income Tax Act, 1961 (vide Ministry of Finance's notification no. 27/2018 dated 18th June 2018). However, TDS shall be deducted in case of NRI / non-resident investors as per applicable law.

MODE OF PAYMENTS

Interest/redemption payment will be made by ECS/NECS/RTGS/NEFT/At Par Cheque/Demand Drafts/ Interest warrants at all locations to the bondholders by the bank. Efforts will be made to cover all cities where collection centers are appointed. In case the ECS/NECS facility is not available; PFC reserves the right to adopt any other suitable mode of payment. Cheque clearing charges, if any, will have to be borne by the Bondholders.

EFFECT OF HOLIDAYS ON PAYMENTS

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

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

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

LISTING

The Bonds will not be listed on any stock exchange due to non-transferability of Bonds in lock-in period.

BONDS IN DEMATERIALISED FORM/ PROCEDURE FOR APPLYING FOR DEMAT FACILITY

PFC has made arrangements with National Securities Depository Limited (NSDL) and Central Depository Services Ltd. (CDSL) to issue the Bonds in dematerialized form to all successful applicants. All the provisions relating to issue, allotment, transmission, etc. in respect of dematerialization and rematerialization of the Bonds as may be prescribed under the Depositories Act, 1996 and the Rules thereunder or by the NSDL/CDSL or such similar agency, would be applicable to these Bonds.

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

a. The applicant(s) must specify their beneficiary account number and depository participants ID in the relevant columns of the Application Form.

If incomplete/incorrect beneficiary account details are given in the Application Form which does not match with the details in the depository system, the allotment of Bonds shall be held in abeyance till such time satisfactory demat account details are provided by the applicant.

b. The Bonds shall be directly credited to the Beneficiary Account as given in the Application Form and after due verification, allotment advice/refund order, if any, would be sent directly to the applicant by the Registrar to the Issue.

c. For dematerialisation of holdings, applicants should forward the Bond(s) Certificate along with demat request through their depository participant (DP) to the Registrar. All the demographic details regarding nomination, Bank Account details etc. will be taken from the information provided in the Demat Account of the Investor.

Further in case of any mismatch in the name or order of the name in case of joint applicants, the bond will be allotted in the physical mode only.

In case any investor wishes to hold the Bonds in physical mode the investor is required to choose so by ticking at the appropriate place in the Application Form.

LIMITATION OF LIABILITY

Liability of Company shall be limited only to the principal and interest on the Bond, in terms of this Information Memorandum. PFC shall not be liable for any cost, loss, damage, injury or claim due to the terms of this Bond or any matters incidental thereto including change or amendment in any Law or Regulation, proceedings in court or due to rejection of the Application.

Liability of PFC in respect of allotment of bonds shall be limited only upto the amount clearly credited to PFC Capital Gain Bonds collection account with nodal branch of its authorized collecting bank on or before respective last date of the month for which allotment is sought by the applicant(s).

APPLICATIONS UNDER POWER OF ATTORNEY

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorized signatories and the tax exemption certificate/ document, if any, must be lodged along-with the submission of the completed Application Form. Further modifications/ additions in the power of attorney or authority should be notified to the

Issuer or to the Registrars or to such other person(s) at such other address(es) as may be specified by the Issuer from time to time through a suitable communication.

REFUND / WITHDRAWAL OF APPLICATION MONEY

The amount once credited in PFC's Collection account will not be refunded. However, in case of rejection of the Application on account of technical grounds, refund without interest will be made. PFC may accept the amount and allot the bonds under this series of bonds even if the Investor has applied through application form of an older series of PFC Capital Gain Bonds. Application for minimum Rs. 20,000/- (in multiples of Rs 10,000/- thereafter) will be accepted, any amount received in fraction will be refunded to the investor without interest.

CHANGE OF BANK DETAILS

For servicing of interest/ redemption payments, in case of bonds allotted in physical mode the bank account details of the investor will be captured from their application forms and in case of Demat mode the bank details as per the DP of the investor will be considered. Bondholder(s) to whom bonds have been allotted in physical mode may change their bank account details with Registrar by surrendering the original Bond Certificate together with other required document like cancelled cheque, bank certificate etc.

RIGHT OF BONDHOLDER(S)

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

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

AMENDMENT OF THE TERMS OF THE BONDS

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

BUY-BACK OF BONDS

Unless stated otherwise, the Company may buy-back the Bonds subject to the statutory compliance, if any.

DEBENTURE REDEMPTION RESERVE ("DRR")

The Equity Shares of the Company are listed on BSE Limited and National Stock Exchange Limited. Pursuant to Ministry of Corporate Affairs notification dated August 16, 2019 amending Section 71 of the Companies Act, 2013 and Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014, a listed company is not required to maintain DRR for debentures issued through a public issue. Hence, investors shall not have the benefit of reserve funds to cover the re-payment of the principal and interest on the 54EC Capital Gain Bonds.

NOTICES

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

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

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTIONS

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

a. Memorandum and Articles of Association of PFC.

b. Special Resolution passed by the shareholders of the Company at Meeting held on September 29,2020 under section 180 (1) (C) for borrowing power of the Company;

c. Resolution of the Board of Directors of PFC passed at 423rd Meeting held on 28th February 2022 approving the borrowing programme of ₹ 82,000 crore for the year 2022-23 and in line with in-principle approval accorded by Chairman & Managing Director, Director (Finance) is authorized to approve raising/drawl of funds through various sources from domestic market .

d. Credit Rating letters from CRISIL, ICRA and CARE.

e. Copies of the audited Balance Sheets and Profit & Loss Accounts for five years ended March 31 2018 2019, 2020 and 2021.

f. Copy of Tripartite Agreement between PFC, NSDL & RTA.

g. Copy of Tripartite Agreement between PFC, CDSL & RTA.

FUTURE BORROWINGS

PFC will be entitled to borrow / raise loans or avail financial assistance in whatever form (both in rupees and in foreign currency) as also issue debentures / Bonds / other securities (secured and unsecured) in any manner having such ranking in priority / pari-passu or otherwise and change the capital structure including the issue of shares of any class on such terms and conditions as PFC may think appropriate without the consent of or intimation to the Bondholders or the trustees. The security on Book debts / Receivables / Immoveable properties would be shared on pari passu basis with any future issuance of the bonds by the issuer till the time issuer maintain requisite security cover.

BOND TRUSTEE

Currently PFC has appointed Beacon Trusteeship Limited to act as debenture trustee for its Bonds. PFC holds consent from Beacon Trusteeship Limited, to act as trustees and the consent has not been withdrawn. Beacon Trusteeship Limited is a SEBI registered Debenture Trustee. All remedies to the Bondholder(s) for the amounts due on the Bonds will be vested with the Trustees on behalf of the Bondholder(s). If there is a change of Trustees to the Bond Holders, the same would be published on website of PFC.

The holders of the Bonds shall without any further act or deed be deemed to have irrevocably given their consent and authorized the Trustees to do, inter-alia, acts and deeds and things necessary to safeguard the interests of Bondholder(s) in terms of this Information Memorandum. The Trustee shall protect the interest of the Bondholders in the event of default by PFC in regard to security creation, timely payment of interest and repayment of principal etc. and shall take necessary action at the cost of PFC. No Bondholder shall be entitled to proceed directly against PFC unless the Trustee, having become so bound to proceed, fail to do so.

REGISTRAR

Currently PFC has appointed KFIN TECHNOLOGIES LTD. KFin Technologies Ltd. as Registrar & Transfer Agent (R&TA) for our Bonds. PFC holds consent from them to act as R&TA and the consent has not been withdrawn. In case there is any change in R&TA, PFC will appoint a new R&TA and obtain and hold their consent to act as R&TA before the launch of the bond issue of a particular series and disclose the facts in the terms of the Bond issue of a particular series. The Registrar will monitor the applications while the private placement is open and will coordinate the post allotment activities like dispatching of allotment advice, bond certificate, change of address/ bank details etc.

Any query/complaint regarding application/ allotment/ interest & redemption payments/ transmission should be forwarded to:

Unit - PFC 54EC Bonds 2021-22
KFIN TECHNOLOGIES LTD. (formerly known as Karvy Fintech Pvt Ltd/ KFINTECH Pvt. Ltd.)
Selenium Tower B,
Plot Number 31 & 32,
Financial District, Nanakramguda, Serilingampally
Hyderabad Rangareddy, Telengana- 500 032
Tel: +91 40 67162222
Fax:+91 40 2343 1551

The details of the Nodal Officer of the Registrar is as under –

Name: Mr. Murali Krishna
Email : murali.m@kfintech.com
Tel.: +91 40 6716 1503, Fax.: +91 40 2343 0814

INVESTOR RELATIONS AND GRIEVANCE REDRESSAL

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

CREDIT RATING FOR THE BONDS

a. CRISIL has assigned a rating of 'CRISIL AAA/Stable' (pronounced CRISIL triple A rating with stable outlook") to the long term borrowing programme & "CRISIL A1+" (pronounced CRISIL A one plus) rating to the short term borrowing programme for the Financial Year 2022-23 aggregating to ₹ 82,000 crore, indicating the highest degree of safety regarding timely servicing of financial obligations vide letter no. RL/PFCMTD/290106/LTBP/0322/28630/105380348 and RL/PFCMTD/290106/LTBP/0322/28630/105382025 dated 25.03.2022.

b. ICRA has assigned a rating of '[ICRA] AAA (Stable)' (pronounced ICRA triple A) to the long term borrowing programme & "[ICRA] A1+" (pronounced ICRA A one plus) to the short term borrowing programme for the Financial Year 2022-23 aggregating to ₹ 82,000 crore indicating the highest degree of safety regarding timely servicing of financial obligations vide letter no Ref: ICRA/Power Finance Corporation Limited/28032022/9 and ICRA/Power Finance Corporation Limited/28032022/10 dated 28.03.2022.

c. CARE has assigned a rating of 'CARE AAA/Stable' (Triple A; Outlook Stable) to the long term borrowing programme & "CARE A1+" (A One Plus) rating to the short term borrowing programme for the Financial Year 2021-22 aggregating to ₹ 82,000 crore vide letter no. CARE/DRO/RL/2021-2/3632 and CARE/DRO/RL/2021-22/3631 dated 26.03.2022.

Other than the credit ratings mentioned herein above, the Issuer has not sought any other credit rating from any other credit rating agencies for the Bonds offered for subscription under the terms of this Information Memorandum.

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

CHAPTER X MANAGEMENT'S PERCEPTION OF RISK FACTORS

Prospective Investors should carefully consider the following investment considerations as well as the other information contained in this Offer Letter prior to making an investment in the bonds. In making an investment decision, each investor must rely on its own examination and the terms of the offering of the bonds, including the merits and risks involved. The risks described below are not the only ones that may affect the bonds. Additional risks not currently known to us or that we, based on the information currently available to it, deems immaterial, may also impair our business, financial condition and results of operations. All of these risks are contingencies which may or may not occur and we are not in a position to express a view on the likelihood of any such contingency occurring. If any of the following or any other risks actually occur, our business, prospects, results and financial condition could be adversely affected and the price of and the value of investment in the bonds could decline and all or part of the investments in the bonds may be lost.

A. RISKS RELATING TO OUR BUSINESS AND INDUSTRY

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

We are a 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 December 31 , 2021, our government sector (including SPUs) and private sector borrowers accounted for 83.48% and 16.52% 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 of repayment terms. In addition, many of our public sector borrowers, particularly SPUs, are susceptible to various operational risks including low metering at the distribution transformer level, high revenue gap, high receivables, low plant load factors and high AT&C losses, which may lead to further deterioration in the financial condition of such entities.

As of December 31, 2021, our total outstanding loans were ₹ 371345.02 crore, of which, our single largest borrower accounted for 9.41% (₹34,933.87crore) of our total outstanding loans, and our top five and top 10 borrowers accounted for, in the aggregate, 34.17% (₹ 126877.10 crore) and 47.88% (₹ 177813.30 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. Climate change and health epidemics could have a negative impact on the Indian economy and could cause our business to suffer and the trading price of the Capital Gain Bonds to decrease.

A global outbreak of an infectious disease such as COVID-19 or any other serious public health concerns in Asia or elsewhere could have a material adverse effect on our business, financial condition and results of operations and could cause the trading price of the Capital Gain Bonds to decrease.

The outbreak of a pandemic or an infectious disease in Asia or elsewhere or any other serious public health concern, such as swine influenza, around the world could have a negative impact on economies, financial markets and business activities worldwide and which in turn could have a material adverse effect on our business, financial condition and results of operations.

Since December 2019, there is an ongoing outbreak of the 2019 novel coronavirus (COVID-19) which has affected countries globally, with the World Health Organisation declaring the outbreak as a pandemic on March 12, 2020. There have been border controls, lockdowns and travel restrictions imposed by various countries, including India, as a result of the COVID-19 outbreak. Such outbreak of an infectious disease together with any resulting restrictions on travel and/or imposition of lockdown measures have resulted in protracted volatility in domestic and international markets and/or may result in a global recession and may adversely impact our operations, revenues, cashflows and profitability. In particular, the COVID-19 outbreak has caused stock markets worldwide to lose significant value and has impacted global economic activity. A number of governments have revised gross domestic product growth forecasts for 2020 downwards in response to the economic slowdown caused by the spread of COVID-19, and it is possible that the outbreak of COVID-19 will cause a prolonged global economic crisis or recession.

A lockdown to contain the spread of COVID-19 was imposed in India from March 24, 2020 to May 31, 2020 and services being resumed in phased manner since June 2020. The lockdown forced factories, shops and offices in India to close down, resulting in a fall in power consumption, as industrial, trading, construction and many other economic activities have remained largely suspended. As a result, we may face or have faced delays associated with collection of payments from our clients, which are in the power infrastructure sector, due to such lockdown or economic slowdown caused by COVID-19, which may adversely affect our cashflows. This may be coupled with difficulty in accessing sources of financing as a consequence of volatility in domestic and international markets and/or a global recession. Further, we may also be required by the Government of India to provide loans to our clients at reduced rates, and/or restructure our loans to, or agree to moratoriums with them.

For instance, the RBI permitted all commercial banks, co-operative banks, all-India financial institutions, and non-banking financial companies (including housing finance companies) to grant a moratorium of three months in respect of term loans made by them, on payment of all "instalments" falling due between March 1, 2020 and May 31, 2020. RBI vide its circular (RBI/2019-20/244 DOR.No.BP.BC.71/21.04.048/2019-20) dated May 23, 2020 further extended moratorium by three months till August 31, 2020. In accordance with the moratorium policy, an amount of ₹ 20,557 crore falling due between March 1, 2020 and August 31, 2020 has been granted moratorium by our Company.

Also, to facilitate liquidity flow in the power sector, Government of India gave a mandate to our Company and REC, our Subsidiary, for disbursing Rs. 90,000 crore to power distribution companies to cover outstanding dues of DISCOMs up to March 31, 2020. Further, vide notification dated September 2, 2020, GoI has mandated extension of the funding amount to cover outstanding dues of DISCOMs up to June 30, 2020. The loans disbursed will be backed by guarantee given by respective State

Governments. Upto September 30, 2020, the Company has sanctioned an amount of ₹ 36,430 crores under the DISCOM Liquidity Package. However, there can be no guarantee that we will be able to recover amounts lent under this scheme or that guarantees provided by the State Governments will be enforced or paid out.

At this point, the extent to which COVID-19 may impact us is uncertain. However, the aforementioned factors and any other measures, which may be announced by the Government of India or the RBI, may have an adverse effect on our operating results, businesses, assets, financial condition, performance or prospects.

We cannot predict the duration or scope of the COVID-19 pandemic or when operations will cease to be affected by it. To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this section, including those relating to cash flows.

We can give no assurance that the ongoing situation caused by the COVID-19 pandemic or a future outbreak of an infectious disease among humans or animals (if any) or any other serious public health concern will not have a material adverse effect on our business, financial condition and results of operations and potentially cause the trading price of the Capital Gain Bonds to decrease.

3. 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 December 31, 2021, 62.05% of our outstanding loans were secured, 21.05% were unsecured (but guaranteed by banks or governments), and 16.91% 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. In this regard, RBI has also developed a resolution process to provide a framework for early recognition, reporting and time bound resolution of stressed assets in terms of circular dated June 7, 2019 ("Stressed Asset Framework"). The framework provides that lenders shall recognise incipient stress in loan accounts, immediately on default by classifying such assets as special mention accounts in various categories. It further provides that if 75% of creditors by value of total outstanding credit facilities (fund based as well as non-fund based) and 60% of the creditors by number agree to a restructuring package of an existing debt (i.e. an outstanding debt), the agreement is also binding on the remaining creditors.

The Stressed Asset Framework mandates higher provisioning if Resolution Plan is not implemented within a stipulated time period. Certain projects have been driven to NCLT, which may or may not require a significant hair-cut. The resolution under NCLT is required within a time span of 180 days, extendable further for 90 days. Considering these timelines, it is envisaged that the resolution of these stressed projects may not happen in the near future, and the Company may have to take haircuts at the time of resolution of these stressed assets. Once resolution process is complete, the funds realized from the sale of these assets will be reinvested at the prevailing rate which may be lower and will have an impact on the Company's financials going forward. Though, Company would start getting revenues on such amount as compared to no income is being booked on such assets as of now. The Company faces the risk of higher provisioning and significant haircuts, wherever its projects fall under the 'stressed assets' category. Further, the Stressed Asset Framework has repealed the earlier issued instructions of the RBI on resolution of stressed assets such as the framework for revitalising distressed assets, corporate debt restructuring scheme, flexible structuring of existing long term project loans, strategic debt restructuring scheme ("SDR"), change in ownership outside SDR and scheme for sustainable structuring of stressed assets ("S4A"). Accordingly, the Stressed Assets Framework will impact our asset quality and profitability.

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. Additionally, in the event that we dissent from a particular resolution plan, while under the Stressed Assets Framework we are entitled to receive liquidation value of the stressed asset, there can be no assurance that such liquidation value or any amount recovered pursuant to a resolution plan may be beneficial or in excess of amounts otherwise recoverable by 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.

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

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 Information Memorandum, our Company has obtained consents/ permissions required for creation of further charge on assets, from all the existing chargeholders.

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.

5. **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 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. As a Government owned NBFC, loans made by us to Central and state entities in the power sector are currently exempt from the RBI’s prudential lending (exposure) norms that are applicable to other non-Government owned NBFCs until March 31, 2022. RBI has now been requested to grant further exemption from adhering to credit concentration norms in respect of PFC’s exposure to Central/State Government entities. Reply of RBI on the same is awaited. 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, 2021 is 7.48%. 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 current 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.

6. 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.

7. **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 FY 2007-08 to 2011-12, 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.

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.

8. 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.

9. 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 on to its borrowers, its results of operations could be adversely affected.

10. 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 long-term loan assets represented 96.82% of total loan assets as of March 31, 2021, while our long-term borrowing represented 99.33%, of our Company's total borrowing as of such date. 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 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 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.

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 maybe 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.

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.

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

Power Finance Corporation Limited (PFC) is a Central Public Sector Undertaking under the administrative control of Ministry of Power, Government of India. At present, 55.99% equity capital of PFC is held in the name of President of India. In terms of Article 86 of Articles of Association (AoA) of the Company, the Directors on the Board of PFC are appointed by President of India, through Ministry of Power, Government of India. The President of India through Ministry of power had ordered appointment of three Independent Directors (including one Independent Woman Director) vide Ministry of Power communication dated 15.11.2021. The said three Independent Directors have joined the Board of PFC w.e.f. from 23.12.2021.

At present, PFC has eight Directors on its Board and is in compliance with the composition required pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations, 2015].

As the vacancy of Independent Director(s) on the Board of the Company attracts non-compliance under SEBI (LODR) Regulations, 2015 namely Regulation 17 (Composition of Board - minimum fifty per cent Non-Executive and Independent Directors), BSE Limited (BSE) and National Stock Exchange of India Ltd. (NSE) in the past fourteen quarters i.e. till 31st December 2021 have been imposing fine on PFC. We had requested BSE and NSE to withdraw their letters stating that in terms of Article 86 of Articles of Association (AoA) of the Company, the Directors on the board of PFC are appointed by President of India, through Ministry of Power, Government of India and that PFC, from time to time has requested Ministry of Power to expedite the process of appointment of balance number of Independent Directors on the Board of the Company so as to enable the company to comply with the SEBI (LODR) Regulations, 2015. Although, BSE has waived off the penalty for the period from 1st July, 2018 to 31st December, 2020, the reply from NSE on our various requests for withdrawal of penalty is still awaited.

12. There may be challenges as a result of, or difficulties in realising the benefits of our acquisition of REC, or any future merger of REC with our Company's business and/or successfully integrating REC's business with the Company's or (in the event of a merger) the merged business.

On March 28, 2019, our Company acquired a 52.63% equity stake in REC Limited from the GoI. In addition, while there is a possibility that REC may merge with our Company, there can be no assurance that such merger will take place in the near future or at all.

While the acquisition of REC Limited was intended to achieve integration across the power chain, obtain better synergies, create economies of scale and enhance capability to support energy access and energy efficiency in India, we will continue to face a range of operational, financial and other related risks inherent in such acquisitions (and any future merger). The integration process may be complex, costly and time-consuming. The potential difficulties of integrating the operations of our Company with that of REC and realising our Company's expectations for the acquisition (and any future merger of REC), including the benefits that may or may not be realised, include, among other things:

- failure to implement the business plan for the combined business;
- delays or difficulties in completing the integration of our business and/or its assets, leveraging synergies or rationalising operations with those of REC;
- higher than expected costs, lower than expected cost savings, exposure limit ceilings and/or a need to allocate resources to manage unexpected operating difficulties;

- unanticipated issues in integrating logistics, information, communications and/or other systems;
- unanticipated changes in the combined business due to potential divestitures or other requirements imposed by antitrust regulators;
- failure to maintain the continuity and/or assimilation of operations or employees;
- retaining key customers, borrowers and/or employees;
- higher borrowing cost and exposure limit by investors;
- retaining and obtaining required regulatory approvals, licenses and permits;
- diversion of the attention and resources of management;
- assumption of liabilities not identified in due diligence, including any on-going litigation, claims or disputes; and
- other unanticipated issues, expenses and/or liabilities.

There can be no assurance that any of the foregoing factors relating to the acquisition (and any future merger of REC) or any potential difficulties as a result of the acquisition will not have a material adverse impact on our business, financial condition, results of operations, performance and prospects. For example, to ensure the smooth integration of our business and REC’s business and to create synergies, a certain degree of optimisation and integration will be required including in respect of customer/borrower management, financial accounting and human resources management across both our business and REC’s business. However, it is uncertain whether such integration can be successfully implemented, if at all. If the relevant risks of such integration are not properly managed or the expected benefits of the acquisition (and any future merger of REC) fail to materialise, this may result in, inter alia, a deterioration of asset quality, the loss of key employees or members of the senior management team, or the deterioration or loss of customer relationships and/or connections. Any of these factors could have a material and adverse effect on our business, financial condition, results of operations, performance and/or prospects.

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

As on December 31,2021 , 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.

14. 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 Information Memorandum, 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 Capital Gain Bonds 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.

15. 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 normally made with three year, five year or 10 year interest re-set clause.

The interest rate risk is managed by analysis of interest rate sensitivity gap statements, evaluation of earning at risk ("EaR") on change of interest and creation of assets and liabilities with the mix of fixed and floating interest rates. In addition, 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 & modified from time to time. In addition, as a GoI-owned NBFC, loans made by our Company to central and state entities in the power sector are exempt from the RBI's Concentration of Credit (exposure) norms that are applicable to other non-GoI-owned NBFCs until March 31, 2022. RBI has now been requested to grant further exemption from adhering to credit concentration norms in respect of PFC's exposure to Central/State Government entities. Reply of RBI on the same is awaited.

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 ₹ 62,000 crore, and (b) "CRISIL A1+" rating in relation to our short term borrowing programme, for a limit of ₹ 20,000 crore and (ii) ICRA has granted us (a) "[ICRA]AAA" rating in relation to our long term borrowing programme, for a limit of ₹ 62,000 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 ₹ 62,000 crore, and (b) "CARE A1+" rating in relation to our commercial paper programme, for a limit of ₹ 15,000 crore & "CARE A1+" rating in relation to our short term borrowing programme, for a limit of ₹ 5,000 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 Negative", (ii) Fitch has granted us long-term issuer default rating of "BBB-/ Negative".

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.

16. 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.

17. 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 upto 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.

18. 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.

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 2017, 2018, 2019 , 2020 and 2021:

(₹ in crore)

Particulars	2017	2018	2019	2020	2021
	IGAAP	IGAAP	Ind AS	Ind AS	Ind AS
Net cash from operating activities	2086.54	(27,528.34)	(44,499.69)	(10,025.55)	(17,514.68)
Net cash from investing activities	(475.22)	1,138.18	(13,819.57)	1,555.92	880.92
Net cash from financing activities	1,475.36	23,813.13	58,091.65	8,342.06	20,168.86
Net increase/(decrease) in cash and cash equivalents	3,086.68	(2,577.03)	(227.62)	(127.57)	3,535.10

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 2016, 2017, 2018, 2019 and 2020, as below.

Particulars	Amount (₹ in crore)
Fiscal 2017	3,114.74
Fiscal 2018	537.71
Fiscal 2019	310.09
Fiscal 2020	182.52
Fiscal 2021	3717.62

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

19. 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.

20. **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.

21. **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) (viia) (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) (viia) (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.

22. 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 December 31, 2021, ₹ 61,337crore or 16.52% 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.

23. 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 December 31, 2021, 86.20% 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.

24. Accounts for the quarter and six months ended December 31,2021 for our Company have been subject to limited review by statutory auditors, and have not been audited. Audited performance may be materially different from the present results.

The latest audited financial statement included in this Information Memorandum are more than seven months old. In respect of remaining stub period, we have included limited review financial statements till December 31,2021 , which are compliant with the SEBI Listing Regulations. Limited review financials included in this Information Memorandum have not been subject to audit. The actual audited performance may be materially different from the limited review results. Therefore, the financials included in this Information Memorandum may not present the accurate picture of the present financial status of the Company.

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

Our Company is a party to various legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts, tribunals, statutory and regulatory authorities/ other judicial authorities, and if determined against our Company, could have an adverse impact on the business, financial condition and results of operations of our Company. No assurances can be given as to whether these legal proceedings will be decided in our favour or have no adverse outcome, nor can any assurance be given that no further liability will arise out of these claims.

26. 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.

27. 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 96.55%, 97.72% , 94.89% and 94.60% of its total income in Fiscal 2018, Fiscal 2019 , Fiscal 2020 and Fiscal 2021 respectively. In addition, as of March 31, 2020, 76.14% of our Company's borrowing were at fixed rates while the remaining were at floating rates (i.e., linked to the base rate and other market benchmarks), compared to 78.18% of our Company's loan assets which carry interest rates with 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, typically every three years or five years or ten 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 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 3.47% in Fiscal 2018, 3.37% in Fiscal 2019 ,3.17% in Fiscal 2020, 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.

28. 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.

The maximum exposure ceilings as prescribed in respect of systemically important non-deposit taking NBFCs that are also IFCs under the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 are set out below:

Particulars	(as a % of owned fund)
Lending ceilings	
Lending to any single borrower	15%
Lending to any single group of borrowers	25%
Investing ceilings	
Investing in shares of a company	15%
Investing in shares of a single group of companies	25%
Loans and investment taken together	
Lending and investing to single party	25%
Lending and investing to single group of 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.

- IFCs may exceed the concentration of credit norms in:

  - lending to any single borrower, by 10% of its owned fund; and any single group of borrowers, by 15% of its owned fund;

  - in lending to and investing in (loans/investments taken together), a single party, by 5% of its owned fund; and a single group of parties, by 10% of its owned fund.

As of December 31,2021 , the CRAR of our Company was 22.68%. 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, the exposure (both lending and investment, including off balance sheet exposures) of a bank to a single NBFC should not exceed 10% of the bank's capital funds as per its last audited balance sheet. Banks may, however, assume exposures on a single NBFC up to 15% of their capital funds provided the exposure in excess of 10% is on account of funds on-lent by the NBFC to the infrastructure sector. Further, exposure of a bank to IFCs should not exceed 15% of its capital funds as per its last audited balance sheet, with a provision to increase it to 20% if the same is on account of funds on-lent by the IFCs to the infrastructure sector. Banks may also consider fixing internal limits for their aggregate exposure to the power sector put together. Although we do not believe such exposure limits have had any adverse effects on our own liquidity, however, any change in regulatory regime may result in a situation where individual lenders from whom we currently borrow may not be able to continue to provide us funds.

As we grow our business and increase our 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.

29. **We have been granted exemption in case of Central/ State sector entities from applying exposure limits prescribed by the RBI until March 31, 2022. We cannot assure 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. Currently, we follow exposure norms approved by our Board and MoP in respect to loans made to Central and State entities in the Indian power sector. RBI has now been requested to grant further exemption from adhering to credit concentration norms in respect of PFC’s exposure to Central/State Government entities. Reply of RBI on the same is awaited. However, if the said exemption in relation to exposure norms is not extended, our business prospects, financial conditions and results of operations may be adversely affected.

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

As of March 31, 2021, we had contingent liabilities and commitments amounting to ₹ 4,571.55 crore, including non-funded contingent exposure of ₹ 44.65 crore in the form of guarantees, ₹ 3,913.01 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 ₹ 613.89 crore. If any or all of these contingent liabilities materialize, our financial condition could be adversely affected.

31. 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 non performing assets (under IGAAP) or gross Stage III Assets (under Ind AS)have been as indicated below:

Particulars as of	Amount of NPA / gross Stage III Assets (₹ in crore)	As a % of total loan assets
March 31, 2017 (IGAAP)	30,702.21	12.50
March 31, 2018 (IGAAP)	26,702.67	9.57
March 31, 2019 (Ind AS)	29,540.31	9.39
March 31, 2020 (Ind AS)	27,871.70	8.08
March 31, 2021 (Ind AS)	21,150.16	5.70

We have made provisioning for Stage III assets or non-performing assets in terms of prudential norms approved by our Board and in accordance with applicable accounting standards issued from time to time. In addition, we may, from time to time, amend our policies and procedures regarding asset classification of our loans in accordance with prudential norms, which may increase our Stage III assets. Additionally, the Companies (Indian Accounting Standards) Rules, 2015, as amended, has with effect from April 1, 2019 introduced classification of previously termed non-performing assets or NPAs as 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 norms 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. Failure to comply with such norms may subject us to penalties. 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.

32. 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 period 2017-18 and 2018-19, has indicated certain observations with respect to, inter alia, asset quality, 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 September 30, 2020, RBI inspection for the period 2019-20 had not been conducted. 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.

33. 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 December 31,2021 , 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.

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

As on December 31, 2021, the details of outstanding foreign currency liabilities based on currency are USD 6,783 million, JPY 36,336 million and Euro 308 million. Total outstanding foreign currency liabilities as on December, 31, 2021 are eq. USD 7,447 million out of which eq. USD 4,075 million is hedged through permitted instruments such as Forwards, Swaps, Options etc. for full/part tenor in compliance with RBI guidelines. Further, 91% of the foreign currency portfolio with residual maturity up to five years has been hedged.

As of December 31, 2021, our foreign currency liabilities that are not hedged by a derivative instrument or otherwise are USD 2,708 million, Euro 308 million and JPY 36,336 million.. We may continue to be involved in foreign currency borrowing and lending in the future, which will further expose us to fluctuations in foreign currency rates. Our Company has put in place a currency risk management ("CRM") policy, 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, 2020, we had entered into hedging transaction to cover 66% 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.

35. 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 in 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 & Kashmir into two Union territories, Jammu & Kashmir and Ladakh, the existing entities pertaining to the erstwhile state of Jammu & 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.

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

Our total loan assets increased from ₹ 3,14,666.93 crore as of March 31, 2019 to ₹ 371345.02 crore as of December 31, 2021. 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.

37. 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 December 31, 2021, we have incorporated 19 wholly-owned SPVs as subsidiaries or deemed subsidiaries for these projects, out of which four SPVs were transferred to the successful bidders. 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.

38. Our agreements regarding our joint venture arrangement or investments in other companies contain restrictive covenants, which limit our ability to transfer our shareholding in such ventures.

Our Company has entered into a joint venture arrangement, and 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, including their financial obligations, in respect of the joint venture. 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.

39. 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 2015-16, 2016-17, 2017-18, 2018-19 and 2019-20, 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 26.65%, 27.56%, 27.06%, 27.14% and 18.89%, respectively, compared to statutory corporate tax rates (including surcharge and cess) of 34.61%, 34.61%, 34.61%, 34.94% and 25.17%, respectively in such periods. The availability of such tax benefits is subject to the policies of the GoI, and there can be no assuranceastoanyorallofthesetaxbenefitsthatwewillreceiveorcontinuetoreceiveinthefuture.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.

40. 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, 2021, our investments in equity and equity linked instruments were valued at ₹ 15,896.71 crore. For example, on March 28, 2019, we acquired a 52.63% equity stake in REC Limited from the GoI. 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.

41. 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.

42. 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.

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

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

Our subsidiary, 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.

44. 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.

45. 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.

46. 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, 4.67% 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.

47. 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.

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

We intend to utilize the net proceeds raised through this Issue towards our various financing activities including lending, subject to applicable statutory and/or regulatory requirements, and for general corporate purposes including repayment of our existing loans and for our capital expenditure and working capital requirements after meeting the Issue expenses. Our Company has not entered into any definitive agreements for utilization of the net proceeds towards the objects of this Issue.

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

One of our Subsidiaries 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.

50. There is a significant risk due to changes in environment 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.

51. 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

52. 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.

53. 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 Negative", and (ii) Fitch has granted us long-term foreign currency issuer default ratings of "BBB-/Negative".

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.

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 Capital Gain Bonds 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.

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. 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 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.

CHAPTER XIII CAPITAL STRUCTURE

Details of share capital

The following table set out details of our authorized, issued, subscribed and paid up share capital of the Company as on December 31, 2021.

(₹in crore, except share data)

Particulars		Aggregate value at nominal value
A)	**AUTHORISED SHARE CAPITAL**	
	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
	Total Authorised Share Capital	11,200.00
B)	**ISSUED, SUBSCRIBED AND PAID UP EQUITY SHARE CAPITAL**	
	2,64,00,81,408 Equity Shares of face value of ₹ 10/- each fully paid up	2,640.08
C)	**SECURITIES PREMIUM ACCOUNT**	2,776. 54

Notes:

The Issue being an issue of Secured, redeemable, non-convertible Debentures, to be issued at par, will not result in any change in the issued, subscribed and paid-up equity share capital or securities premium account of the Company.

Details of change in authorized share capital as on December 31, 2021

Please see below the details of the change in authorized share capital of the Company:

Sr. No	Date of change	Particulars of change in authorised share capital	Details of the resolution/order
1.	January 18, 1991	Equity Share capital of the company increased to Rs. 20,00,00,00,000	Amended by Special Resolution passed at the Extra Ordinary General Meeting of shareholders held on January 18, 1991.
2.	August 19, 2016	Equity Share capital of the company increased to Rs. 100,00,00,00,000	Clause V of the memorandum of association amended vide ordinary resolution passed at 30th Annual General Meeting of Shareholders held on August 19, 2016.
3.	February 7, 2019	Share capital of the company increased to Rs. 112,000,000,000 comprising of 11,00,00,00,000 Equity Shares of face value of ₹ 10/- each and 20,00,00,000 Preference Shares of face value ₹ 10 each	Clause V of the memorandum of association amended vide MCA Order no. 24/6/2018-CL-III dt. Dated February 7, 2019.

Notes to capital structure

1. *Share capital history of our Company*

History of Equity Share capital of our Company as on December 31 2021

Set forth below is change in Equity Share capital history of our Company for the five years preceding the last quarter:

Date of issue/ allotment	No. of Equity Shares of the Company	Face Value (₹)	Issue price (₹)	Nature for allotment	Consideration in Cash/ other than cash	Cumulative number of Equity Shares	Cumulative Share Premium (₹ in crore)	Cumulative Equity Share Capital (₹ in crore)
September 1, 2016	13,20,040,704*	10	N/A	Bonus issue	Bonus	2,64,00,81,408	2,776.54	2,640.08

*Allotment of 13,20,040,704 Equity Shares as bonus shares to the existing Equity Shareholders of our Company in the ratio of 1:1.

History of Preference Share capital of our Company as on December 31 2021

Set forth below is change in Preference Share capital history of our Company for the five years preceding the last quarter:

NIL

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Shareholding pattern of our Company, as on December 31, 2021

Other Securities Control Report As on 31-12-2021			
ISIN Code	Security Type	No. of Holders	No. of Securities
INE134E07075	Debentures / Bonds	1	4
INE134E07158	Debentures / Bonds	4,220	19,998
INE134E07166	Debentures / Bonds	5,060	28,906

Top 10 Buyers & Demat/Remat As on 31-12-2021								
DPID	Client Id	Name	Previous Holding	Change in Holding (+)	% of change to Equity	Current Holding	% of current holding to Equity	Category
IN301524	30014210	KOTAK EQUITY ARBITRAGE FUND	7,923,600	378,200	0.014325	8,301,800	0.314452	MUT
IN303438	10003257	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	15,019,892	175,759	0.006657	15,195,651	0.575575	FPC
IN300159	10701180	SANJAY S. JHAVERI	2,272	91,000	0.003447	93,272	0.003533	PUB
IN300966	10981005	GRAVITON RESEARCH CAPITAL LLP	12,400	80,600	0.003053	93,000	0.003523	LTD
IN300159	10701202	AARTI S. JHAVERI	0	75,000	0.002841	75,000	0.002841	PUB
IN303438	10016654	VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERI	16,196,426	73,500	0.002784	16,269,926	0.616266	FPC
IN301348	20133782	QE SECURITIES LLP	139,483	63,622	0.002410	203,105	0.007693	LTD
IN301143	10699247	KUDU KNIT PROCESS PVT LTD	0	50,000	0.001894	50,000	0.001894	LTD
IN300167	10030167	CITY OF NEW YORK GROUP TRUST	881,696	47,120	0.001785	928,816	0.035181	FPC
IN304295	18204699	RAJESH KUMAR	70,000	40,000	0.001515	110,000	0.004167	PUB
Total			**40,245,769**	**1,074,801**	**0.040711**	**41,320,570**	**1.565125**	

Top 10 Sellers & Demat/Remat As on 31-12-2021								
DPID	Client Id	Name	Previous Holding	Change in Holding (-)	% of change to Equity	Current Holding	% of current holding to Equity	Category
IN303786	10000836	SOCIETE GENERALE	1,642,064	985,800	0.037340	656,264	0.024858	FPC
IN303438	10016951	ROBECO QI INSTITUTIONAL EMERGING MARKETS ENHANCED	522,348	522,348	0.019785	0	0.000000	FPC
IN300054	10109192	MORGAN STANLEY ASIA (SINGAPORE) PTE.	181,600	179,800	0.006810	1,800	0.000068	FPC
IN303438	10017868	ROBECO CAPITAL GROWTH FUNDS	162,860	162,860	0.006169	0	0.000000	FPC
IN300214	35099123	DRASHTI RAJESHKUMAR CHANCHPARA	225,000	145,000	0.005492	80,000	0.003030	PUB
IN301799	10088827	BNP PARIBAS ARBITRAGE - ODI	1,054,180	101,127	0.003830	953,053	0.036099	FPC
IN305099	30024573	AKA LOGISTICS PRIVATE LIMITED	100,000	100,000	0.003788	0	0.000000	LTD
81600	1208160017562025	HANUMANTHAKARI NARAYANA RAO	84,500	84,500	0.003201	0	0.000000	PUB
IN300054	10109504	BOFA SECURITIES EUROPE SA	1,582,679	74,400	0.002818	1,508,279	0.057130	FPC
IN300214	35025710	SALONI RAJESHKUMAR CHANCHPARA	300,000	50,000	0.001894	250,000	0.009469	PUB
Total			**5,855,231**	**2,405,835**	**0.091127**	**3,449,396**	**0.130654**	

Consolidated Change in Shareholding Pattern As on 31-12-2021								
Category	As on 24/12/2021			Difference		As on 31/12/2021		
	Cases	Holding	% To Equity	Cases	Shares	Cases	Holding	% To Equity
PRESIDENT OF INDIA	1	1,478,291,778	55.994174	0	0	1	1,478,291,778	55.994174
FOREIGN PORTFOLIO - CORP	220	442,985,103	16.779221	-2	-1,719,603	218	441,265,500	16.714087
MUTUAL FUNDS	53	345,027,087	13.068805	1	427,042	54	345,454,129	13.084980
Qualified Institutional Buyer	46	167,702,664	6.352178	0	-10,000	46	167,692,664	6.351799
RESIDENT INDIVIDUALS	393,667	156,974,604	5.945824	1,868	444,436	395,535	157,419,040	5.962659
BODIES CORPORATES	1,121	17,797,670	0.674133	3	164,060	1,124	17,961,730	0.680348

Consolidated Change in Shareholding Pattern As on 31-12-2021								
INSURANCE COMPANIES	3	8,812,973	0.333814	0	0	3	8,812,973	0.333814
H U F	7,990	7,765,648	0.294144	0	2,640	7,990	7,768,288	0.294244
BANKS	8	4,064,733	0.153962	0	0	8	4,064,733	0.153962
NON RESIDENT INDIANS	2,865	3,854,409	0.145996	11	9,093	2,876	3,863,502	0.146340
NON RESIDENT INDIAN NON REPATRIABLE	1,850	2,622,832	0.099347	7	10,464	1,857	2,633,296	0.099743
CLEARING MEMBERS	192	1,080,163	0.040914	-33	671,818	159	1,751,981	0.066361
NBFC	9	1,129,806	0.042794	0	0	9	1,129,806	0.042794
EMPLOYEES	203	940,213	0.035613	1	50	204	940,263	0.035615
TRUSTS	34	719,401	0.027249	0	0	34	719,401	0.027249
ALTERNATIVE INVESTMENT FUND	1	231,951	0.008786	0	0	1	231,951	0.008786
I E P F	1	78,873	0.002988	0	0	1	78,873	0.002988
FOREIGN NATIONALS	1	1,500	0.000057	0	0	1	1,500	0.000057
Total	**408,265**	**2,640,081,408**	**100.00**	**1,856**	**0**	**410,121**	**2,640,081,408**	**100.00**

Consolidated Shareholding Pattern As on 31-12-2021			
Category	No. of Holders	Total Shares	% To Equity
PRESIDENT OF INDIA	1	1,478,291,778	55.994174
FOREIGN PORTFOLIO - CORP	218	441,265,500	16.714087
MUTUAL FUNDS	54	345,454,129	13.084980
Qualified Institutional Buyer	46	167,692,664	6.351799
RESIDENT INDIVIDUALS	395,535	157,419,040	5.962659
BODIES CORPORATES	1,124	17,961,730	0.680348
INSURANCE COMPANIES	3	8,812,973	0.333814
H U F	7,990	7,768,288	0.294244
BANKS	8	4,064,733	0.153962
NON RESIDENT INDIANS	2,876	3,863,502	0.146340
NON RESIDENT INDIAN NON REPATRIABLE	1,857	2,633,296	0.099743
CLEARING MEMBERS	159	1,751,981	0.066361
NBFC	9	1,129,806	0.042794

Consolidated Shareholding Pattern As on 31-12-2021			
EMPLOYEES	204	940,263	0.035615
TRUSTS	34	719,401	0.027249
ALTERNATIVE INVESTMENT FUND	1	231,951	0.008786
I E P F	1	78,873	0.002988
FOREIGN NATIONALS	1	1,500	0.000057
Total	410,121	2,640,081,408	100.00

Shareholders holding 1 % and above Shares As on 31-12-2021								
DPID	Client Id	Name	Previous Holding 24/12/2021	Buying (+)	Selling (-)	Present Holdings	% of equity	Category
IN301330	19779027	PRESIDENT OF INDIA	1,478,291,778	0	0	1,478,291,778	55.994174	POI
IN301348	20176093	LIFE INSURANCE CORPORATION OF INDIA	148,762,976	0	0	148,762,976	5.634787	QIB
IN301524	30047328	THE WINDACRE PARTNERSHIP MASTER FUND LP	128,615,000	0	0	128,615,000	4.871630	FPC
IN300054	10009134	HDFC TRUSTEE COMPANY LTD. A/C HDFC BALANCED ADVANTAGE FUND	105,066,146	0	0	105,066,146	3.979656	MUT
IN301524	30039021	UBS PRINCIPAL CAPITAL ASIA LTD	89,764,000	0	0	89,764,000	3.400047	FPC
IN300054	10009095	HDFC TRUSTEE COMPANY LIMITED-HDFC FLEXI CAP FUND	62,937,409	0	0	62,937,409	2.383919	MUT
IN300054	10009118	HDFC TRUSTEE COMPANY LTD. A/C HDFC TOP 100 FUND	31,159,486	0	0	31,159,486	1.180247	MUT
Total			2,044,596,795	0	0	2,044,596,795	77.444460	

Top 10 Shareholders As on 31-12-2021					
DPID	Client Id	Name	Total Shares	% To Equity	Category
IN301330	19779027	PRESIDENT OF INDIA	1,478,291,778	55.994174	POI
IN301348	20176093	LIFE INSURANCE CORPORATION OF INDIA	148,762,976	5.634787	QIB

Top 10 Shareholders As on 31-12-2021					
IN301524	30047328	THE WINDACRE PARTNERSHIP MASTER FUND LP	128,615,000	4.871630	FPC
IN300054	10009134	HDFC TRUSTEE COMPANY LTD. A/C HDFC BALANCED ADVANTAGE FUND	105,066,146	3.979656	MUT
IN301524	30039021	UBS PRINCIPAL CAPITAL ASIA LTD	89,764,000	3.400047	FPC
IN300054	10009095	HDFC TRUSTEE COMPANY LIMITED-HDFC FLEXI CAP FUND	62,937,409	2.383919	MUT
IN300054	10009118	HDFC TRUSTEE COMPANY LTD. A/C HDFC TOP 100 FUND	31,159,486	1.180247	MUT
IN300126	11209306	HDFC TRUSTEE COMPANY LTD - A/C HDFC MID - CAPOPPORTUNITIES FUND	22,000,000	0.833308	MUT
IN300167	10127669	MIRAE ASSET EMERGING BLUECHIP FUND	21,132,745	0.800458	MUT
IN303438	10016654	VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERI	16,269,926	0.616266	FPC
Total			2,103,999,466	79.694492	

Top 10 Shareholders Comparison for Two Weeks 24-12-2021 & 31-12-2021 (Promoters)												
DPID	Client Id	Name	Holding As On	Shares	% to Equity	Buying	Selling	Shares	% to Equity	Holding As On	Category	% to Capital
IN301330	19779027	PRESIDENT OF INDIA	17/12/2021	1,478,291,778	55.99	0	0	1,478,291,778	55.99	24/12/2021	POI	0.00
IN301330	19779027	PRESIDENT OF INDIA	24/12/2021	1,478,291,778	55.99	0	0	1,478,291,778	55.99	31/12/2021	POI	0.00

Top 10 Shareholders Comparison for Two Weeks 24-12-2021 & 31-12-2021 (Non Promoters)												
DPID	Client Id	Name	Holding As On	Shares	% to Equity	Buying	Selling	Shares	% to Equity	Holding As On	Category	% to Capital
IN301348	20176093	LIFE INSURANCE CORPORATION OF INDIA	17/12/2021	148,762,976	5.63	0	0	148,762,976	5.63	24/12/2021	QIB	0.00

Top 10 Shareholders Comparison for Two Weeks 24-12-2021 & 31-12-2021 (Non Promoters)												
IN301348	20176093	LIFE INSURANCE CORPORATION OF INDIA	24/12/2021	148,762,976	5.63	0	0	148,762,976	5.63	31/12/2021	QIB	0.00
IN301524	30047328	THE WINDACRE PARTNERSHIP MASTER FUND LP	17/12/2021	128,615,000	4.87	0	0	128,615,000	4.87	24/12/2021	FPC	0.00
IN301524	30047328	THE WINDACRE PARTNERSHIP MASTER FUND LP	24/12/2021	128,615,000	4.87	0	0	128,615,000	4.87	31/12/2021	FPC	0.00
IN300054	10009134	HDFC TRUSTEE COMPANY LTD. A/C HDFC BALANCED ADVANT	17/12/2021	105,706,146	4.00	0	640,000	105,066,146	3.98	24/12/2021	MUT	0.02
IN300054	10009134	HDFC TRUSTEE COMPANY LTD. A/C HDFC BALANCED ADVANT	24/12/2021	105,066,146	3.98	0	0	105,066,146	3.98	31/12/2021	MUT	0.00
IN301524	30039021	UBS PRINCIPAL CAPITAL ASIA LTD	17/12/2021	89,764,000	3.40	0	0	89,764,000	3.40	24/12/2021	FPC	0.00
IN301524	30039021	UBS PRINCIPAL CAPITAL ASIA LTD	24/12/2021	89,764,000	3.40	0	0	89,764,000	3.40	31/12/2021	FPC	0.00
IN300054	10009095	HDFC TRUSTEE COMPANY LIMITED-HDFC FLEXI CAP FUND	17/12/2021	62,937,409	2.38	0	0	62,937,409	2.38	24/12/2021	MUT	0.00
IN300054	10009095	HDFC TRUSTEE COMPANY LIMITED-HDFC FLEXI CAP FUND	24/12/2021	62,937,409	2.38	0	0	62,937,409	2.38	31/12/2021	MUT	0.00
IN300054	10009118	HDFC TRUSTEE COMPANY LTD. A/C	17/12/2021	31,159,486	1.18	0	0	31,159,486	1.18	24/12/2021	MUT	0.00

Top 10 Shareholders Comparison for Two Weeks 24-12-2021 & 31-12-2021 (Non Promoters)												
		HDFC TOP 100 FUND										
IN300054	10009118	HDFC TRUSTEE COMPANY LTD. A/C HDFC TOP 100 FUND	24/12/2021	31,159,486	1.18	0	0	31,159,486	1.18	31/12/2021	MUT	0.00
IN300126	11209306	HDFC TRUSTEE COMPANY LTD - A/C HDFC MID - CAPOPPOR	17/12/2021	22,000,000	0.83	0	0	22,000,000	0.83	24/12/2021	MUT	0.00
IN300126	11209306	HDFC TRUSTEE COMPANY LTD - A/C HDFC MID - CAPOPPOR	24/12/2021	22,000,000	0.83	0	0	22,000,000	0.83	31/12/2021	MUT	0.00
IN300167	10127669	MIRAE ASSET EMERGING BLUECHIP FUND	17/12/2021	21,132,745	0.80	0	0	21,132,745	0.80	24/12/2021	MUT	0.00
IN300167	10127669	MIRAE ASSET EMERGING BLUECHIP FUND	24/12/2021	21,132,745	0.80	0	0	21,132,745	0.80	31/12/2021	MUT	0.00
IN303438	10016654	VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERI	17/12/2021	16,640,293	0.63	0	443,867	16,196,426	0.61	24/12/2021	FPC	0.02
IN303438	10016654	VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERI	24/12/2021	16,196,426	0.61	73,500	0	16,269,926	0.62	31/12/2021	FPC	0.00
IN300167	10127652	MIRAE ASSET LARGE CAP FUND	17/12/2021	15,513,788	0.59	0	0	15,513,788	0.59	24/12/2021	MUT	0.00
IN300167	10127652	MIRAE ASSET LARGE CAP FUND	24/12/2021	15,513,788	0.59	0	0	15,513,788	0.59	31/12/2021	MUT	0.00

Distribution Schedule - Consolidated As on 31-12-2021					
Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
20001- 30000	3,271	0.797569	8,391,676	83,916,760	0.317857
5001- 10000	27,174	6.625849	21,831,260	218,312,600	0.826916
40001- 50000	1,169	0.285038	5,541,664	55,416,640	0.209905
50001- 100000	2,137	0.521066	15,475,148	154,751,480	0.586162
100001& Above	1,768	0.431092	2,524,585,402	25,245,854,020	95.625286
10001- 20000	11,437	2.788689	17,168,745	171,687,450	0.650311
30001- 40000	1,583	0.385984	5,733,855	57,338,550	0.217185
1-5000	361,582	88.164712	41,353,658	413,536,580	1.566378
Total	410,121	100.00	2,640,081,408	26,400,814,080	100.00

Summary of Shareholding As on 31-12-2021			
Category	No. of Holders	Total Shares	% to Equity
PHYSICAL	17,351	30,078	0.001139
N S D L	172,468	2,541,926,093	96.282110
C D S L	220,302	98,125,237	3.716750
Total	410,121	2,640,081,408	100.00

Summary of Lock-in Shares As on 31-12-2021			
Category	No. of Holders	Lock-in Shares	% of Equity
No Data Available			

Summary of Pledge Shares As on 31-12-2021			
Category	No. of Holders	Shares under Pledge	% of Equity
RESIDENT INDIVIDUALS	16,203	32,390,177	1.226863
BODIES CORPORATES	237	6,726,723	0.254792
H U F	692	1,669,357	0.063231
NON RESIDENT INDIAN NON REPATRIABLE	15	103,093	0.003905
TRUSTS	2	40,592	0.001538
NON RESIDENT INDIANS	17	18,231	0.000691
EMPLOYEES	4	12,676	0.000480

Summary of Pledge Shares As on 31-12-2021			
Total	**17,170**	**40,960,849**	**1.551500**

Emails Registration As on 31-12-2021			
Category	**No. of Holders**	**Emails Registered**	**Emails Not Registered**
PHYSICAL	17,351	538	16,813
N S D L	172,468	160,570	11,898
C D S L	220,302	204,103	16,199
Total	**410,121**	**365,211**	**44,910**

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Details of the Directors shareholding in our Company's Subsidiaries:

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

Sr. No.	Name of Subsidiaries	Name of Directors	No. of Equity shares held	Total shareholding as a percentage of the total number of Equity Shares
1.	PFC Consulting Limited	Mr. Praveen Kumar Singh	100*	0.19
		Mr. R.S. Dhillon	100*	0.19
2.	Coastal Karnataka Power Limited	Mr. Praveen Kumar Singh	100*	0.2
		Mr. R.S. Dhillon	100*	0.2
3.	Coastal Maharashtra Mega Power Limited	Mr. Praveen Kumar Singh	100*	0.2
		Mr. R.S. Dhillon	100*	0.2
4.	Coastal Tamil Nadu Power Limited	Mr. Praveen Kumar Singh	100*	0.2
		Mr. R.S. Dhillon	100*	0.2
5.	Chhattisgarh Surguja Power Limited	Mr. Praveen Kumar Singh	100*	0.2
		Mr. R.S. Dhillon	100*	0.2
6.	Orissa Integrated Power Limited	Mr. Praveen Kumar Singh	100*	0.2
		Mr. R.S. Dhillon	100*	0.2
7.	Sakhigopal Integrated Power Co. Limited	Mr. Praveen Kumar Singh	100*	0.2
		Mr. R.S. Dhillon	100*	0.2
8.	Ghogarpalli Integrated Power Co. Limited	Mr. Praveen Kumar Singh	100*	0.2
		Mr. R.S. Dhillon	100*	0.2
9.	Tatiya Andhra Mega Power Limited	Mr. Praveen Kumar Singh	100*	0.2
		Mr. R.S. Dhillon	100*	0.2
10.	Deoghar Mega Power Limited	Mr. Praveen Kumar Singh	100*	0.2

Sr. No.	Name of Subsidiaries	Name of Directors	No. of Equity shares held	Total shareholding as a percentage of the total number of Equity Shares
		Mr. R.S. Dhillon	100*	0.2
11.	Cheyyur Infra Limited	Mr. R.S. Dhillon	100*	0.2
12.	Odisha Infrpower Limited	Mr. R.S. Dhillon	100*	0.2
13.	Deoghar Infra Limited	Mr. R.S. Dhillon	100*	0.2
14.	Bihar Infrapower Limited	Mr. R.S. Dhillon	100*	0.2
15.	Bihar Mega Power Limited	Mr. R.S. Dhillon	100*	0.2
16.	Jharkhand Infrapower Limited	Mr. R.S. Dhillon	100*	0.2

* as a Nominee of Power Finance Corporation Limited

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Details of top 10 Equity shareholders of our Company:

The following are the details of the top ten bond holders (secured/unsecured), as on 31 December 2021:-

Sr. No.	Name	Total face value amount of debentures held in ₹ (in crore)
1.	Life Insurance Corporation of India	42,393.20
2.	CBT-EPF-05-E-DM	26,366.64
3.	State Bank of India	8333.04
4.	HDFC Mutual Fund	6983.00
5.	NPS Trust- A/C Kotak Pension Fund- Tier I	6207.60
6.	Aditya Birla Sun Life trustee Private Limited- A/C Aditya Birla Sun Life Income Fund	6138.58
7.	ICICI Prudential Ultra Short Term Fund	5158.72
8.	Coal Mines Provident Fund Organisation	4567.70
9.	Kotak Mutual Fund	4445.44
10.	IDFC Low Duration Fund	4120.20

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

Details of top 10 debenture holders:

The following are the details of the top ten bond holders as on 31.12.2021 :

S. NO.	Name of the Subscriber	Amount (Rs. In crore)
1	LICI ANNUITY NON-PAR	35680.00
2	CBT EPF-08-C-DM	26822.57
3	STATE BANK OF INDIA	8277.10
4	NPS TRUST - A/C HDFC PENSION MANAGEMENT COMPANY LIMITED SCHEME C - TIER I	6989.01
5	HDFC TRUSTEE CO LTD A/C HDFC BANKING AND PSU DEBT FUND	6105.00
6	BHARAT BOND ETF - APRIL 2023	5636.20
7	COAL MINES PROVIDENT FUND ORGANISATION	4808.10
8	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE BANKING & PSU DEBT FUND	4700.00
9	RELIANCE INDUSTRIES LIMITED	4070.00
10	LIFE INSURANCE CORPORATION OF INDIA	3377.90
		106465.88

Details of borrowings of the Company, as on the latest quarter end

The total outstanding borrowings of the Company as on December 31, 2021, are as follows:

FINANCIAL INDEBTEDNESS

The total outstanding borrowings of the Company as on December 31, 2021, are as follows:

S. No.	Nature of Borrowings	Amount# (₹ in crore)
1.	Secured Borrowings	38,275.70
2.	Unsecured Borrowings	2,36,681.31

In accordance with IND-AS (includes interest accrued but not due)

A. Secured Rupee Term Loans availed by our 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 December 31, 2021:

S. No.	Name of the lender	Loan Documentation	Total amount of loan Sanctioned (Rupees in crore)	Amount Outstanding # (Rupees in crore)	Rate of interest (% p.a..)	Repayment Date/ Schedule and prepayment penalty (if any)	Penalty	Security
1.	Oriental Bank of Commerce	Term loan agreement dated February 22, 2019	1,500.00	1130.34	6.7% (Interest at the benchmark rate of 1 (one) year MCLR payable monthly).	4 (four) equal yearly installments of INR 375 crore post moratorium of 2 (two) years from the date of first disbursement Portion I: February 25,2022. Portion II: February25,2023. Portion III: February 25,2024. Portion IV: February 25,2025. Prepayment: Prepayment penalty is waived.	In the case of any default/ failure in keeping live external credit rating from any RBI approved agency, the bank is entitled to charge an additional interest at the rate of 1 % (one percent) p.a. over the normal rate of interest, from the date of default till the submission of the same. In the case of default/ failure in payment of monthly interest and/or any other instalment on due date, the bank is entitled to charge a	First ranking pari passu charge on receivables except those specifically/ exclusively charged to lenders/ trustees to the extent of 110% of the outstanding loan balance.

S. No.	Name of the lender	Loan Documentation	Total amount of loan Sanctioned (Rupees in crore)	Amount Outstanding # (Rupees in crore)	Rate of interest (% p.a..)	Repayment Date/ Schedule and prepayment penalty (if any)	Penalty	Security
							penal interest at the rate of 2% (two percent) is	
2.	Allahabad Bank	Term loan agreement dated June 24, 2019	1,800.00	1808.87	6.7% (Interest at the rate of 1(one) year MCLR payable monthly).	12equal quarterly installments of INR 150 crore each after 4(four) years moratorium. Prepayment: Prepayment penalty is waived	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...	Pari passu charge over the receivables of the Company except those on which specific charge has been created.
3.	Bank of Maharashtra	Term Loan Agreement dated March 08, 2019	750.00	675	6.9 (Interest at the rate of 1(one) year MCLR payable monthly).	12 structured quarterly installments after 2 (two) years of moratorium starting from the date of first disbursement . Prepayment: Pre-payment penalty @1 %(one percent) shall believed if the amount is	In case of failure to comply with any of the terms and conditions captured in the sanction letter and term loan agreement, the bank is entitled to capitalize interest, in addition to the right of the bank to charge additional/penal interest @ 2% (two percent) or such other rate as may be stipulated by bank.	First charge on receivables except the specific receivables in respect of which charge has already been created in favour of trustee.
4.	Corporation Bank	Agreement relating to term loan dated September 22, 2019	400.00	400.00	6.75% (Interest at the rate of1(one) year MCLR payable monthly).	Bullet payment after completion of 3 (three) years from the date of first disbursement Prepayment: Prepayment penalty waived	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	Pari passu charge on receivables of the Company to the extent of 100% outstanding term loan balance excluding receivables exclusively charged to trustee.

S. No .	Name of the lender	Loan Documentation	Total amount of loan Sanctioned (Rupees in crore)	Amount Outstanding # (Rupees in crore)	Rate of interest (% p.a..)	Repayment Date/ Schedule and prepayment penalty (if any)	Penalty	Security
							outstanding balance for the default period of creation and perfection of security.	
5.	Corporation Bank	Agreement for secured term loan dated March 14, 2019	800.00	300	6.75 (Interest at the rate of 3 (three) month MCLR plus spread of 20 b ps payable monthly).	To any) aid be rep in 5 (five) years, in yearly instalment of 200 crore. Interest to be recovered as and when debited. Prepayment: Prepayment penalty has waived subject to 7 (seven) days'	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
6.	Canara Bank	Agreement for term loan dated February 19, 2019	1,000.00	1005.01	6.8 (Interest at the rate of 1(one) year MCLR payable monthly).	Principal to be repaid by way of bullet repayments at the end of respective tenor. Prepayment: Prepayment penalty is waived if the loan is prepaid after 4 months from the date of first disbursement .	In case of a default in payment of any instalment or in regularising or in clearing the account as per the agreed terms or fails to submit book debts statement at such periodicity as determined by the bank, the Company shall be liable to pay penal interest at	First pari passu charge on total receivables of the Company, excluding the receivables on which specific charge has been created by the Company in favour of the trustee to the extent of 100% of payment/ repayme nt of term loan including interest, additional interest, costs
7.	Canara Bank	Agreement for term loan dated June 19, 2019	2,000.00	2010.02	6.8% (Interest at the rate of 1(one) year MCLR payable monthly).	Principal to be repaid by way of bullet repayments at the end of respective tenor. Prepayment: Prepayment penalty is waived if the loan is	In case of a default in payment of any instalment or in regularising or in clearing the account as per the agreed terms or fails to submit book debts statement at	First pari passu charge on total receivables of the Company, excluding the receivables on which specific charge has been created by the Company in favour of the trustee to the

S. No .	Name of the lender	Loan Documentation	Total amount of loan Sanctioned (Rupees in crore)	Amount Outstanding # (Rupees in crore)	Rate of interest (% p.a..)	Repayment Date/ Schedule and prepayment penalty (if any)	Penalty	Security
						prepaid after 4 months from the date of first disbursement .	such periodicity as determined by the bank, the Company shall be liable to pay penal interest at 2% p.a.. or such other rates as prescribed by the bank.	extent of 100% of payment/repaym e nt of term loan including interest, additional interest, costs and expenses as per the transaction documents.
8.	Bank of India	Term Loan Agreement dated March 01, 2019	1,000.00	1005.01	6.7% (Interest at the rate of 1(one) year MCLR payable monthly).	2 equal instalments at the end of 5th year and 6thyear from the date of first disbursement . Prepayment: Prepayment penalty is waived if the loan is prepaid after 6 months from the date of availment of loan or September 30, 2019, whichever is later. 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..	First pari passu charge on the receivables of the Company limited to the payment/ repayment of the term loan including interest, additional interest, costs and expenses payable by the Company to the bank under the security documents except for those receivables already charged in favour of Catalyst Trusteeship Limited.
9.	Allahabad Bank	Term Loan Agreement dated November 15, 2019	500	502.46	6.7 % (Interest at the rate of 1 (one) year MCLR payable monthly).	12 (twelve) equal quarterly installments after 4 years moratorium. 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 Company limited to the payment/ repayment of the term loan including interest, additional interest, costs and expenses

S. No.	Name of the lender	Loan Documentation	Total amount of loan Sanctioned (Rupees in crore)	Amount Outstanding # (Rupees in crore)	Rate of interest (% p.a..)	Repayment Date/ Schedule and prepayment penalty (if any)	Penalty	Security
								payable by the Company to the bank under the security documents except for those receivables already charged in favour of Catalyst Trusteeship
10	Bank of Baroda	Agreement for Term Loan dated September 24, 2020	1400	1225.19	6.55% (Interest at the rate of overnight MCLR).	8 (eight) equal quarterly installments at the end of the tenor form the date of disbursement . Prepayment: Prepayment penalty waived subject to company providing 30 days pre-payment notice. Minimum lock-in period is 6 months from	In case of overdues on the account/ on compliance of major terms and conditions of sanction, company to pay penal interest at 2% p.a, on the entire outstanding balance under the facilities.	First pari passu charge on the receivables of the Company limited to the payment/ repayment of the term loan including interest, additional interest, costs and expenses payable by the Company to the bank under the security documents except for those receivables already charged in favour of Catalyst Trusteeship Limited to the
11	Indian Bank	Medium Term Loan Agreement dated September 28, 2020	1500	1318.97	6.7% (Interest at the rate of 1 (one) month MCLR).	8 (eight) equal half yearly installments payable after initial moratorium of 12 months from the date of disbursement Prepayment: Borrower can prepay the loan in full/part at any time without any prepayment	In case of default in repayment of dues the Bank is entitled to charge a higher rate of interest as per RBI directives/ the Banks' rules.	First pari passu charge 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.

S. No.	Name of the lender	Loan Documentation	Total amount of loan Sanctioned (Rupees in crore)	Amount Outstanding # (Rupees in crore)	Rate of interest (% p.a..)	Repayment Date/ Schedule and prepayment penalty (if any)	Penalty	Security
12	Oriental Bank of Commerce	Agreement for Term Loan dated September 26, 2019	225	226.12	6.7 % (Interest at the rate of 1 (one) year MCLR)	8 (eight) equal half yearly installments payable after initial moratorium of 12 months from the date of disbursement . Prepayment: Borrower can prepay the loan in full/part after 4 months from the first date of disbursement without any prepayment penalty and	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%	First pari passu charge 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.
13	State Bank of India	Rupee Term Loan Agreement dated July 7, 2020	5000	5025.90	6.7% (Interest at the rate of 1 (one) year MCLR plus spread of .05%)	6 (six) equal half yearly installments payable after initial moratorium of 18 months from the date of disbursement . Prepayment: In case of prepayment during lock-in period of 1 year from date of disbursement of each tranche,	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 3.5%	First pari passu charge 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.
14	Union Bank of India	General Term Loan Agreement dated September 30, 2020	1800	1800	6.75% (Interest at the rate of 1 (one) month MCLR)	4 (four) equal yearly instalments after 1 year moratorium from the date of first disbursement . Prepayment: Borrower can prepay the	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%	First pari passu charge 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

S. No.	Name of the lender	Loan Documentation	Total amount of loan Sanctioned (Rupees in crore)	Amount Outstanding # (Rupees in crore)	Rate of interest (% p.a..)	Repayment Date/ Schedule and prepayment penalty (if any)	Penalty	Security
						loan in full/part at any time without any prepayment penalty and notice.		of Catalyst Trusteeship Limited.
15	Karnataka Bank	(i) Sanction Letter dated September 27, 2019 (ii) Deed of Hypothecation dated September 30, 2019	500	200	7% (12 months T-bill rate plus applicable spread).	5 (five) quarterly installments after moratorium of 19 (nineteen) months Prepayment: Prepayment is permitted only after first reset of interest rate without any penalty, subject to prior notice of 2 days.	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 5%	First pari passu charge 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.
Total			**20,175**	**18633.20**				

 # As per IND AS (includes interest accrued but not due)

B. Secured bonds issued by our Company

Set forth below is a brief summary of the secured bonds issued by our Company and the amounts outstanding therein as of December 31, 2021.

i. Secured taxable Infrastructure bonds as on December 31, 2021.

S. No.	Details of bonds	Amount Raised (Rupees in crore)	Amount outstanding (Rupees in crore)#	Date of allotment/ Deemed date of allotment	Coupon rate and maturity and redemption	Security	Credit Rating applicable for all
3.	8.50% Long Term Infrastructure Bonds Series - III	6.135	5.61	March 31, 2011	Repayable at the end of 15 years from the deemed date of allotment at 8.50% p.a..	Charge by way of mortgage of the right title and interest in the immovable property as specified in the first schedule of the trust deed and exclusive first charge by	AAA from CRISIL ICRA and CARE
4.	8.50% Long Term	22.75	46.41	March 31, 2011	Repayable at the end of 15 years from		

S. No.	Details of bonds	Amount Raised (Rupees in crore)	Amount outstanding (Rupees in crore)#	Date of allotment/ Deemed date of allotment	Coupon rate and maturity and redemption	Security	Credit Rating applicable for all
	Infrastructure Bonds Series - IV				the deemed date of allotment at 8.50% p.a..	way of hypothecation of the receivables as detail under second schedule of the trust deed	
7.	8.75% Long Term Infrastructure Bonds Series - III	3.23	2.89	November 21, 2011	Repayable at the end of 15 years from the deemed date of allotment at 8.75% p.a..	First pari passu charge by mortgage Of the right ,title and interest in the immovable property as specifically detail in the first schedule of trust	
8.	- IV% Long 8.43 Term Infrastructure Bonds Series	9.04	7.86	November 21, 2011	Repayable at the end of 15 years from the deemed date of allotment at 8.75% p.a..		
9.	8.75% Long Term Infrastructure Bonds Series	17.81	34.12	March 30, 2012	Repayable at the end of 10 years from the deemed date of allotment at 8.43% 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 FY 2010- 11 (charged in favour of trustee)	
10.	- IV% Long 8.43 Term Infrastructure Bonds Series	0.95	5.43	March 30, 2012	Repayable at the end of 10 years from the deemed date of allotment at 8.43% p.a..		
11.	8.72% Long Term Infrastructure Bonds Series - 86-C			March 30, 2012	Repayable at the end of 15 years from the deemed date of allotment at 8.72% p.a..		
12	8.72% Long Term Infrastructure Bonds Series - 86-D	2.75	0.92	March 30, 2012	Repayable at the end of 15 years from the deemed date of allotment at 8.72% p.a..		
Total		**361.572**	**502.60**				

 # As per IND AS (includes interest accrued but not due)

C. Secured tax free bonds as on December 31, 2021:

Set forth below is a brief summary of the secured tax free bonds issued by our Company and the amounts outstanding therein as of December 31, 2021:

S. No.	Details of bonds	Amount Raised (Rupees in Crore)	Amount outstanding# (Rupees in Crore)	Deemed date of allotment/ Date of Allotment	Coupon rate and maturity and redemption	Security	Credit Rating applicable for all bonds listed below
2.	Debenture Series 79-B	217.99	221.60	October 15, 2011	At the end of 15 years from the date of allotment at 7.75% p.a..	and first pari- passu charge over all present and future receivables excluding receivables on which specific charge has already been created by Company.	
4.	Debenture Series 80-B	209.34	211.07	November 25, 2011	Repayable at the end of 15 years from the date of allotment at 8.16% p.a..		
5.	Debenture Series 94-A	255.00	257.01	November 22, 2012	Repayable at the end of 10 years from the date of allotment at 7.21% p.a.		
6.	Debenture Series 94-B	25.00	25.20	November 22, 2012	Repayable at the end of 15 years from the date of allotment at 7.38% p.a.		
7.	Debenture Series 95-A	30.00	30.20	November 29, 2012	Repayable at the end of 10 years from the date of allotment at 7.22% p.a.		
8.	Debenture Series 95-B	100.00	100.67	November 29, 2012	Repayable at the end of 15 years from the date of allotment at 7.38% p.a.		
9.	8.20% Public Issue of Tax Free Bonds Series 1 2011- 12	2,752.55	2800.78	February 01, 2012	Repayable at the end of 10 years from the date of allotment at 8.20% p.a.	First pari passu charge over Company's Immovable properties as described in the first schedule of	
10.	8.30% Tax Free Bonds Series 2 2011- 12	1,280.58	1303.29	February 01, 2012	Repayable at the end of 15 years from the date of allotment at 8.30% p.a.	debenture trust deed and first pari passu the Hypothecated Properties as described in the second schedule of	

S. No.	Details of bonds	Amount Raised (Rupees in Crore)	Amount outstanding# (Rupees in Crore)	Deemed date of allotment/ Date of Allotment	Coupon rate and maturity and redemption	Security	Credit Rating applicable for all bonds listed below
11.	7.19% Tax Free Bonds Tranch 1 Series 1 2012- 13	193.40	211.18	January 04, 2013	Repayable at the end of 10 years from the deemed date of allotment at 7.19% 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.	
12.	7.69% Tax Free Bonds Tranche 1 Series 1 2012-13	149.35	154.02	January 04, 2013	Repayable at the end of 10 years from the deemed date of allotment at 7.69% p.a.. for Category IV investors.		
13.	7.36% Tax Free Bonds Tranche 1 Series 2 2012- 13	159.81	179.90	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.		
14.	7.86% Tax Free Bonds Tranche 1 Series 2 2012- 13	197.19	213.88	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.		
15.	6.88% Tax Free Bond Tranche- II Series I 2012- 13	52.38	56.49	March 28,2013	Coupon Rate: 6.88% p.a. for non- retail investors Maturity and Redemption: At the end of 10 years from the date of allotment		
16.	7.38% Tax Free Bond Tranche- II Series I 2012- 13	43.78	44.89	March 28,2013	Coupon Rate: 7.38% p.a. for retail investors Maturityand Redemption: At the end of 10 years from the date of allotment		
17.	7.04% Tax Free Bond Tranche- II	8.89	11.95	March 28,2013	Coupon Rate: 7.04% p.a. for non- retail		

S. No.	Details of bonds	Amount Raised (Rupees in Crore)	Amount outstanding# (Rupees in Crore)	Deemed date of allotment/ Date of Allotment	Coupon rate and maturity and redemption	Security	Credit Rating applicable for all bonds listed below
	Series II 2012- 13				investors Maturityand Redemption: At the end of 15 years from the date of allotment		
18.	7.54% Tax Free Bond Tranche- II Series II 2012- 13	60.32	61.21	March 28,2013	Coupon Rate: 7.54% for retail investors Maturityand Redemption: At the end of 15 years from the date of allotment		
19.	8.18% Tax Free Bonds Series 1 A 2013-14	325.07	328.43	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.	
20.	8.43% Tax Free Bonds Series 1 B 2013-14	335.47	339.03	November 16, 2013	Repayable at the end of 10 years from the deemed date of allotment at 8.43% p.a.		
21.	8.54% Tax Free Bonds Series 2 A 2013-14	932.70	942.74	November 16, 2013	Repayable at the end of 15 years from the deemed date of allotment at 8.54% p.a.		
22.	8.79% Tax Free Bonds Series 2 B 2013-14	353.32	357.23	November 16, 2013	Repayable at the end of 15 years from the deemed date of allotment at 8.79% p.a.		
23.	8.67% Tax Free Bonds Series 3 A 2013-14	1067.38	1,079.04	November 16, 2013	Repayable at the end of 20 years from the deemed date of allotment at 8.67% p.a..		
24.	8.92% Tax Free Bonds Series 3 B 2013-14	861.96	871.65	November 16, 2013	Repayable at the end of 20 years from the deemed date of allotment at 8.92% p.a.		

S. No.	Details of bonds	Amount Raised (Rupees in Crore)	Amount outstanding# (Rupees in Crore)	Deemed date of allotment/ Date of Allotment	Coupon rate and maturity and redemption	Security	Credit Rating applicable for all bonds listed below
25.	7.11% Tax Free Bonds Series 1 A 2015-16	75.10	76.19	October 17, 2015	Repayable at the end of 10 years from the deemed date of allotment at 7.11% p.a.		
26.	7.36% Tax Free Bonds Series 1 B 2015-16	79.35	80.55	October 17, 2015	Repayable at the end of 10 years from the deemed date of allotment at 7.36% p.a.		
27.	7.27% Tax Free Bonds Series 2 A 2015-16	131.33	133.29	October 17, 2015	Repayable at the end of 15 years from the deemed date of allotment at 7.27% p.a.		
28.	7.52% Tax Free Bonds Series 2 B 2015-16	45.18	45.87	October 17, 2015	Repayable at the end of 15 years from the deemed date of allotment at 7.52% p.a.		
29.	7.35% Tax Free Bonds Series 3 A 2015-16	213.57	216.80	October 17, 2015	Repayable at the end of 20 years from the deemed date of allotment at 7.35% p.a.		
30.	7.60% Tax Free Bonds Series 3 B 2015-16	155.48	157.90	October 17, 2015	Repayable at the end of 20 years from the deemed date of allotment at 7.60% p.a.		
31.	Debenture Series 107-A	113.00	116.07	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 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 our Company to the Bondholders and/or others pursuant to the Transaction	
32.	Debenture Series 107-B	1,011.10	1,040.16	August 30, 2013	Repayable at the end of 15 years from the date of allotment at 8.46% p.a.		
33.	Debenture Series 136	300.00	309.89	July 17, 2015	Repayable at the end of 10 years from the date of allotment at 7.16% p.a.		

S. No.	Details of bonds	Amount Raised (Rupees in Crore)	Amount outstanding# (Rupees in Crore)	Deemed date of allotment/ Date of Allotment	Coupon rate and maturity and redemption	Security	Credit Rating applicable for all bonds listed below
Total		**12,275.13**	**12,516.99**				

 # As per IND AS (includes interest accrued but not due)

D. Secured Taxable Bonds public issue bond 2020-21

Secured taxable bonds issued by our Company as on December 31, 2021:

S.No.	Details of bonds	Amount Raised (₹ in crore)	Amount outstanding# (₹ in crore)	Deemed date of allotment	Coupon rate and maturity and redemption	Security	Credit Rating
1.	4 80 SEC TAX NCD PI TR I SER I CAT III-IV	1.96	2.05	Jan 22,2021	Repayable at the end of 3 years from the date of allotment at 4.80% p.a.	Secured by first pari-passu charge on total receivables of the Company (excluding those receivables on which specific charge already created) along-with first pari-passu charge on immovable property situated at Guindy, Chennai	AAA from CRISIL ICRA and CARE
2.	5 65 SEC TAX NCD PI TR I SER II CAT I-II	27.05	28.49	Jan 22,2021	Repayable at the end of 5 years from the date of allotment at 5.65		
3.	5 80 SEC TAX NCD PI TR I SER II CAT III-IV	3.50	3.69	Jan 22,2021	Repayable at the end of 5 years from the date of allotment at 5.80		
4.	6 63 SEC TAX NCD PI TR I SER III CAT I-II	0.50	0.51	Jan 22,2021	Repayable at the end of 10 years from the date of allotment at 6.63		
5.	6 82 SEC TAX NCD PI TR I SER III CAT III-IV	28.74	29.12	Jan 22,2021	Repayable at the end of 10 years from the date of allotment at 6.82		
6.	6 80 SEC TAX NCD PI TR I SER IV CAT I-II	33.67	35.82	Jan 22,2021	Repayable at the end of 10 years from the date of allotment at 6.80		
7.	7 00 SEC TAX NCD PI TR I SER IV CAT III-IV	1635.53	1743.43	Jan 22,2021	Repayable at the end of 10 years from the date of allotment at 7.00		
8.	10YR GSEC LINK SEC TAX NCD PI TR I SER V CAT I-II	3.50	3.54	Jan 22,2021	Repayable at the end of 10 years from the date of allotment at floating		
9.	10YR GSEC LNK SEC TAX NCD PI TR I SER V CAT III-IV	53.36	54.08	Jan 22,2021	Repayable at the end of 10 years from the date of allotment at floating		
10.	6 78 SEC TAX NCD PI TR I SER VI CAT I-II	50.05	53.33	Jan 22,2021	Repayable at the end of 15 years from the date of allotment at 6.78		
11.	6 97 SEC TAX NCD PI TR I SER VI CAT III-IV	1330.05	1419.68	Jan 22,2021	Repayable at the end of 15 years from the date of allotment at 6.97		

S.No.	Details of bonds	Amount Raised (₹ in crore)	Amount outstanding# (₹ in crore)	Deemed date of allotment	Coupon rate and maturity and redemption	Security	Credit Rating
12.	6 95 SEC TAX NCD PI TR I SER VII CAT I-II	10.35	10.99	Jan 22,2021	Repayable at the end of 15 years from the date of allotment at 6.95		
13.	7 15 SEC TAX NCD PI TR I SER VII CAT III-IV	1250.73	1331.24	Jan 22,2021	Repayable at the end of 15 years from the date of allotment at 7.15		
	Total	**4428.99**	**4715.97**				

E. 54 EC Capital Gain 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 December 31, 2021:

S. No.	Details of Bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment	Coupon rate, tenor and redemption date	Security	Credit Rating for all the bonds listed below
1.	Series II (2018-19)	491.95	503.89	On tap	Coupon Rate: 5.75% p.a. Maturity and Redemption: 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)	1134.39	1,161.96	On tap	Coupon Rate: 5.75% p.a.. Maturity and Redemption: 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.	
3.	Series IV (04-11) (2020-21)	937.78	443.03	On tap	Coupon Rate: 04-07 Series (258.62) at 5.00% p.a. till July 31, 2020 08-11 Series (184.41) at 5% p.a. w.e.f. August 01, 2020 Maturity and Redemption: At	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	

S. No.	Details of Bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment	Coupon rate, tenor and redemption date	Security	Credit Rating for all the bonds listed below
					the end of 5 years from the deemed date of allotment	Company to the Bondholders and/or others under/pursuant to the Transaction Documents.	
4.	Series V (04-12) 2021-22	923.09	937.00	On tap	Series 5 at 5% p.a. w.e.f. August 01, 2020 Maturity and Redemption: 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. First ranking pari	
Total			**2,263.91**				

#As per IND AS (includes interest accrued but not due)

F. Unsecured Term Loans availed by the Company

Set forth below is a brief summary of unsecured term loans availed by our Company from various banks/financial institutions/ government entities:

S. No.	Name of the lender	Loan Documentation	Total amount of loan sanctioned (Rupees in crore)	Amount Outstanding# (Rupees in crore)	Rate of interest (% p.a.)	Repayment schedule
1.	**Bank of Baroda	Term loan agreement dated June 14, 2019	1900.00	1800.28	7.05% (Interest at 1 (one) year MCLR payable monthly).	The Company shall repay the facility in 5 (five) structured annual installments starting from April 15, 2020 to April 15, 2024.
2.	**Bank of Baroda	Agreement for demand term loan dated March 01, 2019	700.00	00	7.05% (Interest at 1 (one) year MCLR payable monthly).	Bullet repayment after 24 months from the date of disbursement.
3.	***UCO Bank	Term Loan Agreement dated February 22, 2019	0000	0000	6.85% (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

S. No.	Name of the lender	Loan Documentation	Total amount of loan sanctioned (Rupees in crore)	Amount Outstanding# (Rupees in crore)	Rate of interest (% p.a.)	Repayment schedule
4.	****SBI	Term Loan Agreement dated September 26, 2018	6,000.00	6031.06	6.7% (6 month MCLR plus spread of 5 bps payable monthly).	The Company shall make bullet repayment at the end of 60 months from the date of disbursement
5.	*****Canara Bank	Agreement dated September 12, 2018	500.00	501.32	6.8% (1 month MCLR payable at monthly rests).	The Company shall make bullet repayment at the end of 24 (twenty four) months from the date of disbursement. Interest is payable on monthly interval
6.	*****Canara Bank	Term Loan Agreement dated December 27, 2018	500.00	501.32	6.8% (1 year MCLR payable monthly).	The Company shall make bullet repayment at the end of 60 (sixty) months from the date of
7.	$Bank of India	Term Loan Agreement dated January 09, 2019	2,000.00	2006.02	6.7% (1 year MCLR 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.	$$$$India Infrastructure Finance Company Limited	Memorandum of Agreement dated September 10, 2018	000	00	6.5% (firmed up rate) payable quarterly.	Bullet repayment after 3 years of the first disbursement.
9.	#HDFC Bank	Loan Agreement dated October 04, 2018	750.00	750	6.95% (6 month MCLR payable monthly).	Bullet repayment after 5 years of the first disbursement.
10.	##United Bank of India	United Bank of India dated ecember21,2018	995.00	999.99	6.7% (6 month MCLR payable monthly).	Bullet repayment after 5 years of the first disbursement.
11.	National Small Savings Fund	Sanction Letter dated December 04, 2018	7,500.00	7509.17	8.11% (Fixed Rate of 8.11% payable half yearly)	Bullet repayment at the end of 10 years from the first disbursement.

S. No.	Name of the lender	Loan Documentation	Total amount of loan sanctioned (Rupees in crore)	Amount Outstanding# (Rupees in crore)	Rate of interest (% p.a.)	Repayment schedule
12.	###Andhra Bank	Term Loan Agreement dated March 25, 2020	800	800.00	6.75% (1 month MCLR payable monthly)	Repayment in 8 (eight) equal quarterly installments starting from April 15, 2020 and ending on January 15, 2025.
13.	####Bank of Baroda	Agreement for Secured Term Loan dated June 23, 2020	3000	2500.39	7.4% (Interest at the rate of 6 month MCLR)	8 (eight) equal quarterly installments at the end of the tenor form the date of disbursement.
14.	#####Bank of India	Term Loan Agreement dated September 8, 2020	1000	1003.01	6.7% (Interest at the rate of overnight MCLR)	4 (four) equal annual installments with 2 (two) years moratorium period.
15.	!Bank of Maharashtra	Agreement for Term Loan dated June 26, 2020	500	500	6.9% (Interest at the rate of 1 month MCLR)	2 (two) equal annual installments at the end of 3rd and 5th year from disbursement.
16.	!!Canara Bank	Agreement for Term Loan dated March 19, 2020	500	401.06	6.8% (Interest at the rate of 1 month MCLR)	One year moratorium period followed by 10 (ten) equal half yearly installments
17.	!!!Canara Bank	Agreement for Term Loan dated September 21, 2020	2000	1804.78	6.8% (Interest at the rate of 1 month MCLR)	One year moratorium period followed by 20 (twenty) equal quarterly installments
18.	!!!!HDFC Bank	Loan Agreement dated May 27, 2020	000	000	6.8% (Interest at the rate of RBI's Repo Rate plus spread of 2.8%)	Bullet repayment at the end of 18 months from the first disbursement
19.	!!!!!HDFC Bank	Loan Agreement dated June 24, 2020	000	0000	6.62% (Interest at the rate of RBI's Repo Rate plus spread of 2.62%)	Bullet repayment at the end of 18 months from the first disbursement

S. No.	Name of the lender	Loan Documentation	Total amount of loan sanctioned (Rupees in crore)	Amount Outstanding# (Rupees in crore)	Rate of interest (% p.a.)	Repayment schedule
20.	+IIFCL	Memorandum of Agreement dated March 31, 2020	1429	1429	Fixed interest rate of 7.13%	Bullet repayment at the end of 2 years from the first disbursement
21.	++IIFCL	Memorandum of Agreement dated March 23, 2020	00	00	Fixed interest rate of 6.82%	Bullet repayment at the end of 1 year from the first disbursement
22.	+++Indian Overseas Bank	Rupee Term Loan Agreement dated March 13, 2020	000	000	6.85% (Interest at the rate of 1 (one) month MCLR)	Bullet repayment at the end of 3 years from the first disbursement
23.	++++Oriental Bank of Commerce	Agreement for Term Loan dated March 13, 2020	1000	1000	6.7% (Interest at the rate of 1 (one) month MCLR)	3 (three) equal yearly instalments after a moratorium of 2 years from the date of first disbursement.
24.	@State Bank of India	Rupee Term Loan Agreement dated December 11, 2019	000	0000	6.7% (Interest at the rate of 3 (three) months MCLR and 0.2% spread)	Bullet repayment at the end of 60 months from the date of first disbursement.
25.	@@Syndicate Bank	General Agreement dated March 19, 2020	1750	1750	6.8% (Interest at the rate of 1 (one) month MCLR)	8 (eight) equal quarterly installments after moratorium of 2 years from the date of first disbursement.
26.	@@@UCO Bank	Agreement relating to Term Loan dated April 24, 2020	200	200.03	6.85% (Interest at the rate of 1 (one) month MCLR)	Bullet repayment at the end of 36 (thirty six) months from the date of first disbursement.
27.	^Union Bank of India	General Term Loan Agreement dated March 19, 2020	2500	1875	6.75% (Interest at the rate of 1 (one) month MCLR)	4 (four) equal yearly instalment safter 1 year moratorium from the date of first disbursement
28.	^^HDFC Bank	Loan Agreement dated August 28, 2020	2000	2000	6.2% (Interest at the rate of RBI's Repo Rate plus spread of 2.62%)	Bullet repayment at the end of 21 months from the first disbursement

S. No.	Name of the lender	Loan Documentation	Total amount of loan sanctioned (Rupees in crore)	Amount Outstanding# (Rupees in crore)	Rate of interest (% p.a.)	Repayment schedule
29.	+++Indian Overseas Bank	Rupee Term Loan Agreement dated January 27, 2020	000	000	6.85% (Interest at the rate of 1 (one) month MCLR)	Bullet repayment at the end of 3 years from the first disbursement
30.	@@@UCO Bank	Agreement relating to Term Loan dated March 19, 2020	500	500.08	6.85% (Interest at the rate of 1 (one) month MCLR)	Bullet repayment at the end of 36 months from the first disbursement
	Punjab National Bank		500	500		
	Punjab National Bank		5	5		
	Bank of India		500	500		
	HDFC Bank		1000	1000		
	HDFC Bank		3000	3000		
	HDFC Bank		3000	3000		
	IIFCL		1000	1000		
	UCO Bank		1000	1000		
	Total		45,895	45869.21		

#As per IND AS (includes interest accrued but not due)

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 30 (thirty) days prior notice. Minimum lock-in period of 6 (six) months.*

***Penal Interest: 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 and/or interest to the date on which installment and/or interest in actually paid.*

****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 2% 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.

$$Penalty: Additional interest of 2% to be paid in case the Company commits any default in payment/repayment of outstanding loans and interests.

$$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.

$$$ Penalty: Additional interest of 2% to be paid in case the Company commits any default in payment/repayment of outstanding loans and interests.

$$$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: 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.

#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: 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: It will be levied as per bank's existing lending policy/ circular for default in submission of balance sheet and account statements within 6 months from the date of the balance sheet, statements and returns and audited balance sheet within stipulated time as well as for non- compliance of the terms of the sanction letter.

###Prepayment: Prepayment can be made anytime without any penalty.

Penalty: Any default by the Borrower in payment for dues would attract additional/penal interest as per the extant policy of the bank.

Prepayment: Prepayment penalty waived subject to company providing 30 days pre-payment notice. Minimum lock- in period is 6 months from the first date of disbursement.

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: 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: 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: The Borrower shall have the option to prepay the loan with 2% prepayment penalty with prior notice of 3 (three) working days.

+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: The Borrower shall have the option to prepay the loan with 2% prepayment penalty with prior notice of 3 (three) working days.

++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: The Borrower shall have the option to prepay the loan without any cost subject to prior notice of 7 (seven) days.

+++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: The Borrower shall have the option to prepay the loan without any penalty at any point of time.

++++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: If prepayment is done within 90 (ninety) days from the date of disbursement, then prepayment penalty of 2% shall be applicable.

@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 1%.

@@ 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 at applicable rates circulated from time to time.

@@@ 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.

^^Prepayment: Prepayment can be made anytime without any penalty with 2 days prior notice

^^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.

G. Short Term Loans

As on December 31, 2021, no short term loans are outstanding on the books of accounts of the Company.

H. Commercial Papers

Set forth below are brief details of commercial papers issued by our Company and the amounts outstanding thereon as of December 31, 202:

S No.	Details of series	Date of Issue	Maturity date	Face Value (Rupees in Crore)	Number of CPs issued	Amount outstanding# (Rupees in	Discount per CP (In Rupees)
1.	Series-115	August 6, 2020	July 30, 2021	3,120.00	62,400	3099.42	19,012

#As per IND AS (includes interest accrued but not due)

I. Foreign currency borrowings of the Company:

J. 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 December 31, 2021:

Sl. No.	Facility Agent	Total amount of loan sanctioned	Amount outstanding # (Rupees in Crore)	Interest Rate	Repayment	Penalty
1.	**** State Bank Of India,	USD 250,000,000	1,861.86	LIBOR + margin at 0.65% p.a, payable	Repayable in full, after five	On failure to pay interest

Sl. No.	Facility Agent	Total amount of loan sanctioned	Amount outstanding # (Rupees in Crore)	Interest Rate	Repayment	Penalty
	Hong Kong Branch (SLN-23)			at last day of each Interest Period, currently at 0.80250% p.a	years from the utilisation date	payable on due date, interest shall accrue on the unpaid amount at an additional rate of 2% p.a, for the period of default
3.	*Kreditanstalt Fur Wiederaufbau, Frankfurt am Main ("KfW")	EUR 11,313,678 (Portion I : Originally drawn DM 23,250,000 This facility has been converted to Euro)	42.51	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
4.	***Credit National (on behalf of the Government of The Republic of France)	EUR 24,974,632 (Originally drawn FRF 167,400,000. This facility has been converted to Euro)	26.86	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%
5.	**Asian Development Bank ("ADB")	USD 150,000,000	57.14	Interest will be calculated at floating rate, which is the sum of Reference Rate and the Fixed Spread ie the Sum of LIBOR and the Fixed Spread, currently at 0.76675% 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	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

Sl. No.	Facility Agent	Total amount of loan sanctioned	Amount outstanding # (Rupees in Crore)	Interest Rate	Repayment	Penalty
					eleventh and fortieth interest payment date respectively with respect to such disbursement. Each instalment shall be 1/30th 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. Interest payment Date: It is the date immediately after the disbursement. on which amortization schedule for each disbursed amount is established	by our Company
6.	**** State Bank Of India, Hong Kong Branch (SLN-21)	USD 300,000,000	2,230.28	LIBOR + margin at 0.70% p.a, payable at last day of each Interest Period, currently at 0.98875% 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
7.	**** State Bank Of India, Hong Kong Branch (SLN-22)	USD 250,000,000	1,863.01	LIBOR + margin at 0.70% p.a, payable at last day of each Interest Period^^, currently at 0.85788% 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

Sl. No.	Facility Agent	Total amount of loan sanctioned	Amount outstanding # (Rupees in Crore)	Interest Rate	Repayment	Penalty
						the period of default
8.	******* Bank of Baroda, New York (SLN- 26)	USD 250,000,000	1,862.79	LIBOR + margin at 0.90% p.a, payable at last day of each Interest Period^^, currently at 1.055% 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.	***** Mizuho Bank Ltd., Singapore (SLN-27)	JPY 16,410,750,000	1,062.08	LIBOR + margin at 0.62% p.a, payable at last day of each Interest Period^^, currently at 0.62% 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
10.	***** State Bank Of India, Hong Kong Branch (SLN-18)	JPY 43,668,000,000	940.33	LIBOR + margin at 0.63% p.a, payable at last day of each Interest Period^^, currently at 0.63% p.a	Repayable in three equal instalments. 1st instalment: due on the date sixty months from the date on which the loan is made 2nd instalment: due on the date seventy two months from the date on which the loan is made 3rd instalment: due on the date eighty four months from the date on which the loan is made	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.	****** State Bank Of India, Hong Kong Branch (SLN-28)	USD 250,000,000	1,857.71	**USD LOAN** LIBOR + margin at 1.1% p.a, payable at last day of each Interest Period,	Repayable in full, after three years from the utilisation date	On failure to pay interest payable on due date, interest shall accrue on

Sl. No.	Facility Agent	Total amount of loan sanctioned	Amount outstanding # (Rupees in Crore)	Interest Rate	Repayment	Penalty
				currently at 1.44325% p.a		the unpaid amount at an additional rate of 2% p.a, for the period of default
		JPY 5,369,250,000	346.55	**JPY LOAN** LIBOR + margin at 0.75% p.a, payable at last day of each Interest Period. Currently at 0.75% p.a		
12.	##State Bank Of India, Hong Kong Branch (SLN- 29)	USD 250,000,000	1,858.22	LIBOR + margin at 0.75% p.a, payable at last day of each Interest Period^^, currently at 1.0615% 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
13.	###EXIM Bank (SLN- 30- Tranche I)	USD 100,000,000	745.76	LIBOR + margin at 1.50% p.a, payable at last day of each Interest Period^^.currently at 1.6565% 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
14.	####DBS Bank (SLN-30)	USD 300,000,000	2234.85	LIBOR + margin at 1.50% p.a, payable at last day of each Interest Period^^ currently at 1.71325%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
16.	State Bank Of India, Hong Kong Branch (31 A FCTL USD 525M 301121)	USD 525,000,000	3,909.62	2.5209% 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

Sl. No.	Facility Agent	Total amount of loan sanctioned	Amount outstanding # (Rupees in Crore)	Interest Rate	Repayment	Penalty
						the period of default
17.	"### EXIM Bank (31 B FCTL USD 100M 301121)"	USD 100,000,000	744.69	2.5209% 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
Total	USD 2,725,000,000 EUR 336,288,311 JPY 65,448,000,000		**21,644.25**			

#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-18,SLN-21, SLN-22, SLN-23):***

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 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.*

**********Prepayment (SLN-26):***

The Borrower may, if it gives the Agent not less than ten (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 ten million US Dollars (US$10,000,000) and in an integral multiple of one million US Dollars (US$1,000,000). Any prepayment under this Clause 7.3 shall be applied rateably among the participations of all Lenders and shall not be subject to any prepayment fee or penalty.

********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 28):***

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 Japanese Yen 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 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 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 (31-A FCTL)

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 7.3 shall be applied rateably among the participations of all Lenders and shall not be subject to any prepayment fee or penalty.

Prepayment (31-B FCTL)

PFC may prepay on any Interest Payment Date falling after the Terminal Disbursement Date, the whole or any part (being an amount or multiple of $5,000,000) of the Foreign Currency Term Loan together with accrued interest thereon subject to payment of Break Cost as defined in Schedule II of the amount prepaid and provided PFC shall have given to Exim Bank not less than thirty days' notice in writing of its intention to prepay.

^^Interest Period

Interest Period shall be six (6) months 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.

Events of Default under our Loan Agreements

Set forth below, is a list of the key events that constitute a default of covenants under our facility agreements for our financing arrangements and also attract a penal interest in some cases. These include, but are not limited to:

i. If our Company defaults in the payment of any instalments.

ii. Breach of any terms and condition in furtherance of the facility grant.

iii. Our Company enters into arrangement or composition with its creditors or commits an act of insolvency.

iv. Occurrence of event that would prejudicially affect the capacity of our Company to repay the loan.

v. Winding up resolution passed by our Company.

vi. Our Company ceasing or threatening to cease business or gives notice of intention to do so.

vii. Execution or distress being enforced or levied against the whole or any part of the Company's property.

viii. Our Company going into liquidation (except for the purpose of amalgamation or reconstruction).

ix. Appointment of receiver in respect of whole or any part of the property of the Company.

x. The occurrence of any circumstance which is prejudicial to or impairs, imperils or depreciates or is likely to prejudice, impair, imperil or depreciate the security given for the facility or prejudicially or adversely affects the capacity of the Company to repay the facility (All Foreign currency borrowing are unsecured in nature hence, point no x & xi is not applicable to RM-Intl).

xi. The security ceasing to exist.

xii. Any representations or statements or particulars made in our Company's proposal or application are found to be incorrect in any material respect when made or deemed to be made. In certain cases, we are required to comply with repeating representations that require the Government to maintain majority shareholding and exercise control over the affairs and composition of the board of the Company.

xiii. Any litigation, arbitration, investigation or administrative proceedings occurs or is pending or threatened against our Company which might have a material adverse effect.

xiv. Occurrence of any event or series of events which, in the opinion of the lenders, has or is reasonably likely to have a material adverse effect.

xv. Our Company commits any breach or default in performance or observance of a loan.

xvi. The loan is utilized for any purpose other than the purpose for which it is applied by the Company and sanctioned by the lender.

xvii. Any attachment, distress, insolvency, failure in business, commission of an act of bankruptcy, general assignment for the benefit of creditors, if our Company suspends payments to any creditors or threatens to do so, filing of any petition in bankruptcy of by, or against our Company or filing of any petition for winding up of our Company and not being withdrawn within 30 days of being admitted.

xviii. Any violation of any of the undertakings or violation of any of the terms and conditions of the sanction of the facilities or violation of the terms and conditions of any of the loan documents or any other subsequent communication in this regard, shall constitute default.(Does not pertains to RM-International Unit)

xix. The occurrence of any circumstance which is prejudicial to or impairs, imperils or depreciates or is likely to prejudice, impair, imperil or depreciate the security given for the facility or prejudicially or adversely affects the capacity of the Company to repay the facility (Point repeated refer (X) above).

xx. Company goes into corporate insolvency resolution process.

xxi. Any expropriation, attachment, sequestration, distress or execution (or any analogous process in any jurisdiction) affects any asset or assets of the Borrower having an aggregate value of more than the stipulated amount and is not discharged within the stipulated Business Days as per the loan agreement;

xxii. Borrower rescinds or purports to rescind or repudiates or purports to repudiate a Finance Document or evidences an intention to rescind or repudiate a Finance Document;

xxiii. Any authorisation or other requirement, with or from any person required for the borrowing of the Loan or to enable the Borrower to perform its obligations under, is revoked, withdrawn or withheld or shall otherwise fail to remain in full force and effect for whatever reason.

Rescheduling:

There are no provisions pertaining to rescheduling of loans in any of the loan agreements.

K. 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 December 31, 2021:

S. No	Name of Lender	Loan Documentation	Total amount of loan sanctioned	Amount Outstanding# (Rupees 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	2,980.29	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, December 6, 2027
2	5.25 USD 300MN MTN BONDS 2028	Pricing supplement dated August 2, 2018	USD 300,000,000	2,277.56	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, August 10, 2028
3	6.15 GMTN BONDS 2028	Pricing supplement dated November 28, 2018	USD 500,000,000	3,731.91	6.150% p.a. payable in arrears on each interest payment date. Interest payment date is June 6 and December 6.	10 years, December 6, 2028
4	3.75 USD BONDS 2024	Pricing supplement dated June 11, 2019	USD 400,000,000	2,976.36	3.75 % p.a. payable in arrears on each interest payment date. Interest payment date is June 18 and December 18 in	5 years, June 18, 2024

S. No	Name of Lender	Loan Documentation	Total amount of loan sanctioned	Amount Outstanding# (Rupees in Crore)	Rate of interest (% p.a..)	Repayment schedule
					each year up the maturity date.	
5	4.50 USD BONDS 2029	Pricing supplement dated June 11, 2019	USD 600,000,000	4,465.81	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, June 18, 2029
6	3.25 USD BONDS 2024	Pricing supplement dated September 5, 2019	USD 300,000,000	2,251.43	3.25% p.a.	5 years, September 16, 2024
7	3.90 USD BONDS 2029	Pricing supplement dated September 5, 2019	USD 450,000,000	3,383.84	3.90% p.a.	10 years, September 16, 2029
8	3.95 USD BONDS 2030	Pricing supplement dated January 15, 2020	USD 750,000,000	5,674.88	3.95% p.a.	10 years, April 23, 2030
9	3 35 USD BONDS 2031	Pricing supplement dated January 21, 2021	USD 500,000,000	3,731.58	3.35% p.a.	10 years, 3 months & 17 days, May 16, 2031
10	1 841 EUR BOND 2028	Pricing supplement dated September 13, 2021	EUR 300,000,000	2,535.07	1.841% p.a.	7 years, September 21, 2028
		Total	**USD – 4,200,000,000 EUR – 300,000,000**	**34,008.73**		

#As per IND AS (includes interest accrued but not due)

L. 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 December 31, 2021:

S. No.	Details of Non-Convertible debentures/ bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment/Deemed date of allotment	Coupon rate, tenor and redemption date	Credit Rating for all the bonds provided below
1.	Zero Coupon Bond (2022) Series 19	629.99	642.10	December 30, 2002	Coupon Rate: Zero coupon bonds having face value of ` 0.10 million each, aggregating to ` 7500 million, allotted at a discounted aggregate amount of ` 1,579.58 million Maturity and Redemption: At par at the end of 20 years from the deemed date of allotment	AAA from CRISIL, CARE and ICRA
2.	Debenture Series 57 B	2,599.50	896.51	August 7, 2009	Coupon Rate: 8.60% p.a.. 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
4.	Debenture Series 61	1,053.00	352.39	December 15, 2009	Coupon Rate: 8.50%p.a.. 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
5.	Debenture Series 62 B	1,172.60	1,271.83	January 15, 2010	Coupon Rate: 8.80% p.a. Maturity and Redemption: At par at the end of 15 years from the deemed date of allotment.	AAA from CRISIL, CARE and ICRA
6.	Debenture Series 63	184.00	197.10	March 15, 2010	Coupon Rate: 8.90% p.a. Maturity and Redemption: At par at the end of 15 years from the deemed date of allotment	AAA from CRISIL, CARE and ICRA

S. No.	Details of Non-Convertible debentures/ bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment/Deemed date of allotment	Coupon rate, tenor and redemption date	Credit Rating for all the bonds provided below
7.	Debenture Series 64	492.00	525.42	March 30, 2010	Coupon Rate: 8.95% p.a. 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
8.	Debenture Series 65	4,012.50	1,411.46	May 14, 2010	Coupon Rate: 8.70% p.a. 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
9.	Debenture Series 66 -B	1,532.00	1,605.45	June 15, 2010	Coupon Rate: 8.75% p.a. Maturity and Redemption: At par at the end of 15 years from the deemed date of allotment	AAA from CRISIL, CARE and ICRA
10.	Debenture Series 66 -C	633.00	663.70	June 15, 2010	Coupon Rate: 8.85% p.a. Maturity and Redemption: At par at the end of 20 years from the deemed date of allotment.	AAA from CRISIL, CARE and ICRA
11.	Debenture Series 71	385.40	387.02	December 15, 2010	Coupon Rate: 9.05% p.a. 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	AAA from CRISIL, CARE and ICRA
17.	Debenture Series 76-B	1,105.00	1,148.82	August 1, 2011	Coupon Rate: 9.46% p.a.. Maturity and Redemption: At the end of 15 years from the date of allotment	AAA from CRISIL, CARE and ICRA
18.	Debenture Series 77-B	2,568.00	2,649.11	September 1, 2011	Coupon Rate: 9.45% p.a.. Maturity and Redemption: At the end of 15 years from the date of allotment.	AAA from CRISIL, CARE and ICRA

S. No.	Details of Non-Convertible debentures/ bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment/Deemed date of allotment	Coupon rate, tenor and redemption date	Credit Rating for all the bonds provided below
19	Debenture Series 85-D	736.00	784.73	March 06, 2012	Coupon Rate: 9.26% p.a.. Maturity and Redemption: At the end of 11 years 40 days from the date of allotment.	AAA from CRISIL, CARE and ICRA
20.	Debenture Series 88-C	184.70	197.22	March 28, 2012	Coupon Rate: 9.48% p.a.. Maturity and Redemption: At the end of 10 years and 18 days from the deemed date of allotment.	AAA from CRISIL, CARE and ICRA
21.	Debenture Series 100-B	1,310.00	1,406.13	March 04, 2013	Coupon Rate: 8.84% p.a. Maturity and Redemption: At the end of 10 years from the deemed date of allotment.	AAA from CRISIL, CARE and ICRA
22.	Debenture Series 101-B	1,370.00	1,469.99	March 11, 2013	Coupon Rate: 9.00% p.a. Maturity and Redemption At the end of 15 years from the deemed date of allotment	AAA from CRISIL, CARE and ICRA
23.	Debenture Series 102-A(II)	403.00	431.40	March 18, 2013	Coupon Rate: 8.90% p.a.. Maturity and Redemption At the end of 10 years from the deemed date of allotment	AAA from CRISIL, CARE and ICRA
24.	Debenture Series 102-A(III)	403.00	431.40	March 18, 2013	Coupon Rate: 8.90% p.a. Maturity and Redemption At the end of 15 years from the deemed date of allotment	AAA from CRISIL, CARE and ICRA
25.	Debenture Series 103	2,807.00	3,000.88	March 25, 2013	Coupon Rate: 8.94% p.a. Maturity and Redemption At the end of 15 years from the deemed date of allotment	AAA from CRISIL, CARE and ICRA
26.	Debenture Series 105 (subordinated Tier II bonds)	800.00	836.08	June 14, 2013	Coupon Rate: 8.19% p.a. Maturity and Redemption At the end of 10 years from the deemed date of allotment	AAA from CRISIL, CARE and ICRA
27.	Debenture Series 111 (subordinated Tier II bonds)	1,000.00	1,093.34	January 13, 2014	Coupon Rate: 9.65% p.a. Maturity and Redemption At the end of 10 years from the deemed date of allotment	AAA from CRISIL, CARE and ICRA
28.	Debenture Series 114 (subordinated Tier II bonds)	2,000.00	2,166.36	February 21, 2014	Coupon Rate: 9.70% p.a.. Maturity and Redemption At the end of 10 years from the deemed date of allotment	AAA from CRISIL, CARE and ICRA
30.	Debenture Series 117- B	855.00	884.41	August 19, 2014	Coupon Rate: 9.37% p.a.. Maturity and Redemption: At the end of 10 years from the deemed date of allotment.	AAA from CRISIL, CARE and ICRA

S. No.	Details of Non-Convertible debentures/ bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment/Deemed date of allotment	Coupon rate, tenor and redemption date	Credit Rating for all the bonds provided below
31.	Debenture Series 118-B (II)	460.00	475.03	August 27, 2014	Coupon Rate: 9.39% p.a. Maturity and Redemption At the end of 10 years from the deemed date of allotment	AAA from CRISIL, CARE and ICRA
32.	Debenture Series 118-B (III)	460.00	475.03	August 27, 2014	Coupon Rate: 9.39% p.a. Maturity and Redemption At the end of 15 years from the deemed date of allotment	AAA from CRISIL, CARE and ICRA
33.	Debenture Series 120-A	961.00	981.10	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.	AAA from CRISIL, CARE and ICRA
34.	Debenture Series 120-B	950.00	969.87	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	AAA from CRISIL, CARE and ICRA
37.	Debenture Series 124-C	1,000.00	1,005.34	December 9, 2014	Coupon Rate: 8.48% p.a. Maturity and Redemption At the end of 10 years from the deemed date of allotment	AAA from CRISIL, CARE and ICRA
38.	Debenture Series 125	2,826.00	2,828.01	December 29, 2014	Coupon Rate: 8.65% p.a. Maturity and Redemption At the end of 10 years from the deemed date of allotment	AAA from CRISIL, CARE and ICRA
39.	Debenture Series 126	5,000.00	5,427.06	January 5, 2015	Coupon Rate: 8.65% p.a. Maturity and Redemption At the end of 10 years from the deemed date of allotment	AAA from CRISIL, CARE and ICRA
40.	Debenture Series 128	1,600.00	1,706.76	March 10, 2015	Coupon Rate: 8.20% p.a. Maturity and Redemption At the end of 10 years from the deemed date of allotment.	AAA from CRISIL, CARE and ICRA
41.	Debenture Series 130-C	925.00	986.24	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	AAA from CRISIL, CARE and ICRA
42.	Debenture Series 131-C	5,000.00	5,319.12	March 27, 2015	Coupon Rate: 8.41% p.a. Maturity and Redemption At the end of 10 years from the deemed date of allotment	AAA from CRISIL, CARE and ICRA

S. No.	Details of Non-Convertible debentures/ bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment/Deemed date of allotment	Coupon rate, tenor and redemption date	Credit Rating for all the bonds provided below
43.	Debenture Series 141-B	1,000.00	1,024.16	Sep 18, 2015	Coupon Rate: 8.40% p.a. Maturity and Redemption At the end of 10 years from the deemed date of allotment	AAA from CRISIL, CARE and ICRA
45.	Debenture Series 147	1,000.00	1,053.46	May 2, 2016	Coupon Rate: 8.03% p.a. Maturity and Redemption At the end of 10 years from the deemed date of allotment	AAA from CRISIL, CARE and ICRA
47.	Debenture Series 150-B	1,675.00	1,723.32	August 16, 2016	Coupon Rate: 7.63% p.a. Maturity and Redemption: At the end of 10 years from the deemed date of allotment	AAA from CRISIL, CARE and ICRA
49.	Debenture Series 151-B	210.00	214.65	September 16, 2016	Coupon Rate: 7.56% p.a. Maturity and Redemption At the end of 10 years from the deemed date of allotment	AAA from CRISIL, CARE and ICRA
50.	Debenture Series 152	4,000.00	4,079.43	September 26, 2016	Coupon Rate: 7.55% p.a. Maturity and Redemption At the end of 10 years from the deemed date of allotment	AAA from CRISIL, CARE and ICRA
53.	Debenture Series 155	2,635.00	2,823.43	January 05, 2017	Coupon Rate: 7.23% p.a. Maturity and Redemption At the end of 10 years from the deemed date of allotment	AAA from CRISIL, CARE and ICRA
54.	Debenture Series 168A	1,950.00	2,028.95	June 12, 2017	Coupon Rate: 7.28% p.a. Maturity and Redemption At the end of 5 years from the deemed date of allotment	AAA from CRISIL, CARE and ICRA
55.	Debenture Series 168B	1,540.00	1,603.72	June 12, 2017	Coupon Rate: 7.44% p.a. Maturity and Redemption At the end of 10 years from the deemed date of allotment	AAA from CRISIL, CARE and ICRA
56.	Debenture Series 169A	3,395.00	3,491.42	August 08, 2017	Coupon Rate: 7.10% p.a. Maturity and Redemption: At the end of 5 years from the deemed date of allotment	AAA from CRISIL, CARE and ICRA
57.	Debenture Series 169B	1,500.00	1,543.80	August 08, 2017	Coupon Rate: 7.30% p.a. Maturity and Redemption At the end of 10 years from the deemed date of allotment	AAA from CRISIL, CARE and ICRA
58.	Debenture Series 170A	800.00	806.44	November 22, 2017	Coupon Rate: 7.35% p.a. Maturity and Redemption At the end of 5 years from the deemed date of allotment	AAA from CRISIL, CARE and ICRA
59.	Debenture Series 170B	2,001.00	2,017.78	November 22, 2017	Coupon Rate: 7.65% p.a. Maturity and Redemption At the end of 10 years from the deemed date of allotment	AAA from CRISIL, CARE and ICRA

S. No.	Details of Non-Convertible debentures/ bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment/Deemed date of allotment	Coupon rate, tenor and redemption date	Credit Rating for all the bonds provided below
60.	Debenture Series 171	5,000.00	5,017.75	December 15, 2017	Coupon Rate: 7.62% p.a. Maturity and Redemption At the end of 10 years from the deemed date of allotment	AAA from CRISIL, CARE and ICRA
61.	Debenture Series 172	850.00	910.56	January 30, 2018	Coupon Rate: 7.74% p.a. 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	AAA from CRISIL, CARE and ICRA
65.	Debenture Series 176B	1,295.00	1,298.40	March 20, 2018	Coupon Rate: 7.99% p.a. Maturity and Redemption At the end of 4 years 9 month from the deemed date of allotment	AAA from CRISIL, CARE and ICRA
66.	Debenture Series 177	3,855.00	3,929.62	April 03, 2018	Coupon Rate: 7.85% p.a. payable semi-annually Maturity and Redemption At the end of 10 years from the deemed date of allotment	AAA from CRISIL, CARE and ICRA
67.	Debenture Series 178	3,000.00	3,061.06	October 10, 2018	Coupon Rate: 8.95% 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
68.	Debenture Series 179A	1,007.40	1,017.69	November 19, 2018	Coupon Rate: 8.67% p.a. payable semi-annually Maturity and Redemption At the end of 10 years from the deemed date of allotment	AAA from CRISIL, CARE and ICRA
69.	Debenture Series 179B	528.40	533.78	November 19, 2018	Coupon Rate: 8.64% p.a. payable semi-annually Maturity and Redemption At the end of 15 years from the deemed date of allotment	AAA from CRISIL, CARE and ICRA
70.	Debenture Series 180	2,654.00	2,853.14	February 22, 2019	Coupon Rate: 8.75% 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
71.	Debenture Series 181	2,155.00	2,302.67	March 11, 2019	Coupon Rate: 8.45% p.a. Maturity and Redemption At the end of 03 years & 05 months from the deemed date of allotment	AAA from CRISIL, CARE and ICRA
72.	Debenture Series 183	3,751.20	3,993.32	March 19, 2019	Coupon Rate: 8.18% 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

S. No.	Details of Non-Convertible debentures/ bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment/Deemed date of allotment	Coupon rate, tenor and redemption date	Credit Rating for all the bonds provided below
73.	Debenture Series 184-A(subordinated Tier II bonds)	2,000.00	2,142.93	March 25, 2019	Coupon Rate: 9.25% p.a. payable annually Maturity and Redemption At the end of 05 years & 06 months from the deemed date of allotment	AAA from CRISIL, CARE and ICRA
74.	Debenture Series 184-B(subordinated Tier II bonds)	2,411.50	2,581.04	March 25, 2019	Coupon Rate: 9.10% 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
75.	Debenture Series 185(subordinated Tier II bonds)	1,000.00	1,068.64	March 28, 2019	Coupon Rate: 8.98% 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
76.	Debenture Series 186	2,578.90	2,731.73	April 30, 2019	Coupon Rate: 8.79% 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
77.	Debenture Series 187-A	1,605.00	1,683.97	May 27, 2019	Coupon Rate: 8.20% 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
78.	Debenture Series 187-B	1,982.10	2,087.35	May 27,2019	Coupon Rate: 8.85% 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
79.	Debenture Series 188	691.10	723.46	June 04,2019	Coupon Rate: 8.10% 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
80.	Debenture Series 189	4035	4166.54	August 8, 2019	Coupon Rate: 8.15% 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
81.	Debenture Series 190	4016	4122.20	September 6, 2019	Coupon Rate: 8.25% 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

S. No.	Details of Non-Convertible debentures/ bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment/Deemed date of allotment	Coupon rate, tenor and redemption date	Credit Rating for all the bonds provided below
82.	Debenture Series 191	3735	3793.67	October 15, 2019	Coupon Rate: 7.35% 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
83.	Debenture Series 192	3000	3026.22	November 19, 2019	Coupon Rate: 7.42% 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
84.	Debenture Series 193	4710.50	4711.52	December 31, 2019	Coupon Rate: 7.93% 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
85.	Debenture Series 194	1400	1496.94	January 7, 2020	Coupon Rate: 7.04% 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
86.	Debenture Series 195	1100	1183.39	January 14, 2020	Coupon Rate: 7.86% 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
87.	Debenture Series 196	2500	2657.41	February 25, 2020	Coupon Rate: 7.41% 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
88.	Debenture Series 197	5000	5309.60	March 2, 2020	Coupon Rate: 7.41% 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
89.	Debenture Series 198	3160	3314.70	April 20, 2020	Coupon Rate: 6.98% 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
90.	Debenture Series 199A	1970	2062.90	April 24, 2020	Coupon Rate: 6.83% 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
91.	Debenture Series 199B	1320	1385.25	April 24, 2020	Coupon Rate: 7.16% 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

S. No.	Details of Non-Convertible debentures/ bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment/Deemed date of allotment	Coupon rate, tenor and redemption date	Credit Rating for all the bonds provided below
92.	Debenture Series 200	2920	3060.90	May 8, 2020	Coupon Rate: 7.40% 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
93.	Debenture Series 201	3101.30	3252.04	May 15, 2020	Coupon Rate: 7.68% p.a. payable annually Maturity and Redemption: At the end of 10 years and 2 months from the deemed date of allotment	AAA from CRISIL, CARE and ICRA
94.	Debenture Series 202A	2145	2233.86	May 22, 2020	Coupon Rate: 6.75% 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
95.	Debenture Series 202B	810	845.64	May 22, 2020	Coupon Rate: 7.17% 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
96.	Debenture Series 202C	1936	2028.55	May 22, 2020	Coupon Rate: 7.79% p.a. payable annually Maturity and Redemption: At the end of 10 years 2 months from the deemed date of allotment	AAA from CRISIL, CARE and ICRA
97.	Debenture Series 203A	2206	2288.85	June 11, 2020	Coupon Rate: 6.72% 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
98.	Debenture Series 203B	3318	3461.72	June 11, 2020	Coupon Rate: 7.75% 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
99.	Debenture Series 196 R1	1500	1594.40	July 14, 2020	Coupon Rate: 7.41% p.a. payable annually Maturity and Redemption: At the end of 9 years 7 months from the deemed date of allotment	AAA from CRISIL, CARE and ICRA
100.	Debenture Series 204A	900	922.34	July 28, 2020	Coupon Rate: 5.77% p.a. payable annually Maturity and Redemption: At the end of 04 years 9 months from the deemed date of allotment	AAA from CRISIL, CARE and ICRA

S. No.	Details of Non-Convertible debentures/ bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment/Deemed date of allotment	Coupon rate, tenor and redemption date	Credit Rating for all the bonds provided below
101.	Debenture Series 204B	1300	1338.47	July 28, 2020	Coupon Rate: 6.88% p.a. payable annually Maturity and Redemption: At the end of 10 years 9 months from the deemed date of allotment	AAA from CRISIL, CARE and ICRA
102.	Debenture Series 205A	1610.10	1654.88	August 10, 2020	Coupon Rate: 7.05% 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
103.	Debenture Series 20B5	1605.70	1651.31	August 10, 2020	Coupon Rate: 7.20% 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
104.	Debenture Series 206	3000	3060.24	August 20, 2020	Coupon Rate: 5.47% 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
105.	Debenture Series 207	1097.40	1121.53	September 9, 2020	Coupon Rate: 7.04% p.a. payable annually Maturity and Redemption: At the end of 10 years 3 months from the deemed date of allotment	AAA from CRISIL, CARE and ICRA
106.	Debenture Series 208	2806	2858.97	September 17, 2020	Coupon Rate: 6.50% 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
109.	Debenture Series 209	1711	1743.34	September 29, 2020	Coupon Rate: 7.34% 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
110.	Debenture Series 207 R1	2549.10	2605.15	November 11, 2020	Coupon Rate: 7.04% 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
	Debenture Series 210A STRPP1	405.60	418.65	Jun 30,2021	Coupon Rate: 6.35% p.a. payable annually Maturity and Redemption: At the end of 5 years from the deemed date of allotment	AAA from CRISIL, CARE and ICRA

S. No.	Details of Non-Convertible debentures/ bonds	Amount Raised (Rupees in crore)	Amount Outstanding (Rupees in crore)#	Date of allotment/Deemed date of allotment	Coupon rate, tenor and redemption date	Credit Rating for all the bonds provided below
	Debenture Series 210A STRPP2	540.80	528.21	Jun 30,2021	Coupon Rate: 6.35% p.a. payable annually Maturity and Redemption: At the end of 6 years from the deemed date of allotment	AAA from CRISIL, CARE and ICRA
	Debenture Series 210A STRPP3	405.60	418.65	Jun 30,2021	Coupon Rate: 6.35% p.a. payable annually Maturity and Redemption: At the end of 7 years from the deemed date of allotment	AAA from CRISIL, CARE and ICRA
	Debenture Series 210B	1933.50	2003.18	Jun 30,2021	Coupon Rate: 7.11% 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
	Debenture Series 211Floating	1985.00	2019.07	August 02,2021	Floating Coupon bond payable annually Maturity and Redemption: At the end of 3 years from the deemed date of allotment	AAA from CRISIL, CARE and ICRA
	Debenture Series 212A	2450.00	2501.92	August 27,2021	Coupon Rate: 6.09% 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
	Debenture Series 212B	2343.70	2402.01	August 27,2021	Coupon Rate: 7.15% 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
	Debenture Series 213	1988.00	2022.83	October 01,2021	Coupon Rate: 6.95% p.a. payable annually Maturity and Redemption: At the end of 5 years from the deemed date of allotment	AAA from CRISIL, CARE and ICRA
	Debenture Series 214BBETF	1180.00	1182.46	December 21,2021	Coupon Rate: 7.04% p.a. payable annually Maturity and Redemption: At the end of 5 years from the deemed date of allotment	AAA from CRISIL, CARE and ICRA
Total		**197,817.69**	**200,674.61**			

#As per IND AS (includes interest accrued but not due)

M. GoI Fully Serviced Bonds

Set forth below is a brief summary of the GoI Fully Serviced Bonds issued by out Company as on December 31, 2021

S. No.	Details of bonds	Amount Raised (Rupees in crore)	Amount outstanding# (Rupees in crore)	Deemed date of allotment	Coupon rate and maturity and redemption	Credit Rating for the bonds listed below
1.	Debenture Series 156	200.00	200	January 11, 2017	Coupon Rate: 7.10% p.a. (payable semi-annually) Maturity and Redemption: At the end of10 years from the deemed rate of allotment	AAA by CRISIL, and CARE from ICRA
2.	Debenture Series 158	1,335.00	1,335	January 20, 2017	Coupon Rate: 7.18% p.a. (payable semi-annually) Maturity and Redemption: At the end of 10 years from the deemed date of allotment	
3.	Bond Series 160	1,465.00	1,465	February 20, 2017	Coupon Rate: 7.60% p.a. Maturity and Redemption: At the end of 10 years	
4.	Bond Series 164	2,000.00	2,000	March 22, 2017	Coupon Rate: 7.75% p.a. Maturity and Redemption: At the end of 10 years from the deemed date of allotment	
	Total	**5000**	**5000**			

#As per IND AS (includes interest accrued but not due)

^ These bonds have been raised to meet GoI’s requirement for the purpose of central sector schemes. The utilisation of funds raised through bonds is at the discretion of MoP and the funds is spent by PFC only for the purposes/ central sector schemes as decided by MoP. The outstanding value of these bonds are shown under “other financial liabilities”, since maturity amount and the coupon payment throughout the tenure will be funded by GoI. The corresponding equivalent value is shown under “other assets” in the financial statements. Accordingly, outstanding value of these bonds are not included in the total borrowings.

Enclosures:

- Copy of rating letters from CRISIL, ICRA & CARE for the borrowing programme for FY 2022-23.
- Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, Government of India notification no. 47/2017. F. No. 370142/18/2017-TPL dated June 8, 2017
- Consent of Debenture Trustee
- Borrowing Programme for FY 2022-23.
- Shareholder Resolution.

Ratings

CONFIDENTIAL

CRISIL
An S&P Global Company

RL/PFCLMTD/290106/LTBP/0322/28630/105380348
March 25, 2022

Mr. Kapil Bhardwaj
Manager - Finance
Power Finance Corporation Limited
Urjanidhi, Barakhamba Lane,
Connaught Place
New Delhi - 110001

Dear Mr. Kapil Bhardwaj,

Re: CRISIL Rating on the Rs.62000 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. 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.

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.

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. 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 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	Nivedita Shibu
Associate Director - CRISIL Ratings	Associate Director - CRISIL Ratings

^^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 includes tax-free bonds under Section 10 of the Income Tax Act. Total incremental long-term bank borrowing and short-term borrowings not to exceed Rs 62,000 crore and Rs 20,000 crore, respectively, at any point in time during fiscal 2023.

Details of the Rs.62000 Crore Long-Term Borrowing Programme of
Power Finance Corporation Limited

	1st tranche		*2nd tranche*		*3rd tranche*	
Instrument Series:						
Amount Placed:						
Maturity Period:						
Put or Call Options (if any):						
Coupon Rate:						
Interest Payment Dates:						
Principal Repayment Details:	Date	Amount	Date	Amount	Date	Amount
Investors:						
Trustees:						

In case there is an offer document for the captioned Debt issue, please send us a copy of it.

Ratings

CONFIDENTIAL

RL/PFCLMTD/290106/STBP/0322/28631/105382025
March 25, 2022

Mr. Kapil Bhardwaj
Manager - Finance
Power Finance Corporation Limited
Urjanidhi, Barakhamba Lane,
Connaught Place
New Delhi - 110001

Dear Mr. Kapil Bhardwaj,

Re: CRISIL Rating on the Rs.20000 Crore Short Term Borrowing programme^^ of Power Finance Corporation Limited

We refer to your request for a rating for the captioned Debt Programme.

CRISIL Ratings has, after due consideration, assigned a CRISIL A1+ (pronounced as CRISIL A one plus rating) rating to the captioned Debt Programme. Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.

For the purpose of issuance of captioned debt programme, this letter is valid for 60 calendar days from the date of the letter. In the event of your company not placing the above programme within this period, or in the event of any change in the size/structure of your proposed issue, the rating shall have to be reviewed and a letter of revalidation shall have to be issued to you. Once the instrument is issued, the above rating is valid (unless revised) throughout the life of the captioned debt Programme with a contracted maturity of one year or less.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating through its publications and other media, and keep the rating under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw or revise the ratings 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.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

AMaru

Aesha Maru
Associate Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings

^^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 includes tax-free bonds under Section 10 of the Income Tax Act. Total incremental long-term bank borrowing and short-term borrowings not to exceed Rs 62,000 crore and Rs 20,000 crore, respectively, at any point in time during fiscal 2023.

CareEdge RATINGS

No. CARE/DRO/RL/2021-22/3632

Shri Srikanth PL
Deputy General Manager
Power Finance Corporation Limited
Ujanidhi, 1, Barakhamba Lane,
Connaught Place,
New Delhi
Delhi 110001

March 26, 2022

Confidential

Dear Sir,

Credit rating for Market Borrowing Programme

Please refer to our letter no. CARE/DRO/RL/2021-22/1700 dated July 01, 2021 and your request for revalidation of the rating assigned to the Market Borrowing Programme for FY22 of your company, aggregating Rs. 85,000.00 crore.

2. Our Rating Committee has reviewed the following rating(s):

Sr. No.	Instrument	Amount (Rs. crore)	Rating[1]	Rating Action
1.	Long term Market Borrowing Programme for FY22*	80,000.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
2.	Short Term Market Borrowing Programme for FY22	5,000.00	CARE A1+ (A One Plus)	Reaffirmed
	Total Instruments	**85,000.00 (Rs. Eighty-Five Thousand Crore Only)**		

**The Long Term Market Borrowing Program of FY22 includes public issue of taxable non-convertible debentures aggregating up to Rs.10,000 crore*

3. Please arrange to get the rating revalidated in case the issue is not made within **six months** for long term rating and **two months** for short term rating from the date of this letter.

4. Please inform us the below-mentioned details of 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

5. 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.

[1]Complete definitions of the ratings assigned are available at www.careedge.in and in other CARE Ratings Ltd.'s publications.

6. CARE Ratings Ltd. reserves the right to revise/reaffirm/withdraw the rating assigned 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.

7. 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.

8. Users of this rating may kindly refer our website www.careedge.in for latest update on the outstanding rating.

9. CARE Ratings Ltd. ratings are **not** recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,

Deepshi Panda

NKadiyan

Deepshi Panda
Analyst
deepshi.panda@careedge.in

Neha Kadiyan
Associate Director
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.

No. CARE/DRO/RL/2021-22/3631

Shri Srikanth PL
Deputy General Manager
Power Finance Corporation Limited
Ujanidhi, 1, Barakhamba Lane,
Connaught Place,
New Delhi
Delhi 110001

March 26, 2022

Confidential

Dear Sir,

Credit rating for Commercial Paper (CP) issue aggregating Rs.15,000.00 crore[1]

Please refer to our letter no. CARE/DRO/RL/2021-22/1702 dated July 01, 2021 and your request for revalidation of the rating assigned to the CP issue of your company, for a limit of Rs.15,000.00 crore, with a maturity not exceeding one year.

2. Our Rating Committee has reviewed the following rating(s):

Instrument	Amount (Rs. crore)	Rating[2]	Rating Action
Commercial Paper	15,000.00	CARE A1+ (A One Plus)	Reaffirmed
Total Instruments	**15,000.00 (Rs. Fifteen Thousand Crore Only)**		

3. Please arrange to get the rating revalidated in case the issue is not made within **two months** from the date of this letter i.e. by May 26, 2022. Once the CP is placed, the rating is valid for the tenure of such instrument till redemption.

4. Please inform us the below-mentioned details of 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

5. 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.

[1] This represents the aggregate of all CP issuances of the company outstanding at any point in time.
[2]Complete definitions of the ratings assigned are available at www.careedge.in and in other CARE Ratings Ltd.'s publications.

6. CARE Ratings Ltd. reserves the right to revise/reaffirm/withdraw the rating assigned 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.
7. 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.
8. Users of this rating may kindly refer our website www.careedge.in for latest update on the outstanding rating.
9. CARE Ratings Ltd. ratings are **not** recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,

Deepshi Panda

NKadiyan

Deepshi Panda
Analyst
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Neha Kadiyan
Associate Director
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.

CARE Ratings Limited

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Email: care@careedge.in • www.careedge.in

ICRA Limited

Ref: ICRA/Power Finance Corporation Limited/28032022/9
March 28, 2022

Mr. Y. Venugopal
CGM - Finance
Power Finance Corporation Ltd.
1, Urjanidhi, Barakhamba Lane
Connaught Place, New Delhi- 110001

Dear Sir,

Re: ICRA Credit Rating for the Rs. 62,000 crore Long Term Borrowing Programme of Power Finance Corporation Ltd. for the financial year 2022-23

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, 2022. 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.

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the bonds, debentures and/ or other instruments of like nature to be issued by you. As mentioned above and in accordance with the aforesaid circular issued by SEBI, you are requested to furnish a monthly 'No Default Statement (NDS)' (in the format enclosed) on the first working day of every month, confirming the timeliness of payment of all obligations against the rated debt programme.

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

Karthik Srinivasan
Senior Vice President
Group Head - Financial Sector Ratings
karthiks@icraindia.com

ICRA

ICRA Limited

Ref: ICRA/Power Finance Corporation Limited/28032022/10
March 28, 2022

Mr. Y. Venugopal
CGM - Finance
Power Finance Corporation Ltd.
1, Urjanidhi, Barakhamba Lane
Connaught Place, New Delhi- 110001

Dear Sir,

Re: ICRA Credit Rating for the Rs. 20,000 crore Short Term Borrowing Programme of Power Finance Corporation Ltd. for the financial year 2021-22

Please refer the Statement of Work between ICRA Limited ("ICRA") and your company for carrying out the rating of the Short-term Borrowing Programme of Rs. 20,000 crore of your company.

The Rating Committee of ICRA, after due consideration, has assigned the rating of [ICRA]A1+ (pronounced as ICRA A one plus) to the captioned programme. Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk. Within this category rating modifier {"+" (plus)} can be used with the rating symbols. The modifier reflects the comparative standing within the category.

In any of your publicity material or other document wherever you are using the above rating, it should be stated as [ICRA]A1+.
We request you to provide your acceptance for the rating by sending an email acceptance to us latest by March 30, 2022. 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.

Additionally, we wish to highlight the following with respect to the rating:
(a) If the instrument rated, as above, is not issued by you within a period of 3 months from the date of this letter, the rating would need to be revalidated before issuance.
(b) Subject to Clause (c) below, once the instrument is issued, the rating is valid throughout the life of the captioned programme (which shall have a maximum maturity of twelve months from the date of the issuance of the instrument).
(c) Notwithstanding anything containing in clause (b) above, ICRA reserves the right to review and/or, revise the above rating at any time on the basis of new information or unavailability of information or such circumstances, which ICRA believes, may have an impact on the aforesaid rating assigned to you.

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the Short-Term borrowing issued by you. The rating is restricted to your Short-Term borrowing programme size of Rs. 20,000 crore only. In case, you propose to enhance the size of the Short-Term Borrowing programme, the same would require to be rated afresh. ICRA does not assume any responsibility on its part, for any liability, that may arise consequent to your not complying with any eligibility criteria, applicable from time to time, for issuance of Short Term borrowings. As mentioned above and in accordance with the aforesaid circular issued by SEBI, you are requested to furnish a monthly 'No Default Statement (NDS)' (in the format enclosed) on the first working day of every month, confirming the timeliness of payment of all obligations against the rated debt programme.
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 co-operation 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

Karthik Srinivasan
Senior Vice President
Group Head - Financial Sector Ratings
karthiks@icraindia.com

रजिस्ट्री सं० डी० एल०-33004/99 REGD. NO. D. L.-33004/99

भारत का राजपत्र
The Gazette of India

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वित्त मंत्रालय

(राजस्व विभाग)

(केन्द्रीय प्रत्यक्ष कर बोर्ड)

अधिसूचना

नई दिल्ली, 8 जून, 2017

आय-कर

का.आ. 1818(अ).—केन्द्रीय सरकार, आय-कर अधिनियम, 1961 (1961 का 43) की धारा 54ङग के स्पष्टीकरण के खंड (खग) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए यह अधिसूचित करती है कि पावर फाइनेंस कॉरपोरेशन लिमिटेड, जो कंपनी अधिनियम, 1956 (1956 का 1) के अधीन बनाई गई तथा रजिस्ट्रीकृत कंपनी है, द्वारा तीन वर्ष के पश्चात् पुनःमोचनीय तथा 15 जून, 2017 को या उसके पश्चात् जारी कोई बंधपत्र उक्त धारा के प्रयोजनों के लिए "दीर्घकालिक विनिर्दिष्ट आस्ति" के रूप में होगी।

[अधिसूचना संख्या 47/2017/फा. सं. 370142/18/2017-टी.पी.एल]

अभिषेक गौतम, अवर सचिव (कर नीति और विधान)

MINISTRY OF FINANCE

(Department of Revenue)

(CENTRAL BOARD OF DIRECT TAXES)

NOTIFICATION

New Delhi, the 8th June, 2017

INCOME-TAX

S.O. 1818(E).—In exercise of the powers conferred by clause (ba) of Explanation to section 54EC of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby notifies that any bond redeemable after three years and issued on or after the 15th day of June, 2017 by the Power Finance Corporation Limited, a company formed and registered under the Companies Act, 1956 (1 of 1956) as 'long-term specified asset' for the purposes of the said section.

[Notification No. 47/2017/ F. No. 370142/18/2017-TPL]

ABHISHEK GAUTAM, Under Secy**.** (Tax Policy and Legislation)

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CL/MUM/22-23/BT/1
Ref no. BTL/OPR/22-23/20352

Date: March 31, 2022

Power Finance Corporation Limited
"Urjanidhi", 1,
Barakhamba Lane, Connaught Place,
New Delhi – 110 001

Kind Attn: Mr. Vineet Gaur – Chief Manager (Finance)

Dear Sir,

Consent to act as Debenture Trustee for PFC's Capital Gain Exemption Bond Series VI benefits u/s 54EC of Income Tax Act, 1961.

This is with reference to your letter dated March 23, 2021 and subsequent discussion we had regarding appointment of Beacon Trusteeship Limited as Debenture Trustee for PFC's Capital Gain Exemption Bond Series VI benefits u/s 54EC of Income Tax Act, 1961 with an issue size of Rs. 500 Crore + Green Shoe option to retain oversubscription.

In this regards it would indeed be our pleasure to be associated with your esteemed organization as Debenture Trustee. In this connection, we confirm our acceptance to act as Debenture Trustee for the same.

We are also agreeable for inclusion of our name as trustees in the Company's offer document/disclosure document/ listing application/any other document to be filed with the Stock Exchange(s) or any other authority as required.

Looking forward to a long and fruitful association with your esteemed organization**.**

Yours faithfully,

For Beacon Trusteeship Limited

Beacon Trusteeship Limited

Authorised Signatory

मनोहर बलवानी
मुख्य महाप्रबंधक एवं कम्पनी सचिव
MANOHAR BALWANI
CGM & Company Secretary

पावर फाइनेंस कार्पोरेशन लिमिटेड
POWER FINANCE CORPORATION LTD.
(भारत सरकार का उपक्रम) (A Govt. of India Undertaking)

No: 1:05:138:II:CS
Date: 28th February, 2022

National Stock Exchange of India Limited, Listing Department, Exchange Plaza, Bandra – Kurla Complex, Bandra (E) **MUMBAI – 400 051.** नेशनल स्टॉक एक्सचेंज ऑफ इंडिया लिमिटेड लिस्टिंग विभाग, एक्सचेंज प्लाजा, बांद्रा-कुर्ला कॉम्प्लेक्स, बांद्रा (पू), मुंबई-400 051	**Bombay Stock Exchange Limited,** Department of Corporate Services, Floor – 25, PJ Towers, Dalal Street, **MUMBAI – 400 001.** बंबई स्टॉक एक्सचेंज लिमिटेड, कॉर्पोरेट सेवाएं विभाग, मंजिल-25, पी. जे. टावर्स, दलाल स्ट्रीट, मुंबई-400 001

SUB: **Outcome of Board Meeting- Intimation pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Madam/Sir,

In continuation of our earlier communication dated 23.02.2022, we would like to inform you that, the Board of Directors of Power Finance Corporation Ltd. (PFC) in its meeting held today i.e. on February 28, 2022 have inter-alia approved the following proposals:

I. Raising of resources for the Financial Year 2022-23 through Bonds, Term loans, Commercial Paper (CP) etc. from domestic & international markets.

Sl. No.	Source	Amount (maximum) (Rs. In Crore)
1	**Long Term Domestic borrowings (Rupee) by way of instruments like:** a) **Public Issue/Private Placement of Long Term Taxable/** Tax Free Bonds/ debentures/ debt securities Perpetual / Redeemable, Secured / unsecured, Cumulative / Non-cumulative interest bearing or zero coupon bonds, fixed/ floating rate bonds (with/without benchmark), Non-convertible, Infrastructure Bonds / Zero Coupon Bonds / Subordinated bonds / Inflation indexed bonds / Capital Gain Tax Exemption Bonds u/s 54EC / other bonds/debentures/debt securities in physical and / or demat form for a tenure upto 30 years with / without put/call option or up to the period as permitted under the applicable laws from time to time and which may be listed on NSE and / or BSE. b) Term Loan from Banks/FIs/GOI etc. c) Domestic borrowing through any other long term instrument (Long term funds raised and prepaid during the year to be excluded from this limit.)	42000
2	**Foreign Currency Borrowing/ Rupee denominated Foreign Currency Borrowings through External Commercial Borrowings etc and by way of instruments like:**	20,000*

	a) Loans such as term loans, syndicated loans, subordinated loans, FCNR(B) loans, loans from multilateral agencies. b) Bonds/Notes such as unsecures/ secured bonds, perpetual bonds, green bonds, subordinated bonds. c) Any other instrument for raising Foreign Currency Borrowing/ Rupee denominated Foreign Curremcy Borrowings. (*equivalent to approx.USD 2.71 Billion)	
3	**Short Term borrowings:** Short Term Loans/ICDs/FCNR(B)(excluding WCDL/CC/OD facilities) outstanding at any point of time during FY 2022-23. Short term funds raised and repaid during the year to be excluded from this limit.	5,000
4	**Commercial Paper**: outstanding at any point of time during FY 2022-23. Commercial Paper raised and repaid during the year to be excluded from this limit.	15,000
	Total	**82,000**

- The funds will actually be raised from time to time during the Financial Year 2022-23, with the approval of competent authority as per powers delegated in this regard, by the Board of Directors in the said meeting. The Borrowing limit as at Rs.82,000 crore [excluding funds raised under Extra Budgetary resource (EBR)] for the FY 2022-23, through different sources in one or more tranches/series as above.

- Chairman and Managing Director, PFC on the recommendation of Director (Finance) has been authorised to interchange the amount amongst different sources as detailed above, within the overall limit approved by the Board of Directors.

II. Further, the Board of Directors has accorded its approval for amendments in the Object Clause of Memorandum of Association for incorporating emerging business opportunities in the changed business environment subject to the approval of Ministry of Power and such other approvals, permissions and sanctions, as may be necessary and subject to approval of shareholders.

The Board Meeting commenced at 5.00 P.M. and concluded at..9:10..... P.M.

This is submitted for your information and record.

Thanking you,

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

(Manohar Balwani)
Chief General Manager & Company Secretary
mb@pfcindia.com

Certified True Copy of the Minutes of the proceedings of 34th Annual General Meeting of Power Finance Corporation Limited held during 12.30 P.M. to 2.00 P.M. on Tuesday, the 29th September, 2020 through Video Conferencing.

Business Item No. 6. **Enhancement of borrowing limit approved under section 180(1)(c) of the Companies Act, 2013 & modification under section 180 (1) (a) of the Companies Act, 2013**

"**RESOLVED THAT** approval be and is hereby accorded for authorizing the Board of Directors of the Company, under the provisions of Section 180(1)(c) of the Companies Act, 2013 (including any statutory modification (s) or re-enactment thereof, for the time being in force) and any other applicable laws and provision of Articles of Association of the Company, to borrow and raise such sum or sums of money from time to time as may be required for the purpose of the business of the Company and / or as may be directed to raise on behalf of Ministry / Government of India, with & without security, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed aggregate of paid up capital & its free reserves (that is to say reserves not set apart for any specific purpose)provided that the total amount borrowed and outstanding at any point of time shall not exceed Rs. 6,00,000 crore (Rupees six lakh crore only) in Indian Rupees and amount equivalent to USD 15,000 Million(15 Billion US Dollars only) in any foreign currency on such terms and conditions as the Board may consider necessary and expedient in their absolute discretion."

"**RESOLVED FURTHER THAT** approval be and is hereby accorded for authorizing the Board of Directors of the Company, pursuant to provisions of Section 180 (1) (a) of Companies Act 2013, read with relevant rules, for mortgaging and/or charging of all or any of the movable and/or immovable properties of the Company, both present and future, or the whole or substantial whole of the undertaking or the undertakings of the Company for securing the borrowing (outstanding in books of the Company) of Rs. 6,00,000 crore (Rupees Six Lakh Crore Only) in the Indian Currency and in any Foreign Currency equivalent to USD 15 Billion (Fifteen Billion US Dollars only).

13/11/2020

"**RESOLVED FURTHER THAT** approval be and is hereby accorded for authorizing the Board of Directors of the Company (including any Committee duly constituted by the Board of Directors or any authority as approved by the Board of Directors) to do and execute all such acts, deeds and things as may be necessary for giving effect to the above resolutions."

CERTIFIED TRUE COPY
For Power Finance Corporation Ltd.
13/11/2020
MANOHAR BALWANI
CGM & Company Secretary