



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

CIN:L65910DL1986GOI024862; **PAN:** AAACP1570H; **Date and Place of Incorporation:** 16th July 1986, New Delhi

Certificate Of Registration number issued by RBI : B-14.00004

Registered & Corporate Office: 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi DL 110001 IN

Tel: (011) 23456000; **E-mail:** pfcbonds@pfcindia.com; **Website:** www.pfcindia.com;

PRIVATE PLACEMENT MEMORANDUM DATED 20TH FEBRUARY 2023

This Issue is made in conformity with Companies Act, 2013, as amended, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, Form PAS-4 prescribed under section 42 and rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended, Companies (Share Capital & Debenture) Rules, 2014, as amended, Reserve Bank of India's Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, Circular Number: RBI/DNBR/2016-17/45, Master Direction DNBR.PD.008/03.10.119/2016-17, dated September 01, 2016, as amended from time to time. This issuance would be under the electronic book mechanism for issuance of debt securities on private placement basis as per SEBI Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated August 10, 2021 bearing reference number SEBI/HO/DDHS/P/CIR/2021/613, as amended.

ISSUE OF UNSECURED, REDEEMABLE, NON-CONVERTIBLE, NON-CUMULATIVE, TAXABLE BONDS IN THE NATURE OF DEBENTURES OF FACE VALUE OF RS 1 LAC FOR SERIES 223 (TENOR - 10 YEARS WITH PUT OPTION AT THE END OF 3 YEARS) FOR CASH AT PAR OF RS. 600 CRORE ('BASE ISSUE') WITH OPTION TO RETAIN OVERSUBSCRIPTION BY WAY OF GREEN SHOE OPTION OF RS. 2900 CRORE AGGREGATING TO RS. 3500 CRORE ON PRIVATE PLACEMENT BASIS.

Series	COUPON RATE	COUPON PAYMENT FREQUENCY	REDEMPTION DATE	PUT OPTION DATE	REDEMPTION AMOUNT
223	7.64 %	ANNUAL	22-Feb-2033	21-Feb-2026 (22-Feb-2026 being holiday)	AT PAR

REGISTRAR TO THE ISSUE	DEBENTURE TRUSTEE FOR THE BONDHOLDERS
RCMC SHARE REGISTRY PRIVATE LIMITED CIN: U67120DL1950PTC001854 B-25/1, First Floor, Okhla Industrial Area Phase II, New Delhi 110020. Phone : 011 – 26387320/21 Fax: 011 – 26387322 website: www.rcmcdelhi.com E-mail: investor.services@rcmcdelhi.com Contact person: Mr. Ravinder Dua	BEACON TRUSTEESHIP LTD. CIN: U74999MH2015PLC271288 4C & D, Siddhivinayak Chambers, Gandhi Nagar, Opp MIG Cricket Club, Bandra (E), Mumbai, Maharashtra 400051, Tel: 022-26558759, E-mail: compliance@beacontrustee.co.in Contact Person: Mr. Kaustubh Kulkarni

Credit Rating Agencies		
CRISIL Ratings Limited CIN: U67100MH2019PLC326247 Regd. Office: CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai-400075 Tel:022-33423000, Fax:022-33423050 Contact person: Mr. Ronak Rathi Email: Ronak.Rathi@crisil.com	ICRA Limited CIN: L74999DL1991PLC042749 Regd. Office: 1105, Kailash Building, 11 th Floor, 26, K.G. Marg, New Delhi-110001 Tel: (011) 23357940-50 Fax: +91-11-23357014 Contact person: Mr. Sandeep Sharma Email: sandeep.sharma@icraindia.com	CARE Ratings Ltd. CIN: L67190MH1993PLC071691 13th Floor, E-1 Block, Videocon Tower, Jhandewalan Extension, New Delhi-110055 Tel:-011-45333200, 23716199 Fax:011-45333238 Contact person: Ms. Deepshi Panda Email: deepshi.panda@careedge.in
Current Rating : AAA/ Stable	Current Rating : AAA/ Stable	Current Rating : AAA/ Stable

Chief Financial Officer and Director (Finance)	Compliance Officer and Company Secretary	Promoters
Ms. Parminder Chopra, E-mail: directorfinance@pfcindia.com Tel: (011) 23456000 DIN: 08530587	Sh. Manohar Balwani, E-mail: mb@pfcindia.com Tel:(011) 23456740 Membership No: A11117	Hon'ble President of India, acting through the Ministry of Power, Government of India



Tea Singh

**Private Placement Offer Document– PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)**

Issue Schedule

Issue Opening Date	20.02.2023	Issue Closing Date	20.02.2023
---------------------------	------------	---------------------------	------------

EBP Platform : The issuer intends to use the BSE EBP platform for this issue.

LISTING: The bond issue is proposed to be listed on National Stock Exchange of India Ltd (“NSE”) and Bombay Stock Exchange Ltd (“BSE”). The Issuer has obtained the “in-principle” approval from the NSE and BSE for listing of the Bonds offered under the Shelf Placement Memorandum vide letters dated 15-Feb-2023.

The bonds issued under the Placement Memorandum is the 1st Tranche of the Shelf Placement Memorandum submitted to BSE and NSE on 15-02-2023 for obtaining in-principle approval.

Eligible Investors : The eligible participants/investors shall be as per the EBP Platform of the Stock Exchange as mentioned hereunder:

- a) QIBs as defined under Regulation 2 (ss) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (hereinafter referred to SEBI ICDR Regulations, 2018).
- b) Any non-QIB investor including arranger(s), who/ which has been authorized by the issuer, to participate in a particular issue on the EBP Platform.
- c) Any non-QIB investor which are bidding through arranger (s) authorised by the issuer

Details about underwriting of the issue including the amount undertaken to be underwritten by the underwriters –

Not applicable

Note:

This bond issue does not form part of non-equity regulatory capital mentioned under Chapter V of SEBI NCS Regulations, 2021.

This Private Placement memorandum shall be read along with various information shared by the issuer on public domains.

Figures and facts are as on 31-March-2022 unless otherwise specified.

Link for Credit rating press release

1.CRISIL:

https://www.crisil.com/mnt/winshare/Ratings/RatingList/RatingDocs/PowerFinanceCorporationLimited_March%2024,%202022_RR_290106.html

2.ICRA :

<https://www.icra.in/Rationale/ShowRationaleReport?Id=110883>

3.CARE :

https://www.careratings.com/upload/CompanyFiles/PR/28032022062709_Power_Finance_Corporation_Limited.pdf



Tea Singh

TABLE OF CONTENTS

CHAPTER	PARTICULARS	PG NO
I	DISCLAIMER	
	A DISCLAIMER OF THE ISSUER	7
	B DISCLAIMER OF THE SECURITIES & EXCHANGE BOARD OF INDIA	7
	C DISCLAIMER OF THE STOCK EXCHANGE	8
	D DISCLAIMER OF THE RESERVE BANK OF INDIA	8
II	BRIEF SUMMARY OF THE BUSINESS/ACTIVITIES OF THE ISSUER AND ITS LINE OF BUSINESS AND SUBSIDIARIES	
	A OVERVIEW	9
	B PFC'S MAIN OBJECTS AS ON DATE	11
	C PRODUCTS	11
	D PFC & GOVERNMENT PARTNERSHIP	12
	E SUBSIDIARIES	16
	F OTHER MAJOR INVESTMENTS	17
III	ORGANIZATION STRUCTURE	19
IV	MANAGEMENT OF THE COMPANY	
	A DETAILS OF CURRENT DIRECTORS OF THE COMPANY	20
	B DETAILS OF CHANGE IN DIRECTORS SINCE LAST THREE YEARS	21
V	DETAILS OF AUDITOR OF THE COMPANY	
	A AUDITOR OF THE COMPANY	24
	B DETAILS OF CHANGE IN AUDITOR SINCE LAST THREE YEARS	24
VI	MANAGEMENT'S PERCEPTION OF RISK FACTORS	
	A RISKS RELATING TO PFC'S BUSINESS AND INDUSTRY	25
	B RISKS RELATING TO THE INDIAN ECONOMY	50
	C RISKS RELATING TO THE BONDS	55
VII	RISK MANAGEMENT	58
VIII	ISSUER INFORMATION	63
IX	SUMMARY TERM SHEET	66
X	PARTICULARS OF THE OFFER	73
XI	DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC	
	A CONTRIBUTION BEING MADE BY THE PROMOTERS OR DIRECTORS EITHER AS PART OF THE OFFER OR SEPARATELY IN FURTHERANCE OF SUCH OBJECTS	88
	B ANY FINANCIAL OR OTHER MATERIAL INTEREST OF THE DIRECTORS, PROMOTERS OR KEY MANAGERIAL PERSONNEL IN THE OFFER AND THE EFFECT OF SUCH INTEREST IN SO FAR AS IT IS DIFFERENT FROM THE INTERESTS OF OTHER PERSONS	88
	C ANY MATERIAL EVENT/ DEVELOPMENT OR CHANGE HAVING IMPLICATIONS ON THE FINANCIALS/CREDIT QUALITY (E.G. ANY MATERIAL REGULATORY PROCEEDINGS AGAINST THE ISSUER/PROMOTERS, TAX LITIGATION RESULTING IN MATERIAL LIABILITIES, CORPORATE RESTRUCTURING, EVENT ETC.)AT THE TIME OF ISSUE WHICH MAY AFFECT THE ISSUE OR THE INVESTOR'S DECISION TO INVEST / CONTINUE TO INVEST IN THE DEBT SECURITIES	88
	D REMUNERATION OF DIRECTORS (DURING THE CURRENT YEAR AND LAST THREE FINANCIAL YEARS);	88
	E RELATED PARTY TRANSACTIONS ENTERED DURING THE LAST THREE FINANCIAL YEARS IMMEDIATELY PRECEDING THE YEAR OF CIRCULATION OF OFFER LETTER INCLUDING WITH REGARD TO LOANS MADE OR, GUARANTEES GIVEN OR SECURITIES PROVIDED	89
	F SUMMARY OF RESERVATIONS OR QUALIFICATIONS OR ADVERSE REMARKS OF AUDITORS IN THE LAST FIVE FINANCIAL YEARS IMMEDIATELY PRECEDING THE YEAR OF CIRCULATION OF OFFER LETTER AND OF THEIR IMPACT ON THE FINANCIAL STATEMENTS AND FINANCIAL POSITION OF THE	90



Tea Dring

	COMPANY AND THE CORRECTIVE STEPS TAKEN AND PROPOSED TO BE TAKEN BY THE COMPANY FOR EACH OF THE SAID RESERVATIONS OR QUALIFICATIONS OR ADVERSE REMARK	
G	DETAILS OF ANY INQUIRY, INSPECTIONS OR INVESTIGATIONS INITIATED OR CONDUCTED UNDER THE COMPANIES ACT OR ANY PREVIOUS COMPANY LAW IN THE LAST THREE YEARS IMMEDIATELY PRECEDING THE YEAR OF CIRCULATION OF OFFER LETTER IN THE CASE OF COMPANY AND ALL OF ITS SUBSIDIARIES. ALSO IF THERE WERE ANY PROSECUTIONS FILED (WHETHER PENDING OR NOT) FINES IMPOSED, COMPOUNDING OF OFFENCES IN THE LAST THREE YEARS IMMEDIATELY PRECEDING THE YEAR OF THE OFFER LETTER AND IF SO, SECTION-WISE DETAILS THEREOF FOR THE COMPANY AND ALL OF ITS SUBSIDIARIES	90
H	DETAILS OF ACTS OF MATERIAL FRAUDS COMMITTED AGAINST THE COMPANY IN THE LAST THREE YEARS, IF ANY, AND IF SO, THE ACTION TAKEN BY THE COMPANY	91
XII	FINANCIAL POSITION OF THE COMPANY	
A	DETAILS OF SHARE CAPITAL	92
B	SHARE PREMIUM ACCOUNT	92
C	CHANGES IN ITS CAPITAL STRUCTURE AS ON LAST QUARTER END, FOR THE LAST FIVE YEARS	92
D	EQUITY SHARE CAPITAL HISTORY OF THE COMPANY AS ON LAST QUARTER END FOR THE LAST FIVE YEARS	92
E	DETAILS OF ANY ACQUISITION OR AMALGAMATION IN THE LAST 1 YEAR	92
F	DETAILS OF ANY REORGANIZATION OR RECONSTRUCTION IN THE LAST 1 YEAR	92
G	DETAILS OF SHAREHOLDING OF THE COMPANY AS ON THE LATEST QUARTER END	93
H	LIST OF TOP 10 HOLDERS OF EQUITY SHARES OF THE COMPANY	95
I	PROFITS OF THE COMPANY FOR THE THREE FINANCIAL YEARS (STANDALONE & CONSOLIDATED) IMMEDIATELY PRECEDING THE DATE OF CIRCULATION OF OFFER LETTER	96
J	DIVIDENDS DECLARED BY THE COMPANY IN RESPECT OF THE SAID THREE FINANCIAL YEARS; INTEREST COVERAGE RATIO FOR LAST THREE YEARS	96
K	A SUMMARY OF THE FINANCIAL POSITION OF THE COMPANY FOR THE THREE FINANCIAL YEARS (STANDALONE & CONSOLIDATED) IMMEDIATELY PRECEDING THE DATE OF CIRCULATION OF OFFER LETTER	96
L	AUDITED CASH FLOW STATEMENT FOR THE THREE YEARS IMMEDIATELY PRECEDING THE DATE OF CIRCULATION OF OFFER LETTER (STANDALONE & CONSOLIDATED)	96
M	FINANCIAL INDICATORS COLUMNAR REPRESENTATION OF FINANCIAL STATEMENTS ON STANDALONE & CONSOLIDATED BASIS	97
N	DEBT EQUITY RATIO	112
O	DETAILS OF ANY OTHER CONTINGENT LIABILITIES OF THE ISSUER BASED ON THE LAST AUDITED FINANCIAL STATEMENTS INCLUDING AMOUNT AND NATURE OF LIABILITY	112
P	ANY CHANGE IN ACCOUNTING POLICIES DURING THE LAST THREE YEARS AND THEIR EFFECT ON THE PROFITS AND THE RESERVES OF THE COMPANY	112
Q	DETAILS OF BORROWINGS OF THE COMPANY	114
R	LIST OF TOP TEN HOLDERS OF NON-CONVERTIBLE SECURITIES IN TERMS OF VALUE	152
S	DETAILS OF OUTSTANDING COMMERCIAL PAPER	152
T	DETAILS OF THE REST OF THE BORROWING	152
U	DETAILS OF ANY OUTSTANDING BORROWINGS TAKEN/ DEBT SECURITIES ISSUED FOR CONSIDERATION OTHER THAN CASH	153
V	DISCLOSURES ON ASSET LIABILITY MANAGEMENT (ALM)	153
W	DETAILS OF ALL DEFAULT/S AND/OR DELAY IN PAYMENTS OF INTEREST AND PRINCIPAL OF ANY KIND OF TERM LOANS, DEBT SECURITIES AND OTHER FINANCIAL INDEBTEDNESS INCLUDING CORPORATE GUARANTEE ISSUED BY THE COMPANY, IN THE PAST 3 YEARS	154
X	ANY MATERIAL EVENT/ DEVELOPMENT OR CHANGE HAVING IMPLICATIONS ON THE FINANCIALS/CREDIT QUALITY (E.G. ANY MATERIAL REGULATORY PROCEEDINGS AGAINST THE ISSUER/PROMOTERS, TAX LITIGATION RESULTING IN MATERIAL LIABILITIES,CORPORATE	154



Handwritten signature

	RESTRUCTURING, EVENT ETC)AT THE TIME OF ISSUE WHICH MAY AFFECT THE ISSUE OR THE INVESTOR'S DECISION TO INVEST / CONTINUE TO INVEST IN THE DEBT SECURITIES.	
Y	ANY LITIGATION OR LEGAL ACTION PENDING OR TAKEN BY ANY MINISTRY OR DEPARTMENT OF THE GOVERNMENT OR A STATUTORY AUTHORITY AGAINST ANY PROMOTER OF THE OFFEREE COMPANY DURING THE LAST THREE YEARS IMMEDIATELY PRECEDING THE YEAR OF THE ISSUE OF OFFER LETTER AND ANY DIRECTION ISSUED BY SUCH MINISTRY OR DEPARTMENT OR STATUTORY AUTHORITY UPON CONCLUSION OF SUCH LITIGATION OR LEGAL ACTION.	154
Z	DETAILS OF DEFAULT AND NON-PAYMENT OF STATUTORY DUES	154
AA	IF THE SECURITY IS BACKED BY A GUARANTEE OR LETTER OF COMFORT OR ANY OTHER DOCUMENT WITH SIMILAR INTENT, A COPY OF THE SAME SHALL BE DISCLOSED. IN CASE SUCH DOCUMENT DO CONTAIN DETAILED PAYMENT STRUCTURE (PROCEDURE OF INVOCATION OF GUARANTEE AND RE PAYMENT BY THE INVESTOR ALONG WITH TIMELINES), THE SAME SHALL BE DISCLOSED IN THE DOCUMENT.	154
BB	WILFUL DEFAULTER	155
CC	LENDING POLICY AND GUIDELINES	155
DD	ANY LOANS/ADVANCES TO ASSOCIATES, ENTITIES/PERSON RELATING TO THE BOARD, SENIOR MANAGEMENT, PROMOTER	156
EE	TYPE OF LOANS	156
FF	MATURITY PATTERN OF CERTAIN ITEMS OF ASSETS AND LIABILITIES ON A STANDALONE BASIS	158
GG	AGGREGATED EXPOSURE TO TOP 20 BORROWERS WITH RESPECT TO CONCENTRATION OF ADVANCES (PRINCIPAL AMOUNTS OUTSTANDING)	158
HH	AGGREGATED EXPOSURE TO TOP 20 BORROWERS WITH RESPECT TO CONCENTRATION OF EXPOSURES	158
II	THE AMOUNT OF CORPORATE GUARANTEE ISSUED BY THE ISSUER ALONG WITH NAME OF THE COUNTERPARTY (LIKE NAME OF THE SUBSIDIARY JV ENTITY, GROUP COMPANY ETC.) ON BEHALF OF WHOM IT HAS BEEN ISSUED	158
JJ	DETAILS OF LOANS OVERDUE AND CLASSIFIED AS NON – PERFORMING IN ACCORDANCE WITH THE RBI'S STIPULATIONS	159
KK	SEGMENT – WISE GROSS STAGE-3 ASSETS	159
LL	ONWARD LENDING TO BORROWERS FORMING PART OF THE "GROUP" AS DEFINED BY RBI	160
M M	ANY CHANGE IN PROMOTER'S HOLDINGS IN NBFCs DURING THE LAST FINANCIAL YEAR BEYOND A PARTICULAR THRESHOLD	160
NN	PORTFOLIO SUMMARY OF BORROWINGS MADE BY PFC	160
OO	QUANTUM AND PERCENTAGE OF SECURED VS. UNSECURED BORROWINGS	160
PP	DISCLOSURE OF LATEST ALM STATEMENTS TO STOCK EXCHANGE	161
XIII	CORPORATE SOCIAL RESPONSIBILITY	162
	DECLARATION	163
	ENCLOSURES: –TRUSTEE AND R&TA CONSENT –BOARD OF DIRECTOR'S RESOLUTION –CREDIT RATING LETTERS –Link for Financial Results for Q3, 2022-23 and Annual Report for the FY ended 31.03.2022, 31.03.2021 & 31.03.2020	166-



Handwritten signature/initials

Private Placement Offer Document– PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

ABBREVIATIONS

BSE	Bombay Stock Exchange Limited, being the stock exchange on which, the Bonds of the Company are proposed to be listed.
BBETF	Bharat Bond Exchange Traded Fund
CIN	Corporate Identity Number
CARE	Credit Analysis and Research Limited
CRISIL	Credit Rating Information Services of India Limited
CDSL	Central Depository Services (India) Limited
CRAR	Capital Risk Weighted Adequacy Ratio
CMD	Chairman & Managing Director of the Company
DP	Depository Participant
DRR	Debenture Redemption Reserve
FIs	Financial Institutions
FIIIs	Foreign Institutional Investors
Gol	Government of India
IPDS	Integrated Power Development Scheme
Issuer/ Company/ PFC/ Corporation	Power Finance Corporation Limited incorporated on 16 th July 1986 under The Companies Act, 1956 and having its registered office at 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi DL 110001 IN and bearing CIN: L65910DL1986GOI024862
ICRA	Investment Information and Credit Rating Agency of India Limited
IFC	Infrastructure Finance Company, as defined under RBI guidelines
ITP	Independent Transmission Projects
MOP	Ministry of Power
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited, being the stock exchange on which, the Bonds of the Company are proposed to be listed.
NPAs	Non-Performing Assets
NBFC	Non Banking Financial Company, as defined under RBI guidelines
NEFT	National Electronic Fund Transfer
PAN	Permanent Account Number
RBI	Reserve Bank of India
RDSS	Revamped Distribution Sector Scheme
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
SEB	State Electricity Board
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act, 1992
STRPP	Separately Transferable Redeemable Principal Parts.
TDS	Tax Deducted at Source
UMPPs	Ultra Mega Power Projects
WDM	Wholesale Debt Market



Tea Dring

CHAPTER I
DISCLAIMER

A. Disclaimer of the Issuer

This Placement Memorandum is neither a Prospectus nor a Statement in Lieu of Prospectus and is prepared in conformity with Form PAS-4 prescribed under section 42 and rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014 as amended, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, Reserve Bank of India's Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, Circular Number: RBI/DNBR/2016-17/45, Master Direction DNBR.PD.008/03.10.119/2016-17, dated September 01, 2016, as amended from time to time. This Placement Memorandum does not constitute an offer to the public generally to subscribe for or otherwise acquire the Bonds to be issued by (the "Issuer"/ the "Power Finance Corporation Limited (PFC)"/ ("the Company"). The document is for the exclusive use of the Institutions to whom it is addressed and it should not be circulated or distributed to third party(ies). The Company certifies that the disclosures made in this Placement Memorandum are generally adequate and are in conformity with the Companies Act 2013 & SEBI Regulations. This requirement is to facilitate investors to take an informed decision for making investment in the proposed issue.

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

In pursuance of sub-section (7) of section 42 of The Companies Act, 2013, the Issuer shall not release any public advertisements or utilise any media, marketing or distribution channels or agents to inform the public at large about such an issue.

B. Disclaimer of the Securities & Exchange Board of India

Pursuant to rule 14 (6) of The Companies (Prospectus and Allotment of Securities) Rules, 2014 as amended, a copy of record of private placement offers in form PAS-5 along with the Placement Memorandum in form PAS-4 shall be filed with the Registrar of Companies, National Capital Territory of Delhi & Haryana along with fee as provided in The Companies (Registration Offices and Fees) Rules, 2014 and since the Company is listed, the same shall also be filed with the Securities and Exchange Board of India ("SEBI") along with fee as provided in Securities and Exchange Board of India (Payment of Fees)(Amendment) Regulations, 2014, within a period of thirty days of circulation of this Private Placement Offer Letter. The Bonds have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this Private Placement Offer Letter. It is to be distinctly understood that this Placement Memorandum should not, in any way, be deemed or construed that the same has been cleared or vetted by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the Issue is proposed to be made, or for the correctness of the statements made or opinions expressed in this Private Placement Offer Letter. However SEBI reserves the right to take up at any point of time, with the Issuer, any irregularities or lapses in this Private Placement Offer Letter.



Tea Dring

C. Disclaimer of the Stock Exchange

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

D. Disclaimer of the Reserve Bank of India

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



Handwritten signature

CHAPTER II

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

A. OVERVIEW

Power Finance Corporation Limited, incorporated in 1986, is a Schedule-A Maharatna Central Public Sector Enterprises (CPSE). Its portfolio includes financial products and services such as rupee term loans, short-term loans, equipment lease financing, transitional financing services, etc. for various power projects in the generation, transmission, and distribution sectors. Its clients mainly include central power utilities, state power utilities, private power sector utilities (including independent power producers), joint sector power utilities and power equipment manufacturers. Being a trusted partner of the government, PFC uses its expertise and experience in delivering customised and expansive suite of products and services to support India's power infrastructure ambitions.

The Issuer is a leading financial institution in India focused on the power sector. The Issuer plays a strategic role in the Govt's initiatives for the development of the power sector in India. The Issuer works closely with Govt 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, the Issuer is involved in various Govt programs for the power sector, including acting as the nodal agency for the UMPP program and the RDSS/IPDS/(R-APDRP subsumed in it) and as a bid process coordinator through its wholly owned subsidiary PFC Consulting Limited for the ITP scheme.

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

PFC's primary sources of funds include equity capital, internal resources and domestic and foreign borrowings. The Issuer currently enjoys the highest credit ratings of 'CRISIL AAA/ Stable', 'ICRA AAA/Stable' and 'CARE AAA/ Stable' for its long term borrowing programme and 'CRISIL A1+', 'ICRA A1+' and 'CARE A1+' for its short term borrowing programme for FY 2022-23. International credit rating agencies Moody's and Fitch have granted ratings of "Baa3" and "BBB(-)" respectively.

The Issuer is a listed Govt company and a notified public financial institution under the Companies Act, 2013. The Issuer is registered with the RBI as a non-deposit taking systemically important NBFC and was classified as an Infrastructure Finance Company (IFC) in July 2010 by RBI. The Issuer believes that its NBFC and IFC classification enables it to effectively capitalise on available financing opportunities in the Indian power sector.

The Issuer is required to follow the RBI prudential norms contained in the Reserve Bank of India's Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, Circular Number: RBI/DNBR/2016-17/45, Master Direction DNBR.PD.008/03.10.119/2016-17, dated September 01, 2016, as amended from time to time, and any other additional RBI directions, if any.



Tea Dring

Awards and Recognition (as per Annual Report for FY 2021-22)

- PFC bagged Dun & Bradstreet’s India’s Best PSU Award in the category of “Best Navratna” in a virtual format.
- PFC received Dalal Street Investment Journal PSU AWARD OF THE YEAR 2020 in the Category – Navratna of the Year and the Most Efficient and Profitable Navratna of the Year – Non-Manufacturing.
- PFC has been awarded the First prize in Public Sector Category in Region ‘A’ of ‘Rajbhasha Kirti puruskar’ for the year 2020-21.
- PFC’s House Journal ‘Urja Deepti’ was awarded First prize in the ‘Best House Journal Category’.
- PFC won the prestigious ICAI (Institute of Chartered Accountants of India) Silver award for excellence in financial reporting for the financial year 2020-21 in ‘Public Sector Entities’ category. PFC was bestowed with this coveted award for its highest degree of compliance with accounting standards, commendable accounting practices adopted while preparing financial statements, the policies adopted for disclosure & presentation of financial statements amongst other information contained in the annual report.
- The Company Secretary of your Company, Shri Manohar Balwani has been included amongst top 10 Chief Compliance Officers of India - 2022 by ‘CEO Insights’ in its July 2022 publication. This is an annual recognition that showcases exceptional leaders and professionals in Compliance Assurance Department in an Organisation.

Commencement

PFC was incorporated on July 16, 1986 under the Companies Act as a public limited company, registered with the RoC, National Territory of Delhi and Haryana and received the certificate for commencement of business on December 31, 1987.

Public Financial Institution

PFC was incorporated as a financial institution to finance, facilitate and promote India’s power sector development and was notified as a public financial institution under Section 4A of the Companies Act 1956 (now section 2(72) of Companies Act 2013) on August 31, 1990.

Infrastructure Finance Company

PFC is registered with RBI as a non-deposit taking systemically important NBFC (“NBFC”) on February 10, 1998 and it was classified as an Infrastructure Finance Company (“IFC”) on July 28, 2010.

Maharatna Company

PFC was conferred with the ‘Mini Ratna’ (Category – I) status in the year 1998, Navratna status on June 22, 2007 and Govt. of India accorded the prestigious ‘Maharatna’ status to the state-owned Power Finance Corporation Ltd (PFC) on October 12, 2021, thus giving PFC greater operational and financial autonomy. An order to this effect was issued by the Department of Public Enterprises, under the Ministry of Finance. The grant of ‘Maharatna’ status to PFC will impart enhanced powers to the PFC Board while taking financial decisions.

The Board of a ‘Maharatna’ CPSE can make equity investments to undertake financial joint ventures and wholly-owned subsidiaries and undertake mergers and acquisitions in India and abroad, subject to a ceiling of 15% of the Net Worth of the concerned CPSE, limited to Rs.5,000 crore in one project. The Board can also structure and implement schemes relating to personnel and Human Resource Management and Training. They can also enter into technology Joint Ventures or other strategic alliances among others.

Hon’ble Union Minister of Power and New & Renewable Energy, Shri R.K. Singh congratulated PFC and remarked that conferment of ‘Maharatna’ status is a reflection of the confidence of the Govt. of India on PFC’s strategic role in the overall development of Indian Power Sector and an endorsement of its sterling performance. This new recognition will enable PFC to offer competitive financing for the power sector, which will go a long way in making available affordable & reliable ‘Power For all 24x7’. The enhanced powers that come with Maharatna Status will



Manohar Balwani

also help PFC in pushing the Government’s agenda of funding under the National Infrastructure Pipeline, national commitment of 50% green energy by 2030 and effective monitoring and implementation of the New Revamped Distribution Sector Scheme with an outlay of more than Rs.3 Lakh crore.

B. PFC’s MAIN OBJECTS AS ON DATE

The main objects, as contained in Clause III A of the Memorandum of Association of PFC, are as herein under mentioned:

1. To finance projects, activities or works of creation, up-gradation, renovation, improvement, maintenance, repair, modernisation, modification, replacement, augmentation, etc. related to generation, transmission, distribution or supply of power of any form including power from sources of renewable energy.
2. To finance projects, activities or works including electrification works of creation, up-gradation, renovation, improvement, maintenance, repair, modernization, modification, replacement, augmentation, etc. of electrical and electromechanical system, standalone or that are part of large projects e.g. Projects of lift Irrigation, Sewage treatment plant, Smart City, Electrification of railway line, etc.
3. To finance projects, activities, schemes for energy conservation, energy efficiency and environmental aspects of power including cogeneration/tri-generation/combined heat and power waste heat recovery system(s), e-vehicle(s) and setting up of charging stations.
4. To finance projects for establishment, expansion, modernisation, operations, maintenance of units for manufacturing of capital equipment(s) required in power sector including renewable energy & allied sectors.
5. To finance projects, works and activities having a forward or backward linkage with power projects included in Clause A1, including but not limited to development of coal and other mining activity(ies) for use as fuel or other fuel supply arrangements for power sector, laying of railway line(s), road(s), bridge(s), port(s), jetty(ies) and harbor(s), gas pipeline(s), gas terminal(s) & to meet such other enabling infrastructure facility(ies) that may be required for a power project included in clause A1.
6. To finance studies, surveys, investigations, research on any project, activity, or work covered in clauses A1 to A4 and to carry out any activity including consultancy, training, etc. to promote the business interest of the company in any of the clauses A1 to A5.

*7. To lend to Logistics and Infrastructure sectors to the extent permitted by the Government of India.

**Inserted vide Special Resolution passed at 36th AGM held on 21st September, 2022.*

C. PRODUCTS

The Issuer provide a comprehensive range of fund based and non-fund based financial products and services from project conceptualization to the post-commissioning stage to its clients in the power sector.

Fund Based

The issuer’s fund based products includes:

- Project term loans (Rupee and foreign currency)
- Grants/interest free loans for studies/consultancies
- Buyer's line of credit
- Lease financing for purchase of equipment
- Lease financing for wind power projects



Tea Dring

- Corporate loan
- Debt refinancing
- Short/Medium term loan to equipment manufacturers
- Line of credit for import of coal
- Credit facility for purchase of power through power exchange

Non-Fund Based

The Issuer's non-fund based products include:

- Deferred payment guarantee
- Guarantee for performance of contract/ obligations w.r.t Fuel Supply Agreement (FSA)
- Letter of comfort (LoC)
- Policy for guarantee of credit enhancement

D. PFC & GOVERNMENT PARTNERSHIP

a) Ultra Mega Power Projects (UMPP)

Development of Ultra Mega Power Projects (UMPPs), with a capacity of about 4,000 MW each, adopting super critical technology is the initiative of Ministry of Power (MoP), Government of India for which the issuer has been designated as the 'Nodal Agency' and Central Electricity Authority (CEA) as the Technical Partner by MoP.

PFC Consulting Limited (a wholly-owned subsidiary of PFC) along with MoP and CEA undertake preliminary site investigation activities, land acquisition activities, site specific studies to obtain appropriate regulatory and other approvals for land, water, coal block, environment etc. necessary to conduct catalyst of the bidding process. The successful bidder is then expected to develop and implement these projects.

The issuer incorporated a total of 19 wholly-owned Special Purpose Vehicles (SPVs) for the 14 UMPPs. Out of these, 4 UMPPs have been transferred to successful bidders and as per the direction of MoP and respective State Governments, PFC / PFCCL is in the process of closure of 4 UMPPs.

PFC initiated the process of closure of SPVs namely Tatiya Andhra Mega Power Limited (TAMPL), Coastal Maharashtra Mega Power Ltd (CMMPL) and Chhattisgarh Surguja Power Ltd (CSPL). Requisite documents for closure are filed in RoC. Further, PFC is intending to utilise the SPV namely Coastal Karnataka Power Ltd (CKPL) for bidding regarding stressed projects.

MoP has decided 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, PFC was advised to review the status of UMPPs and take necessary action for closure wherever required, in consultation with stakeholders. Matter is under consideration.

b) Independent Transmission Projects (ITP)

Ministry of Power has also initiated Tariff Based Competitive Bidding (TBCB) Process for development and strengthening of Transmission system through private sector participation. The objective of this initiative is to develop transmission capacities in India and to bring in the potential investors after developing such projects to a stage having preliminary survey work, identification of route, preparation of survey report, initiation of process of land acquisition for sub-stations, if any, initiation of process of seeking forest clearance, if required



Handwritten signature

etc. As on March 31, 2022, 40 Special Purpose Vehicles (SPVs), 2 by PFC and other 38 by PFC Consulting Limited (wholly-owned subsidiary) have been established for ITPs.

Further, during the FY 2021-22, following SPVs established for development of transmission projects has been transferred to the successful bidders selected through TBCB:

- i. Khavda-Bhuj Transmission Limited
- ii. Nangalbibra-Bongaigaon Transmission Limited
- iii. Sikar-II Aligarh Transmission Limited
- iv. Koppal-Narendra Transmission Limited
- v. Karur Transmission Limited

c) Integrated Power Development Scheme (“IPDS”) (with Restructured Accelerated Power Development and Reform Programme (R-APDRP) Subsumed in it)

In order to provide impetus to strengthening of power distribution sector in urban areas and 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, Ministry of Power, Government of India launched “Integrated Power Development Scheme” (IPDS) on December 3, 2014. Restructured Accelerated Power Development & Reforms Programme (R-APDRP) Scheme notified vide MoP order dated September 19, 2008 was subsumed into IPDS. PFC is the Nodal Agency for operationalisation of the IPDS/ R-APDRP Scheme. IPDS (including R-APDRP subsumed) Scheme had Sunset date of March 31, 2022 (excluding identified Projects).

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 estimated outlay of the scheme is Rs. 32,612 crore including a budgetary support of Rs. 25,354 crore from Government of India during the entire implementation period.
- R-APDRP scheme cost of Rs. 44,011 crore (with a budgetary support of Rs. 22,727 crore) as already approved by CCEA is also carried forward to IPDS in addition to the outlay of Rs. 32,612 crore.



Tea Dring

Financial Assistance under IPDS / R-APDRP

(Rs. in crore)

Scheme	FY 2021-22		Cumulative up to March, 2022	
	Approved Cost	GoI Fund Disb.	Approved Cost	GoI Fund Disb.
R-APDRP	(1,987)*	385	29,978	13,580
IPDS	(2,428)*	1,977	28,886	17,638

*Negative figure is due to cancellation/ reduction in cost of Projects upon financial closure

In addition to above disbursement to Discoms for Projects, during FY 2021-22, MoP has also released GoI Grant of Rs. 67 crore (cumulative Rs. 284 crore) for IPDS other than Project head (e.g. nodal agency fee, reimbursement of expenditure, Un-interrupted Direct Current (UDC), National Power Portal (NPP) etc.) and Rs. 29 crore (cumulative Rs. 563 crore) under Part-C of R-APDRP to PFC.

Moreover, MoP has also released GoI Grant of Rs. 350 crore during FY 2021-22 (cumulative Rs. 1,350 crore) for implementation of PMDP-2015 in J&K through PFC.

Progress of Implementation

IPDS

Under IPDS, inspite of a tough pandemic hit last 2 years, work in 546 out of 547 sanctioned Circles/Projects has been declared complete with overall physical progress achieved of 99% (timeline for completion of Ayodhya Circle is up to March, 2023). The Scheme is helping in making a difference in the lives of around 10 crore urban electricity consumers living in 3600 towns across the country where the Power Distribution infrastructure has been upgraded. IT enablement has been undertaken even in smaller towns of 34 Discoms. ERP system has been set up / upgraded in 32 Discoms.

Further, during the year, PFC also disbursed an amount of Rs. 440 crore (cumulative disbursement Rs. 3,755 crore) as counterpart loans to State Power Discoms under IPDS.

R-APDRP

With the measures taken so far, IT backbone has been established in the State Power Discoms which has aided the Discoms continue their operations during COVID-19 and consequent lockdown. All sanctioned 1,233 towns have been declared completed under Part A IT with all business process software modules are functional and energy audit reports being derived. SCADA Automation has been completed in 57 large towns to improve power reliability. Implementation work of distribution system strengthening has been completed in all sanctioned 1,227 towns.

Further, the Issuer has also disbursed an amount of Rs. 3,616 crore (cumulative) as counterpart loans to State Power Discoms under Part B of R-APDRP.

Other developments

- IT and Technical interventions undertaken under the scheme is helping in improvement of Billing/ Collection efficiency which will ultimately result in reduction in Aggregate Technical and Commercial (AT&C) losses. The reduction in AT&C loss is already visible in many R-APDRP towns because of establishment of IT system and Part-B completion coupled with administrative and other measures.
- There has been an increased in transparency by way of capturing of data from ≈ 36,000 urban feeders (11 kV) in IT enabled towns on Urban Distribution Monitoring System under National Power Portal.
- Real Time Data Acquisition System has been set up covering around 15,000 feeders for capturing data w.r.t. reliability indices at feeder level.



Tea Dring

- 92 Gas Insulated Substations (GIS) & Hybrid PSS have been commissioned/upgraded. Such substations have been set up for the first time in Bihar, Karnataka, UP and NER States.
- Around 10 lakh Smart/Prepaid Meters have been installed in the country under IPDS.
- '1912' – Short-code for 'Complaints on Electricity' is now operational in all Discoms.
- Capacity building/training of Utility personnel has been carried out using Digital means under IPDS / R-APDRP to enhance their skill through workshops/ webinars on AT&C loss reduction, smart metering, project management, guidelines, best practices etc.

Thus, PFC is contributing towards improving operational efficiency and financial health of Distribution Utilities.

d) 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 upgradation of the Distribution Infrastructure and Prepaid Smart Metering & System Metering based on meeting pre-qualifying criteria and achieving basic minimum benchmarks in reforms. PFC and REC (PFC's subsidiary) 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. Nodal agencies are eligible for 0.5% of the sum total of the Gross Budgetary Support (GBS) component of the various projects approved by Monitoring Committee as its fee. PFC is the nodal agency for 17 States/ UTs under the Scheme. The ongoing approved projects under IPDS/R-APDRP 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).

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.

Scope of Scheme

The Scheme has two parts:

Part A covers Metering works (prepaid smart metering for consumers and system metering) and distribution infrastructure works (loss reduction; modernization & system augmentation components).

Part B covers Training & Capacity Building and other Enabling & Supporting Activities.

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.



Tea drinking

Progress of implementation (as on 31.08.2022)

Based on the commitments of State cabinet w.r.t. Action plan for achieving outcomes and recommendations of PFC, GOI has approved projects worth Rs. 77,264 Cr. to DISCOMs of AP, Gujarat, Haryana, HP, Jharkhand, Kerala, MP and Uttarakhand under RDSS. Further, PFC has disbursed an amount of Rs. 975 Cr. to DISCOMs of AP, Gujarat, Haryana, HP, Kerala and MP towards Gol Grant Phase - I advance for implementation of Loss Reduction Projects, as per RDSS guidelines. PFC is also supporting the States by providing Model Standard Bidding Documents for Automation and ERP projects under RDSS.

Part-B component of RDSS focuses on the human resources and skill development interalia including capacity building initiatives on corporate governance, technical matters, advance technology intervention areas, new business processes etc. MoP has mandated PFC for taking-up skill development for Smart Metering works as well as training programme for DISCOMs' employees. Upto Aug 2022, total 89 training programs were conducted through NPTI covering 3,299 DISCOM personnel. PFC is also handholding the Discoms in incorporating better corporate governance practices.

E. SUBSIDIARIES

The following are the subsidiaries of PFC as on 30th Sept 2022:-

a) REC Limited (RECL)

During FY 2018-19, PFC has acquired 52.63% shareholding held by the President of India (103,93,99,343 equity shares of face value Rs. 10/- per share) in REC Limited (RECL) at Rs. 139.5036 per share for a total cash consideration of Rs. 14,500.00 crore on 28.03.2019. By virtue of this investment, PFC has become the holding company of RECL. RECL is also engaged in extending financial assistance to power sector and is a Systemically Important (Non-Deposit Accepting or Holding) Non-Banking Finance Company (NBFC) registered with Reserve Bank of India (RBI) as an Infrastructure Finance Company (IFC).

b) PFC Consulting Limited (PFCCL)

PFCCL is a wholly owned subsidiary of our Company. PFCCL was incorporated on March 25, 2008 under the Companies Act, 1956 with an authorized share capital of Rs. 5,00,000 divided into 50,000 equity shares of Rs. 10 each. The Corporate Identification Number of PFCCL is U74140DL2008GOI175858. The registered office of PFCCL is located at First Floor, "Urjanidhi", 1, Barakhamba Lane, Connaught Place, New Delhi – 110 001, India. PFCCL has been incorporated to carry on, promote and organize consultancy services related to the power sector. Presently, the consultancy services being undertaken by PFCCL comprise of assignments from state power utilities, licensees/ IPPs, State Government, PSUs and state electricity regulatory commissions. As on 30.09.2021 our Company (including its nominees) holds 100% of the issued and paid up equity capital of PFCCL.

c) Subsidiaries incorporated under the programmes of Government of India

As on 31.03.2022, the following Special Purpose Vehicles (SPVs) have been incorporated as subsidiaries/deemed subsidiaries of the Company:

Subsidiaries of PFC (UMPPs)

1. Chhattisgarh Surguja Power Limited^
2. Coastal Karnataka Power Limited



Tea Dring

**Private Placement Offer Document– PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)**

3. Coastal Maharashtra Mega Power Limited^
4. Coastal Tamil Nadu Power Limited
5. Orissa Integrated Power Limited
6. Sakhigopal Integrated Power Company Limited
7. Ghogarpalli Integrated Power Company Limited
8. Tatiya Andhra Mega Power Limited^
9. Deoghar Mega Power Limited
10. Cheyyur Infra Limited
11. Odisha Infrapower Limited
12. Deoghar Infra Limited
13. Bihar Infrapower Limited
14. Bihar Mega Power Limited
15. Jharkhand Infrapower Limited

^ SPV under the process of striking-of

Subsidiaries through PFCL (ITPs)

1. Tanda Transmission Company Limited ^
2. Bijawar-Vidarbha Transmission Limited
3. Shongtong Karcham-Wangtoo Transmission Limited^
4. Ananthapuram Kurnool Transmission Limited
5. Bhadla Sikar Transmission Limited
6. Khetri Narela Transmission Limited
7. Kishtwar Transmission Limited
8. Mohanlalganj Transmission Limited
9. Chhatarpur Transmission Limited

^ SPV under the process of striking-of

Subsidiaries through REC Ltd.

1. REC Power Development and Consultancy Limited
2. Chandil Transmission Limited
3. Dumka Transmission Limited
4. Koderma Transmission Limited
5. Mandar Transmission Limited
6. Bidar Transmission Limited
7. Rajgarh Transmission Limited
8. MP Power Transmission Package-I Limited
9. ER-NER Transmission Limited

F. OTHER MAJOR INVESTMENTS (as on 30.09.2022)

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

The Company has jointly promoted Power Trading Corporation of India (PTC) with PGCIL, NTPC and NHPC, pursuant to a shareholders agreement dated 8 April 1999, as amended by an agreement dated 29 November 2002. As on 30.09.2022, we have invested Rs.12 crore in PTC. PTC provides power trading



Tea Dring

solutions in India in addition to power trading.

b) Power Exchange India Limited (PXIL)

We have made strategic investment in PXIL, which is promoted by the NSE and the National Commodity and Derivatives Exchange Limited (NCDEX). We entered into a share subscription and shareholders agreement with NSE and NCDEX on 24 February 2009. PXIL commenced operations in October 2008 and operates a national power exchange. Our investment in PXIL is Rs. 3.22 crore as of 30.06.2022. PFC has provided full provision against its investment in PXIL i.e. Rs. 3.22 Crore.

c) Energy Efficiency Services Limited(EESL)

Energy Efficiency Services Limited (EESL) was incorporated on December 10, 2009. EESL was jointly promoted by Power Grid, NTPC, REC and PFC with 25% equity stake each for implementation of Energy Efficiency projects in India and abroad. During the FY 2021-22, amendments in the JV agreement were made vide Supplementary Agreement dated 01.09.2021, where by the substantive participative rights and privileges previously enjoyed by all the joint venture partners, through their right to affirmative vote on certain reserved matters which are in nature of relevant activities as per the requirements of Ind AS 110 'Consolidated Financial Statements' stands withdrawn. Therefore, in absence of any joint control, EESL ceases to be a Joint Venture Company for the purpose of consolidation of financial statements. Further, as on 30.09.2022, the Company along with its subsidiary RECL is holding 33.33 % stake in equity share capital of EESL .However, in the absence of any practical ability to direct the relevant activities as per the requirements of Ind AS 27'Investment in Associates and Joint Ventures', the Company does not have any significant influence and EESL has not been considered as an associate company for purpose of consolidation of financial statements.

d) Coal India Limited :

PFC had invested ₹ 500.74 crore(purchase of 1,39,64,530 shares @ 358.58 share) in Coal India Limited in January 2015. As on 30.09.2022, PFC is holding 1,39,64,530 shares of Coal India Limited valued at ₹ 296.40 crore.

e) NHPC Limited:

PFC had invested ₹ 567.46 crore (purchase of 26,05,42,051 shares @ 21.78 per share) in NHPC Limited in April 2016. Up to 30.06.2022, PFC has sold 8,28,62,859 shares of NHPC Limited and as on 30.09.2022, PFC holds 15,98,08,287 shares of NHPC Limited valued at ₹ 570.52 crore.

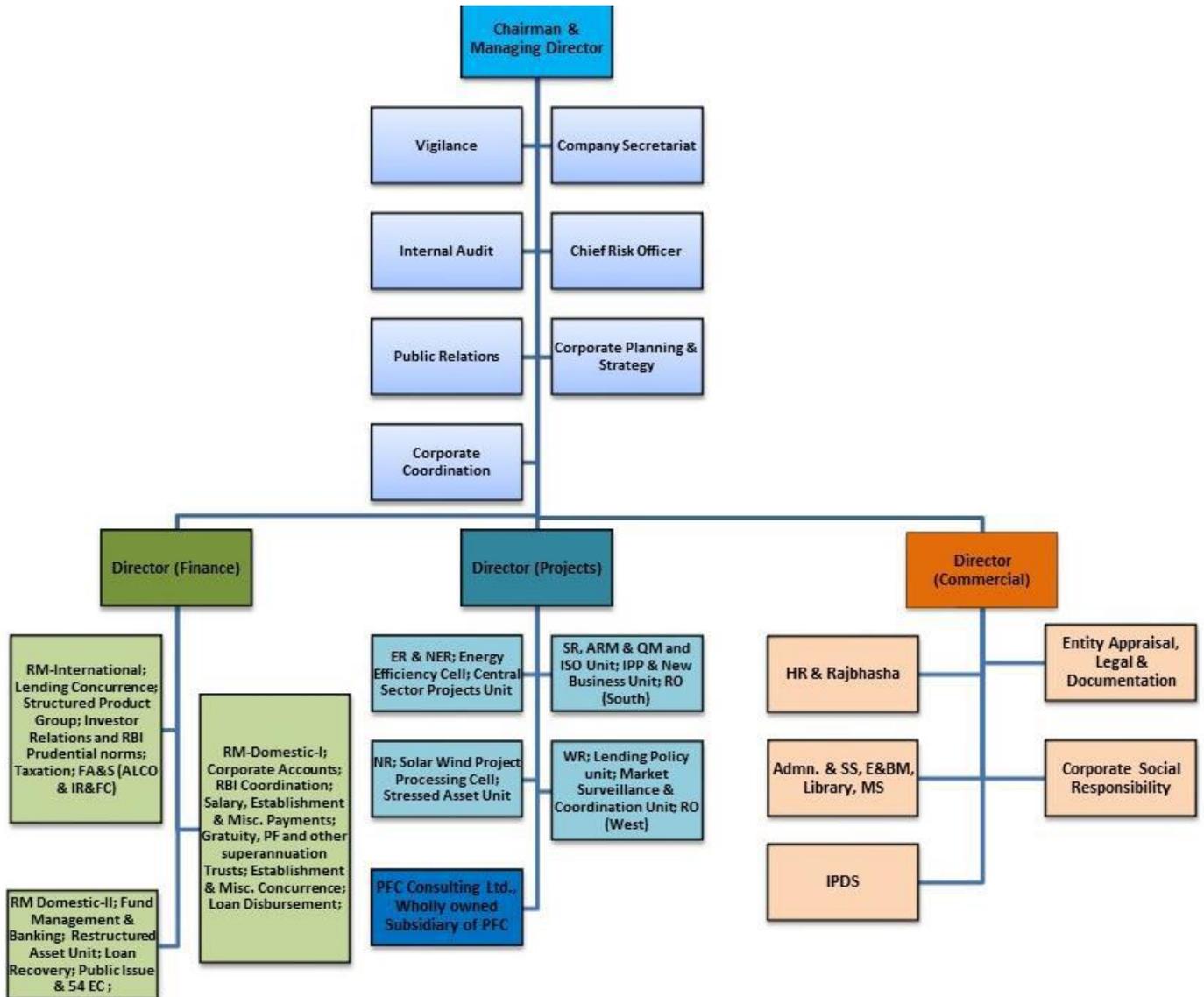
For detailed list of investments of PFC as on 31.03.2022 kindly refer Note 11 of the Standalone financial Statements.



Handwritten signature

CHAPTER III

ORGANIZATION/CORPORATE STRUCTURE



Handwritten signature

CHAPTER IV

MANAGEMENT OF THE COMPANY

A. Details of current directors of the company

S. No	Name, Designation and DIN	Age (Completed Years)	Address	Date of Appointment	Details of Other Directorships	Whether Wilful Defaulter (yes/No)
1)	Shri. R. S. Dhillon Designation: Chairman and Managing Director DIN: 00278074 Nationality: Indian	59	'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi DL 110001 IN	01/06/2020	<ul style="list-style-type: none"> • PFC Consulting Limited 	
2)	Shri. Ajay Tewari Designation: Govt. Nominee Director DIN: 09633300 Nationality: Indian	51	Ministry of Power, Shram Shakti Bhawan, Rafi Marg, New Delhi - 1	09/06/2022	--	
3)	Smt. Parminder Chopra Designation: Director (Finance) DIN: 08530587 Nationality: Indian	55	'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi DL 110001 IN	01/07/2020	<ul style="list-style-type: none"> • 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 	
4)	Shri Rajiv Ranjan Jha Designation: Director (Projects) DIN: 03523954 Nationality: Indian	56	'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi DL 110001 IN	28/10/2021	<ul style="list-style-type: none"> • PFC Consulting Limited • Orissa Integrated Power Limited 	
5)	Shri Manoj Sharma Designation: Director (Commercial) DIN: 06822395 Nationality: Indian	56	'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi DL 110001 IN	29/08/2022	<ul style="list-style-type: none"> • PFC Projects Limited • Jharkhand Infrapower Limited • PFC Consulting Limited 	



Tea Dring

Private Placement Offer Document– PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

6)	Shri. Bhaskar Bhattacharya Designation: Independent Director DIN: 09406292 Nationality: Indian	63	'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi DL 110001 IN	23.12.2021	--	
7)	Smt. Usha Sajeev Nair Designation: Independent Director DIN: 09408454 Nationality: Indian	46	'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi DL 110001 IN	23.12.2021	--	
8)	Shri Prasanna Tantri Designation: Independent Director DIN: 06471864 Nationality: Indian	40	'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi DL 110001 IN	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	Date of Cessation, if applicable	Date of Resignation, if applicable	Remarks
Shri. Rajeev Sharma Designation: Chairman and Managing Director DIN:00973413 Nationality: Indian	01 October, 2016	1 June, 2020	-	Superannuated
Dr. Arun Kumar Verma Designation: Govt. Nominee Director DIN: 02190047 Nationality: Indian	13 October, 2015	28 August,2019	-	Nomination changed by Government
Shri. Mritunjay Kumar Narayan Designation: Govt. Nominee Director DIN: 03426753 Nationality: Indian	28 August,2019	4 November, 2020	-	Nomination changed by Government
Shri. Tanmay Kumar				



Handwritten signature

Private Placement Offer Document– PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

Designation: Govt. Nominee Director DIN: 02574098 Nationality: Indian	4 November, 2020	07 September, 2021	-	Nomination changed by Government
Shri. Vishal Kapoor Designation: Govt. Nominee Director DIN: 02574098 Nationality: Indian	07 September, 2021	09 June, 2022	-	Nomination changed by Government
Shri. C. Gangopadhyay Designation: Director (Projects) DIN:02271398 Nationality: Indian	1 January, 2017	1 May, 2019	-	Superannuated
Shri. Sitaram Pareek Designation: Independent Director DIN: 00165036 Nationality: Indian	06 February, 2017	06 February, 2020	-	Completion of Tenure
Shri. N.B. Gupta Designation: Director (Finance) DIN: 00530741 Nationality: Indian	18 August, 2017	1 July, 2020	-	Superannuated
Smt. Gouri Chaudhury Designation: Independent DIN: 07970522 Nationality: Indian	3 November, 2017	3 November, 2020	-	Completion of Tenure
Shri. Praveen Kumar Singh Designation: Director (Commercial) DIN: 03548218 Nationality: Indian	10 August, 2018	01.02.2022	-	Superannuated
Shri. R. C. Mishra Designation: Independent DIN:02469982 Nationality: Indian	11 July, 2019	10 July, 2022	-	Completion of Tenure
Shri. R. S. Dhillon Designation: CMD DIN: 00278074 Nationality: Indian	01 June, 2020	Continuing	-	Appointment



Handwritten signature

Private Placement Offer Document– PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

Shri. Shri Ajay Tewari Designation: Govt. Nominee Director DIN: 09633300 Nationality: Indian	09 June, 2022	Continuing	-	Appointment
Smt. Parminder Chopra Designation: Director (Finance) DIN: 08530587 Nationality: Indian	01 July 2020	Continuing	-	Appointment
Shri Rajiv Ranjan Jha Designation: Director (Projects) DIN: 03523954 Nationality: Indian	28 October, 2021	Continuing	-	Appointment
Shri Manoj Sharma Designation: Director (Commercial) DIN: 06822395 Nationality: Indian	29 August, 2022	Continuing	-	Appointment
Shri. Bhaskar Bhattacharya Designation: Independent Director DIN: 09406292 Nationality: Indian	23 December, 2021	Continuing	-	Appointment
Smt. Usha Sajeev Nair Designation: Independent Director DIN: 09408454 Nationality: Indian	23 December, 2021	Continuing	-	Appointment
Shri Prasanna Tantri Designation: Independent Director DIN: 06471864 Nationality: Indian	23 December, 2021	Continuing	-	Appointment



tea dring

CHAPTER V
DETAILS OF AUDITOR OF THE COMPANY

A. Auditors of the company

Year	Name of the Auditor	Address	Auditor Since
2022-23	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	01-Aug-19
	M/s Prem Gupta & Co Chartered Accountants Registration No.: 000425N	T-2342/2, Ashok Nagar, Faiz Road, Karol Bagh, New Delhi - 110005 Tel No.: 011-25466394, 25422417 E-mail: pguptaco@yahoo.co.in	19-Aug-21

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

Name of the Auditor	Address	Date of Appointment	Date of Cessation, if applicable	Date of Resignation, if applicable
M/s Gandhi Minocha & Co.	B-6, Shakti Nagar Extension, Near Laxmi Bai College New Delhi – 110052 Tel No.: (011) 27303078	11- Jul-2017	Appointed till FY 2020-21	NA
M/s Dass Gupta & Associates	B-4, Gulmohar Park, New Delhi – 110049 Tel No.: (011)46111000	01- Aug-19	NA	NA
M/s Prem Gupta & Co	T-2342/2, Ashok Nagar, Faiz Road, Karol Bagh, New Delhi - 110005 Tel No.: 011-25466394, 25422417	19-Aug-21	NA	NA

CHAPTER VI
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 PFC, based on the information currently available to it, deems immaterial, may also impair its business, financial condition and results of operations. All of these risks are contingencies which may or may not occur and the Issuer is 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, the 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 PFC’S BUSINESS AND INDUSTRY

- 1. The Issuer has 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 the asset portfolio may be adversely affected.**

The Issuer is a Public Financial Institutions (“PFI”) focused on financing of the power sector in India, which has a limited number of borrowers, primarily comprising of state power utilities (“SPUs”) and state electricity boards (“SEBs”), many of which have been historically loss making. The issuer’s past exposure has been, and future exposure is expected to be, concentrated towards these borrowers. Historically, SPUs or SEBs have had a relatively weak financial position and have in the past delayed on their indebtedness. Consequently, the Issuer had to restructure some of the loans sanctioned to certain SPUs and SEBs, including rescheduling of repayment terms. In addition, many of its 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. 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 the issuer’s non-performing assets (“NPAs”) and adversely affect its business, financial condition and results of operations.

- 2. The Issuer may not have obtained sufficient security or collateral in connection with its loans, or may be unable to recover, or experience delays in recovering, the expected value from such security or collateral.**

Although the Issuer endeavour to obtain adequate security or implement quasi-security arrangements in connection with its loans, the Issuer has not obtained such security or collateral for all of its loans. In addition, in connection with certain of the Issuer’s loans, the Issuer have been able to obtain only partial security or have made disbursements prior to adequate security being created or perfected. There can be no assurance that any security or collateral that the Issuer has obtained will be adequate to cover repayment of its loans or interest payments thereon or that the Issuer will be able to recover the expected value of such security or collateral in a timely manner, or recover at all.



Tea Dring

The Issuer's loans are typically secured by various movable and immovable assets and/ or other collaterals. The Issuer generally seeks 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 The Issuer generally seeks to have a second pari passu charge on the relevant project assets. In addition, some of the Issuer's loans may relate to imperfect security packages or negative liens provided by its 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 the Issuer's 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 the Issuer 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 the Issuer's 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 haircut. 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 a lower rate, and will have an impact on the Company's financials going forward. 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 the Issuer's 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 the issuer's borrowers, the issuer may be required by such other lenders to agree to such corrective action plan, irrespective of the Issuer's preferred mode of settlement of its loan to such borrower or subject its loan account to accelerated provisioning. Furthermore, with respect to any loans



Tea Dring

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 the Issuer dissents from a particular resolution plan, while under the Stressed Assets Framework the Issuer is 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 the Issuer. Any such corrective action plan / accelerated provisioning could lead to an unexpected loss that could adversely affect the business, financial condition or results of operations.

3. The Issuer's ability to compete effectively is dependent on its ability to maintain a low effective cost of funds

The Issuer's ability to compete effectively is dependent on its timely access to capital, the costs associated with raising capital and its ability to maintain a low effective cost of funds in the future that is comparable or lower than that of its competitors. Historically, the Issuer has been able to reduce its cost of capital and reliance on commercial borrowings through the issuance of Rupee denominated bonds and loans guaranteed by the GoI. The Issuer also benefits from certain tax benefits extended by the GoI. In addition, in respect of certain of the Issuer's foreign currency borrowings guaranteed by the GoI, the Issuer has been exempted from guarantee fees payable to the GoI, which has also enabled the Issuer to reduce its costs of funds. Furthermore, with effect from fiscal 2018, the Issuer has been allowed to issue taxable bonds under Section 54EC of the Indian Income Tax Act, which shall also help it to reduce its cost of funds. However, there can be no assurance that the Issuer will continue to benefit from any direct or indirect support from the GoI and any adverse development in GoI policies may result in an increase in its cost of funds.

Following a general decrease in the level of direct and indirect financial support by the GoI to the Issuer in recent years, the Issuer is fundamentally dependent upon funding from the equity and debt markets and commercial borrowings and is particularly vulnerable in this regard given the growth of the business. The market for such funds is competitive and there can be no assurance that the Issuer will be able to obtain funds on acceptable terms, or at all. Many of the competitors have greater and cheaper sources of funding than the Issuer. Furthermore, many of the competitors may have larger resources or greater balance sheet strength than the Issuer and may have considerable financing resources. In addition, since the Issuer is a non-deposit taking NBFC, the Issuer may have restricted access to funds in comparison to banks and deposit taking NBFCs. While The Issuer has generally been able to pass any increased cost of funds onto its customers, the Issuer may not be able to do so in the future. If the financial products are not competitively priced, there is a risk of the Issuer's borrowers raising loans from other lenders and in the case of financially stronger SPU's and SEBs and private sector borrowers, the risk of their raising funds directly from the market. The Issuer's ability to raise capital also depends on its ability to maintain its credit ratings in order to access various cost competitive funding options. The Issuer is also dependent on its classification as an IFC which enables the Issuer, among other things, to diversify its borrowings through the issuance of Rupee-denominated infrastructure bonds that offer certain tax benefits to bondholders as and when such schemes are notified by the GoI and to raise ECB under the automatic route subject to certain specified limits.

In addition, adverse developments in economic and financial markets or the lack of liquidity in financial markets could make it difficult for the Issuer to access funds at competitive rates.



Handwritten signature in blue ink.

These and other related events have resulted in increased borrowing costs and difficulty in accessing funds in a cost effective manner. If the Issuer is not able to maintain a low effective cost of funds, the Issuer may not be able to implement its growth strategy, competitively price its loans and, consequently, the Issuer may not be able to maintain the profitability or growth of its business, which could have a material adverse effect on its business, financial condition and results of operations.

4. An increase in the level of the Issuer’s NPAs could adversely affect its financial condition.

In the past, the Issuer’s gross NPAs have been as indicated below:

Particulars as of	(Rs. million)	As % of total loan assets
31 March 2014.....	12,277	0.65%
31 March 2015.....	23,636	1.09%
31 March 2016.....	75,190	3.15%
31 March 2017.....	307,022	12.50%
31 March 2018.....	267,030	9.57%
31 March 2019.....	295,400*	9.39%
31 March 2020.....	278,680*	8.08%
31 March 2021.....	211,500*	5.70%
31 March 2022.....	209,152*	5.61%

*Stage III Assets as per Ind-AS accounting

The provisioning has been made in terms of prudential norms as notified by the RBI for “Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies”. As the Issuer is required to follow a borrower-wise NPA determination policy for its government sector borrowers, the Issuer’s NPA levels may increase substantially, which may have a material adverse effect on the Issuer’s business, financial condition and results of operations. In addition, the Issuer may, from time to time, amend its policies and procedures regarding asset classification or rescheduling of its loans, which may also increase the Issuer’s level of NPAs. The Issuer’s loans made to the private sector are generally consistent with the lending (exposure) norms stipulated by the RBI. As RBI provisioning norms have become applicable to the Issuer, the Issuer’s level of NPAs and provisions with respect thereto have significantly increased for fiscal 2017. If the Issuer is not able to prevent increases in its level of NPAs, the Issuer’s business and future financial condition could be adversely affected. 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 the Issuer’s NPAs.

5. Inability to develop or implement effective risk management policies and procedures could expose the Issuer’s to unidentified risks or unanticipated levels of risk.

Although the Issuer 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 the Issuer encounters in its business and operations or that such policies and procedures are as comprehensive as those implemented by banks and other financial institutions. The Issuer’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 the Issuer may not be accurate, complete, up-to-date or properly evaluated. Unexpectedly large or



Handwritten signature in blue ink.

rapid movements or disruptions in one or more financial markets or other unforeseen developments could have a material adverse effect on the Issuer's results of operations and financial condition. The Issuer'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 regulations that adversely affect the Issuer's business and operations. In addition, the Issuer 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 the Issuer currently encounters or anticipates, and there can be no assurance that the Issuer will be able to effectively identify and address any additional risks that apply to such business initiatives. An inability to develop, modify and implement effective and dynamic risk management policies and procedures may adversely affect the Issuer'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 the Issuer's policies and procedures will effectively and accurately record and verify such information. Failure of the Issuer's risk management policies and procedures or exposure to unanticipated risks could lead to losses and adversely affect the Issuer's business, financial condition and results of operations.

6. Risks inherent to power sector projects, particularly power generation projects, could adversely affect the Issuer's business, financial condition and results of operations.

The Issuer 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 the Issuer finances are beyond its 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;



Handwritten signature

- increase in project development costs due to environmental challenges and changes in environmental regulations;
- changes in credit ratings of the 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 the Issuer 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 the Issuer'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 the Issuer finances, materialise, the quality of the Issuer's asset portfolio and its results of operations may be adversely affected. Furthermore, if the Issuer expands 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 its business, financial condition and results of operations in the event these risks were to materialise.



Handwritten signature in blue ink.

7. Risks inherent to power generation companies, who comprise a significant portion of the Issuer’s borrowers, could adversely affect its business, financial condition and results of operations.

Many of the Issuer’s borrowers are power generation companies who face various industry-specific risks as well as risks that are generally applicable to the power sector in India. Many of these risks are beyond the Issuer’s control and include the following:

- activities in the power generation business can be dangerous and can cause injury to people or property;
- power generation companies may have limited access to funding for the development and implementation of their power projects which may limit the expansion of their business;
- changes in technology may negatively impact power generation companies by making their equipment or power projects less competitive or obsolete;
- the provisions of the Electricity Act, 2003 have significantly increased competition in the power generation industry which may negatively impact individual power generation companies;
- changes to tariff regulations may adversely affect the revenues and results of operations for power generation companies;
- compliance with strict environmental regulations; and
- fluctuating fuel costs.

To the extent the risks mentioned above or other risks relating to power generation companies materialise, the quality of the Issuer’s asset portfolio and the Issuer’s results of operations may be adversely affected. Furthermore, as the Issuer continues to expand its operations, its loans to individual power generation companies may increase, thereby increasing its exposure with respect to individual power generation companies and the potential risk for adverse effects on the Issuer’s business, financial condition and results of operations in the event these risks were to materialise.

8. Failure to manage any acquisition that the Issuer makes may cause its profitability to suffer.

As of the date of this Offer Letter, the Issuer is not evaluating any merger and acquisition opportunities however it may take advantage of merger and acquisition opportunities in the future if suitable opportunities arise. These may require significant investments which may adversely affect the Issuer’s business and revenues. Furthermore, the Issuer is not permitted to carry out any merger or acquisitions without prior approval from the GoI. Acquisitions involve additional risks, including the following:

- impact of unforeseen risks, such as contingent or latent liabilities relating to the acquired businesses that become apparent only after the merger or acquisition is finalised;
- success or failure of integration and management of the acquired operations and systems;
- success or failure of retention of select personnel; or
- impact of diversion of the Issuer management’s attention from other ongoing business concerns.

If the Issuer is unable to integrate the operations of an acquired business successfully or manage such future acquisitions profitably, its revenues and results of operations may be adversely affected.

9. If inflation increases, the Issuer’s results of operations and financial condition may be adversely affected.



Handwritten signature

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 its products and, as a result, on its business and financial results. In the event that domestic inflation or global inflation increases, certain of the Issuer'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, the Issuer may face increased costs of funding. To the extent the Issuer cannot pass these increases on to its borrowers, its results of operations could be adversely affected.

10. The Issuer currently funds its business in significant part through use of borrowing that have shorter maturities than the maturities of substantially all of its new loan assets and the Issuer may be required to obtain additional financing in order to repay its indebtedness and grow its business.-

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

To the extent the Issuer funds its business through the use of borrowings that have shorter maturities than the loan assets the Issuer disburses, the Issuer's loan assets will not generate sufficient liquidity to enable the Issuer to repay its borrowings as they become due, and the Issuer will be required to obtain new borrowings to repay its existing indebtedness. Furthermore, in accordance with GoI directives, the Issuer is required to declare a minimum dividend on equity of 5.0 per cent of net worth or a minimum dividend payout of 30.0 per cent of its profit after tax each fiscal year, whichever is higher. However, this is subject to availability of disposable profits and the Issuer may declare a lower dividend with the consent of the GoI. As a result, the Issuer's retained earnings remain low and the Issuer may be unable to repay its loans from its retained earnings as and when they mature. There can be no assurance that new borrowings will be available on favourable terms, or at all. In particular, the Issuer is increasingly reliant on funding from the debt capital markets and commercial borrowings. The market for such funds is competitive and the Issuer's ability to obtain funds on acceptable terms will depend on various factors including, in particular, the Issuer's ability to maintain its credit ratings. Furthermore, the Issuer's inability to effectively manage its funding requirements and the financing the Issuer provides may also be aggravated if the Issuer's borrowers pre-pay or are unable to repay any of the financing facilities the Issuer grants to them. The Issuer's asset-liability management framework categorises all interest rate sensitive assets and liabilities into various time period categories according to contracted residual maturities or anticipated re-pricing dates, as may be relevant in each case. The difference between the value of assets and liabilities maturing, or being re-priced, in any time period category provides the measure to which the Issuer is exposed to the risk of potential changes in the margins on new or re-priced assets and liabilities. Despite the existence of such measures, the Issuer's liquidity position could be adversely affected by the development of an asset-liability mismatch, which could have a material adverse effect on the Issuer's business, prospects, results of operations and financial condition.



Sole Director

11. An inability to effectively manage the Issuer’s growth or successfully implement its business plan and growth strategy could adversely affect the Issuer’s business, financial condition and results of operations.

The Issuer intends to continue to grow its business, which could place significant demands on its operational, credit, financial and other internal risk controls, making management of asset quality increasingly important. This may also exert pressure on the adequacy of the Issuer’s capitalisation. The Issuer intends to fund its asset growth primarily through the issuance of Rupee-denominated bonds and commercial borrowings raised in India. There can be no assurance that the Issuer will be able to raise funding on attractive terms, or at all. Any adverse development in the Indian credit markets or any increase in interest rates may significantly increase the Issuer’s debt service costs and its overall cost of funds. The Issuer’s growth also increases the challenges involved in maintaining and improving its internal administrative, technological and physical infrastructure, and entails substantial senior level management time and resources.

As part of its growth strategy, the Issuer 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, the Issuer intends to expand its business and service offerings in consultancy and other fee-based services, debt syndication and equity investments. The Issuer 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. The Issuer 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 the Issuer in its current operations. In addition, if the Issuer 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 the Issuer 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.

12. If the Issuer is not in compliance with corporate governance requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Companies Act, 2013, etc., it may result in imposition of a penalty that may adversely affect the Issuer’s reputation and business.

The Issuer has not complied with certain provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to composition of its Board. As of the date of this Offer Letter, the Issuer’s Board has eight Directors, of which four are full-time functional directors, one is a Government nominee director and three are independent directors.

The Equity Listing Regulations requires that at least half of the Board should be comprised of independent directors if the chairman of the Board is an executive director. However, as of the date of this Offer Letter, the Board of the Issuer does not have the requisite minimum number of independent directors.

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



Sankar Prasad

As on 31.03.2022, the GoI has 55.99% stake in the equity share capital of the Issuer. As a result, the GoI, acting through the MoP, will continue to exercise significant control over the Issuer. The GoI also controls the composition of the Board and determines matters requiring shareholder approval or approval by the Board. The GoI may take or block actions with respect to the Issuer's business, which may conflict with the Issuer's interests or the interests of the Issuer's minority shareholders. By exercising its control, the GoI could delay, defer or cause a change of the Issuer's control or a change in the Issuer's capital structure, or a merger, consolidation, takeover or other business combination involving the Issuer, or discourage or encourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Issuer. In addition, as long as the GoI continues to exercise control over the Issuer, it may influence the material policies of the Issuer in a manner that could conflict with the interest of the Issuer's other shareholders and may take positions with which the Issuer or the Issuer's other shareholders may not agree. In addition, the GoI significantly influences the Issuer'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 GoI could require the Issuer to take action designed to serve the public interest in India and not necessarily to maximise the Issuer's profits.

14. The Government may sell all or part of its shareholding in the Issuer that may result in a change in control of the Issuer.

Whilst the Government's shareholding in the Issuer equals or exceeds 51%, the Issuer 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 on date, there is no legislation that places a mandatory requirement on the Government to hold a minimum 51% shareholding in the Issuer. Therefore the Government may sell all or part of its shares in the Issuer, which may result in a change in control of the Issuer and which may, in turn, disqualify the Issuer from benefiting from certain regulatory exemptions and other benefits that may be applicable to the Issuer due to it being a public sector company. If a change of control were to occur, the Issuer cannot assure investors that it will have sufficient funds available at such time to pay the purchase price of such outstanding Bonds or repay such loan, which 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 the Issuer may not be able to obtain at that time.

15. The Issuer is subject to credit, market and liquidity risks and, if any such risk were to materialise, the Issuer's credit ratings and its cost of funds may be adversely affected.

The Issuer may not be able to effectively mitigate its risk exposures in particular market environments or against particular types of risks. The Issuer'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. The Issuer'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, the Issuer could incur higher than anticipated losses. The successful management of credit, market and operational risk is an important consideration in managing the Issuer's liquidity risk because it affects the evaluation of the Issuer's credit ratings by rating agencies. The Issuer currently holds credit ratings for its long-term domestic borrowings and its short term borrowings from CRISIL (CIN: U67100MH2019PLC326247), ICRA (CIN: L74999DL1991PLC042749) and CARE (CIN: L67190MH1993PLC071691) respectively. International credit rating agencies Moody's and Fitch have also provided long-term foreign currency issuer ratings for the



Handwritten signature or initials.

Issuer. However, rating agencies may reduce or indicate their intention to reduce the ratings at any time and there can be no assurance that the Issuer 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 the Issuer's ratings. Any reduction (or withdrawal) in the Issuer's ratings may make the Issuer ineligible to remain classified as an IFC, increase the Issuer's borrowing costs, limit the Issuer's access to capital markets and adversely affect the Issuer'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 the Issuer's liquidity and negatively impact the Issuer's financial condition and results of operations.

16. The Issuer may fail to obtain regulatory approvals to operate or expand its business in a timely manner or at all, or to comply with the terms and conditions of its existing regulatory approvals and licenses, which may have a material adverse effect on the continuity of the Issuer's business and may impede its operations in the future.

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

NBFCs in India are subject to strict regulations and supervision by the RBI. These laws and regulations impose numerous requirements on the Issuer, including those relating to asset classification and prescribed levels of capital adequacy, cash reserves and liquid assets. In addition to the numerous conditions required for the registration as an NBFC with the RBI, the Issuer is required to maintain certain statutory and regulatory permits and approvals for its business. In the future, the Issuer 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 the Issuer or at all. Failure by the Issuer to renew, maintain or obtain the required permits or approvals may result in the interruption of the Issuer's operations and may have a material adverse effect on its business, financial condition and results of operations.

Furthermore, the RBI has not provided for any ceiling on interest rates that can be charged by non-deposit taking NBFCs even though they have stated in circulars that NBFCs should lay out appropriate internal principles and procedures in determining interest rates and other charges. The Issuer fixes the interest rate based on average cost of funds, RBI's monetary policies, competitors' interest rate, certain percentage of margin and other markets conditions, which are subject to change from time to time. There may be future changes in the regulatory system or in the enforcement of laws and 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, the Issuer is required to make various filings with the RBI, the Registrar of Companies (RoC) and other relevant authorities pursuant to the provisions of the RBI regulations, the Companies Act and other regulations. If the Issuer fails to comply with these requirements, or if a regulator claims the Issuer has not complied with such requirements, the Issuer may be subject to penalties. Moreover, these laws and regulations can be amended, supplemented or changed at any time such that the Issuer may be required to restructure its activities and incur additional expenses in complying with such laws and regulations, which could adversely affect the Issuer's business. In addition, any historical or future failure to comply with the terms and conditions of the Issuer's existing regulatory or statutory approvals may cause the Issuer to lose or become unable to renew such approvals.

17. The Issuer may in the future conduct additional business through joint ventures and strategic partnerships, exposing the Issuer to certain regulatory and operating risks.



The Issuer 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 the Issuer’s business operations in the power sector. The Issuer may not be able to identify suitable joint venture or strategic partners or the Issuer may not complete transactions on terms commercially acceptable to it, or may not complete transactions at all. The Issuer 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 the Issuer’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 the Issuer’s management, financial and other resources and any unforeseen costs or losses could adversely affect its business, profitability and financial condition.

18. Some of the Issuer’s agreements with its lenders and its borrowers are not executed on stamp paper.

In the event that some of the Issuer’s loan documents with its lenders and borrowers may not be executed on appropriate stamp paper documents such agreements cannot be admitted as evidence in a court of law or be acted upon by any person having consent of parties by law or the authority to receive any such evidence. Such agreements can only be used as evidence in a court of law upon payment of the applicable stamp duty, along with any additional penalty that may be levied (which penalty may be up to ten times the applicable stamp duty). Therefore, in cases of disputes among the lenders or borrowers where the agreements have not been executed on the correct stamp paper, such agreements may be inadmissible as evidence (unless the adequate stamp duty together with any penalty has been paid) and this may in turn have a material adverse effect on the Issuer’s business, results of operations and financial position.

19. The Issuer has 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 cash outflows relating to loans and advances that the Issuer disburses (net of any repayments the Issuer receives) are reflected in the Issuer’s cash flow from operating activities whereas the cash inflows from external funding that the Issuer procures (net of any repayments of such funding) to disburse these loans and advances are reflected in the Issuer’s cash flows from financing activities. The net cash flows from investing activities primarily represent sale and purchase of fixed assets, other investments and interest received. The following table sets forth certain information with respect to the Issuer’s historical cash flows, including certain negative cash flows, for the periods indicated:

(Rs. in crores)

Particulars	As of March 31				
	2018	2019	2020	2021	2022
Net cash from operating Activities	(27,528.34)	(44,499.69)	(10,025.55)	(17,514.68)	6,738.42
Net cash from investing activities	1,138.18	(13,819.57)	1,555.92	880.92	(30.53)
Net cash from financing activities	1,475.36	58,091.65	8,342.06	20,168.86	(9,704.60)
Net increase/(decrease) in cash and cash equivalents	3,086.68	(227.62)	(127.57)	3,535.10	(2,996.71)

There can be no assurance that there will not be a negative cash flow in the future.



Handwritten signature or initials in blue ink.

20. The Issuer may not be able to identify attractive financing or investment opportunities, or provide financing to or make investments in such identified opportunities, which may adversely affect the Issuer's financial condition and results of operations.

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

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

21. 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 the Issuer's borrowers and in turn adversely affect the quality its 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 the Issuer's customers to incur substantial expenditure, specifically with respect to compliance with environmental laws. Furthermore, certain of the Issuer's borrowers' contractors and other counterparties are required to obtain approvals, licenses, registrations and permits with respect to the services they provide to the Issuer's borrowers. The Issuer'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 the Issuer's borrowers may adversely affect its operations. This in turn could adversely affect the quality of the Issuer's loans, may put the Issuer's customers in financial difficulties (which could increase the level of non-performing assets in the Company's portfolio) and adversely affect the Issuer's business and financial condition.



22. The Issuer’s business and activities are regulated by the Competition Act, 2002 (the “Competition Act”) and any application of the Competition Act to the Issuer may be unfavourable or have an adverse effect its business, financial condition and results of operations.

The Indian Parliament has enacted the Competition Act under the auspices of the Competition Commission of India (“**Competition Commission**”) to prevent business practices that have an appreciable adverse effect on competition in India, which (other than for certain provisions relating to the regulation of combinations) became effective in 2009. 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 the Issuer 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 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 the Issuer’s business, financial condition and results of operations.

23. Changes in legislation, including tax legislation, or policies applicable to the Issuer could adversely affect its results of operations.

The Government has proposed two major reforms in Indian tax laws, namely the Goods and Services Tax (GST) and provisions relating to General Anti Avoidance Rules (GAAR).

The provisions of the GST have come into effect from 1 July 2017 and have replaced the indirect taxes on goods and services such as central excise duty, service tax, customs duty, central sales tax, state VAT, surcharge and excise currently being collected by the central and state governments.

As regards GAAR, the provisions have come into effect from assessment year 2018-2019. The GAAR provisions intend to catch arrangements declared as “impermissible avoidance arrangements”, which is any arrangement, the main purpose or one of the main purposes of which is to obtain a tax benefit and which satisfy at least one of the following tests: (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm’s length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act, 1961; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, which are not ordinarily employed for bona fide purposes. The onus to prove that the transaction is not an “impermissible avoidance agreement” is on the assessee. If GAAR provisions are invoked, then the tax authorities have wide powers, including denial of tax benefit or a benefit under a tax treaty.



Handwritten signature

24. The risks to financial stability could adversely affect the Issuer's business.

As reported by the RBI in its financial stability report dated June 26, 2015, the gross non-performing assets in the banking system have grown, while stressed advances including standard restructured loans have risen since September 2014. This deterioration in asset quality is expected to continue into the next few quarters as well. Profitability measured by return on assets and return on equity remained around the same level during the last two years. The banking stability map suggests that the overall risks to the banking sector have moderated marginally since September 2014. However, concerns remain over the continued weakness in asset quality and profitability.

The Issuer has little or no control over any of these risks or trends and may be unable to anticipate changes in economic conditions. Adverse effects on the Indian banking system could impact the Issuer's funding and adversely affect its business, operations and financial condition and the market price of the Bonds.

25. The Issuer has 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 its financial condition.

As of March 31, 2022 Rs. 59,130 crore or 15.85% of the Issuer's total outstanding loans were to private sector borrowers. Under the terms of the loans to private sector borrowers, the Issuer's loans are secured by project assets, and in certain cases, the Issuer has also obtained additional collateral in the form of a pledge of shares by the relevant promoter, or sponsor guarantee. The Issuer expects that its exposure to private sector borrowers will increase in the future. The ability of such borrowers to perform their obligations under its 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.

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

Majority of the Issuer's 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 the Issuer's borrowers and deposited in the relevant escrow accounts or trust and retention accounts. Though the Issuer monitors the flow into the escrow accounts and trust and retention accounts, the Issuer does 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 the Issuer's borrowers, the escrow account mechanism and the trust and retention account arrangements will not be effective in ensuring the timely repayment of the Issuer's loans, which may adversely affect the Issuer's financial condition and results of operations. In addition, as the Issuer diversifies the loan portfolio and enter into new business opportunities, the Issuer 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.

27. Insurance of relevant project assets obtained by the Issuer's borrowers may not be adequate to protect them against all potential losses, which could indirectly affect the Issuer's ability to recover its loans to such borrowers.

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

28. The Issuer is involved in a number of legal proceedings that, if determined against it, could adversely impact its business and financial condition.

The Issuer 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 the Issuer, could have an adverse impact on the business, financial condition and results of operations of the Issuer. No assurances can be given as to whether these legal proceedings will be decided in the Issuer's favour or have no adverse outcome, nor can any assurance be given that no further liability will arise out of these claims.

29. Volatility in interest rates affects the Issuer's lending operations and may result in a decline in its net interest income and net interest margin and adversely affect its return on assets and profitability.

The Issuer's business is primarily dependent on interest income from its lending operations. The primary interest rate-related risks the Issuer faces are from timing differences in the pricing of the Issuer's assets and liabilities, for example, in an increasing interest rate environment, the Issuer's liabilities are priced prior to its assets being priced, it 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 its loan assets and its loan liabilities.

Interest rates are highly sensitive to many factors beyond the Issuer'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, the Issuer is subject to greater re-pricing and pre-payment risks as borrowers may take advantage of the attractive interest rate environment. If the Issuer re-prices loans, the Issuer's results may be adversely affected in the period in which the re-pricing occurs. If borrowers prepay loans, the return on the Issuer's capital may be impaired as any prepayment premium the Issuer receives may not fully compensate the Issuer for the redeployment of such funds elsewhere. In addition, while the Issuer sets the interest rate under its loans and also typically has the option to reset the rate to the Issuer's prevailing lending rates in accordance with the terms of the relevant loans, typically every three 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 the Issuer's borrowings and given that a majority of the Issuer's loans are subject to three year re-set clauses, the Issuer 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 the Issuer's results of operations and financial condition. In addition, as a non-deposit taking NBFC, the Issuer may be more susceptible to such increases in interest rates than some of the Issuer's competitors such as commercial banks or deposit taking NBFCs that have access to lower cost funds.



Tea Dring

The Issuer’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 the Issuer’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 the Issuer may enter into in the future may be affected by changes in interest rates. There can be no assurance that the Issuer 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.

30. As an NBFC and an IFC, the Issuer is required to adhere to certain individual and borrower group exposure limits prescribed by the RBI.

The Issuer is a systemically important non-deposit taking NBFC and is subject to various regulations by the RBI as an NBFC. With effect from 28 July 2010, the Issuer has been classified as an IFC by the RBI, and the classification is subject to certain conditions stipulated by RBI.

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:

Concentration of credit / investment	Loan company	(limit as a % of owned funds) Infrastructure Finance Company
• Lending ceilings		
<i>Lending to any single borrower</i>	15%	25%
<i>Lending to any single group of borrowers</i>	25%	40%
• Loans and investment taken together		
<i>Lending and investing to single party</i>	25%	30%
<i>Lending and investing to single group of parties</i>	40%	50%

The applicable NBFCs may exceed the concentration of credit/investment norms by 5 per cent for any single party and by 10 per cent for a single group of parties, if the additional exposure is on account on infrastructure loan and/or investment.

Furthermore, the Issuer is exempted from the applicability of RBI concentration of credit and investment limits in respect of its exposure towards Government entities (including state government entities) until 31 March 2022. Accordingly, in case of the Government sector, the Issuer is following the below MoP-approved credit concentration limits:

Concentration of credit / investment	Government sector Companies(limit as a % of networkth)
• Lending to a single entity :	<i>100% -150% (higher exposure upto 150% is permitted subject to certain conditions)</i>
• Investment in shares :	<i>15%</i>
• Lending + Investment :	<i>100%-150%</i>

As of 31 March 2022, the Issuer’s CRAR was 23.48 per cent. Any inability to continue to be classified as an IFC may impact the Issuer’s growth plans by affecting its competitiveness. As an IFC, the Issuer has to constantly monitor its compliance with the necessary conditions, which may hinder the Issuer’s future plans to diversify into new business lines. In the event that the Issuer is unable to comply with the eligibility condition(s), the Issuer may be subject to regulatory actions by the RBI and/or the cancellation of its registration as a systemically important non-deposit taking NBFC that is also an IFC. Any levy of fines or penalties or the cancellation of the Issuer’s registration as an NBFC or IFC may adversely affect the Issuer’s business, prospects, results of operations and financial condition.



Handwritten signature in blue ink.

In addition, the Issuer's 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.

As the Issuer grows its business and increases its borrowings, it may face similar limitations with other lenders, which could impair the Issuer's growth and interest margins.

31. The power sector financing industry is becoming increasingly competitive and the Issuer's growth will depend on its ability to compete effectively and maintain a low effective cost of funds.

The Issuer is facing increasing competition from public and private sector commercial banks and from other financial institutions that provide funding to the power sector. Many of the Issuer's competitors may have access to greater and cheaper sources of funding than the Issuer. Competition in the Issuer's industry depends on, among other factors, the ongoing evolution of GoI policies relating to the industry, the entry of new participants into the industry and the extent to which there is consolidation among banks, financial institutions and NBFCs in India. The Issuer's primary competitors are public sector infrastructure finance companies, public sector banks, private banks (including foreign banks), financial institutions and other NBFCs. Many of the Issuer's competitors may have larger resources or sizes than the Issuer and may have considerable financing resources. In addition, since the Issuer is a non-deposit taking NBFC, the Issuer may have restricted access to funds in comparison to banks and deposit taking NBFCs. The Issuer's ability to compete effectively is dependent on its ability to maintain a low effective cost of funds. With the growth of its business, the Issuer is dependent on funding from the equity and debt markets and commercial borrowings. The market for such funds is competitive and the Issuer's ability to obtain funds on acceptable terms, or at all, will depend on various factors including the Issuer's ability to maintain its credit ratings. If the Issuer is unable to access funds at an effective cost that is comparable to or lower than that of its competitors, the Issuer may not be able to offer competitive interest rates for its loans to power projects. This is a significant challenge for the Issuer, as there are limits to the extent to which higher costs of funds can be passed on to borrowers, thus potentially affecting the Issuer's net interest income

32. The power sector in India is regulated by GoI, and the Issuer's operations are directly or indirectly dependent on GoI policies and support, which make it susceptible to any adverse developments in such GoI policies and support.

The Issuer is a Government company operating in a regulated industry, and the GoI (being a principal shareholder holding 55.99% as on March 31, 2022, of its paid up equity share capital), acting through the MoP, exercises significant influence on key decisions relating to its operations, including with respect to the appointment and removal of members of its Board, and can determine various corporate actions that require the approval of the 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 the Issuer's 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 the Issuer, like other Government companies, are responsible for the implementation of, and providing support to, such GoI schemes and initiatives. The Issuer 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 its commercial interests. In addition, the Issuer 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 its core business interests. Any developments in GoI policies



Tea Dring

or in the level of direct or indirect support provided to the Issuer or its borrowers by the GoI in these or other areas could adversely affect the business, financial condition and results of operations.

33. Volatility in foreign exchange and un-hedged foreign currency could adversely affect the Issuer's financial conditions and results of operations.

As of March 31, 2022, the Issuer had foreign currency borrowing outstanding of Rs. 56,288 crore, or approx. 18% of its total borrowings. The Issuer may continue to be involved in foreign currency borrowing and lending in the future, which will further expose it to fluctuations in foreign currency rates. The Issuer has put in place a currency risk management (“CRM”) policy, which has been approved by RBI, to manage risks associated with foreign currency borrowing. However, there is no assurance that it will remain effective over a period of time. The Issuer 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. Volatility in foreign exchange rates could adversely affect the business and financial performance. The Issuer is also affected by adverse movements in foreign exchange rates to the extent they impact its borrowers negatively, which may in turn impact the quality of the Issuer's exposure to these borrowers. Foreign lenders may also impose conditions more onerous than domestic lenders.

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

34. Certain of the Issuer's SEB borrowers have been restructured and the Issuer has not yet entered into definitive loan agreements with such restructured entities, which could affect its ability to enforce applicable loan terms and related state Government guarantees.

The Issuer has granted long-term loans to various SEBs that were guaranteed by the respective state Governments. Pursuant to certain amendments to the Electricity Act, 2003 (“Electricity Act”), the respective state Governments have restructured these SEBs into separate entities formed for power generation, transmission and/or distribution activities. As part of such restructuring process, all liabilities and obligations of the restructured SEBs relating to the Issuer's loans were transferred, pursuant to a notification process, to the respective state Government, which in turn transferred such liabilities and obligations to the newly formed state Government-owned transmission, distribution and/or generation companies. However, the relevant notification transferring such liabilities and obligations under the Issuer's loans necessitates the execution of a transfer agreement among the Issuer, the respective state Government and the relevant newly formed transferee entity. The Issuer has not yet executed such transfer agreements with respect to some of these loans. In such circumstances, as the state Government guarantees have not been reaffirmed to cover the debt obligations of such newly formed transferee entities, the Issuer may not be able to enforce the relevant state guarantees in case of default on its loans by such transferee entities. Although the Issuer intends to enter into such transfer agreements to ensure that the terms of its original loan agreements entered into with the SEBs continue to apply to such transferee entities, there can be no assurance that the Issuer will be able to execute such transfer agreements in a timely manner, or execute at all. In addition, the relevant state Government may not reaffirm such guarantees with respect to the debt obligations assumed by such restructured transferee entities. There may also be delay, due to factors beyond the Issuer's control, with respect to the establishment of relevant trust and retention account arrangements with such restructured transferee entities. In addition, the Issuer has restructured loans sanctioned to certain SPUs and other



Handwritten signature in blue ink.

SEBs, including rescheduling of repayment terms. Any negative trends or financial difficulties faced by such SPUs and SEBs could increase the Issuer's NPAs and adversely affect the Issuer's business, financial condition and results of operations.

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

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

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

36. The Issuer might not be able to develop or recover costs incurred on its Ultra Mega Power Projects and ITPs and its failure to do so may have an adverse effect on its profitability.

The Issuer has been appointed as the nodal agency for the development of UMPPs, each with a contracted capacity of 4,000 MW or more. The Issuer has incorporated wholly-owned subsidiaries as SPVs for these projects. These SPVs have been established to undertake preliminary site investigation activities necessary for conducting the bidding process for these projects and also to undertake preliminary studies and obtain necessary linkages, clearances, land and approvals including for water, land and power sale arrangements, prior to transfer of the projects to successful bidders. The objective is to transfer these SPVs to successful bidders, through a tariff based international competitive bidding process, who will then implement these projects, on payment of development costs incurred by each SPV. The Issuer 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 the Issuer 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 the Issuer's inability to find a developer for such projects. In addition, the Issuer may not be able to fully recover its expenses from the successful bidder, which may result in financial loss to it, which could adversely affect the financial condition and results of operations.



Handwritten signature

37. The Issuer's agreements regarding certain of its joint venture arrangements or investments in other companies contain restrictive covenants, which limit its ability to transfer its shareholding in such ventures.

The Issuer has entered into a joint venture arrangement, pursuant to which a joint venture company has been incorporated.

The Issuer has also entered into a share subscription and shareholders agreement with the NSE and National Commodity & Derivatives Exchange Limited subscribing to the equity shares of Power Exchange India Limited.

The Issuer has also jointly promoted various companies in which the Issuer holds a minority stake.

As the Issuer holds minority interests in the joint venture company, the Issuer's joint venture partners will have control over such joint venture companies (except to the extent agreed under the respective joint venture agreements). In addition, the Issuer has not made provisions for the decline in value of some investments which may have an adverse impact on the Issuer's financial condition. In addition, the Issuer may not be able perform or comply with its obligations under the joint venture agreement and its failure to do so may result in a breach of such agreement, which could affect the Issuer's rights under this agreement.

Furthermore, the success of the joint venture is dependent upon the cooperation of the Issuer's joint venture partners. The joint venture is subject to the risk of non-performance by the Issuer's joint venture partners of their obligations, including their financial obligations, in respect of the joint venture. Joint venture partners may have business interests or goals that may differ from the Issuer's business interests or goals, or those of the Issuer's shareholders. Any disputes that may arise between the Issuer and its joint venture partners may cause delays in completion or the suspension or abandonment of the venture. In addition, although the joint venture confers rights on the Issuer, its joint venture partners have certain decision-making rights that may limit the Issuer's flexibility to make decisions relating to such business, and may cause delays or losses.

38. The Issuer's success depends in large part upon its management team and skilled personnel and its ability to attract and retain such persons.

Many of the Issuer's employees, particularly senior management, have worked with the Issuer for significantly long periods. The Issuer's future performance depends on the continued service of its management team and skilled personnel. The Issuer may face a challenge to recruit and retain a sufficient number of suitably skilled personnel, particularly as the Issuer continues to grow. There is significant competition for management and other skilled personnel in the Issuer's industry. Furthermore, the Issuer's ability to meet future business challenges depends on its ability to attract and recruit talented and skilled personnel. The loss of any of the members of the Issuer's Board, senior management, or other key personnel or an inability to manage the attrition levels in the different employee categories may materially and adversely impact the Issuer's business, financial condition and results of operations.

39. The Issuer benefits from certain tax benefits available to it as a lending institution. If these tax benefits are no longer available to the Issuer it would adversely affect its business, financial condition and results of operations.

The Issuer has received and currently receives tax benefits by virtue of its status as a lending institution, including as a result of its lending within the infrastructure sector, which have enabled it to reduce its effective tax rate. The availability of such tax benefits is subject to the policies of the GoI and there can be no assurance as to any or all of these tax benefits that the Issuer will receive or continue to receive in the future. If the laws or regulations



Handwritten signature or initials in blue ink.

regarding these tax benefits are amended, the Issuer's taxable income and tax liability may increase/ decrease, which may have an impact on its financial condition and results of operations.

40. The Issuer may make equity investments in power sector in the future and such investments may not be recovered.

As part of its growth strategy, and subject to receipt of relevant approvals, the Issuer may evaluate potential equity investment opportunities in power sector projects. In addition, the Issuer may consider equity syndication opportunities for power sector projects, which the Issuer expects will also increase its fee-based income. The value of such investments will depend on the success and continued viability of these projects. In addition to project-specific risks, the Issuer will have limited control over the operations or management of these businesses. Therefore, the Issuer's ability to realise expected gains on its equity interest in a business is highly dependent on factors outside the Issuer's control. Write-offs or write-downs in respect of the Issuer's equity investments may adversely affect the Issuer's financial condition. The Issuer may also be unable to realise any value if the company in which the Issuer invests does not have a liquidity event, such as a sale of the business, recapitalisation or public offering, which would allow the Issuer 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 the Issuer's financial statements may be higher than the values obtained by the Issuer upon the sale of such investments.

41. The Issuer is subject to restrictive covenants under its credit facilities that could limit its flexibility in managing the business.

There are restrictive covenants in the agreements the Issuer has entered into with certain banks and financial institutions for its short term borrowing, medium term borrowing, long term borrowing and bonds trust deeds. These restrictive covenants require the Issuer to maintain certain financial ratios and seek the prior permission of these banks/financial institutions for various activities, including, amongst others, selling, leasing, transferring or otherwise disposing of any part of the Issuer's 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 the Issuer's loan and bond documents may restrict its operations or ability to expand and may adversely affect its business.

In addition, if the Issuer fails to meet its debt service obligations or if a default otherwise occurs, its lenders could declare the Issuer 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 the Issuer's obligations could have a material adverse effect its cash flows, business and results of operations. Furthermore, the Issuer's lenders may recall certain short-term demand loans availed of by the Issuer at any time. There can be no assurance that the Issuer will be able to comply with these financial or other covenants or that it will be able to obtain the consents necessary to take the actions it believes are required to operate and grow its business in the future.



Tea Dring

42. The Issuer has 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.

The Issuer has entered and may enter into transactions with related parties, including its Directors. There can be no assurance that the Issuer could not have achieved more favourable terms on such transactions had they not been entered into with related parties. Furthermore, it is likely that the Issuer 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 the Issuer's financial condition and results of operations. The transactions the Issuer has entered into and any future transactions with related parties have involved or could potentially involve conflicts of interest.

The Issuer's subsidiaries PFCCL is engaged in the consultancy services and debt syndication services business respectively, and the Issuer's constitutional documents permit the Issuer to engage in similar business however there is no relationship agreement or similar arrangement currently in place between the Issuer and PFCCL and the Issuer and it is possible this may result in potential conflicts of interest.

43. The Issuer's insurance may not be adequate to protect it against all potential losses to which it may be subject.

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

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

44. The Issuer is subject to stringent labour laws, thus making it difficult for it to maintain flexible human resource policies, which could have an adverse effect on the 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 the Issuer to maintain flexible human resource policies, discharge employees or downsize, which though not quantifiable, may adversely affect the Issuer's business and profitability. The Issuer has a registered trade union under the Trade Unions Act, 1926. Although the Issuer considers its relations with its employees to be stable, 4.38% of its employees are unionised and although the Issuer has not lost any time on account of strikes or labour unrest to date, the Issuer's failure to effectively re-negotiate wage revisions or other legitimate union activity could result in work stoppages. Any such work stoppage, though not quantifiable, could have an adverse effect on the Issuer's business, financial condition and results of operations.

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



Tea Dring

The Issuer has taken property on lease for its branch 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 the Issuer'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 the Issuer, 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 the Issuer 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 the business.

46. The Issuer may become liable for the acts or omissions of external consultants engaged by the Issuer or its Subsidiaries.

Certain of the Issuer's Subsidiaries provide consultancy services and undertakes execution of consultancy assignments in the power sector for its clients. For these purposes, the Issuer's Subsidiaries also engages external consultants. The Issuer 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, the Issuer may become liable to its clients or third parties for the acts or omissions of such external consultants, which could have an adverse affect on the business, financial condition and results of operations.

47. Changes in environment standards in relation to thermal power projects impose significant risks to the Issuer's business.

With the change in requirements and adoption of stricter norms by thermal power projects in order to bring such projects in line with global parameters of climate conservation, there may be delays in the execution of such thermal power projects, which in turn may adversely affect the Issuer's business and financial condition. This is because the companies engaged in the thermal power sector form one of the Issuer's primary borrowers and any delay in implementation of such projects may in turn lead to delay or impediments to future sanctions, disbursements and recovery from such sectors, which may adversely affect the Issuer's business and financial condition.

48. Security of the Issuer's IT systems may fail and adversely affect the business, operations, financial condition and reputation.

The Issuer 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 the business operations or cause disclosure or modification of sensitive or confidential information. The Issuer's operations also rely on the secure processing, storage and transmission of confidential and other information in its computer systems and networks. The Issuer'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 the Issuer 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 its IT systems as mentioned



Tea Dring

above could result in business interruption, material financial loss, regulatory actions, legal liability and harm to the Issuer’s reputation. Furthermore, any delay in implementation or disruption of the functioning of the Issuer’s IT systems could disrupt its ability to track, record, process financial information or manage creditors/debtors or engage in normal business activities.

49. A decline in the the Issuer’s capital adequacy ratio could restrict the company’s future business growth.

The Issuer is required under applicable laws and regulations to maintain a capital adequacy ratio of at least 15.00% of its risk-weighted assets, with the minimum requirement of Tier I capital being 10.00%. For maintaining growth in its loan portfolio and asset base, the Issuer may be required to raise additional Tier I and Tier II capital in order to continue to meet applicable capital adequacy ratios. There can be no assurance that the Issuer will be able to raise adequate additional capital in the future on terms favourable to the Company or that it will be able to retain its IFC classification, which may affect the growth of the business.



Handwritten signature

B. RISKS RELATING TO THE INDIAN ECONOMY

1. A slowdown in economic growth in India could adversely impact the Issuer's business. The Issuer's performance and the growth of its business are necessarily dependent on the performance of the overall Indian economy.

Any slowdown in the Indian economy or in the growth of any of the industries to which the Issuer provides a financing facility, or a rise in volatility in global commodity prices could adversely affect the Issuer's borrowers and in turn the growth of the Issuer's business, results of operations and financial condition.

India's economy could be adversely affected by a general rise in interest rates, currency exchange rates, and adverse conditions affecting agriculture, commodity and electricity prices or various other factors. Furthermore, 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.

The Indian economy and financial markets are also significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America, Europe or China, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets.

For example, (i) the global financial turmoil in 2008, which was an outcome of the sub-prime mortgage crisis that originated in the United States of America, led to a worldwide loss in investor confidence. The Indian financial markets also experienced the effect of the global financial turmoil, evidenced by the sharp decline in stock exchange indices; and (ii) the result of the referendum which led United Kingdom to opt out of the European Union membership (Brexit) has generated significant uncertainty as to the impact of Brexit on general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets. These issues and any other prolonged financial crisis may have an adverse impact on the Indian economy, thereby resulting in a material adverse effect on Issuer's business, financial condition and results of operations.

2. Any downgrading of India's debt rating by an international rating agency could have a negative impact on the Issuer's business.

The Issuer is rated by international rating agencies namely, Fitch and Moody's for its foreign currency borrowings.

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 the Issuer'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 the business and future financial performance and the Issuer's ability to obtain financing for providing finance to the power sector.

3. A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely impact the Issuer'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 the Issuer's future financial condition. Alternatively, high



Tea Diving

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 the business, prospects, financial condition and results of operations.

- 4. 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 the Issuer.**

Although the power sector is rapidly growing in India, the Issuer believes 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 the Issuer 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, the Issuer's 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 the Issuer expects or at all. In the event demand for power in India does not increase as anticipated, the extent to which the Issuer is able to grow the business by financing the growth of the power sector would be limited and this could have a material adverse effect on the business, financial condition and results of operations.

- 5. 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 the Issuer has exposure, which could adversely affect it.**

India majorily imports its requirements of crude oil. Although oil prices have shown a marked lack of volatility recently, volatility in oil prices is expected to increase, as the current compressed level in oil prices appears inconsistent with falling inventories, limited global spare capacity and an escalation in the number and connectedness of geopolitical risks. The GoI has deregulated retail prices of certain fuels, and prices have moderated in fiscal year 2014 due to concerns over a slowdown in global economic growth. The GoI has also deregulated the prices of certain oil products resulting in greater pass-through of international crude prices to domestic oil prices. Any significant increase in oil prices could affect the Indian economy, including the power sector, and the Indian banking and financial system. High oil prices could also add to inflationary pressures in the Indian economy. In addition, increases in oil prices may have a significant impact on the power sector and related industries in which the Issuer has substantial exposure. This could adversely affect the Issuer's business including its ability to grow, the quality of its asset portfolio, its financial condition and its ability to implement its strategy.

Natural gas is a significant input for power projects. India has experienced interruptions in the availability of natural gas, which has caused difficulties in these projects. Continued difficulties in obtaining a reliable, timely supply of natural gas could adversely affect some of the projects the Issuer finances and could impact the quality of the Issuer's asset portfolio and the Issuer's financial condition. Prices of other key raw materials, for example steel, coal and cement, have also risen in recent years and if the prices of such raw materials approach levels that



Signature

project developers deem unviable, this will result in a slowdown in the infrastructure sector and thereby reduce the Issuer's business opportunities, its financial condition and its ability to implement its strategy.

Continued shortages of fuel could adversely affect some of the projects the Issuer finances and could impact the quality of the Issuer's asset portfolio and the Issuer's financial condition. With regard to coal, while there are substantial proven reserves in India, significant investments are required to mine the reserves. There can be no assurance that such investments will be made. Domestic coal demand is expected to increase significantly, driven by significant Indian power capacity addition. High dependence on domestic coal could therefore expose power companies to potential price and availability risks. In the case of a shortage of coal, the productivity of the domestic coal-fired power stations could be reduced and their expansion plans hindered. Domestic power companies also import coal however there is no assurance that such sources of coal will continue to be available to the power companies at reasonable price or terms.

6. 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 the Issuer's cost of funding, loan portfolio, business, future financial performance and the trading price of any Bonds issued under the Programme. 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.

7. Political instability or changes in GoI policies could delay the liberalization of the Indian economy and adversely affect economic conditions in India generally, which could impact the Issuer's financial results and prospects.

The Issuer is incorporated in India, derives its revenues from operations in India and all its assets are located in India. Consequently, the Issuer'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.



The Issuer's business, may be affected by changes in the Govt'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, the Issuer's business, its future financial performance and the trading price of the Bonds.

8. Difficulties faced by other financial institutions or the Indian financial sector generally could cause the Issuer's business to suffer.

The Issuer is 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 the business and financial performance.

9. Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and the Issuer's business.

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets in which the Issuer's 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 the 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 the Issuer's ability to develop its operations. As a result, the Issuer's business, prospects, results of operations and financial condition could be materially adversely affected by any such events.

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

India has experienced natural calamities such as earthquakes, floods and drought in the recent past. The extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of below normal rainfall in the country or other natural calamities could have a negative impact on the Indian economy, affecting the Issuer's business and potentially causing the trading price of the Bonds to decrease. Because the Issuer's operations are located in India, its business and operations could be interrupted or delayed as a result of a natural disaster in India, which could affect the business, financial condition and results of operations. Health epidemics could also disrupt the Issuer's business. In Fiscal year 2010, there were outbreaks of swine flu, caused by the H1N1 virus, in certain regions of the world including India and several other countries in Asia. Further, since March, 2020, there is outbreaks of COVID-19, declared as Pandemic by WHO, throughout the world including India and several other countries in Asia. Any further severity or future outbreak of health epidemics and panemics may restrict the level of business activity in affected areas, which may in turn adversely affect the business.

11. There may be other changes to the regulatory framework that could adversely affect the Issuer.

The Issuer is under the administrative control of the MoP and a number of the Issuer's activities are subject to supervision and regulation by statutory authorities including the RBI, the SEBI and IRDA. The Issuer is also subject to policies/procedures of Govt departments such as the MoF, MCA and DPE. In addition, the Issuer's borrowers in the power sector are subject to supervision and regulation by the CEA, CERC and SERCs. Furthermore, the Issuer is subject to changes in Indian law as well as to changes in regulation and Government policies and accounting principles. The Issuer is receive certain benefits and takes advantage of certain exemptions available to it as a public financial institution under Section 2(72) of the Companies Act, 2013 and as a systemically important non-



Handwritten signature or initials in blue ink.

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, the Issuer is 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 the business, financial condition and results of operations. Applicable laws and regulations governing the Issuer's borrowers and the Issuer could change in the future and any such changes could adversely affect the business, financial condition and results of operations.

12. Direct capital market access by the Issuer's borrowers could adversely affect the Issuer.

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. The Issuer has large exposure to SPUs and such changes may have an adverse impact on the business, financial condition and results of operations.

13. Companies operating in India are subject to a variety of Central and state Government taxes and surcharges.

Tax and other levies imposed by the Central and State Governments in India that affect the tax liability of the Corporation include Central and state taxes and other levies including income tax, GST, stamp duty and other special taxes surcharges and cess etc. These taxes are extensive and subject to change from time to time. Any amendments may affect the overall tax liability of Companies operating in India and result in significant additional taxes becoming payable. Additional tax exposure could adversely affect the business and results of operations.



Tea Singh

C. RISKS RELATING TO THE NON CONVERTIBLE SECURITIES

1. There is no guarantee that the Bonds will be listed on NSE / BSE in a timely manner, or at all.

In accordance with Indian law and practice, permissions for listing and trading of the Bonds issued pursuant to this Issue will not be granted until the relevant stock exchanges as well as SEBI approve of the listing, which will be available only after an updated document is accordingly filed with the relevant authorities at the time of such listing. Approval for listing and trading will require all relevant documents authorising the issuing of Bonds to be submitted. There could be a failure or delay in listing the Bonds on the NSE and/or BSE. If permission to deal in and for an official quotation of the Bonds is not granted by the Stock Exchanges, the Bonds will remain unlisted.

2. There has been only a limited trading in the bonds of such nature and the price of the Bonds may be volatile subject to variation.

These Bonds have no established trading market. There can be no assurance that an active public market for the Bonds will develop or be sustained. The liquidity and market prices of the Bonds can be expected to vary with changes in market and economic conditions, the Issuer's financial condition and other factors that may be beyond the Issuer's control.

3. Risks relating to any international regulations, FATCA, taxation rules may apply on foreign investors as the Issue may be marketed to them.

The Bonds have not been recommended by any U.S. federal or state securities commission or regulatory authority. Any representation to the contrary is a criminal offence in the United States and may be a criminal offence in other jurisdictions. The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States under the U.S. Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States. Further, any person making or intending to make an offer of Bonds within the European Economic Area ("EEA") which are the subject of the Issue should only do so in circumstances in which no obligation arises for the Issuer to produce a prospectus for such offer.

Foreign Account Tax Compliance Act withholding may affect payments on the Bonds. Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("FATCA") impose a new reporting regime and, potentially, a 30% withholding tax with respect to (i) certain payments from sources within the United States, (ii) "foreign passthru payments" made to certain non-U.S. financial institutions that do not comply with this new reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution. FATCA may affect payments made to custodians or intermediaries in the payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of



Handwritten signature in blue ink.

FATCA withholding. This is not a complete analysis or listing of all potential tax consequences of FATCA. Investors should consult their own tax advisers to obtain a more detailed explanation of FATCA and how FATCA may affect them. India and The United States have signed an agreement on 9 July to share financial information about their residents, which takes effect on 30 September, 2015 and the amendments to the Income Tax Act, have been notified on 7 August by the CBDT. Therefore if any withholding or deduction is required pursuant to section 1471 through 1474 of the US Internal Revenue Code of 1986 (FATCA), any regulation or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto, the Issuer shall make such FATCA deduction and shall not be liable to compensate, reimburse, indemnify or otherwise make any payment whatsoever directly or indirectly in respect of such FATCA deduction.

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

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

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

The Bonds will be denominated in Indian rupees and the payment of interest and redemption amount shall be made in Indian rupees. Various statutory and regulatory requirements and restrictions apply in connection with the Bonds held by foreign investors. The amounts payable to foreign investors holding the Bonds, on redemption of the Bonds and/or the interest paid/payable in connection with such Bonds would accordingly be subject to prevailing Exchange Control Regulations. Any change in the Exchange Control Regulations may adversely affect the ability of such foreign investors to convert such amounts into other currencies, in a timely manner or may not be permitted to be converted at all. Further, fluctuations in the exchange rates between the Indian rupee and other currencies could adversely affect the amounts realized by foreign investors on redemption or payment of interest on the Bonds by the Issuer.

6. The Bonds are not guaranteed by the Republic of India.

The Bonds are not the obligations of, or guaranteed by, the Republic of India. Although the Government owned 55.99% of the Issuer's issued and paid up share capital as on 31.03.2022, the Government is not providing a guarantee in respect of the Bonds. In addition, the Government is under no obligation to maintain the solvency of the Issuer. Therefore, investors should not rely on the Government ensuring that the Issuer fulfils its obligations under the Bonds.

7. Legal investment considerations may restrict certain investments

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

8. The Bonds are subject to the risk of change in law.



Tea Dring

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

9. No debenture redemption reserve will be created for the Bonds issued under this issue.

According to the Companies (Share Capital and Debentures) Rules, 2014 as amended, for NBFCs registered with the RBI under Section 45-IA of the RBI (Amendment) Act, 1997, no DRR is required in case of privately placed debentures. Therefore creation of DRR is not envisaged against the Bonds being issued under the terms of this Private Placement Offer Letter.

10. Any downgrading in credit rating of the Issuer's other Bonds may affect the rating for these bonds and consequently trading price of the Bonds and its ability to raise funds.

The Bonds proposed to be issued under this Issue have been rated "AAA/Stable" by CRISIL (CIN: U67100MH2019PLC326247) , "CARE AAA/Stable" by CARE (CIN: L67190MH1993PLC071691) and [ICRA]AAA/Stable by ICRA (CIN: L74999DL1991PLC042749). The credit ratings of the Issuer's other bonds may be suspended, withdrawn or revised at any time by the assigning Credit Rating Agencies. Any revision or downgrading in the credit rating may affect the ratings for these bonds and consequently may lower the value of the Bonds and may also affect the Issuer's ability to raise further debt on competitive terms.

11. Payments made on the Bonds will be subordinated to certain tax and other liabilities preferred by law i.e. secured debt.

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



Handwritten signature

CHAPTER VII
RISK MANAGEMENT

The Issuer has developed various risk management policies and procedures, with particular emphasis on actively managing and controlling its risk exposures. These processes include a detailed appraisal methodology, identification of risks and suitable structuring of credit risk mitigation measures.

The Issuer has 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 the Issuer's operations.

The Issuer has developed an integrated enterprise-wide risk management policy. The Risk Management Committee has set up a Risk Management Sub Committee to monitor certain risks identified by the Issuer.

Important risks faced by the Issuer are:

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

a) Credit risks

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. The Issuer follows 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. The Issuer uses a wide range of quantitative as well as qualitative parameters as a part of the appraisal process to make a sound assessment of the underlying credit risk in a project. The Issuer evaluates the credit quality of the borrowers by assigning risk weights on the basis of the various financial and non-financial parameters. The Issuer evaluates borrowers' eligibility criteria with an emphasis on financial and operational strength, capability and competence.

Although the Issuer encourages certain schemes through differential lending rates, the eligibility criteria and the Issuer's funding decision is guided by the merit of the project and no funds are pre-allocated. In addition, the Issuer has adopted its own prudential norms that provide guidance on aspects of its financial operations including asset classification, provisioning, income recognition, asset concentration and investment limits.

The Issuer's lending policies are set out in its Operational Policy Statement ("**OPS**") which is reviewed from time to time to align it with market requirements. In addition, the Issuer places emphasis is given to projects/ schemes having short gestation periods and on-going generation projects.

The Issuer lends to projects which meet the following criteria:

- 1) techno-economically sound with Financial or Economic Rate of Return of not less than 12% (as may be applicable); other than in certain specific instances, such as projects involving environmental upgrading, meter installation, load dispatch, computerisation and communication, research and development and non-conventional energy projects;
- 2) feasible and technically sound and provide optimal cost solutions for the selected alternative;



Handwritten signature

Private Placement Offer Document– PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

- 3) compatible with integrated power development and expansion plans of the state/ region/ country;
- 4) compliant with environmental guidelines, standards and conditions;
- 5) schemes should have obtained the required clearances;
- 6) all inputs required for the implementation and operation of the projects are tied up and proper procurement and implementation plans have been drawn up.
- 7) The minimum project size to be considered for appraisal of generation projects (for sanctioning of term loan/guarantee) of private companies (including for captive projects and Debt Refinancing proposals) shall be as follows:* -
 - i. Generation from Non-Conventional Energy Sources (including small hydro projects) and other Projects Promoted by an existing Co. on its own Balance Sheet or by forming SPV with adequate collaterals on the revenues of main Company – 5 MW
 - ii. Other Projects – 10 MW
 - iii. In case of Wind Power Generation projects promoted by Grade I-IV promoters the minimum benchmark can be lowered from 5 MW to 3 MW on case-to-case basis.
 - iv. In case of all Grid connected Solar PV Private Sector Power Generation Projects the minimum size of the project to be considered for appraisal/financing of shall be 1 (one) MW

*The financial assistance for R&M/R&U and other schemes/projects will not be governed by above limits. The above limits shall also not be applicable to the loan/guarantee proposals received from State/Central sector borrowers.

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

b) Security risks

The Issuer seeks to put in place a number of different security and quasi-security arrangements for the loans that the Issuer extends. The Issuer obtains one or more of the following securities in public sector power projects: (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; and (iii) security in the form a charge over the relevant project assets;

For loans to Central and State sector borrowers that do not satisfy certain criteria in terms of credit rating and debt service coverage ratios, the Issuer uses an escrow arrangement as a credit enhancement mechanism pursuant to an escrow agreement (the “**Escrow Agreement**”). The Escrow Agreement is typically a tripartite agreement entered into by the Issuer, 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 centres) into the designated escrow account and the borrower is specifically prohibited from opening any other account for the purpose of collection of revenues without the Issuer’s written consent. In the event of a default in payment by the borrower, upon a demand by the Issuer the escrow agent is authorised to pay the amount owed to he Issuer 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 the Issuer.

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 (the “**TRA Agreement**”). The TRA Agreement is entered into amongst the Issuer, 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



Tea Dring

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 us 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 Issuer's prior approval. The TRA Agreement continues to operate until all of the obligations have been indefeasibly and irrevocably paid by the borrower. The trust and retention account is a no lien account. 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.

Eligibility of private sector borrowers is assessed on the basis of various factors such as past performance of the promoters, their experience and their capacity to bring in equity and project soundness. In certain cases, collateral securities such as pledges of equity shares held by the promoters and personal or corporate guarantees are also required.

c) Liquidity risks

Liquidity risk is the risk of the Issuer's potential inability to meet its liabilities as they become due. The Issuer faces liquidity risks, which could require the Issuer to raise funds or liquidate assets on unfavourable terms. The Issuer manages its liquidity risk through a mix of strategies, including through forward-looking resource mobilisation based on projected disbursements and maturing obligations.

The Issuer has put in place an effective Asset Liability Management System, constituted an Asset Liability Management Committee ("ALCO") headed by Director (Finance). ALCO monitors risks related to liquidity and interest rate and also monitors implementation of decisions taken in the ALCO meetings. The liquidity risk is being monitored with the help of liquidity gap analysis. The Asset Liability Management framework includes periodic analysis of long term liquidity profile of asset receipts and debt service obligations.

To ensure that the Issuer always have sufficient funds to meet its commitments, the Issuer OPS requires us to maintain satisfactory level of liquidity to ensure availability of funds at any time up to three months' anticipated disbursements. At present, surplus funds are invested by way of short-term deposits with banks and in debt based liquid schemes of public sector mutual funds.

d) Interest rate risks

Interest rate risk is the risk that changes in market interest rates will adversely affect the Issuer's financial condition. The primary interest rate-related risks that the Issuer faces are from timing differences in the maturity of its fixed rate assets and liabilities. For example, if in an increasing interest rate environment, its fixed rate liabilities mature prior to its fixed rate assets and therefore require the Issuer 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 the Issuer's loan assets and its loan liabilities.

Interest income forms a substantial part of total income of the Issuer. The Issuer extends loans at fixed as well as floating interest rates. The Issuer's borrowings are also a mix of fixed and floating rates. A mismatch between assets and liabilities may cause the Issuer's gross spreads to decline and adversely affect the Issuer's profitability. The Company endeavours to match interest rate positions to minimize interest rate risk but may not be able to do so.

Interest rates are dynamic and dependent on various internal and external factors beyond the Issuer's control including cost of borrowing, liquidity in the market, competitors' rates, movement of benchmarks such as AAA bond/GSEC yields, RBI policy changes, de-regulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. The interest rate risk is managed by the analysis of interest rate sensitivity gap



Handwritten signature or initials in blue ink.

statements, the evaluation of earning at risk on change of interest and the creation of assets and liabilities with a mix of fixed and floating interest rates.

The Issuer reviews its lending rates periodically based on prevailing market conditions, borrowing cost, yield, spread, competitors' rates, sanctions and disbursements. The Issuer's incremental Rupee lending interest rates are usually made with either a one year, three year, five year or ten year interest reset clause. In order to manage pre-payments risks, the Issuer's policy as of the date of this Offer Letter is to require a pre-payment premium to be paid by the borrower in case of pre-payment. The interest rate reset dates typically occur at the option of the borrower at one, three, five or ten year intervals.

The Issuer has historically, and may in the future, implement interest rate risk management through the contractual terms of its loans, including pricing terms, maturities and pre-payment and re-pricing provisions. In addition, all loan sanction documents specifically entitle the Issuer to vary the interest rate on the undisbursed portion of any loan.

e) Foreign currency risks

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. The Issuer has foreign currency borrowings that could expose it to foreign currency exchange rate risk and the Issuer expects to increase its foreign currency-denominated borrowings in the future.

The Issuer has developed a currency risk management policy to manage risks associated with foreign currency borrowing. The Issuer manages foreign currency risk by lending in foreign currency and through derivative products (such as currency forwards, options, principal swaps, interest rate swaps and forward rate agreements) offered by banks, who are authorised dealers. The Issuer's currency risk management 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 currency risk management 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 currency risk management policy. Every month, the details of foreign currency exposure, open and hedged position are submitted to the Risk Management Committee and such details are submitted every quarter to the Audit Committee and the Board.

f) Operational risks

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

- (a) Operational controls in project finance activities: The Issuer's OPS, operational guidelines and manuals provide a detailed description of the systems and procedures to be followed in the course of appraisal, approval, disbursement, recovery of a loan and resource mobilisation. . Various checks and control measures have been built-in for timely review of the operating activities and monitoring of any gaps in the same. A significant proportion of the activities are subject to regular monitoring and auditing, including loan sanctions, disbursements, recovery and resource mobilisation. In addition to this, many important activities are monitored on a periodic basis.
- (b) Operational controls in treasury activities: The Issuer's OPS and manual for deployment of surplus funds provide a description of operations to be followed, with suitable exposure and counterparty limits. Compliance with the Issuer's guidelines is monitored through internal control and a well-developed audit system including



Handwritten signature

external and internal audits.

- (c) Legal risk: Legal risk arises from the uncertainty of the enforceability of contracts relating to the obligations of the Issuer’s borrowers. This could be on account of delay in the process of enforcement or difficulty in the applicability of the contractual obligations. The Issuer seeks to minimize the legal risk through legal documentation that is drafted to protect its interests to the maximum extent possible.



Handwritten signature

CHAPTER VIII
ISSUER INFORMATION

Name of the Issuer	Power Finance Corporation Limited	
Registered & Corporate Office	'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi DL 110001 IN Tel:011-23456000, Fax:011-23456285 Website: www.pfcindia.com , E-mail: pfc.bonds@pfcindia.com	
CMD of The Company	Sh. R.S. Dhillon Chairman and Managing Director, DIN: 00278074 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi DL 110001 IN Tel:011-23456000, Fax: 011-23412545	
CFO/Director (Finance) of The Company	Ms. Parminder Chopra Director (Finance) , DIN:08530587 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi DL 110001 IN Tel:011-23456000, Fax: 011-23412545	
Compliance Officer	Sh. Manohar Balwani Company Secretary, Membership No.: A11117 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi DL 110001 IN Tel: (011) 23456740 Fax: (011) 23456740 e-mail: mb@pfcindia.com	
Registrar to the Issue	RCMC Share Registry Pvt Ltd. CIN: U67120DL1950PTC001854 B-25/1, First Floor, Okhla Industrial Area Phase II, New Delhi 110020. Phone : 011 – 26387320/21 Contact Person- Mr. Ravinder Dua E-mail:-investor.services@rcmcdelhi.com Website - www.rcmcdelhi.com	
Debenture Trustee to the Issue	BEACON TRUSTEESHIP LTD. CIN: U74999MH2015PLC271288 4C & D, Siddhivinayak Chambers, Gandhi Nagar, Opp MIG Cricket Club, Bandra (E), Mumbai, Maharashtra 400051 Tel: 022-26558759, Contact Person- Mr. Kaustubh Kulkarni Email- compliance@beacontrustee.co.in Website - www.beacontrustee.co.in	
Statutory Auditors of the Company	M/s Dass Gupta & Associates Chartered AccountantsB-4, Gulmohar Park, New Delhi – 110049	M/s Prem Gupta & Co. Chartered Accountants,T-2342/2 Ashok Nagar, Faiz Road, Karol Bagh,New Delhi - 110005

RCMC

BEACON
TRUSTEESHIP



Signature

Tel: (+91 11) 46111000
Email: admin@dassgupta.com
ICAI Firm Registration no.: 000112N
Auditor since: Aug 01, 2019
Contact Person : Mr.Naresh Goel
Website : www.dassgupta.com

Tel No.: 011-25466394
E-mail: office@pguptaco.com
ICAI Firm Registration no:
000425N
Auditor since: August 19, 2021
Contact Person: Mr. Shakun Gupta
Website : www.pguptaco.com

Credit Rating Agencies

CRISIL Ratings Limited

CIN: U67100MH2019PLC326247
Regd. Office: CRISIL House,
Central Avenue, Hiranandani
Business Park, Powai, Mumbai-400075
Tel:022-33423000
Contact Person- Mr. Ronak Rathi
Email- Ronak.Rathi@crsil.com
Website - www.crisil.com



ICRA Limited

CIN: L74999DL1991PLC042749
Regd. Office: 1105, Kailash Building,
11th Floor, 26, K.G. Marg,
New Delhi-110001
Tel: (011) 23357940-50
Contact Person- Mr. Sandeep Sharma
Email- sandeep.sharma@icraindia.com
Website - www.icra.in/Rating



CARE Ratings Limited

(CIN: L67190MH1993PLC071691)
13th Floor, E-1 Block, Videocon Tower,
Jhandewalan Extension
New Delhi-110055
Tel:-011-45333200, 23716199
Contact Person- Ms. Deepshi Panda
Email- deepshi.panda@careedge.in
Website - www.careratings.com



Private Placement Offer Document– PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

Arrangers to the issue:-

S. No.	Name	Address	Contact Person, Email IDs, Telephone No. & Website URL	Logo
1	A.K.Capital Services Ltd.	910, 9th Floor, Ansal Bhawan, 16, Kasturba Gandhi Marg, New Delhi - 110 001, India.	Mr. Pankaj Agrawal, Director pankaj.agrawal@akgroup.co.in; akcapitals@gmail.com +91-11-23739628, +91 9999305903 www.akgroup.co.in	
2	Axis Bank Ltd.	Axis Bank Ltd. Axis House, 4th Floor, Tower 4, Sector-128, Noida-201304	Vikrant Verma vikrant5.verma@axisbank.com 0120-6210860, 9811616269 www.axisbank.com	
3	HDFC Bank Ltd.	HDFC Bank House, Senapati Bapat Marg, Lower Parel, Mumbai 400 013.	Niranjan Kawatkar niranjan.kawatkar@hdfcbank.com 022-66521006, 022-33928150 www.hdfcbank.com	
4	ICICI Bank Ltd.	ICICI Bank LTD, Service Centre NBCC Palace, Bhism Pitamah Marg Pragati Vihar, New Delhi - 110003	Kunal Narang gmgfixedincome@icicibank.com 011-42218244 www.icicibank.com	
5	ICICI Securities Primary Dealership Limited	4th Floor, ICICI Center, HT Parekh Marg, Churchgate, Mumbai 400 020	Ashutosh Garg Ashutosh.garg@isecpd.com +91 9810444388 www.icicisecuritiespd.com	
6	JM Financial Limited	Sood Towers (East Tower), 6th Floor, Barakhamba Road, New Delhi-110001	Akash Sharma / Saurav Gupta akash.sharma@jmfl.com; Saurav.gupta@jmfl.com; ifidops@jmfl.com 9910069975/ 011-68135607 9911434600/011-68135600 www.jmfl.com	
7	PNB Gilts Ltd.	4th Floor, PNB House, Sir P.M. Road, Fort, Mumbai - 400 001	Mr. Uttam Kumar Saha mumbai@pnbgilts.com 022-2269 1809 / 10 www.pnbgilts.com	
8	Trust Investment Advisors Pvt. Ltd.	109/110, Balarama, Bandra Kurla Complex, Bandra East, Mumbai - 400 051	Mr. Sumit Singh mbd.trust@trustgroup.in 022-40845000 www.trustgroup.in	

CHAPTER IX
SUMMARY TERM SHEET

Security Name	7.64 % PFC BS 223
Issuer	Power Finance Corporation Limited
Type of Instrument	PFC Unsecured, Redeemable, Non-Convertible, Non-cumulative, Taxable Bonds in the nature of Debentures Series 223
Nature of Instrument (Secured or Unsecured)	Unsecured
Seniority (Senior or Subordinated)	Senior
Mode of Issue	Private placement basis
#Eligible investors	<p>The eligible participants/investors shall be as per the EBP Platform of the Stock Exchange as mentioned hereunder:</p> <p>a) QIBs as defined under Regulation 2 (ss) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (hereinafter referred to SEBI ICDR Regulations, 2018).</p> <p>b) Any non-QIB investor including arranger(s), who/ which has been authorized by the issuer, to participate in a particular issue on the EBP Platform.</p> <p>c) Any non-QIB investor which are bidding through arranger (s) authorised by the issuer</p>
Listing (including name of stock exchange(s) where it will be listed & timeline for listing)	<p>On the Debt Market segment of NSE and wholesale Debt Market segment of BSE</p> <p>Further, it shall be ensured by the company that the bonds are listed within T+3 days (T = date of bidding). In case bonds are not listed within T+3 days, the issuer shall; (a) pay penal interest of 1% p.a. over the coupon rate for the period of delay to the investor (i.e. from date of allotment to the date of listing); and (b) be permitted to utilise the issue proceeds of its subsequent two privately placed issuances of securities only after receiving final listing approval from Stock Exchanges.</p>
Rating of the instrument	'AAA/Stable' by CRISIL, 'AAA (Stable)' by ICRA & 'AAA/Stable' by CARE
Issue Size	Rs. 600 crore ('Base Issue') with green shoe option of Rs. 2900 Crore
Minimum Subscription	100 bonds (Rs. 1 crore) and then in multiple of 1 bond (Rs. 1 lakh)



Tea Dring

Private Placement Offer Document– PFC Bond Series 223

(Private and Confidential –For Private Circulation Only)

Option to retain oversubscription (Amount)	Rs. 2900 Crores aggregating to Rs. Rs. 3500 Crores
Objects of the Issue/ Purpose for which there is requirement of funds	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 objects of the Issue
Coupon Rate	7.64 % p.a.
Step up/step down coupon rate	Not applicable
Coupon Payment frequency	Annually
Coupon payment dates	First Coupon- 22-Feb-2024 Thereafter Annually subject to holiday conventions
Coupon type (Fixed, Floating or other structure)	Fixed
Coupon Reset process (including rates, spread, effective date, interest rate cap & floor etc.)	Not applicable
Day count basis (Actual/Actual)	Actual/Actual Interest shall be computed on an “actual/actual basis”. In case of leap year, if 29 Feb falls during the tenor of security, then the number of days shall be reckoned as 366 days for a whole one year period in accordance with Operational Circular no. SEBI/HO/DDHS/P/CIR/2021/613 dtd. 10.08.2021 issued by SEBI, as amended.
Interest on Application money	The interest on application money shall be paid from the date of receipt of application money in PFC's account till one day prior to the date of allotment on the aggregate face value amount of Bonds. No interest on application money would be paid if the date of receipt of application money and allotment is same.
Default Interest Rate	<p>Default in payment: In case of default (including delay) in payment of interest and/ or redemption of principal on the due dates, the Company shall pay additional interest @ 2% p.a. over the coupon rate for defaulting period</p> <p>Listing: The Issuer shall complete all the formalities and seek listing permission within T+3 days.</p> <p>In case of delay in listing of the Bonds within the prescribed period from Deemed Date of Allotment, the Company shall pay penal interest of 1% p.a. over the coupon/ dividend rate for the period of delay to the investor (i.e. from the date of allotment to the date of listing) and be permitted to utilise the issue proceeds of its subsequent two privately placed issuances of securities only after receiving final listing approval from stock exchanges.</p> <p>In case of delay in execution of the Bond Trust Deed within the prescribed period from the deemed date of allotment, the Issuer shall pay penal interest at</p>



Handwritten signature or initials in blue ink.

Private Placement Offer Document– PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

	the rate as mentioned in the relevant regulations, till the date of execution of the Bond Trust Deed.
Tenor	10 years with put option at the end of 3 years
Redemption Date	22-Feb-2033
Redemption amount	At Par
Redemption Premium/Discount	Not applicable
Issue Price	At par
Discount at which security is issued & the effective yield as a result of such discount	Not applicable
Put Date	21-Feb-2026 (22-Feb-2026 being holiday) (One time Put Option)
Put Price	At Par
Call Date	Not applicable
Call Price	Not applicable
Put Notification Time (Timelines by which the investor need to intimate Issuer before exercising the put)	Upto 5.00 p.m, latest by 05 February 2026
Call Notification Time (Timelines by which the Issuer need to intimate Investor before exercising the call)	Not applicable
Face Value	Rs. 1,00,000 (Rupees One lac only) per bond
Minimum application and in multiples of thereafter	100 bonds (Rs. 1 crore) and then in multiple of 1 bond (Rs. 1 lakh)
Issue Timing	10:30 AM to 11:30 AM
Issue Opening date	20.02.2023
Issue Closing date	20.02.2023
Date of earliest closing of the issue, if any.	Not applicable



tea driving

Private Placement Offer Document– PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

Pay-in-date	22.02.2023
Deemed Date of allotment	22.02.2023
Settlement mode of the instrument	Through Indian Clearing Corporation Ltd.
Depository	National Securities Depository Limited (“NSDL”) and Central Depository Services (India) Limited (“CDSL”)
Disclosure of Interest/ redemption dates	First interest is payable on 22 nd February 2024 and subsequently on 22 nd February of every year till maturity subject to holiday conventions (As per the Placement Memorandum)
Record Date	15 calendar days prior to actual interest/principal payment date.
All Covenants of the issue (including side letters, accelerated payment clause, etc.)	All covenants to the issue shall be mentioned in the Bond Trust Deed which will be executed within time frame prescribed under the Companies Act.
Description regarding Security (where applicable) including type of security (movable/ immovable/ tangible etc.) type of charge (pledge/ hypothecate on/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the placement memorandum.	The bonds issued are unsecured in nature.
Transaction Documents	The Issuer has executed/ shall execute the documents including but not limited to the following in connection with the Issue: 1. Letter appointing Trustees to the Bondholders; 2. Debenture Trust Deed 3. Debenture Trusteeship Agreement; 4. Tripartite Agreement between the Issuer; Registrar and NSDL for issue of Bonds in dematerialized form; 5. Tripartite Agreement between the Issuer, Registrar and CDSL for issue of Bonds in dematerialized form; 6. Letter appointing Registrar and MoU entered into between the Issuer and the Registrar; 7. Application made to NSE and BSE for seeking its in-principle approval for listing of Bonds; 8. Listing Agreement with NSE and BSE;



Handwritten signature in blue ink.

	9. Letters appointing Arrangers to the Issue.
Conditions precedent to Disbursement	The subscription from investors shall be accepted for allocation and allotment by the Issuer subject to the following: <ol style="list-style-type: none"> 1. Rating letters from CRISIL, ICRA and CARE not being more than one month old from the issue opening date; 2. Seek a written consent letter from the Trustees conveying their consent to act as Trustees for the Bondholders; 3. Making an application to NSE and BSE for seeking its in-principle approval for listing of Bonds.
Conditions subsequent to Disbursement	The Issuer shall ensure that the following documents are executed/ activities are completed as per time frame mentioned elsewhere in this Private Placement Offer Letter:- <ol style="list-style-type: none"> 1. Maintaining a complete record of private placement offers in Form PAS-5. 2. Filing a return of allotment of Bonds with complete list of all Bondholders in Form PAS-3 under section 42 of the Companies Act, 2013, with the Registrar of Companies, within fifteen days of the Deemed Date of Allotment; 3. Credit of demat account(s) of the allottee(s) by number of Bonds allotted within the stipulated time period from the Deemed Date of Allotment; 4. Making listing application to NSE/ BSE within T+3 days. 5. Execution of trust deed before listing of the bonds (T+3 days) and uploading the same on their website along with listing application. <p>Besides, the Issuer shall perform all activities, whether mandatory or otherwise, as mentioned elsewhere in this Private Placement Offer Letter.</p>
Events of Default (including manner of voting /conditions of joining Inter Creditor Agreement)	Default in payment of interest / principal redemption / delay in listing / delay in execution of trust deed or as may be detailed in respective trust deed / trustee agreement. <p>In case of event of default, penal interest will be paid in accordance with provisions of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended.</p> <p>Manner of voting/ conditions of joining the Inter Creditor Agreement shall be mentioned in the Bond Trust Deed which will be executed within time frame prescribed under the Companies Act.</p>
Creation of Recovery Expense Fund	If required under law, the Issuer undertakes to create a recovery expense fund in the manner as may be specified by SEBI from time to time and inform the Bond Trustee about the same.
Conditions for breach of covenants (as specified in Debenture Trust Deed)	Shall be mentioned in the Bond Trust Deed which will be executed within time frame prescribed under the Companies Act.
Provisions related to cross default clause	Not applicable
Role and Responsibilities of Debenture Trustees	The trustees will be responsible for all action as per SEBI regulation and Companies Act 2013. <p>The Trustees shall carry out its duties and perform its functions as required to discharge its obligations under the terms of the Companies Act, 2013, SEBI Debt Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, Debenture Trusteeship Agreement, Placement</p>



Tea Dring

Private Placement Offer Document– PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

	Memorandum and all other related transaction documents, with due care, diligence and loyalty.
Risk factors pertaining to the issue	Please refer to Chapter VI (Management’s Perception of Risk Factors) of the Placement Memorandum for details in respect of risks relating to Issue of Bonds.
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.
Mode of Subscription	Successful Bidders shall be required to transfer funds from bank account(s) registered with EBP to the bank account of the Clearing Corporation/ ICL to the extent of funds pay-in obligation on or before 10.30 hours on T+1 or T+2 day as defined by Issuer at the time of issue setup, T being the bidding end date as per the operating guidelines for electronic book mechanism issued by NSE and BSE.
Issuance & trading mode of instrument	In demat Only
Interest on Refunded Money against which Allotment is not made	No interest on Application Money will be paid in respect of applications which are invalid and / or rejected by PFC due to any reason.
Type of Bidding	Closed Bidding
Manner of Allotment	Uniform Yield
Effect of holidays	<p>For the purpose of standardization, if the coupon/ dividend payment date of the non- convertible securities falls on a Sunday or a holiday, the coupon payment shall be made on the next working day. However, the dates of the future payments would continue to be as per the schedule originally stipulated in the offer document.</p> <p>If the maturity date of the debt securities, falls on a Sunday or a holiday, the redemption proceeds shall be paid on the previous working day.</p> <p>In order to ensure consistency, a uniform methodology shall be followed for calculation of interest payments in the case of leap year. If a leap year (i.e. February 29) falls during the tenor of a security, then the number of days shall be reckoned as 366 days (Actual/ Actual day count convention) for the entire year, irrespective of whether the interest is payable annually, half yearly, quarterly or monthly.</p>
Reissuance and Consolidation	The Issuer shall have right to reissue or consolidate the bonds under present series in accordance with applicable law.

Note:-

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



Tea Dring

CHAPTER X
PARTICULARS OF THE OFFER

1. OFFERING DETAILS

Issue of unsecured, redeemable, non-convertible, non-cumulative, taxable bonds in the nature of debentures of face value of Rs. 1 lac of tenor 10 years with put option at the end of 3 years for cash at par of Rs. 600 Crore ('base issue') with option to retain oversubscription by way of green shoe option of Rs. 2900 Crore aggregating to Rs. 3500 Crore on private placement basis.

2. PRINCIPAL TERMS AND CONDITIONS OF THE ISSUE

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

3. NATURE OF BONDS

The Bonds are Unsecured, Redeemable, Non-Convertible, Non-Cumulative, Taxable Bonds in the nature of Debentures. 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 unsecured borrowings (except subordinated debt) of the Corporation.

4. ISSUE SCHEDULE*

Particulars	Date
Issue Opening Date	20.02.2023
Issue Closing Date	20.02.2023
Pay-in Date	22.02.2023
Deemed Date of Allotment	22.02.2023

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

5. AUTHORITY FOR THE ISSUE AND DATE OF PASSING RESOLUTION

The bonds proposed to be issued is subject to the provisions of the Companies Act, 2013 and the Memorandum and Articles of Association of the Company.

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

- (a) Special resolution passed by the shareholders of the Company under clause c of sub-section 1 of section 180 of The Companies Act, 2013 on September 29, 2020 and delegation provided there under;
- (b) The resolution passed by Board of Directors of the Company at their 423rd meeting held on February 28, 2022.



Tea Dring

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

6. 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.

7. Designated Stock Exchange for the Issue

The bond issue is proposed to be listed on National Stock Exchange of India Ltd (“NSE”) and Bombay Stock Exchange Ltd (“BSE”). NSE is the designated stock exchange for the issue.

8. Recovery Expense Fund

The issuer has created its recovery expense funds with Bombay Stock Exchange Ltd (“BSE”)

9. MINIMUM SUBSCRIPTION

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

10. UNDERWRITING

The present Issue of Bonds is not underwritten.

11. FORCE MAJEURE

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

12. DEEMED DATE OF ALLOTMENT

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

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

13. ALLOTMENT IN CASE OF OVER-SUBSCRIPTION

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

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



Handwritten signature

The beneficiary / demat account of the investors with National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL)/ Depository Participant will be given credit within two working days from the Deemed Date of Allotment. The credit in the account will be akin to the Bond Certificate. However, in case , if all formalities are not completed the same will be akin to letter of allotment , which on completion of the all statutory formalities, such credit will be akin to a Bond Certificate. The Bonds issued in electronic (dematerialized) form, will be governed as per the provisions of The Depository Act, 1996, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, rules notified by NSDL/ CDSL/ Depository Participant from time to time and other applicable laws and rules notified in respect thereof. The Bonds shall be allotted in dematerialized form only.

15. MODE OF TRANSFER OF BONDS

Bonds shall be transferred subject to and in accordance with the rules / procedures as prescribed by NSDL /CDSL /Depository Participant of the transferor / transferee and any other applicable laws and rules notified in respect thereof. The normal procedure followed for transfer of securities held in dematerialised form shall be followed for transfer of these bonds held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant. The provisions of the Depositories Act, 1996 read with Companies Act shall apply for transfer and transmission of Bonds.

The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the records of the Depository. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(S) and not with the issuer.

16. DELAY IN ALLOTMENT OF SECURITIES

PFC agrees that allotment of securities to the investors shall be made within stipulated timelines. In case of delay of allotment of debt securities beyond the stipulated time period, the Issuer will comply with applicable regulatory requirements, if any, with respect to such delay.

17. DEFAULT IN PAYMENT

In the event of Default in payment of interest / principal redemption, penal interest will be paid in accordance with provisions of SEBI (ILNCS) Regulations, 2021 read along with SEBI Operational Circular dated August 10, 2021 bearing reference number SEBI/HO/DDHS/P/CIR/2021/613, as amended from time to time.

18. DELAY IN LISTING

In the event of Default in listing of securities within the prescribed timeframe, penal interest will be paid in accordance with provisions of SEBI (ILNCS) Regulations, 2021 read along with SEBI Operational Circular dated August 10, 2021 bearing reference number SEBI/HO/DDHS/P/CIR/2021/613, as amended from time to time.

19. BONDS IN DEMATERIALISED FORM/ PROCEDURE FOR APPLYING FOR DEMAT FACILITY

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

- a. The applicant(s) must specify their beneficiary account number and depository participants ID in the relevant columns of the Application Form.
- b. If incomplete/incorrect beneficiary account details are given in the Application Form which does not match with the details in the depository system, the allotment of Bonds shall be held in abeyance till such time satisfactory demat account details are provided by the applicant.



- c. The Bonds shall be directly credited to the Beneficiary Account as given in the Application Form and after due verification, allotment advice/refund order, if any, would be sent directly to the applicant by the Registrars to the Issue.
- d. Applicants may please note that the Bonds shall be allotted and traded on the Stock Exchange only in dematerialized form.

20. WHO CAN APPLY

The eligible participants/investors shall be as per the EBP Platform of the Stock Exchange as mentioned hereunder:

- QIBs as defined under Regulation 2 (ss) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (hereinafter referred to SEBI ICDR Regulations, 2018).
- Any non-QIB investor including arranger(s), who/ which has been authorized by the issuer, to participate in a particular issue on the EBP Platform.
- Any non-QIB investor which are bidding through arranger (s) authorised by the issuer

However, out of the aforesaid class of investors eligible to invest, this Placement 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 Placement Memorandum from the Company).

21. PAN NUMBER

Every applicant should mention his Permanent Account Number (PAN) allotted under Income Tax Act, 1961 and copy of the same may be submitted along with application if not submitted earlier.

22. DOCUMENTS TO BE PROVIDED BY INVESTORS

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

- Memorandum and Articles of Association/ Constitution/ Bye-laws/ Trust Deed;
- Board Resolution authorizing the investment and containing operating instructions;
- Power of Attorney/ relevant resolution/ authority to make application;
- Specimen signatures of the authorized signatories (ink signed), duly certified by an appropriate authority;
- Government Notification (in case of Primary Co-operative Bank and RRBs);
- Copy of Permanent Account Number Card (“PAN Card”) issued by the Income Tax Department;
- Necessary forms for claiming exemption from deduction of tax at source on interest on application money, wherever applicable.
- In case of remittance of application money through electronic mode/ bank transfer, the applicants are required to submit a self- attested copy of their bank account statement reflecting debit for the application money. The bank statement must contain name of applicant, account number, name and branch of the bank.

23. TERMS OF PAYMENT



Tea Dring

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

24. HOW TO APPLY

For this, Operational Circular no. SEBI/HO/DDHS/P/CIR/2021/613 dtd. 10.08.2021 issued by SEBI, as amended from time to time, may be referred to along with the operating guideline of Stock Exchange on the same.

Further, this being a private placement offer, only the investors who have been addressed through this Placement Memorandum are eligible to apply.

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

Applications along with details of payment of requisite amount and other necessary documents may be submitted to PFC head office on or before the closure of the issue or to the Arrangers to the Issue.

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

25. 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.

26. APPLICATION BY MUTUAL FUNDS

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

27. RIGHT TO ACCEPT OR REJECT APPLICATIONS

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

- a. Number of Bonds applied for is less than the minimum application size;
- b. Application money received not being from the bank account of the person/ entity subscribing to the Bonds or from the bank account of the person/ entity whose name appears first in the Application Form, in case of joint holders;
- c. Bank account details of the Applicants not given;



Tea Dring

- d. Details for issue of Bonds in dematerialized form not given;
- e. PAN number not given;
- f. In case of applications under Power of Attorney by limited companies, corporate bodies, trusts, etc. relevant documents not submitted;

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

28. FICTITIOUS APPLICATIONS

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

29. INTEREST ON APPLICATION MONEY

- a. In case of change in deemed date of allotment and in respect of investors who get allotment in the bond issue , interest on application money shall be paid at the coupon rate applicable for bond series (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) from the date of receipt of application money in PFC's account till one day prior to the date of allotment on the aggregate face value amount of Bonds The interest on Application Money shall be computed as per “Actual/Actual” day count convention. The payment shall be made only through electronic mode. However, in case of rejection of electronic mode, due to incomplete / in correct detail provided by applicant payment may be made through cheque /demand draft. The cheque /demand draft for interest on application money shall be dispatched by the Issuer within 15 days from the Deemed Date of Allotment by registered post to the sole/ first applicant, at the sole risk of the applicant.
- b. No interest on Application Money will be paid in respect of applications which are rejected due to any reason.

30. INTEREST PAYMENT

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

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

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



31. DEDUCTION OF TAX AT SOURCE

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

Interest payable subsequent to the Deemed Date of Allotment of Bonds will be treated as “Interest on Securities” as per Income Tax Rules. Bondholders desirous of claiming exemption from deduction of income tax at source on the interest payable on Bonds should submit tax exemption certificate/ document, under Income Tax Act, 1961, if any, at least 15 days before the payment of interest becoming due with the Registrars, [RCMC Share Registry Pvt. Ltd., CIN: U67120DL1950PTC001854] (Address: [B-25/1, First Floor, Okhla Industrial Area Phase II, New Delhi 110020. Phone : 011 – 26387320, 26387321, 26387323 Fax : 011 - 26387322], E-mail: [alok.sharma@rcmcdelhi.com]), or to such other person(s) at such other address(es) as the Company may specify from time to time through suitable communication. Regarding deduction of tax at source and the requisite declaration forms to be submitted, prospective investors are advised to consult their own tax consultant(s).

32. PAYMENT ON EXERCISE OF PUT OPTION

The right to exercise put option shall be as per the terms of the bond issue of a particular series. Where the terms of the bond issue of particular series has put option, the Bondholder shall have the right to “Put” the Bonds i.e. get them redeemed on completion of the number of years / months as specified in the terms of the bond issue from the deemed date of allotment. For availing of this facility, the Bondholder shall forward the request in writing to PFC not less than 15 calendar days (both dates exclusive) prior to the due date of exercising put option. In case, the investor exercises the put option, the interest on Bonds shall cease on the expiry of specified number of years/months after the deemed date of allotment.

33. PAYMENT ON REDEMPTION

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

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

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

34. EFFECT OF HOLIDAY

If any Coupon Payment Date falls on a day that is not a Business Day, the payment shall be made by the Issuer on the following working day in line with Operational Circular no. SEBI/HO/DDHS/P/CIR/2021/613 dtd. 10.08.2021 issued by SEBI, as amended.



Handwritten signature

**Private Placement Offer Document– PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)**

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 preceding Business Day along with interest accrued on the Bonds until but excluding the date of such payment.

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



Handwritten signature in blue ink.

35. Disclosure of Cash Flow

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

ILLUSTRATION OF BOND CASH FLOW –

Bond Series 223 considering PUT is not exercised

Issuer	Power Finance Corporation Limited
Face Value(per security)	Rs. 1,00,000/-
Deemed Date of Allotment and issue of securities	22 nd Feb 2023
Date of Redemption	22 nd Feb 2033
Tenure	10 years (considering put option not exercised)
Coupon Rate	7.64%
Frequency of interest payment (with specified dates)	Annually. First interest shall become payable on 22 nd Feb, 2024 and subsequently on 22 nd Feb every year till maturity subject to holiday conventions (As per Placement Memorandum)
Day Count Convention	Actual/Actual

Cash Flows	Coupon Date	Payment Date	Day	Day count (Actual /Actual)	No. of days in Coupon Period	Amount (in Rs)
1 st Coupon	22-Feb-24	22-Feb-24	Thursday	365/365	365	7,640
2 nd Coupon	22-Feb-25	24-Feb-25	Monday	366/366	366	7,640
3 rd Coupon	22-Feb-26	23-Feb-26	Monday	365/365	365	7,640
4 th Coupon	22-Feb-27	22-Feb-27	Monday	365/365	365	7,640
5 th Coupon	22-Feb-28	22-Feb-28	Tuesday	365/365	365	7,640
6 th Coupon	22-Feb-29	22-Feb-29	Thursday	366/366	366	7,640
7 th Coupon	22-Feb-30	22-Feb-30	Friday	365/365	365	7,640
8 th Coupon	22-Feb-31	24-Feb-31	Monday	365/365	365	7,640
9 th Coupon	22-Feb-32	23-Feb-32	Monday	365/365	365	7,640
10 th Coupon	22-Feb-33	22-Feb-33	Tuesday	366/366	366	7,640
Principal	22-Feb-33	22-Feb-33	Tuesday			100,000

Assumptions and Notes:

- For the purposes of the above illustration, as per RBI press release dtd. 28 August 2015, only such dates that fall on second and fourth Saturday of every month have been considered as non-business day. Further, Sundays, have also been considered as non-Business Days.

Private Placement Offer Document– PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

- Since 2nd, 3rd, 8th and 9th Coupon Payment Date is falling on a non-Business day, the same shall be made on the immediately succeeding Business Day.
- The aggregate coupon payable to each Bondholder shall be rounded off to the nearest rupee as per the Fixed Income Money Market and Derivatives Association handbook on market practices.
- The actual dates and maturity amount will be in accordance to and in compliance with the provisions of Operational Circular no. SEBI/HO/DDHS/P/CIR/2021/613 dtd. 10.08.2021 issued by SEBI, as amended, giving effect to actual holidays and dates of maturity which qualifies the SEBI requirement.

Bond Series 223 considering PUT is exercised after 3 years

Issuer	Power Finance Corporation Limited
Face Value(per security)	Rs. 1,00,000/-
Deemed Date of Allotment and issue of securities	22 nd Feb 2023
Date of Redemption	21 st Feb 2026 (considering PUT option is exercised)
Tenure	3 years (considering PUT option is exercised)
Coupon Rate	7.64%
Frequency of interest payment (with specified dates)	Annually. First interest shall become payable on 22 nd Feb, 2024 and subsequently on 22 nd Feb every year till maturity and on maturity subject to holiday conventions (As per Placement Memorandum)
Day Count Convention	Actual/Actual

Cash Flows	Coupon Date	Payment Date	Day	Day count (Actual /Actual)	No. of days in Coupon Period	Amount (in Rs)
1 st Coupon	22-Feb-24	22-Feb-24	Thursday	365/365	365	7,640
2 nd Coupon	22-Feb-25	24-Feb-25	Monday	366/366	366	7,640
3 rd Coupon	22-Feb-26	21-Feb-26	Saturday	364/365	364	7,619
Principal	22-Feb-26	21-Feb-26	Saturday			100,000

Assumptions and Notes:

- For the purposes of the above illustration, as per RBI press release dtd. 28 August 2015, only such dates that fall on second and fourth Saturday of every month have been considered as non-business day. Further, Sundays, have also been considered as non-Business Days.
- Since 2nd Coupon Payment Date is falling on a non-Business day, the same shall be made on the immediately succeeding Business Day.
- Since Principle Redemption Date and last coupon date is falling on a non-Business day, the same shall be made on the immediately preceding Business Day.



4. The aggregate coupon payable to each Bondholder shall be rounded off to the nearest rupee as per the Fixed Income Money Market and Derivatives Association handbook on market practices.
5. The actual dates and maturity amount will be in accordance to and in compliance with the provisions of Operational Circular no. SEBI/HO/DDHS/P/CIR/2021/613 dtd. 10.08.2021 issued by SEBI, as amended, giving effect to actual holidays and dates of maturity which qualifies the SEBI requirement.

36. RECORD DATE FALLING ON DAY OTHER THAN BUSINESS DAY

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

37. DEPOSITORY ARRANGEMENT

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

PFC has signed two tripartite agreements in this connection viz.

Tripartite Agreement dated 25.09.2001 between PFC, National Securities Depository Limited (NSDL) and R&TA i.e. M/s RCMC Share Registry (Pvt.) Ltd.

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

38. RIGHT TO REPURCHASE, RE-ISSUE AND CANCELLATION

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

39. 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.

40. 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,



Tea Dring

Private Placement Offer Document– PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

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.

41. BUY-BACK OF BONDS

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

42. DEBENTURE REDEMPTION RESERVE (“DRR”)

Circular no. 9/2002 dtd 18.04.2002 issued by Department of Company Affairs and Rule 18(7)(b)(ii) of Companies (Share Capital & Debenture) Rules, 2014 as amended, provides that no Debenture Redemption Reserve (DRR) is required in the case of privately placed debenture for NBFC's registered with the RBI under Section 45-IA of the RBI (Amendment) Act, 1997. Accordingly, PFC being registered as NBFC with RBI is not required to create DRR in respect of Private Placement of debentures.

43. NOTICES

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

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

44. MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTIONS

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

Material Contracts and Documents

1. Memorandum and Articles of Association of PFC.
2. Special Resolution passed by the shareholders of the Company at Meeting held on September 29, 2020 under section 180 (1) (C) for borrowing power of the Company;
3. Resolution of the Board of Directors of PFC passed at 423rd Meeting held on February 28, 2022 approving the borrowing programme of 82,000 crore for the year 2022-23 and authorizing the Chairman & Managing Director, Director (Finance) and Director (Projects)/Director (Commercial) jointly to invite or make offer to subscribe to private placement of bonds & its various terms and conditions.
4. Credit Rating letters from CRISIL, CARE and ICRA.
5. Copies of the audited Balance Sheets and Profit & Loss Accounts for five years ended March 31, 2018, 2019, 2020, 2021 and 2022.
6. Copy of Tripartite Agreement dt.25.09.2001 between PFC, NSDL & RCMC Pvt. Ltd.
7. Copy of Tripartite Agreement dt. 04.07.2014 between PFC, CDSL & RCMC Pvt. Ltd.

45. 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



Handwritten signature

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.

46. REISSUANCE AND CONSOLIDATION OF BONDS

The Issuer shall have right to reissue or consolidate the bonds under present series in accordance with applicable law.

47. CONSENTS

Currently, PFC has appointed Beacon Trusteeship Ltd. (CIN: U74999MH2015PLC271288), to act as debenture trustee for its Bonds. PFC holds consent from Beacon Trusteeship Ltd., to act as trustees and the consent has not been withdrawn.

Currently PFC has appointed RCMC Share Registry Private Limited (CIN: U67120DL1950PTC001854) as Registrar & Transfer Agent (R&TA) for its Bonds. PFC holds consent from RCMC Share Registry Private Limited (CIN: U67120DL1950PTC001854) 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.

48. UNDERTAKINGS FROM THE ISSUER:

PFC hereby undertakes that

- ❖ The complaints in respect of the issue would be attended to expeditiously and satisfactorily.
- ❖ PFC would take necessary steps for completion of the necessary formalities for listing & commencement of trading at stock exchange.
- ❖ PFC shall co-operate with the rating agencies in providing true and adequate information.
- ❖ The funds to be raised through the private placement are to augment long-term resources of PFC and not for a specific project. Hence, no monitoring agency is required to be appointed.
- ❖ Since it is a private placement of bonds and PFC is a public financial institution under Section 4A of the Companies Act, 1956 (now section 2(72) of Companies Act 2013), all monies received out of issue of bonds shall be utilized for the purpose as stated in this offer letter. However, PFC undertakes to refund the application money in case the allotment is not done within 60 days and / or the application for permission to deal in bonds is not granted by NSE. (Please refer to sub-title 'Listing' and 'Interest in case of delay on allotment/dispatch' of this offer letter).
- ❖ PFC shall disclose the complete name and address of the debenture trustee in the Annual Report.
- ❖ PFC shall provide a compliance certificate to the debenture trustee in r/o compliance with the terms and conditions of issue of bonds as contained in this offer document.

49. 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.



Tea Dring

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

The bonds proposed to be issued are unsecured.

51. TRUSTEES TO THE BONDHOLDERS

Currently PFC has appointed Beacon Trusteeship Ltd. (CIN: U74999MH2015PLC271288), to act as debenture trustee for its Bonds. PFC holds consent from Beacon Trusteeship Ltd., to act as trustees and the consent has not been withdrawn. Beacon Trusteeship Ltd., is a SEBI registered Debenture Trustee. The Debenture Trustee has given its consent to the issuer for its appointment under the SEBI Debt Regulations. PFC would pay fees to the trustee as per the appointment letter and agreement between the issuer and trustee. Trustee is conducting its due diligence in coordination with its empanelled agency. Due diligence certificate as per the specified format is also obtained from the 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 specified in the terms of the bond issue for each series to be uploaded in NSE website.

The holders of the Bonds shall without any further act or deed be deemed to have irrevocably given their consent and authorized the Trustees to do, inter-alia, acts and deeds and things necessary to safeguard the interests of Bondholder(s) in terms of this offer document. A copy of letter from Beacon Trusteeship Ltd. conveying their consent to act as Debenture Trustee for the current issue of Debenture is enclosed to this Private Placement Offer Letter.

52. CREDIT RATING FOR THE BONDS

- a) ICRA has assigned a rating of 'AAA(Stable)' to the long term borrowing programme for the Financial Year 2022-23 aggregating to Rs. 70,000.00 crore indicating the highest degree of safety with regard to payment of interest and principal vide letter no. ICRA/Power Finance Corporation Ltd./06022023/1 dated 06.02.2023. A copy of the said letter is enclosed elsewhere in this Private Placement Offer Letter.
- b) CRISIL has assigned a rating of 'AAA/Stable' to the long term borrowing programme for the Financial Year 2022-23 aggregating to Rs. 70,000.00 crore, indicating the highest degree of safety with regard to payment of interest and principal vide letter no. RL/PFCLMTD/311640/LTBP/0223/52682/81798407 dated 14.02.2023. A copy of the said letter from CRISIL is enclosed elsewhere in this Private Placement Offer Letter.
- c) CARE has assigned a rating of 'AAA/Stable' to the long term borrowing programme for the Financial Year 2022-23 aggregating to Rs. 70,000.00 crore indicating the highest degree of safety with regard to payment of interest and principal vide letter no. CARE/DRO/RL/2022-23/3083 dated 06.02.2023. A copy of the said letter from CARE is enclosed elsewhere in this Private Placement Offer Letter.

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

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



Handwritten signature

53. RECOGNISED STOCK EXCHANGE:-

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



Handwritten signature in blue ink.

CHAPTER XI

DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC.

A. Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects

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

B. Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons.

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

C. Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the issuer/promoters, tax litigation resulting in material liabilities, corporate restructuring, event etc.)at the time of issue which may affect the issue or the investor’s decision to invest / continue to invest in the debt securities

Nil

D. Remuneration of directors (during the current year and last three financial years); -

1. Whole-time directors

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

Financial Year	(Amt Rs. in crores)
2022-23(provisional)	3.49
2021-22	3.30
2020-21	3.34
2019-20	3.18
2018-19	5.16

2. Non-executive directors

The Non-Executive/ Non Whole-time Directors of the Company are entitled to sitting fees at a rate fixed by the Board within the limits as prescribed under the Companies Act, 2013 for attending the meetings of the Board and Committees of Directors. Presently, sitting fee of Rs. 40,000 for attending each meeting of the Board of Directors/AGM and Rs. 30,000 for attending each meeting of the Committees of Directors is being paid to each Independent Director. The following table provides the details of remuneration paid by the Company to the Non-Executive Directors:-

Financial Year	(Amt Rs. in crores)
2022-23 (provisional)	0.30
2021-22	0.25
2020-21	0.19
2019-20	0.16



Handwritten signature

2018-19	0.12
---------	------

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

E. Related party transactions

Details of related parties of the Company and transactions entered by the Company with the related parties during the last three financial years as on 31.03.2022 including with regard to loans advanced, guarantees given or securities provided on the basis of audited accounts, are furnished as under:

1. Promoter/ holding companies

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

2. Investment in equity share capital of companies incorporated in India as subsidiaries / associates /joint venture companies including companies promoted as Special Purpose Vehicles (SPV) for ultra-mega power projects during the last three financial year as on 31.03.2022 are given below:-

Sr. no.	Name of the Companies	Date of investment	No. of Shares Subscribed	% of ownership	Amount Rs. in crore
A. Subsidiary Company					
1.	PFC Consulting Limited	09.04.2008 05.02.2019	50,000 2246	100%	0.15
2.	REC Ltd.	28.03.2019	103,94,95,247	52.63%	14,500.50
3.	POWER Equity Capital Advisors (private) Limited (iv)	15.04.2008 11.10.2011	15,000 35,000	NIL*	NIL
	Sub-Total (A)				14500.65
B. Subsidiary Companies promoted as SPVs for Ultra Mega Power Projects					
1.	Coastal Maharashtra Mega Power Limited	05.09.2006	50,000	100%	0.05
2.	Orissa Integrated Power Limited	05.09.2006	50,000	100%	0.05
3.	Coastal Karnataka Power Limited	14.09.2006	50,000	100%	0.05
4.	Coastal Tamil Nadu Power Limited	31.01.2007	50,000	100%	0.05
5.	Chhattisgarh Surguja Power Limited	31.03.2008	50,000	100%	0.05
6.	Sakhigopal Integrated Power Company Limited	27.01.2010	50,000	100%	0.05
7.	Ghogarpalli Integrated Power Company Limited	27.01.2010	50,000	100%	0.05
8.	Tatiya Andhra Mega Power Limited	27.01.2010	50,000	100%	0.05
9.	Deoghar Mega Power Limited	30.07.2012	50,000	100%	0.05
10.	Cheyur Infra Limited.	24.03.2014	50,000	100%	0.05



Handwritten signature

11.	Odisha Infrapower Limited	27.03.2014	50,000	100%	0.05
12.	Deoghar Infra Ltd	25.08.2015	50,000	100%	0.05
13.	Bihar Infrapower Ltd	26.08.2015	50,000	100%	0.05
14.	Bihar Mega Power Ltd	27.08.2015	50,000	100%	0.05
15.	Jharkhand Infrapower Ltd	05.02.2016	50,000	100%	0.05
	Sub-Total (B)				0.75
C. Joint Venture Companies					
1.	Energy Efficiency Services Limited (Ceases to be JV w.e.f 01.09.2021)	21.01.2010 26.03.2013 21.08.2015 25.04.2016 02.07.2018	6,25,000 2,18,75,000 2,50,00,000 9,90,00,000 9,90,00,000	17.65%	245.50
	Sub-Total (C)				245.50
	TOTAL (A+B+C)				14,746.90

* Written-off from books of accounts.

3. The details of amount recoverable and payable from subsidiaries and associates are given below:

Amount (in Rs. Crore)

Particulars	31.03.2022	31.03.2021	31.03.2020
Advances to Subsidiaries and Associates	195.25	3,169.58	155.05
Advance received from Subsidiaries and Associates	177.13	176.86	168.42

- F. Summary of reservations or qualifications or adverse remarks of auditors during the FY 2017-18 to FY 2021-22 and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark–**

There has been no qualification, reservation or adverse remark of the auditor of the Company in the last five financial years.

- G. Details of any inquiry, inspections or investigations initiated or conducted under the companies act or any previous company law in the last three years immediately preceding the year of circulation of offer letter in the case of company and all of its subsidiaries. Also if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the offer letter and if so, section-wise details thereof for the company and all of its subsidiaries.**

All the directors of the Company are appointed by the President of India as per the Articles of the Company. As on date of this offer letter, the Company's Board comprises of eight Directors which includes four whole time functional directors, one is a Government Nominee Director and three independent directors. Since appointment of directors is undertaken by the GoI, and is beyond the control of the Issuer, it could not comply with certain corporate governance requirements envisaged under Clause 49 of the Equity Listing Regulations and Companies Act, 2013.

The equity listing regulations requires that at least half of the Board should comprise of Independent Directors, if the Chairman of the Board is an executive director. The Issuer does not have the requisite minimum number of independent directors on the Board.



Tea Diving

This non-compliance with regard to appointment of requisite minimum number of independent directors is beyond the control of the Company and the Company has requested the GoI from time to time to expedite the process of such appointment(s) but the Issuer cannot provide any assurance that this will be rectified until the GoI appoints such directors.

H. Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company

Nil



Tea Singh

CHAPTER XII
FINANCIAL POSITION OF THE COMPANY

A. Details of Share Capital as at 30 Sept 2022:-

Particulars	Rs. in Crore
Share Capital	
Authorized Share Capital	
1100,00,00,000 Equity Shares of Rs. 10/- each & 20,00,00,00,000 Preference shares of Rs. 10/- each	11200.00
Issued, Subscribed and Paid-up Share Capital	
264,00,81,408 Equity Shares of Rs. 10/- each	2640.08

B. Share premium/ Securities Premium account as on 30 Sept 2022 -

Particulars	Rs. in Crore
Share premium account before the issue	2776.54
Share premium account after the issue*	2776.54

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

C. Changes in its capital structure as at 30 Sept 2022 for the last three years:-

Date of Change (AGM/EGM)	Particulars
Nil	

D. Equity Share Capital History of the company as at 30 Sept 2022 for the last three years:-

Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration (Cash, other than cash, etc.)	Nature of Allotment	Cumulative		
						No. of equity shares	Equity Share Capital (Rs.)	Equity Security Premium (In Rs.)
Nil								

E. Details of any acquisition of or amalgamation with any entity in the last 1 year-

NIL

F. Details of any reorganization or reconstruction in the last 1 year:-

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

G. Details of shareholding of the company as on 31.12.2022, as per the format specified under the listing regulations:

1. Shareholding pattern of the company as on last quarter end as on 31.12.2022:-

Sr. No.	Particulars	Total Number of Shares	No of Shares Held in Dematerialized Form	Total Shareholding as a % of Total No of Shares
(A)	PROMOTER AND PROMOTER GROUP			
(1)	INDIAN			
(a)	Individual /HUF			
(b)	Central Government/State Government(s)	1,47,82,91,778	1,47,82,91,778	55.99
(c)	Bodies Corporate			
(d)	Financial Institutions / Banks			
(e)	Others			
	Sub-Total A(1) :	1,47,82,91,778	1,47,82,91,778	55.99
(2)	FOREIGN			
(a)	Individuals (NRIs/Foreign Individuals)			
(b)	Bodies Corporate			
(c)	Institutions			
(d)	Qualified Foreign Investor			
(e)	Others			
	Sub-Total A(2) :			
	Total A=A(1)+A(2)	1,47,82,91,778	1,47,82,91,778	55.99
(B)	PUBLIC SHAREHOLDING			
(1)	INSTITUTIONS			
(a)	Mutual Funds /UTI	30,67,89,621	30,67,89,621	11.62
(b)	Financial Institutions /Banks	41,87,633	41,87,631	0.16
(c)	Central Government / State Government(s)			
(d)	Venture Capital Funds			
(e)	Insurance Companies	1,08,32,610	1,08,32,610	0.41
(f)	Foreign Institutional Investors			
(g)	Foreign Portfolio Investor	44,49,55,288	44,49,55,288	16.85
(h)	Qualified Foreign Investor			
(i)	Others			
	Sub-Total B(1) :	76,67,65,152	76,67,65,150	29.04
(2)	NON-INSTITUTIONS			
(a)	Body Corporates	3,39,99,777	3,39,99,777	1.29
(b)	NBFCs	11,38,506	11,38,506	0.04

Private Placement Offer Document– PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

(c)	Resident Individuals	18,68,19,517	18,67,96,433	7.08
(d)	Others			
	Employees	9,35,719	9,35,719	0.04
	Non Resident Indians	46,52,879	46,52,879	0.18
	HUF	1,03,68,503	1,03,68,422	0.39
	Clearing Members	14,94,099	14,94,099	0.06
	NRI Non Repatriable	35,05,188	35,05,188	0.13
	Trusts	16,23,020	16,23,020	0.06
	I E P F	1,00,906	1,00,906	0.00
	Qualified Institutional Buyer	14,99,79,599	14,99,79,599	5.68
	Alternate Investment Fund	3,89,565	3,89,565	0.01
	Overseas Corporate Bodies	15,000	15,000	0.00
	Foreign Nationals	2,200	2,200	0.00
	Sub-Total B(2) :	39,50,24,478	39,50,01,313	14.96
	Total B=B(1)+B(2) :	1,16,17,89,630	1,16,17,66,463	44.01
	Total (A+B) :	2,64,00,81,408	2,64,00,58,241	100.00
(C)	Shares held by custodians, against which			
	Depository Receipts have been issued			
(1)	Promoter and Promoter Group			
(2)	Public			
	GRAND TOTAL (A+B+C) :	2,64,00,81,408	2,64,00,58,241	100.00

2. Details of promoters of the company as on the latest quarter ending Dec 31, 2022:-

S No.	Name of Shareholders	Total no. of equity shares	No. of shares in demat form	Total shareholding as % of total no. of equity shares	No. of shares pledged	% of shares Pledged with respect to shares owned
1	President of India Through MoP , Gol	147,82,91,778	147,82,91,778	55.99	NIL	N.A

H. List of top 10 holders of equity shares of the company as on 31.12.2022-

S No.	Name of the Shareholders	Total No. of Equity Shares	No. of shares in demat form	Total share holding as % of Total No. of Equity Shares
1	PRESIDENT OF INDIA	1,47,82,91,778	1,47,82,91,778	55.99
2	THE WINDACRE PARTNERSHIP MASTER FUND LP	12,67,95,000	12,67,95,000	4.80
3	LIFE INSURANCE CORPORATION OF INDIA	11,21,73,420	11,21,73,420	4.25
4	HDFC TRUSTEE COMPANY LTD. A/C HDFC BALANCED ADVANTAGE FUND	7,52,65,321	7,52,65,321	2.85
5	UBS PRINCIPAL CAPITAL ASIA LTD	7,50,71,000	7,50,71,000	2.85
6	HDFC TRUSTEE COMPANY LTD - A/C HDFC MID - CAPOPPORTUNITIES FUND	3,14,41,527	3,14,41,527	1.19
7	HDFC TRUSTEE COMPANY LTD. A/C HDFC TOP 100 FUND	3,10,59,486	3,10,59,486	1.18
8	NIPPON LIFE INDIA TRUSTEE LTD-A/C NIPPON INDIA GROWTH FUND	2,38,15,322	2,38,15,322	0.90
9	MIRAE ASSET EMERGING BLUECHIP FUND	1,87,32,745	1,87,32,745	0.71
10	MIRAE ASSET MIDCAP FUND	1,82,61,227	1,82,61,227	0.69
	TOTAL:	1,99,09,06,826	1,99,09,06,826	75.41



Handwritten signature

**Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)**

- I.
1. Profits of the company for the three financial years immediately preceding the date of circulation of offer letter on standalone basis-As per Ind-AS and is annexed.
 2. Profits of the company for the three financial years immediately preceding the date of circulation of offer letter on consolidated basis;-As per Ind-AS and is annexed.
- J. Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years

Particulars	FY 2021-22	FY 2020-21	FY 2019-20
	Audited	Audited	Audited
Dividend declared on equity shares (%age)	120% (Rs. 10.75 – Interim Dividend) (Rs. 1.25 – Final Dividend)	100% (Rs. 8 – Interim Dividend) (Rs. 2 – Final Dividend)	95%
Interest coverage ratio (times)	2.16	1.44	1.38

- K. (1) A summary of the financial position of the company for the three audited balance sheets immediately preceding the date of circulation of offer letter on standalone basis- As per Ind-AS and is annexed.
- (2) A summary of the financial position of the company for the three financial years immediately preceding the date of circulation of offer letter on consolidated basis- As per Ind-AS and is annexed.
- L. (1) Audited cash flow statement for the three years immediately preceding the date of circulation of offer letter on standalone basis:- As per Ind-AS and is annexed.
- (2) Audited cash flow statement for the three years immediately preceding the date of circulation of offer letter on consolidated basis:- As per Ind-As and is annexed.



Handwritten signature

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

M. (I) FINANCIAL INDICATORS (ON STANDALONE BASIS)

(All figures are in Rs./crore, except percentages)

Particulars	As on/for the quarter ended 30.09.2022 (Un-audited) IND-AS	As on/for the year ended 31.03.2022 (Audited) IND- AS	As on/for the year ended 31.03.2021 (Audited) IND- AS	As on/for the year ended 31.03.2020 (Audited) IND-AS
Balance Sheet				
Net Fixed Assets	42.05	44.85	37.45	31.76
Current Assets		54,367.43	61,442.22	59,066.56
Non-Current Assets		3,40,042.58	3,30,604.40	3,02,688.94
Total Assets	4,00,447.64	3,94,410.01	3,92,084.07	3,61,787.26
Non-Current Liabilities (including maturities of long-term borrowings and short-term borrowings)		2,84,141.94	2,89,229.55	2,60,870.11
Financial (borrowings, trade payables, and other financial liabilities)		283780.33	2,89,100.83	2,60,719.06
Provisions		140.43	55.54	44.91
Deferred tax liabilities (net)		Nil	Nil	Nil
Other non-current liabilities		221.18	73.18	106.14
Current Liabilities (including maturities of long-term borrowings) Financial (borrowings, trade payables, and other financial liabilities)	-	50,917.79	50,461.40	55,753.02
Provisions		50,560.55	50,180.60	55,530.60
Current tax liabilities (net)		106.57	99.61	219.38
Other current liabilities		Nil	Nil	0.11
Equity (equity and other equity)	62,860.08	59,350.28	52,393.12	45,164.13
Total Equity and liabilities	4,00,447.64	3,94,410.01	3,92,084.07	3,61,787.26
Profit and Loss				
Total Revenue from operations	10,078.11	38,545.40	37,744.87	33,362.90
Other income	0.34	45.77	21.70	8.16
Total Expenses	6,408.48	26,363.52	27,559.26	25,178.52
Other comprehensive income	(230.39)	180.83	90.20	(334.63)
Total comprehensive income	2,768.36	10,202.73	8,534.21	5,320.51
Profit / loss after tax	2,998.75	10,021.90	8,444.01	5,655.14
Earnings per equity share: (a) basic; and (b) diluted	11.36	37.96	31.98	21.42
Continuing operations	NA	NA	NA	NA
Discontinued operations				



Handwritten signature

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

Total Continuing and discontinued Operations	11.36	37.96	31.98	21.42
Cash Flow				
Net cash generated from operating activities	457.65	6,738.42	(17,514.68)	(10,025.55)
Net cash used in / generated from investing activities	(348.72)	(30.53)	880.92	1,555.92
Net cash used in financing activities	(820.70)	(9,704.64)	20,168.86	8,342.06
Cash and cash equivalents	9.14	720.91	3,717.62	182.52
Balance as per statement of cash flows	9.14	720.91	3,717.62	182.52
Additional Information				
Net worth	62,860.08	59,350.28	52,393.12	45,164.13
Cash and Cash Equivalents and Other Bank Balances	2,565.23	3,961.22	4,762.20	198.99
Current Investment	-	1,084.80	882.65	663.35
Asset under Management (Loan Assets)	-	3,78,201.04	3,76,665.52	3,49,896.16
Off Balance Sheet Assets	Nil	Nil	Nil	Nil
Total Debts to Total assets	0.81	0.81	0.83	0.84
Debt Service Coverage Ratios	NA	NA	NA	NA
Interest Income	9,533.41	36,701.22	36,145.76	31,950.42
Interest Expense	5,684.78	22,671.30	23,194.49	21,853.19
Interest service coverage ratio	-	NA	NA	NA
Provisioning & Write-offs	151.83	2,222.14	3,496.40	991.22
Bad debts to Accounts receivable ratio				
Gross Stage 3 Assets (%)	4.75%	5.61%	5.70%	8.08%
Net Stage 3 Assets (%)	1.31%	1.76%	2.09%	3.80%
Tier I Capital Adequacy Ratio (%)	-	20.00%	15.46%	12.45%
Tier II Capital Adequacy Ratio (%)	-	3.48%	3.37%	4.51%

*Figures related to Current and Non-current classification is not applicable to PFC as it is preparing its financial statements in compliance with Division III of Schedule III of Companies Act, 2013.

(II) FINANCIAL INDICATORS(ON CONSOLIDATED BASIS)

(All figures are in Rs./crore, except percentages)

Particulars	As on/for the quarter ended 30.09.2022 (Un-audited) IND-AS	As on/for the year ended 31.03.2022 (Audited) IND-AS	As on/for the year ended 31.03.2021 (Audited) IND-AS	As on/for the year ended 31.03.2020 (Audited) IND- AS
Balance Sheet				
Net Fixed Assets	730.75	722.30	634.19	475.18



Handwritten signature

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

Current Assets	-	97,109.25	99,364.6	99,307.16
Non-Current Assets	-	6,93,891.01	6,76,342.48	5,94,738.33
Total Assets	8,11,240.05	7,91,000.27	7,75,707.08	6,94,520.65
Non-Current Liabilities (including maturities of long-term borrowings and short-term borrowings)	-	5,89,450.66	5,71,120.79	5,01,955.18
Financial (borrowings, trade payables, and other financial liabilities)		5,89,011.22	5,70,845.08	5,01,759.71
Provisions		188.50	97.41	84.04
Deferred tax liabilities (net)		0.00	0.00	0.00
Other non-current liabilities		250.94	178.14	111.43
Current Liabilities (including maturities of long- term borrowings)	-	1,05,274.46	1,22,796.04	1,26,400.10
Financial (borrowings, trade payables, and other financial liabilities)		1,04,770.09	1,22,322.46	1,25,959.32
Provisions		168.05		
Current tax liabilities (net)		23.98	165.7	290.28
Other current liabilities		312.34	24.84	67.40
Equity (equity and other equity)	1,02,280.19	71,676.24	60,767.48	49,399.80
Total Equity and liabilities	8,11,240.05	7,92,000.27	7,75,707.08	6,94,520.65
Profit and Loss				
Total Revenue From operations	19,336.05	76,261.66	71,655.94	62,189.44
Other income	8.34	83.26	44.57	89.52
Total Expenses	12,740.41	52,940.30	51,816.02	48,204.12
Other comprehensive income	(1,044.25)	121.57	547.89	(888.61)
Total comprehensive income	4,185.08	18,889.78	16,264.09	8,588.64
Profit / loss after tax	5,229.33	18,768.21	15,716.2	9,477.25
Earnings per equity share: (a) basic; and (b) diluted				
Continuing operations	14.91	53.08	44.50	26.98
Discontinued operations	Nil	Nil	Nil	Nil
Total Continuing and discontinued Operations	14.91	53.08	44.50	26.98
Cash Flow				
Net cash generated from operating activities	(5,939.59)	1,632.47	(59,142.61)	(42,689.90)
Net cash used in / generated from investing Activities	(555.96)	(366.55)	1,741.06	469.81
Net cash used in financing activities	8,003.89	(5,279.42)	60,424.08	43,398.66
Cash and cash equivalents	2,422.58	914.24	4,927.74	1,905.21
Balance as per statement of cash flows	2,422.58	914.24	4,927.74	1,905.21
Additional Information				
Net worth	76,505.69	96,275.15	81,790.25	66,165.37
Cash and Cash Equivalents and Other Bank Balances	7,558.15	6,684.50	8,202.56	4,188.17
Current Investment	-	1,146.91	920.76	2,164.80
Asset under Management (Loan Assets)	-	7,64,826.72	7,52,132.63	6,73,975.71
Off Balance Sheet Assets				



Handwritten signature or initials in blue ink.

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

Total Debts to Total assets	0.82	0.82	0.83	0.84
Debt Service Coverage Ratios	-	NA	NA	NA
Interest Income	19,225.09	74,887.12	70,845.42	61,628.35
Interest Expense	11,412.88	44,708.78	44,683.52	40,844.65
Interest service coverage ratio	-	NA	NA	NA
Provisioning & Write-offs	371.06	5,965.07	5,942.29	1,910.83
Bad debts to Account receivable ratio				
Gross Stage 3 Assets (%)	4.38%		5.29%	3.57%
Net Stage 3 Assets (%)	1.27%	1.60%	1.91%	3.71%
Tier I Capital Adequacy Ratio (%)	-	NA	NA	NA
Tier II Capital Adequacy Ratio (%)	-	NA	NA	NA



Handwritten signature in blue ink.

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

(III) Columnar Representation of Financial Statements (ON STANDALONE BASIS) (Rs. In Crores)

Particulars	As on/for the quarter ended 30.09.2022 (Unaudited) IND-AS	As on/for the year ended 31.03.2022 (Audited) IND-AS	As on/for the year ended 31.03.2021 (Audited) IND-AS	As on/for the year ended 31.03.2020 (Audited) IND-AS
BALANCE SHEET				
ASSETS				
Financial Assets				
Cash and Cash Equivalents	9.14	720.91	3,717.62	182.52
Bank Balance other than included in Cash and Cash Equivalents	2,556.09	3,240.31	1,044.58	16.47
Derivative Financial Instruments	4,931.57	3,080.56	1,251.45	1,863.42
Loans	3,64,750.53	3,60,929.74	3,60,124.77	3,34,112.60
Investments	17030.06	16,084.27	15,973.50	16,473.32
Other Financial Assets	5891.38	5,382.67	5,336.77	5,339.12
Total Financial Assets (1)	395168.77	3,89,438.46	3,87,448.69	3,57,987.45
Non- Financial Assets				
Current Tax Assets (Net)	239.53	273.65	260.64	651.31
Deferred Tax Assets (Net)	4,478.83	4,151.82	3,996.76	2,952.12
Property, Plant and Equipment	41.99	44.72	37.21	31.35
Intangible Assets	0.06	0.13	0.24	0.41
Right-of-use Assets	34.62	34.85	35.30	35.75
Other Non-Financial Assets	483.94	466.38	305.23	128.87
Total Non- Financial Assets (2)	5,278.87	4,971.55	4,635.38	3,799.81
Total Assets (1+2)	4,00,447.64	3,94,410.01	3,92,084.07	3,61,787.26
LIABILITIES AND EQUITY				
LIABILITIES				
Financial Liabilities				
Derivative Financial Instruments	61.76	103.25	494.04	599.82
Debt Securities	2,34,332.05	2,30,156.95	2,42,811.54	2,21,847.67
Borrowings (other than Debt Securities)	87,107.83	87,965.42	80,837.60	79,116.06
Subordinated Liabilities	9,672.37	9,311.27	9,310.20	9,310.95
Other Financial Liabilities	5,429.87	6,803.99	5,828.05	5,375.16
Total Financial Liabilities (1)	3,36,603.88	3,34,340.88	3,39,281.43	3,16,249.66
Non- Financial Liabilities				
Current Tax Liabilities (Net)	527.61	194.92	43.24	0.11
Provisions	204.27	247.00	155.15	264.29
Other Non-Financial Liabilities	251.80	276.93	211.13	109.07
Total Non- Financial Liabilities (2)	983.68	718.85	409.52	373.47
Total Liabilities (1+2)	3,35,587.56	3,35,059.73	3,39,690.95	3,16,623.13



Handwritten signature

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

Equity				
Equity Share Capital	2,640.08	2,640.08	2,640.08	2,640.08
Other Equity	60,220.00	56,710.20	49,753.04	42,524.05
Total Equity (3)	62,860.08	59,350.28	52,393.12	45,164.13
Total Liabilities and Equity (1+2+3)	4,00,447.64	3,94,410.01	3,92,084.07	3,61,787.26
Statement of Profit and Loss				
Revenue from Operations				
Interest Income	9,533.41	36,701.22	36,145.76	31,950.42
Dividend Income	511.82	1,347.42	1,204.21	1,289.52
Fees and Commission Income	32.88	496.76	394.90	122.96
Total Revenue from Operations	10,078.45	38,545.40	37,744.87	33,362.90
Other Income	0.34	45.77	21.70	8.16
Total Income (I+II)	10,078.45	38,591.17	37,766.57	33,371.06
Expenses				
Finance Costs	5,684.78	22,671.30	23,194.49	21,853.19
Net Translation / Transaction Exchange Loss / (Gain)	652.59	905.58	(164.06)	2,633.42
Fees and Commission Expense	3.15	10.18	14.28	10.76
Net Loss / (Gain) on Fair Value changes	(178.36)	(9.42)	518.95	(699.05)
Impairment on Financial Instruments	151.83	2,222.14	3,496.40	991.22
Employee Benefit Expenses	51.11	213.11	194.62	193.82
Depreciation, Amortisation and Impairment	4.09	13.20	11.17	9.10
Corporate Social Responsibility Expenses	13.72	214.72	222.61	97.15
Other Expenses	25.57	122.71	70.80	88.91
Total Expenses	6,408.48	26,363.52	27,559.26	25,178.52
Profit/(Loss) Before Exceptional Items and Tax (III-IV)	3,669.97	12,227.65	10,207.31	8,192.54
Exceptional Items		-	-	-
Profit/(Loss) Before Tax (V-VI)	3,669.97	12,227.65	10,207.31	8,192.54
Tax Expense:				
(1) Current Tax:				
- Current Year	763.79	2,418.91	2,613.09	1,406.73
- Earlier Years	(40.22)	(36.05)	178.94	17.75
(2) Deferred Tax	(52.35)	(177.11)	(1,028.73)	1,112.92
Total Tax Expense	671.22	2,205.75	1,763.30	2,537.40
Profit/(Loss) for the period from Continuing Operations (VII-VIII)	2,998.75	10,021.90	8,444.01	5,655.14
Profit/(Loss) from Discontinued Operations (After Tax)	-	-	-	-
Profit/(Loss) for the period (from continuing and discontinued operations) (IX+X)	2,998.75	10,021.90	8,444.01	5,655.14
Other Comprehensive Income				
(i) Items that will not be reclassified to Profit or Loss				
- Re-measurement of Defined Benefit Plans	(1.27)	(5.07)	(4.26)	(5.09)



Handwritten signature

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

- Net Gain / (Loss) on Fair Value of Equity Instruments	138.88	151.94	137.25	(287.11)
(ii) Income Tax relating to items that will not be reclassified to Profit or Loss		-		
- Re-measurement of Defined Benefit Plans	0.34	0.54	1.13	0.08
- Net Gain / (Loss) on Fair Value of Equity Instruments	(6.20)	(9.58)		
Sub-Total (A)	131.75	138.66	134.12	(292.12)
(i) Items that will be reclassified to Profit or Loss				
- Effective Portion of Gains / (Loss) on Hedging Instruments in Cash Flow Hedge	236.51	419.18	(27.64)	(46.74)
- Cost of Hedging Reserve	(720.44)	(362.82)	(31.06)	-
(ii) Income Tax relating to items that will be reclassified to Profit or Loss				
- Effective Portion of Gains / (Loss) on Hedging Instruments in Cash Flow Hedge	(59.53)	(105.50)	6.96	4.23
- Cost of Hedging Reserve	181.32	91.31	7.82	-
Sub-Total (B)	(362.14)	42.17	(43.92)	(42.51)
Other Comprehensive Income (A+B)	(230.39)	180.83	90.20	(334.63)
Total Comprehensive Income for the period (XI+XII)	2,768.36	10,202.73	8,534.21	5,320.51
Basic and Diluted Earnings Per Equity Share (Face Value ₹ 10/- each):				
(1) For continuing operations (in ₹)	11.36	37.96	31.98	21.42
(2) For discontinued operations (in ₹)	-	-	-	-
(3) For continuing and discontinued operations (in ₹)	11.36	37.96	31.98	21.42
Statement of Cash Flows				
Cash Flow from Operating Activities :-				
Profit before Tax	6,209.86	12,227.65	10,207.31	8,192.54
Adjustments for:				
Loss on derecognition of Property, Plant and Equipment (net)	1.27	2.91	1.12	0.96
Depreciation and Amortisation	8.87	13.20	11.17	9.10
Interest expense on Zero Coupon Bonds and Commercial Papers	28.39	92.79	9.21	329.58
Unrealised Foreign Exchange Translation Loss / (Gain)	3015.44	1,343.15	293.25	2,908.53
Net Change in Fair Value	(217.79)	(9.42)	518.95	(699.05)
Impact of Effective Interest Rate on Loans	19.40	2.25	(19.90)	6.50
Impairment on Financial Instruments	323.55	2,222.14	3,496.40	991.22
Interest income on Investments				(250.53)
Interest on Interest Subsidy Fund	-	1.13	1.41	1.35



Handwritten signature

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

Provision for interest under Income Tax Act, 1961		1.91	2.91	0.17
Excess Liabilities written back		(2.38)		(0.18)
Provision for Retirement Benefits etc.		112.49	50.16	44.44
Dividend Income				(1,289.52)
Effective Interest Rate on Borrowings / Debt Securities / Subordinated Liabilities	30.03	5.98	82.28	(188.06)
Interest on Income Tax Refund			(9.67)	(0.66)
Interest expenses on Lease Liability				0.77
Interest Accrued but not due on investments				
Gain on cessation of joint control in joint venture		(32.66)		
Interest accrued on investments	7.49	(22.00)		
Operating profit before Working Capital Changes:	9,452.34	15,959.14	14,643.88	10,057.16
Increase / Decrease :				
Loans (Net)	(4,704.86)	(2,936.88)	(29,814.52)	(32,097.93)
Other Financial and Non-Financial Assets	173.91	(2,402.13)	(1,174.43)	13,891.09
Derivative	(2,399.92)	(2,123.78)	(95.29)	(504.95)
Other Financial & Non-Financial Liabilities and Provisions	(1,177.10)	488.52	1,302.95	154.44
Cash Flow from Operations Before Tax	1,344.37	8,984.87	(15,137.41)	(8,500.19)
Income Tax paid	(944.61)	(2,246.45)	(2,671.39)	(1,584.39)
Income Tax Refund	57.89	-	294.12	59.03
Net Cash flow from Operating Activities	457.65	6,738.42	(17,514.68)	(10,025.55)
Cash Flow From Investing Activities :				
Proceeds from disposal of Property, Plant and Equipment	0.03	0.24	0.20	0.07
Purchase of Property, Plant and Equipment	(7.14)	(23.30)	(17.73)	(13.11)
Investment in Subsidiaries	-			-
Interest income on investment	-			250.32
Dividend on investment	-			1,289.52
Increase / Decrease in Other Investments	(341.61)	(7.47)	898.45	29.12
Net Cash Used in Investing Activities	(348.72)	(30.53)	880.92	1,555.92
Cash Flow From Financing Activities :				
Raising of Bonds (including premium) (Net of Redemptions)	2,126.46	(12,600.78)	13,733.45	6,244.24
Raising of Long Term Loans (Net of Repayments)	(3,421.25)	4,663.50	4,000.00	10,895.44
Raising of Foreign Currency Loans (Net of Repayments)	(2,051.88)	5,229.95	2,648.62	15,293.94
Raising of Subordinated Liabilities (Net of Redemptions)	-			0.00



Handwritten signature

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

Capital Work-in-Progress	40.83	53.36	335.67	287.62
Intangible Assets under development	-	-	0.77	0.77
Other Intangible Assets	2.89	4.41	6.39	9.23
Right of Use Assets	44.40	45.83	37.17	42.07
Other Non-Financial Assets	576.08	551.68	411.43	263.94
Investments accounted for using equity method	0.50	0.50	548.35	549.90
Total Non- Financial Assets (2)	10,051.90	9,135.34	8,623.89	7,483.97
Assets Classified as held for sale	27.42	19.45	33.16	16.98
Total Assets (1+2+3)	8,11,240.05	7,91,000.27	7,75,707.08	6,94,520.65
LIABILITIES AND EQUITY				
LIABILITIES				
Financial Liabilities				
Derivative Financial Instruments	1,306.63	656.39	1,340.35	1,925.55
Trade Payables				
(i) Total outstanding dues of Micro, Small and Medium Enterprises	0.09	1.11	0.01	0.15
(ii) Total outstanding dues of creditors other than Micro, Small and Medium Enterprises	34.83	48.64	70.42	53.07
Debt Securities	4,55,070.86	4,49,731.56	4,80,080.65	4,41,765.90
Borrowings (other than Debt Securities)	2,03,549.74	1,94,616.98	1,63,344.42	1,40,666.72
Subordinated Liabilities	16,226.41	16,127.74	16,257.09	14,130.60
Other Financial Liabilities	31,421.18	32,598.89	32,074.60	29,177.04
Total Financial Liabilities (1)	7,07,609.74	6,93,781.31	6,93,167.54	6,27,719.03
Non- Financial Liabilities				
Current Tax Liabilities (Net)	606.34	219.15	140.68	67.40
Provisions	424.56	356.55	263.27	374.32
Other Non-Financial Liabilities	319.21	368.10	345.26	193.85
Total Non- Financial Liabilities (2)	1,350.11	943.80	749.21	635.57
Liabilities directly associated with assets classified as held for sale	0.01	0.01	0.08	0.68
Total Liabilities (1+2+3)	7,08,959.86	6,94,725.12	6,93,916.83	6,28,355.28
Equity				
Equity Share Capital	2,640.08	2,640.08	2,640.08	2,640.08
Other Equity	73,865.61	69,036.16	58,127.40	46,759.72



Handwritten signature or initials in blue ink.

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

Equity attributable to owners of the Company (a+b)	76,505.69	71,676.24	60,767.48	49,399.80
Non-Controlling interest	25,774.50	24,598.91	21,022.77	16,765.57
Total Equity (4)	1,02,280.19	96,275.15	81,790.25	66,165.37
Total Liabilities and Equity (1+2+3+4)	8,11,240.05	7,91,000.27	7,75,707.08	6,94,520.65
STATEMENT OF PROFIT AND LOSS				
Revenue from Operations				
Interest Income	19,225.09	74,887.12	70,845.42	61,628.35
Dividend Income	13.85	68.86	88.74	105.65
Fees and Commission Income	67.28	1,069.58	490.36	161.91
Other Operating Income	29.83	236.10	231.42	293.53
Total Revenue from Operations	19,336.05	76,261.66	71,655.94	62,189.44
Other Income	8.34	83.26	44.57	85.92
Total Income (I+II)	19,344.39	76,344.92	71,700.51	62,275.36
Expenses				
Finance Costs	11,412.88	44,708.78	44,683.52	40,844.65
Net Translation / Transaction Exchange Loss / (Gain)	1,109.38	1,704.63	166.20	4,991.32
Fees and Commission Expense	4.58	26.91	24.23	36.20
Net Loss / (Gain) on Fair Value changes	(385.78)	(356.00)	(53.39)	(673.20)
Impairment on Financial Instruments	371.06	5,695.07	5,942.29	1,910.83
Cost of Services Rendered	10.72	76.83	101.23	85.18
Employee Benefit Expenses	91.43	407.31	370.82	399.72
Depreciation and Amortisation	11.91	34.77	25.46	24.43
Corporate Social Responsibility Expenses	51.69	388.76	370.22	356.44
Other Expenses	62.54	253.24	185.44	228.55
Total Expenses	12,740.41	52,940.30	51,816.02	48,204.12
Profit/(Loss) Before Exceptional Items and Tax (III-IV)	6,603.98	23,404.62	19,884.49	14,071.24
Exceptional Items	-	-	-	-
Share of Profit / (Loss) in Joint Venture and Associates	-	(22.40)	6.24	21.43
Profit/(Loss) Before Tax (V-VI+VII)	6,603.98	23,382.22	19,890.73	14,092.67
Tax Expense:				
(1) Current Tax				
- Current Year	1,417.32	5,501.89	5,321.55	3,004.98
- Earlier Years	(40.22)	(40.01)	401.96	83.02
(2) Deferred Tax	(2.45)	(847.87)	(1,548.98)	1,527.42
Total Tax Expense	1,374.65	4,614.01	4,174.53	4,615.42
Profit/(Loss) for the year from Continuing Operations (VIII-IX)	5,229.33	18,768.21	15,716.20	9,477.25
Profit/(Loss) From Discontinued Operations (After Tax)	-	-	-	-



Handwritten signature or initials in blue ink.

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

Profit/(Loss) for the year (for continuing and discontinued operations) (X+XI)	5,229.33	18,768.21	15,716.20	9,477.25
Other Comprehensive Income				
(i) Items that will not be reclassified to Profit or Loss				
- Re-measurement of Defined Benefit Plans	(3.63)	(13.40)	(18.52)	(7.96)
- Net Gain / (Loss) on Fair Value of Equity Instruments	135.50	174.13	303.78	(416.31)
- Share of Other Comprehensive Income / (Loss) in Joint Venture accounted for using equity method	-	(0.02)	(0.12)	(0.30)
(ii) Income Tax relating to items that will not be reclassified to Profit or Loss				
- Re-measurement of Defined Benefit Plans	0.93	3.47	4.72	0.80
- Net Gain / (Loss) on Fair Value of Equity Instruments	(6.24)	(7.03)	(6.01)	12.39
- Share of Other Comprehensive Income/ (loss) of Joint Venture accounted for using equity method				0.05
Sub-Total (A)	126.56	157.15	283.85	(411.33)
(i) Items that will be reclassified to Profit or Loss				
- Effective Portion of Gains and (Loss) on Hedging Instruments in Cash Flow Hedge	747.45	900.02	53.17	(348.86)
- Cost of Hedging Reserve	(2,312.01)	(947.33)	297.94	(273.61)
- Share of Other Comprehensive Income/ (loss) of Joint Venture accounted for using equity method	-	(0.17)	1.29	(3.94)
(ii) Income Tax relating to items that will be reclassified to Profit or Loss				
- Effective Portion of Gains and (Loss) on Hedging Instruments in Cash Flow Hedge	(188.13)	(226.52)	(13.38)	80.27
- Cost of Hedging Reserve	581.88	238.42	(74.98)	68.86
- Share of Other Comprehensive Income/ (loss) of Joint Venture accounted for using equity method				-
Sub-Total (B)	(1,170.81)	(35.58)	264.04	(477.28)
Other Comprehensive Income (A+B)	(1,044.25)	121.57	547.89	(888.61)
Total Comprehensive Income for the Year (XII+XIII)	4,185.08	18,889.78	16,264.09	8,588.64
Profit for the year attributable to:				
- Owners of the Company	3,935.26	14,014.79	11,747.83	7,122.13
- Non-Controlling Interest	1,294.07	4,753.42	3,968.37	2,355.12
	5,229.33	18,768.21	15,716.20	9,477.25
Other Comprehensive Income for the Year				
- Owners of the Company	(658.76)	148.99	331.07	(626.28)
- Non-Controlling Interest	(385.49)	(27.42)	216.82	(262.33)
	(1,044.25)	121.57	547.89	(888.61)
Total Other Comprehensive Income for the Year				



Handwritten signature in blue ink.

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

- Owners of the Company	3,276.50	14,163.78	12,078.90	6,495.85
- Non-Controlling Interest	908.58	4,726.00	4,185.19	2,092.79
	4,185.08	18,889.78	16,264.09	8,588.64
Basic and Diluted Earnings Per Equity Share (Face Value ` 10/- each):				
(1) For continuing operations (in `)	14.91	53.08	44.50	26.98
(2) For discontinued operations (in `)	-	-	-	-
(3) For continuing and discontinued operations (in `)	14.91	53.08	44.50	26.98
STATEMENT OF CASH FLOWS				
Cash Flow from Operating Activities :-				
Profit before Tax	12,115.25	23,382.22	19,890.73	14,092.67
Adjustments for:				
Loss on derecognition of Property, Plant and Equipment (net)	2.66	2.43	5.81	2.66
Loss / (Gain) on sale of Investments			-	-3.16
Depreciation and Amortisation	23.44	34.78	25.45	24.43
Interest expense on Zero Coupon Bonds and Commercial Papers	28.39	107.55	126.31	898.53
Unrealised Foreign Exchange Translation Loss / (Gain)	1,878.38	(821.27)	819.96	5,250.80
Net Change in Fair Value	(455.36)	-348.00	-29.40	-657.73
Impact of Effective Interest Rate on Loans	52.38	-9.74	12.49	59.05
Impairment on Financial Instruments	1,050.78	5,695.07	5,943.36	1,910.83
Interest income on Investments and Others				
Interest on Interest Subsidy Fund		1.13	1.41	1.35
Provision for interest under Income Tax Act, 1961		1.91	24.90	0.20
Excess Liabilities written back	1.20	-2.40	-0.15	-0.48
Provision for Retirement Benefits etc.		112.49	50.16	44.44
Dividend Income				
Effective Interest Rate on Borrowings / Debt Securities / Subordinated Liabilities	30.03	-105.33	234.47	-125.75
Interest on Income Tax Refund			-9.67	-0.66
Share of Profit/Loss of Joint Venture accounted for using equity method		22.40	-6.24	-21.43
Impairment Allowance on Assets Classified as Held for Sale		9.71		
Provision Written back for Doubtful Debt & Advances				
Loss/ (Gain) on derecognition of Assets held for sale (net)	(1.46)	-30.25		
Interest Accrued on investments	(6.28)	-22.00		
Operating profit before Working Capital Changes:	14,745.24	28,032.18	27,089.59	21,475.75



Handwritten signature in blue ink.

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

Increase / Decrease :		-		
Loans (Net)	(14,009.31)	-12,804.48	-83,336.45	-73,762.52
Other Financial and Non-Financial Assets	(498.46)	-2,852.51	-3,015.58	8,730.00
Derivative	(1,957.46)	-4,584.30	615.91	-912.65
Other Financial & Non-Financial Liabilities and Provisions	(2,075.95)	-817.12	4,579.10	5,631.91
Cash Flow before Exceptional Items	(3,795.94)	6,973.77	-54,067.43	-38,837.51
Exceptional Items		-	-	-
Cash Flow from Operations Before Tax	(3,795.94)	6,973.77	-54,067.43	-38,837.51
Income Tax paid	(2,201.54)	-5,364.56	-5,381.03	-3,385.85
Income Tax Refund	57.89	23.26	305.85	75.70
Net Cash flow from Operating Activities	(5,939.59)	1,632.47	-59,142.61	-42,147.66
Cash Flow From Investing Activities :		-		
Proceeds from disposal of Property, Plant and Equipment	0.09	0.48	0.97	1.02
Purchase of Property, Plant and Equipment & Intangible Assets (including CWIP and Capital Advance)	(31.14)	-120.15	-92.78	-130.52
Finance Cost Capitalised		-5.10	-22.04	-
Investment in Subsidiaries		-		
Interest income on investment		-		
Dividend on investment		-		
Increase / Decrease in Other Investments	(526.51)	-273.02	1,854.91	56.30
Sale of assets held for sale	1.60	31.24		
Net Cash Inflow from Investing Activities	(555.96)	-366.55	1,741.06	-73.20
Cash Flow From Financing Activities :		-		
Raising of Bonds (including premium) (Net of Redemptions)	1,636.70	-33,444.88	29,233.11	27,537.63
Raising of Long Term Loans (Net of Repayments)	5,396.71	15,603.25	19,838.32	16,045.23
Raising of Foreign Currency Loans (Net of Repayments)	(2,051.88)	29,540.53	5,533.01	27,911.51
Raising of Subordinated Liabilities (Net of Redemptions)		-	1,999.50	0.00
Raising of Commercial paper (Net of Repayments)		-3,134.76	195.00	-15,270.30
Raising of Working Capital Demand Loan / OD / CC / Line of Credit (Net of Repayments)	3,468.07	-9,230.04	6,076.34	-8,563.96
Issue of Perpetual Debt Instruments entirely equity in nature (Net of Issue Exp)		-45.60	557.46	-
Unclaimed Bonds (Net)	(18.03)	-58.28	133.76	0.59
Unclaimed Dividend (Net)	(0.04)	1.56	0.42	0.32
Payment of Lease Liability	(1.75)	-2.95	-0.73	-0.64
Payment of Interim Dividend	(425.07)	-4,508.25	-3,142.11	-3,534.68



Handwritten signature or initials in blue ink.

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

Payment of Corporate Dividend Tax		-	-	-726.27
Net Cash in-flow from Financing Activities	8,003.89	-5,279.42	60,424.08	43,399.43
Net Increase / Decrease in Cash and Cash Equivalents	1,508.34	-4,013.50	3,022.53	1,178.57
Add : Cash and Cash Equivalents at beginning of the financial year	914.24	4,927.74	1,905.21	726.64
Cash and Cash Equivalents at the end of the year	2,422.58	914.24	4,927.74	1,905.21
Details of Cash and Cash Equivalents at the end of the year:				
i) Balances with Banks (of the nature of cash and cash equivalents)		-		
In current accounts	71.90		970.90	1,380.56
In Term Deposit Accounts	2,350.60	914.22	3,956.72	524.59
ii) Cheques, Drafts on hand including postage and Imprest	0.08	0.02	0.12	0.06
Total Cash and Cash Equivalents at the end of the year	2,422.58	914.24	4,927.74	1,905.21



Handwritten signature

**Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)**

N. DEBT EQUITY RATIO

Debt: Equity Ratio of the Company as on date is as under:-

Before the issue	5.48
After the issue	5.54

O. Details of any other contingent liabilities of the issuer based on the last audited financial statements including amount and nature of liability

		Amount (in Crore)
Sr. No.	Description	as on 31.03.2022
Contingent Liabilities		
i)	Guarantees ^(a) & (b)	8.29
ii)	Claims against the Company not acknowledged as debts - -	
iii)	Additional demands raised by the Income Tax Department of earlier years which are being contested	91.78
iv)	Service Tax demand or show cause notices raised by Service Tax Department in respect of earlier years which are being contested.	24.53
	Service Tax Department has filed appeals before CESTAT against the order of Commissioner (CE&ST) who had dropped a demand of service tax. The same is also being contested.	53.40
v)	Outstanding disbursement commitments to the borrowers by way of Letter of Comfort against loans sanctioned ^(b)	7,032.45
Commitments		
i)	Estimated amount of contracts (excluding GST) remaining to be executed on capital account and not provided for	174.53
ii)	Other Commitments – CSR unspent amount pertaining to the period up to 31.03.2020	99.15
	Total	7,484.13

^(a)Default payment guarantee given by the Company in favour of a borrower company. The amount paid/payable against this guarantee is reimbursable by Government of Madhya Pradesh.

^(b)Necessary impairment loss allowance has been made.

P. Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company:-

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

(Rs. in crore)

Financial Year	Modifications	Impact on PBT [(+) increase / (-) decrease]
2021-22	A policy on Offsetting of financial assets and financial liabilities has been incorporated in line with Ind AS 32. Further, certain accounting policies have also been reworded to bring in more clarity and align with Company's practice. There is no financial impact of such modifications carried out in the accounting policies.	Nil



Handwritten signature

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

2020-21	The policy on the additional Income Tax on distribution of dividend has been deleted subsequent to the abolition of the incidence of Dividend Distribution Tax (DDT) on companies. Further, certain accounting policies have also been reworded to bring in more clarity and align with Company's practice. There is no financial impact of such modifications carried out in the accounting policies.	Nil
2019-20	The Company has adopted Ind AS 116-Leases' using modified retrospective approach w.e.f. 01.4.2019 as notified by the Ministry of Corporate Affairs (MCA). Further, policies on Company's business model in line with the requirements of Ind AS 109 and contingent assets have been incorporated in significant accounting policies. In addition, certain accounting policies have also been reworded to bring in more clarity.	Nil
2018-19	The Company has adopted Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from 01.04.2018. New Accounting Policy has been drafted in line with Ind AS.	N.A.



Handwritten signature

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

Canara Bank	Rupee Term Loan	500	500	28-Dec-23
Canara Bank	Rupee Term Loan	500	500	15-Jan-24
Bank of India	Rupee Term Loan	1,000.00	1,000.00	21-Jan-24
Bank of India	Rupee Term Loan	1,000.00	1,000.00	21-Jan-24
Canara Bank (erstwhile Syndicate Bank)	Rupee Term Loan	1,750.00	1,093.75	20-Mar-24
SBI	Rupee Term Loan	3,000.00	3,000.00	19-Dec-24
Union Bank of India (erstwhile Andhra bank)	Rupee Term Loan	800	800	15-Jan-25
Punjab National Bank (erstwhile OBC)	Rupee Term Loan	1,000.00	1,000.00	20-Mar-25
Union Bank	Rupee Term Loan	2,500.00	1,875.00	23-Mar-25
HDFC Bank	Rupee Term Loan	3,000.00	3,000.00	30-Sep-25
Canara Bank	Rupee Term Loan	500	350	23-Mar-26
Bank of India	Rupee Term Loan	1,000.00	1,000.00	11-Sep-26
Canara Bank	Rupee Term Loan	2,000.00	1,500.00	22-Sep-26
UCO Bank	Rupee Term Loan	1,000.00	1,000.00	24-Sep-26
Punjab National Bank	Rupee Term Loan	500	500	27-Sep-26
Punjab National Bank	Rupee Term Loan	5	5	29-Sep-26
IIFCL	Rupee Term Loan	1,000.00	1,000.00	30-Sep-26
Central Bank of India	Rupee Term Loan	1,000.00	1,000.00	31-Mar-27
Union Bank of India	Rupee Term Loan	3,000.00	3,000.00	31-Mar-28
Bank of India	Rupee Term Loan	500	500	18-Sep-28
NSSF	Rupee Term Loan	7,500.00	7,500.00	27-Dec-28
Canara Bank	Rupee Term Loan	2,500.00	2,500.00	30-Jun-28
Indian Overseas Bank	Rupee Term Loan	1,000.00	1,000.00	30-Sep-28
KEB Hana Bank	Rupee Term Loan	100.00	100.00	17-Nov-25
Bank of Baroda	Rupee Term Loan	5,000.00	5,000.00	17-Nov-29

c. Details of Outstanding Secured/Unsecured Other Loan facilities as on 31 Dec 2022:-

Name of Lender	Type of Facility	Amount Sanctioned (Rs. in crs)	Principal Amount Outstanding (Rs. in Crs)	Repayment Date/ Schedule	Security, if any



Handwritten signature in blue ink.

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

d. Details of Unsecured Foreign Currency Loans Outstanding as on 30.09.2022

Sl. No.	Lender's Name	Type of Facility	Amount Sanctioned (in FC)	Principal Amount Outstanding (in FC)	Repayment Date/ Schedule
1.	Kreditanstalt Fur Wiederaufbau (KFW-1 & II)	Foreign Currency Loan	Deutsche Mark 4.65 crores, divided into two equal sub-limits, namely, Portion I and Portion II.	For Portion I: Euro 4.87 million;	Portion I: payable in 60 instalments payable semi-annually from December 30, 2005. Portion II loan has been repaid in full on 30.12.2015.
2.	Asian Development Bank	Foreign Currency Loan	USD 150.00 million	USD 6.96 million	Each disbursement of this facility will be repaid in semi-annual instalments payable on April 15 and October 15 of each year, the first instalment payable on the eleventh interest payment date with respect to such disbursement, i.e. from 15.10.2009 and the last repayment date is 15.10.2028
3.	Natixis (formerly known as Credit National France) (on behalf of the Government of the Republic of France)	Foreign Currency Loan	FRF 16.46 crores	Euro 2.65 million	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, i.e. from 30.12.2000 and the last repayment date is 30.06.2028.
4.	State Bank of India acting as facility agent through its branch in Hong Kong on behalf of various lenders	Foreign Currency Loan-syndicated loan-XVIII	JPY 43,668 million	JPY 14,556 million	Repayment in three equal installments on 6.11.2020, 8.11.2021 and 4.11.2022
5.	The Bank of New York Mellon, London Branch acting as Trustee	Green Bonds 2027	USD 400.00 million	USD 400.00 million	Repayment after 10 years from drawdown (i.e. on 06.12.2027)



Handwritten signature

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

6.	State Bank of India acting as facility agent through its branch in Hong Kong on behalf of various lenders	Foreign Currency Loan-syndicated loan-XXI	USD 300.00 million	USD 300.00 million	Repayment after 5 years from drawdown (i.e. on 12.12.2022)
7.	State Bank of India, Hong Kong	Foreign Currency Loan-syndicated loan-XXII	USD 250.00 million	USD 250.00 million	Repayment after 5 years from drawdown (i.e. on 28.02.2023)
8.	State Bank of India acting as facility agent through its branch in Hong Kong on behalf of various lenders	Foreign Currency Loan-syndicated loan-XXIII	USD 250.00 million	USD 250.00 million	Repayment after 5 years from drawdown (i.e. on 22.03.2023)
9.	The Bank of New York Mellon, London Branch acting as Trustee	Bonds 2028	USD 300.00 million	USD 300.00 million	Repayment after 10 years from drawdown (i.e. on 10.08.2028)
10.	Bank of Baroda, New York	Foreign Currency Loan-syndicated loan-XXVI	USD 250.00 million	USD 250.00 million	Repayment after 5 years from drawdown (i.e. on 26.09.2023)
11.	The Bank of New York Mellon, London Branch acting as Trustee	Bonds 2028	USD 500.00 million	USD 500.00 million	Repayment after 10 years from drawdown (i.e. on 06.12.2028)
12.	Mizuho Bank Ltd. acting as facility agent through its branch in Singapore on behalf of various lenders	Foreign Currency Loan-syndicated loan-XXVII	JPY 16,410.75 million	JPY 16,410.75 million	Repayment after 5 years from drawdown (i.e. on 01.02.2024)
13.	The Bank of New York Mellon, London Branch acting as Trustee	Bonds 2024	USD 400.00 million	USD 400.00 million	Repayment after 5 years from drawdown (i.e. on 18.06.2024)



Handwritten signature in blue ink.

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

14.	The Bank of New York Mellon, London Branch acting as Trustee	Bonds 2029	USD 600.00 million	USD 600.00 million	Repayment after 10 years from drawdown (i.e. on 18.06.2029)
15.	The Bank of New York Mellon, London Branch acting as Trustee	Bonds 2024	USD 300.00 million	USD 300.00 million	Repayment after 5 years from drawdown (i.e. on 16.09.2024)
16.	The Bank of New York Mellon, London Branch acting as Trustee	Bonds 2029	USD 450.00 million	USD 450.00 million	Repayment after 10 years from drawdown (i.e. on 16.09.2029)
17.	State Bank of India, Hong Kong	Foreign Currency Loan-syndicated loan-XXIX	USD 250.00 million	USD 250.00 million	Repayment after 5 years from drawdown (i.e. on 20.12.2024)
18.	The Bank of New York Mellon, London Branch acting as Trustee	Bonds 2030	USD 750.00 million	USD 750.00 million	Repayment after 10.25 years from drawdown (i.e. on 17.04.2030)
19.	Exim Bank of India	Foreign Currency Loan-Term Loan-30 (USD 100m)	USD 100.00 million	USD 100.00 million	Repayment after 5 years from drawdown (i.e. on 13-Oct-25)
20.	DBS Bank Ltd. acting as facility agent through its branch in Singapore on behalf of various lenders	Foreign Currency Loan-syndicated loan-30 (USD 300m)	USD 300.00 million	USD 300.00 million	Repayment after 5 years from drawdown (i.e. on 05-Nov-25)
21.	The Bank of New York Mellon, London Branch acting as Trustee	Bonds 2031	USD 500.00 million	USD 500.00 million	Repayment after 10 years, 3 months & 17 days from drawdown (i.e. on 16.05.2031)
22.	The Bank of New York Mellon, London Branch acting as Trustee	Bonds 2028	EUR 300.00 million	EUR 300.00 million	Repayment after 7 years from drawdown (i.e. on 21.09.2028)
23.	State Bank of India acting as facility agent through its	Foreign Currency Term Loan – 31 A	USD 525.00 million	USD 525.00 million	Repayment after 5 years from drawdown (i.e. on 30.11.2026)



Handwritten signature in blue ink.

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

	branch in Hong Kong on behalf of various lenders				
24.	Exim Bank of India	Foreign Currency Term Loan – 31 B	USD 100.00 million	USD 100.00 million	Repayment after 5 years from drawdown (i.e. on 30.11.2026)

e. Details of Outstanding Non-Convertible Securities as on 31-Dec-2022-

Series of NCS	Tenor/ period of maturity	Coupon	Amount Outstanding (Amount in Rs)	Date of Allotment	Redemption Date	Unsecured / Secured	Security
Infrastructure Bonds (2010-11) - tranche 1 - Series III	15 Years	8.50%	5,27,25,000	31-Mar-11	31-Mar-26	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
Infrastructure Bonds (2010-11) - tranche 1 - Series IV	15 Years	8.50%	19,33,45,000	31-Mar-11	31-Mar-26	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
Bond Series 79-B	15 Years	7.75%	2,17,99,00,000	15-Oct-11	15-Oct-26	Secured	First Pari-passu charge on the total receivables of the Company, excluding the



Handwritten signature in blue ink.

**Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)**

							receivables on which specific charge has already been created by the Company, alongwith first pari-passu charge on immovable property situated at Guindy, Chennai
Infrastructure Bonds (2011-12) - tranche 1 - Series III	15 Years	8.75%	2,86,30,000	21-Nov-11	21-Nov-26	Secured	First pari-passu charge of present and future receivables (excluding those receivables which are specifically charged by the Company) along with first pari-passu charge on immovable property situated at Guindy, Chennai
Infrastructure Bonds (2011-12) - tranche 1 - Series IV	15 Years	8.75%	7,77,20,000	21-Nov-11	21-Nov-26	Secured	First pari-passu charge of present and future receivables (excluding those receivables which are specifically charged by the Company) along with first pari-passu charge on immovable property situated at Guindy, Chennai
Bond Series 80-B	15 Years	8.16%	2,09,34,00,000	25-Nov-11	25-Nov-26	Secured	First Pari-passu charge on the total receivables of the Company, excluding the receivables on which specific charge has already been created by the Company, alongwith first pari-passu charge on immovable property situated at Guindy, Chennai
8.30% PUBLIC ISSUE OF TAX FREE BONDS FY 11-12	15 Years	8.30%	12,80,58,12,000	01-Feb-12	01-Feb-27	Secured	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.
8.72 % SERIES III INFRA BONDS PRIVATE PLACEMENT	15 Years	8.72%	86,50,000	30-Mar-12	30-Mar-27	Secured	First pari-passu charge of present and future receivables (excluding those receivables which are specifically charged by the Company) along with first pari-passu charge on immovable property situated at Guindy, Chennai



Handwritten signature in blue ink.

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

8.72% SERIES IV INFRA BONDS PRIVATE PLACEMENT	15 Years	8.72%	2,40,25,000	30-Mar-12	30-Mar-27	Secured	First pari-passu charge of present and future receivables (excluding those receivables which are specifically charged by the Company) along with first pari-passu charge on immovable property situated at Guindy, Chennai
Bond Series 94-B	15 Years	7.38%	25,00,00,000	22-Nov-12	22-Nov-27	Secured	First Pari-passu charge on the total receivables of the Company, excluding the receivables on which specific charge has already been created by the Company, alongwith first pari-passu charge on immovable property situated at Guindy, Chennai
Bond Series 95-B	15 Years	7.38%	1,00,00,00,000	29-Nov-12	29-Nov-27	Secured	First Pari-passu charge on the total receivables of the Company, excluding the receivables on which specific charge has already been created by the Company, alongwith first pari-passu charge on immovable property situated at Guindy, Chennai
7.36% 15YEARS TAX FREE BONDS 2012- 13 TR-I SERIES-2	15 Years	7.36%	1,62,72,22,000	04-Jan-13	04-Jan-28	Secured	First pari passu charge over Company's Immovable properties as described in the first schedule of debenture trust deed and first pari- passu the Hypothecated Properties as described in the second schedule of debenture trust deed.
7.86% 15YEARS TAX FREE BONDS 2012- 13 TR-I SERIES-2	15 Years	7.86%	1,94,27,56,000	04-Jan-13	04-Jan-28	Secured	First pari passu charge over Company's Immovable properties as described in the first schedule of debenture trust deed and first pari- passu the Hypothecated Properties as described in the second schedule of debenture trust deed.
7.19% 10YEARS TAX FREE BONDS 12-13 TR -I SERIES 1	10 Years	7.19%	1,97,08,66,000	04-Jan-13	04-Jan-23	Secured	First pari passu charge over Company's Immovable properties as described in the first schedule of debenture trust deed and first pari- passu



Handwritten signature in blue ink.

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

							the Hypothecated Properties as described in the second schedule of debenture trust deed.
7.69% 10YEARS TAX FREE BONDS 2012-13 TR-I SERIES-1	10 Years	7.69%	1,45,66,24,000	04-Jan-13	04-Jan-23	Secured	First pari passu charge over Company's Immovable properties as described in the first schedule of debenture trust deed and first pari- passu the Hypothecated Properties as described in the second schedule of debenture trust deed.
7.04% TR-2 TAX FREE BONDS 12-13	15 Years	7.04%	10,25,07,000	28-Mar-13	28-Mar-28	Secured	Secured by charge on specific book debts of Rs. 3090.80 crore as on 31.03.2016 of the Company along with first charge on immovable property situated at Jangpura, New Delhi
7.54% TR 2 TAX FREE BONDS 12-13	15 Years	7.54%	58,95,79,000	28-Mar-13	28-Mar-28	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
6.88% TR-2 TAX FREE BONDS 12-13	10 Years	6.88%	52,90,23,000	28-Mar-13	28-Mar-23	Secured	Secured by charge on specific book debts of Rs. 3090.80 crore as on 31.03.2016 of the Company along with first charge on immovable property situated at Jangpura, New Delhi
7.38% tr-2 tax free bonds 12-13	10 Years	7.38%	43,25,71,000	28-Mar-13	28-Mar-23	Secured	First Pari-passu charge on the total receivables of the Company, excluding the receivables on which specific charge has already been created by the Company,



Handwritten signature in blue ink.

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

							limited to the extent of payment/repayment of the Bonds including interest, additional interest, cost and expenses and all the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
Bond Series 107-B	15 Years	8.46%	10,11,10,00,000	30-Aug-13	30-Aug-28	Secured	First pari passu charge, on total receivables of the Company as mentioned in, First Schedule of the debenture agreement, excluding receivables on which specific charge has already been created by the Company limited to payment/repayment of bonds including interest, additional interest, cost and expenses and all other monies whatsoever payable/repayable by the Company to the Bondholders and/or others pursuant to the Transaction documents.
Bond Series 107-A	10 Years	8.01%	1,13,00,00,000	30-Aug-13	30-Aug-23	Secured	First pari passu charge, on total receivables of the Company as mentioned in, First Schedule of the debenture agreement, excluding receivables on which specific charge has already been created by the Company limited to payment/repayment of bonds including interest, additional interest, cost and expenses and all other monies whatsoever payable/repayable by the Company to the Bondholders and/or others pursuant to the Transaction documents.
8.67% TAX FREE BONDS 13-14 SERIES 3A	20 Years	8.67%	10,67,38,04,000	16-Nov-13	16-Nov-33	Secured	Secured by charge on specific book debts of Rs. 3090.80 crore as on 31.03.2016 of the Company along with first charge on immovable property situated at Jangpura, New Delhi



Handwritten signature in blue ink.

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

8.92% TAX FREE BONDS 13-14 SERIES 3B	20 Years	8.92%	8,61,96,08,000	16-Nov-13	16-Nov-33	Secured	First pari-passu charge of present and future receivables (excluding those receivables which are specifically charged for infra bond issue during the FY 2010-11) along with first pari-passu charge on immovable property situated at Guindy, Chennai
8.54% TAX FREE BONDS 13-14 SERIES 2A	15 Years	8.54%	9,32,69,84,000	16-Nov-13	16-Nov-28	Secured	Secured by charge on specific book debts of Rs. 3090.80 crore as on 31.03.2016 of the Company along with first charge on immovable property situated at Jangpura, New Delhi
8.79% TAX FREE BONDS 13-14 SERIES 2B	15 Years	8.79%	3,53,31,64,000	16-Nov-13	16-Nov-28	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
8.18% TAX FREE BONDS 13-14 SERIES 1A	10 Years	8.18%	3,25,07,62,000	16-Nov-13	16-Nov-23	Secured	First pari- passu charge over Company's Hypothecated Properties as described in part A of first schedule of debenture trust deed.
8.43% TAX FREE BONDS 13-14 SERIES 1B	10 Years	8.43%	3,35,46,78,000	16-Nov-13	16-Nov-23	Secured	First pari-passu charge of present and future receivables (excluding those receivables which are specifically charged by the Company) along with first pari-passu charge on immovable property situated at Guindy, Chennai



Handwritten signature in blue ink.

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

Bond Series 136	10 Years	7.16%	3,00,00,00,000	17-Jul-15	17-Jul-25	Secured	First pari passu charge, on total receivables of the Company as mentioned in, First Schedule of the debenture agreement, excluding receivables on which specific charge has already been created by the Company limited to payment/repayment of bonds including interest, additional interest, cost and expenses and all other monies whatsoever payable/repayable by the Company to the Bondholders and/or others pursuant to the Transaction documents.
7.35% TAXFREE BONDS 3A 17.10.2015	20 Years	7.35%	2,13,57,30,000	17-Oct-15	17-Oct-35	Secured	First pari- passu charge over Company's Hypothecated Properties as described in part A of first schedule of debenture trust deed.
7.60% TAXFREE BONDS 3B 17.10.2015	20 Years	7.60%	1,55,47,58,000	17-Oct-15	17-Oct-35	Secured	First pari- passu charge over Company's Hypothecated Properties as described in part A of first schedule of debenture trust deed.
7.27% TAXFREE BONDS 2A 17.10.2015	15 Years	7.27%	1,31,33,02,000	17-Oct-15	17-Oct-30	Secured	First pari- passu charge over Company's Hypothecated Properties as described in part A of first schedule of debenture trust deed.
7.52% TAXFREE BONDS 2B 17.10.2015	15 Years	7.52%	45,17,53,000	17-Oct-15	17-Oct-30	Secured	First pari- passu charge over Company's Hypothecated Properties as described in part A of first schedule of debenture trust deed.
7.11% TAXFREE BONDS 1A 17.10.2025	10 Years	7.11%	75,09,68,000	17-Oct-15	17-Oct-25	Secured	First pari- passu charge over Company's Hypothecated Properties as described in part A of first schedule of debenture trust deed.
7.36% TAXFREE BONDS 1B 17.10.2015	10 Years	7.36%	79,34,89,000	17-Oct-15	17-Oct-25	Secured	First pari- passu charge over Company's Hypothecated Properties as described in part A of first schedule of debenture trust deed.



Handwritten signature in blue ink.

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

PFC Capital Gain Bonds Series II	5 Years	5.75%	6,53,80,000	30-Apr-18	30-Apr-23	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series II	5 Years	5.75%	7,04,20,000	31-May-18	31-May-23	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series II	5 Years	5.75%	10,11,10,000	30-Jun-18	30-Jun-23	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.



Handwritten signature in blue ink.

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

PFC Capital Gain Bonds Series II	5 Years	5.75%	14,31,50,000	31-Jul-18	31-Jul-23	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series II	5 Years	5.75%	15,95,00,000	31-Aug-18	31-Aug-23	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series II	5 Years	5.75%	26,03,00,000	30-Sep-18	30-Sep-23	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.



Handwritten signature in blue ink.

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

PFC Capital Gain Bonds Series II	5 Years	5.75%	32,94,70,000	31-Oct-18	31-Oct-23	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series II	5 Years	5.75%	41,12,50,000	30-Nov-18	30-Nov-23	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series II	5 Years	5.75%	55,14,40,000	31-Dec-18	31-Dec-23	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.



Handwritten signature in blue ink.

**Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)**

PFC Capital Gain Bonds Series II	5 Years	5.75%	70,63,00,000	31-Jan-19	31-Jan-24	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series II	5 Years	5.75%	66,74,30,000	28-Feb-19	29-Feb-24	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series II	5 Years	5.75%	1,45,37,70,000	31-Mar-19	31-Mar-24	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.



Handwritten signature in blue ink.

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

PFC Capital Gain Bonds Series III	5 Years	5.75%	48,91,20,000	30-Apr-19	30-Apr-24	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series III	5 Years	5.75%	72,71,60,000	31-May-19	31-May-24	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series III	5 Years	5.75%	81,73,10,000	30-Jun-19	30-Jun-24	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.



Handwritten signature in blue ink.

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

PFC Capital Gain Bonds Series III	5 Years	5.75%	1,17,29,30,000	31-Jul-19	31-Jul-24	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series III	5 Years	5.75%	1,05,72,80,000	31-Aug-19	31-Aug-24	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series III	5 Years	5.75%	1,02,02,50,000	30-Sep-19	30-Sep-24	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.



Handwritten signature in blue ink.

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

PFC Capital Gain Bonds Series III	5 Years	5.75%	92,09,20,000	31-Oct-19	31-Oct-24	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series III	5 Years	5.75%	89,95,90,000	30-Nov-19	30-Nov-24	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series III	5 Years	5.75%	93,07,60,000	31-Dec-19	31-Dec-24	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.



Handwritten signature in blue ink.

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

PFC Capital Gain Bonds Series III	5 Years	5.75%	94,01,80,000	31-Jan-20	31-Jan-25	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series III	5 Years	5.75%	1,07,88,10,000	29-Feb-20	28-Feb-25	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series III	5 Years	5.75%	1,29,01,20,000	31-Mar-20	31-Mar-25	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.



Handwritten signature in blue ink.

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

PFC Capital Gain Bonds Series IV	5 Years	5.75%	12,43,80,000	30-Apr-20	30-Apr-25	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series IV	5 Years	5.75%	39,38,90,000	31-May-20	31-May-25	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series IV	5 Years	5.75%	1,17,99,30,000	30-Jun-20	30-Jun-25	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.



Handwritten signature in blue ink.

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

PFC Capital Gain Bonds Series IV	5 Years	5.75%	82,55,60,000	31-Jul-20	31-Jul-25	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series IV	5 Years	5.00%	26,03,40,000	31-Aug-20	31-Aug-25	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series IV	5 Years	5.00%	61,44,30,000	30-Sep-20	30-Sep-25	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.



Handwritten signature in blue ink.

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

PFC Capital Gain Bonds Series IV	5 Years	5.00%	45,90,30,000	31-Oct-20	31-Oct-25	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series IV	5 Years	5.00%	48,87,40,000	30-Nov-20	30-Nov-25	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series IV	5 Years	5.00%	86,18,00,000	31-Dec-20	31-Dec-25	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.



Handwritten signature in blue ink.

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

PFC Capital Gain Bonds Series IV	5 Years	5.00%	76,54,00,000	31-Jan-21	31-Jan-26	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series IV	5 Years	5.00%	1,01,96,00,000	28-Feb-21	28-Feb-26	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series IV	5 Years	5.00%	2,38,47,00,000	31-Mar-21	31-Mar-26	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.



Handwritten signature in blue ink.

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

PFC Capital Gain Bonds Series V	5 Years	5.00%	74,66,00,000	30-Apr-21	30-Apr-26	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series V	5 Years	5.00%	66,60,00,000	31-May-21	31-May-26	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series V	5 Years	5.00%	1,03,86,00,000	30-Jun-21	30-Jun-26	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.



Handwritten signature in blue ink.

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

PFC Capital Gain Bonds Series V	5 Years	5.00%	1,31,00,00,000	31-Jul-21	31-Jul-26	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series V	5 Years	5.00%	1,06,04,00,000	31-Aug-21	31-Aug-26	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series V	5 Years	5.00%	1,35,75,00,000	30-Sep-21	30-Sep-26	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.



Handwritten signature in blue ink.

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

PFC Capital Gain Bonds Series V	5 Years	5.00%	94,42,00,000	31-Oct-21	31-Oct-26	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series V	5 Years	5.00%	84,94,00,000	30-Nov-21	30-Nov-26	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series V	5 Years	5.00%	1,25,81,00,000	31-Dec-21	31-Dec-26	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.



Handwritten signature in blue ink.

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

PFC Capital Gain Bonds Series V	5 Years	5.00%	1,11,14,20,000	31-Jan-22	31-Jan-27	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series V	5 Years	5.00%	1,30,48,50,000	28-Feb-22	28-Feb-27	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series V	5 Years	5.00%	2,69,92,60,000	31-Mar-22	31-Mar-27	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.



Handwritten signature in blue ink.

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

PFC Capital Gain Bonds Series VI	5 Years	5.00%	1,82,00,00,000	30-Apr-22	30-Apr-27	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series VI	5 Years	5.00%	1,90,40,00,000	31-May-22	31-May-27	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series VI	5 Years	5.00%	1,80,62,00,000	30-Jun-22	30-Jun-27	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.



Handwritten signature in blue ink.

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

PFC Capital Gain Bonds Series VI	5 Years	5.00%	2,53,08,30,000	31-July-22	31-July-27	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series VI	5 Years	5.00%	1,46,19,00,000	31-Aug-22	31-Aug-27	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series VI	5 Years	5.00%	2,14,66,70,000	30-Sept-22	30-Sept-27	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.



Handwritten signature in blue ink.

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

PFC Capital Gain Bonds Series VI	5 Years	5.00%	1,76,40,50,000	31-Oct-22	31-Oct-27	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series VI	5 Years	5.00%	2,00,24,50,000	30-Nov-22	30-Nov-27	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series VI	5 Years	5.00%	2,12,29,00,000	31-Dec-22	31-Dec-27	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.



Handwritten signature in blue ink.

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

GSEC LNK PI TR I SER V CAT I-II	10 Years	6.58	10,35,00,000	22-Jan-21	22-Jan-31	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
GSEC LNK PI TR I SER V CAT III-IV	10 Years	6.83	12,50,73,22,000	22-Jan-21	22-Jan-31	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PI TR I SER I CAT III- IV	3 Years	4.8	1,96,05,000	22-Jan-21	22-Jan-24	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.



Handwritten signature in blue ink.

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

PI TR I SER II CAT I-II	5 Years	5.65	27,05,00,000	22-Jan-21	22-Jan-26	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PI TR I SER II CAT III-IV	5 Years	5.8	3,50,16,000	22-Jan-21	22-Jan-26	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PI TR I SER III CAT I-II	10 Years	6.63	50,00,000	22-Jan-21	22-Jan-31	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.



Handwritten signature in blue ink.

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

PI TR I SER III CAT III-IV	10 Years	6.82	28,74,22,000	22-Jan-21	22-Jan-31	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PI TR I SER IV CAT I-II	10 Years	6.8	33,66,65,000	22-Jan-21	22-Jan-31	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PI TR I SER IV CAT III-IV	10 Years	7	16,35,52,85,000	22-Jan-21	22-Jan-31	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.



Handwritten signature in blue ink.

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

PI TR I SER VI CAT I-II	15 Years	6.78	3,49,50,000	22-Jan-21	22-Jan-36	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PI TR I SER VI CAT III-IV	15 Years	6.97	53,36,04,000	22-Jan-21	22-Jan-36	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PI TR I SER VII CAT I-II	15 Years	6.95	50,05,00,000	22-Jan-21	22-Jan-36	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.



Handwritten signature in blue ink.

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

PI TR I SER VII CAT III-IV	15 Years	7.15	13,30,04,88,000	22-Jan-21	22-Jan-36	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
Bond Series 57-C	15 Years	8.60%	8,66,50,00,000	07-Aug-09	07-Aug-24	Unsecured	N.A.
Bond Series 61	15 Years	8.50%	3,51,00,00,000	15-Dec-09	15-Dec-24	Unsecured	N.A.
Bond Series 62-B	15 Years	8.80%	11,72,60,00,000	15-Jan-10	15-Jan-25	Unsecured	N.A.
Bond Series 63-III	15 Years	8.90%	1,84,00,00,000	15-Mar-10	15-Mar-25	Unsecured	N.A.
Bond Series 64-III	15 Years	8.95%	4,92,00,00,000	30-Mar-10	30-Mar-25	Unsecured	N.A.
Bond Series 65	15 Years	8.70%	13,37,50,00,000	14-May-10	14-May-25	Unsecured	N.A.
Bond Series 66-B	15 Years	8.75%	15,32,00,00,000	15-Jun-10	15-Jun-25	Unsecured	N.A.
Bond Series 66-C	20 Years	8.85%	6,33,00,00,000	15-Jun-10	15-Jun-30	Unsecured	N.A.
Bond Series 71	15 Years	9.05%	3,85,40,00,000	15-Dec-10	15-Dec-25	Unsecured	N.A.
Bond Series 76-B	15 Years	9.46%	11,05,00,00,000	01-Aug-11	01-Aug-26	Unsecured	N.A.
Bond Series 77-B	15 Years	9.45%	25,68,00,00,000	01-Sep-11	01-Sep-26	Unsecured	N.A.
Bond Series 85-D	11.12 Years	9.26%	7,36,00,00,000	06-Mar-12	15-Apr-23	Unsecured	N.A.
Bond Series 100-B	10 Years	8.84%	13,10,00,00,000	04-Mar-13	04-Mar-23	Unsecured	N.A.
Bond Series 101-B	15 Years	9.00%	13,70,00,00,000	11-Mar-13	11-Mar-28	Unsecured	N.A.
Bond Series 102-A(II)	10 Years	8.90%	4,03,00,00,000	18-Mar-13	18-Mar-23	Unsecured	N.A.
Bond Series 102-A(III)	15 Years	8.90%	4,03,00,00,000	18-Mar-13	18-Mar-28	Unsecured	N.A.
Bond Series 103	15 Years	8.94%	28,07,00,00,000	25-Mar-13	25-Mar-28	Unsecured	N.A.
Bond Series 117-B	10 Years	9.37%	8,55,00,00,000	19-Aug-14	19-Aug-24	Unsecured	N.A.
Bond Series 118-B-II	10 Years	9.39%	4,60,00,00,000	27-Aug-14	27-Aug-24	Unsecured	N.A.
Bond Series 118-B-III	15 Years	9.39%	4,60,00,00,000	27-Aug-14	27-Aug-29	Unsecured	N.A.
Bond Series 120-A	10 Years	8.98%	9,61,00,00,000	08-Oct-14	08-Oct-24	Unsecured	N.A.
Bond Series 120-B	10 Years	8.98%	9,50,00,00,000	08-Oct-14	08-Oct-24	Unsecured	N.A.
Bond Series 124-C	10 Years	8.48%	10,00,00,00,000	09-Dec-14	09-Dec-24	Unsecured	N.A.
Bond Series 125	10 Years	8.65%	28,26,00,00,000	29-Dec-14	28-Dec-24	Unsecured	N.A.
Bond Series 126	10 Years	8.65%	50,00,00,00,000	05-Jan-15	04-Jan-25	Unsecured	N.A.
Bond Series 128	10 Years	8.20%	16,00,00,00,000	10-Mar-15	10-Mar-25	Unsecured	N.A.



Handwritten signature or initials in blue ink.

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

Bond Series 130-C	10.09 Years	8.39%	9,25,00,00,000	19-Mar-15	19-Apr-25	Unsecured	N.A.
Bond Series 131-C	10 Years	8.41%	50,00,00,00,000	27-Mar-15	27-Mar-25	Unsecured	N.A.
Bond Series 141-B	10 Years	8.40%	10,00,00,00,000	18-Sep-15	18-Sep-25	Unsecured	N.A.
Bond Series 147	10 Years	8.03%	10,00,00,00,000	02-May-16	02-May-26	Unsecured	N.A.
Bond Series 151-B	10 Years	7.56%	2,10,00,00,000	16-Sep-16	16-Sep-26	Unsecured	N.A.
Bond Series 152	10 Years	7.55%	40,00,00,00,000	26-Sep-16	25-Sep-26	Unsecured	N.A.
Bond Series 155	10 Years	7.23%	26,35,00,00,000	05-Jan-17	05-Jan-27	Unsecured	N.A.
Bond Series 156	10 Years	7.1	2,00,00,00,000	11-Jan-17	11-Jan-27	Unsecured	N.A.
Bond Series 158	10 Years	7.18	13,35,00,00,000	20-Jan-17	20-Jan-27	Unsecured	N.A.
Bond Series 160	10 Years	7.6	14,65,00,00,000	20-Feb-17	20-Feb-27	Unsecured	N.A.
Bond Series 164	10 Years	7.75	20,00,00,00,000	22-Mar-17	22-Mar-27	Unsecured	N.A.
Bond Series 168B	10 Years	7.44%	15,40,00,00,000	12-Jun-17	11-Jun-27	Unsecured	N.A.
Bond Series 169B	10 Years	7.30%	15,00,00,00,000	08-Aug-17	07-Aug-27	Unsecured	N.A.
Bond Series 170B	10 Years	7.65%	20,01,00,00,000	22-Nov-17	22-Nov-27	Unsecured	N.A.
Bond Series 171 (LIC)	10 Years	7.62%	50,00,00,00,000	15-Dec-17	15-Dec-27	Unsecured	N.A.
Bond Series 172	10 Years	7.74%	8,50,00,00,000	30-Jan-18	29-Jan-28	Unsecured	N.A.
Bond Series 177	10 Years	7.85%	38,55,00,00,000	03-Apr-18	03-Apr-28	Unsecured	N.A.
Bond Series 178	10 Years	8.95%	30,00,00,00,000	10-Oct-18	10-Oct-28	Unsecured	N.A.
Bond Series 179(A)	10 Years	8.67%	10,07,40,00,000	19-Nov-18	18-Nov-28	Unsecured	N.A.
Bond Series 179(B)	15 Years	8.64%	5,28,40,00,000	19-Nov-18	19-Nov-33	Unsecured	N.A.
Bond Series 180	15 Years	8.75%	26,54,00,00,000	22-Feb-19	22-Feb-34	Unsecured	N.A.
Bond Series 184(B)	10 Years	9.10%	24,11,50,00,000	25-Mar-19	23-Mar-29	Unsecured	N.A.
Bond Series 184(A)	5.51 Years	9.25%	20,00,00,00,000	25-Mar-19	25-Sep-24	Unsecured	N.A.
Bond Series 185	10 Years	8.98%	10,00,00,00,000	28-Mar-19	28-Mar-29	Unsecured	N.A.
Bond Series 186	15 Years	8.79%	25,78,90,00,000	30-Apr-19	29-Apr-34	Unsecured	N.A.
Bond Series 187(B)	10 Years	8.85%	19,82,10,00,000	27-May-19	25-May-29	Unsecured	N.A.
Bond Series 188	5 Years	8.10%	6,91,10,00,000	04-Jun-19	04-Jun-24	Unsecured	N.A.
Bond Series 189	15 Years	8.15%	40,35,00,00,000	08-Aug-19	08-Aug-34	Unsecured	N.A.
Bond Series 190	15 Years	8.25%	40,16,00,00,000	06-Sep-19	06-Sep-34	Unsecured	N.A.
Bond Series 192	5 Years	7.42%	30,00,00,00,000	19-Nov-19	19-Nov-24	Unsecured	N.A.
Bond Series 193	10 Years	7.93%	47,10,50,00,000	31-Dec-19	31-Dec-29	Unsecured	N.A.
Bond Series 194	3.27 Years	7.04%	14,00,00,00,000	07-Jan-20	14-Apr-23	Unsecured	N.A.
Bond Series 195	10.25 Years	7.86%	11,00,00,00,000	14-Jan-20	12-Apr-30	Unsecured	N.A.
Bond Series 196	10 Years	7.41%	25,00,00,00,000	25-Feb-20	25-Feb-30	Unsecured	N.A.
Bond Series 197	10.21 Years	7.41%	50,00,00,00,000	02-Mar-20	15-May-30	Unsecured	N.A.
Bond Series 198	3 Years	6.98%	31,60,00,00,000	20-Apr-20	20-Apr-23	Unsecured	N.A.
Bond Series-199 A	3 Years	6.83%	19,70,00,00,000	24-Apr-20	24-Apr-23	Unsecured	N.A.
Bond Series-199 B	5 Years	7.16%	13,20,00,00,000	24-Apr-20	24-Apr-25	Unsecured	N.A.
Bond Series-200	10 Years	7.40%	29,20,00,00,000	08-May-20	08-May-30	Unsecured	N.A.



Handwritten signature or initials in blue ink.

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

Bond Series-201	10.17 Years	7.68%	31,01,30,00,000	15-May-20	15-Jul-30	Unsecured	N.A.
Bond Series202-A	3 Years	6.75%	21,45,00,00,000	22-May-20	22-May-23	Unsecured	N.A.
Bond Series 202-B	5 Years	7.17%	8,10,00,00,000	22-May-20	22-May-25	Unsecured	N.A.
Bond Series-202-C	10.17 Years	7.79%	19,36,00,00,000	22-May-20	22-Jul-30	Unsecured	N.A.
Bond Series 203-A	3 Years	6.72%	22,06,00,00,000	11-Jun-20	09-Jun-23	Unsecured	N.A.
Bond Series-203-B	10 Years	7.75%	33,18,00,00,000	11-Jun-20	11-Jun-30	Unsecured	N.A.
Bond Series -196 (Reissuance-1)	9.62 Years	6.90%	15,00,00,00,000	14-Jul-20	25-Feb-30	Unsecured	N.A.
Bond Series204-A	4.71 Years	5.77%	9,00,00,00,000	28-Jul-20	11-Apr-25	Unsecured	N.A.
Bond Series 204-B	10.71 Years	6.88%	13,00,00,00,000	28-Jul-20	11-Apr-31	Unsecured	N.A.
Bond Series205-A	10 Years	7.05%	16,10,10,00,000	10-Aug-20	09-Aug-30	Unsecured	N.A.
Bond Series-205-B	15 Years	7.20%	16,05,70,00,000	10-Aug-20	10-Aug-35	Unsecured	N.A.
Bond Series-206	3 Years	5.47%	30,00,00,00,000	20-Aug-20	19-Aug-23	Unsecured	N.A.
Bond Series-207	10.27 Years	7.04%	10,97,40,00,000	09-Sep-20	16-Dec-30	Unsecured	N.A.
Bond Series-208	5 Years	6.50%	28,06,00,00,000	17-Sep-20	17-Sep-25	Unsecured	N.A.
Bond Series-209	15 Years	7.34%	17,11,00,00,000	29-Sep-20	29-Sep-35	Unsecured	N.A.
Bond Series-207 (Reissuance-1)	10.1 Years	7.04%	25,49,10,00,000	11-Nov-20	16-Dec-30	Unsecured	N.A.
Bond Series 210-A Tr. I	4 Years	6.35	4,05,60,00,000	30-Jun-21	30-Jun-25	Unsecured	N.A.
Bond Series 210-A Tr. II	5 Years	6.35	5,40,80,00,000	30-Jun-21	30-Jun-26	Unsecured	N.A.
Bond Series 210-A Tr. III	6 Years	6.35	4,05,60,00,000	30-Jun-21	30-Jun-27	Unsecured	N.A.
Bond Series 210-B	15 Years	7.11	19,33,50,00,000	30-Jun-21	30-Jun-36	Unsecured	N.A.
Series 211-Floating rate	3 years	4.05	19,85,00,00,000	02-Aug-21	02-Aug-24	Unsecured	N.A.
Series 212-A	5 years	6.09	24,50,00,00,000	27-Aug-21	27-Aug-26	Unsecured	N.A.
Series 212-B	15 years	7.15	23,43,70,00,000	27-Aug-21	27-Aug-36	Unsecured	N.A.
Series 213	10 years	6.95	19,88,00,00,000	01-Oct-21	01-Oct-31	Unsecured	N.A.
Series 214	10.32 years	6.92	11,80,00,00,000	21-Dec-21	14-Apr-32	Unsecured	N.A.
Series 215	3 years	7.13	24,20,00,00,000	10-Aug-22	8-Aug-25	Unsecured	N.A.
Series 216	3.89 years	7.13	30,00,00,00,000	24-Aug-22	15-Jul-26	Unsecured	N.A.
Series 217A	10 years	7.42	40,00,00,00,000	8-Sep-22	8-Sep-32	Unsecured	N.A.
Series 217B STRPP I	3 years	7.15	2,76,40,00,000	8-Sep-22	8-Sep-25	Unsecured	N.A.
Series 217B STRPP II	4 years	7.15	2,76,40,00,000	8-Sep-22	8-Sep-26	Unsecured	N.A.
Series 217B STRPP III	5 years	7.15	2,76,40,00,000	8-Sep-22	8-Sep-27	Unsecured	N.A.
Series 218	3 years	7.59	14,50,00,00,000	3-Nov-22	3-Nov-25	Unsecured	N.A.
Series 219	15 years	7.65	40,00,00,00,000	14-Nov-22	13-Nov-37	Unsecured	N.A.
Series 220	10.34 years	7.58	4,70,00,00,000	14-Dec-22	15-Apr-33	Unsecured	N.A.
Series 221A	15 years	7.72	27,82,70,00,000	19-Dec-22	19-Dec-37	Unsecured	N.A.
Series 221B	5.08 years	7.59	35,00,00,00,000	19-Dec-22	17-Jan-28	Unsecured	N.A.



Handwritten signature

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

Series 222	3.05 years	7.58	25,40,00,00,000	27-Dec-22	15-Jan-26	Unsecured	N.A.
Bond Series 105	10 Years	8.19%	8,00,00,00,000	14-Jun-13	14-Jun-23	Unsecured Subordinated	N.A.
Bond Series 111	10 Years	9.65%	10,00,00,00,000	13-Jan-14	13-Jan-24	Unsecured Subordinated	N.A.
Bond Series 114	10 Years	9.70%	20,00,00,00,000	21-Feb-14	21-Feb-24	Unsecured Subordinated	N.A.

Note : All the above non-convertible securities are issued at AAA/Stable credit rating from ICRA

(CIN: L74999DL1991PLC042749) , CRISIL (CIN: U67100MH2019PLC326247) and CARE(CIN: L67190MH1993PLC071691)

R. List of Top Ten Holders of non-convertible securities in terms of value (in cumulative basis) (As on Dec 31, 2022)

S No.	Name of the Holders of non-convertible securities	Amount (Rs. in Crore)	% of total NCS outstanding
1	LIFE INSURANCE CORPORATION OF INDIA	39,057.90	19.33
2	CBT-EPF	32,107.00	15.89
3	NPS TRUST	7,771.81	3.85
4	EDELWEISS TRUSTESHIP CO LTD-MF	7,261.20	3.59
5	STATE BANK OF INDIA	7,072.10	3.50
6	COAL MINES PROVIDENT FUND ORGANISATION	6,558.30	3.25
7	STATE BANK OF INDIA EMPLOYEES PENSION FUND	4,037.10	2.00
8	HDFC -MF	3,810.00	1.89
9	KOTAK -MF	2,907.61	1.44
10	SBI -MF	2,903.40	1.44

S. Details of outstanding commercial paper as on Dec 31, 2022:-

S. No.	ISIN of Commercial Paper	Series	Maturity Date	Amount Outstanding (Rs. in crore)
Nil				

T. Details of the rest of the borrowing (if any including hybrid debt like FCCB, optionally convertible debentures / preference shares) as on September 30, 2022:

Name of the party/ Name of Instrument	Type of facility/ instrument	Amount sanctioned/ issued	Principal Amount outstanding	Date of Repayment /schedule	Credit Rating	Secured/ unsecured	Security
Nil							



Handwritten signature

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

U. Details of any outstanding borrowings taken/ debt securities issued for consideration other than cash. This information shall be disclosed whether such borrowing/ debt securities have been taken / issued (i) in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option or not

Nil

V. Where the issuer is a Non-Banking Finance Company or Housing Finance Company the following disclosures on Asset Liability Management (ALM) shall be provided for the latest audited financials:

S.No	Particulars of disclosures	Details	Para Number/ Page Number
1	Details with regard to lending done out of the issue proceeds of earlier issuances of debt securities (whether public issue or private placement) by NBFC	Lending Policy – Refer page no. Classification of Loans given to associate or entities related to Board, Senior management, promoters, etc – Refer page No. Classification of loans into several maturity profile denomination – Refer page no. Aggregated exposure to top 20 borrowers – Refer page no. Details of loans, overdue and classified as Non performing assets (NPA) – Refer page	155 156 158 158 159
2	Details of borrowings made by NBFC	Portfolio Summary of borrowings made by NBFC – Refer pg Quantum and percentage of Secured vs. Unsecured borrowings – refer pg	160
3	Details of change in shareholding	Any change in promoters holding in NBFC during last financial year beyond the threshold prescribed by Reserve	160



Handwritten signature in blue ink.

**Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)**

		Bank of India – Refer page no.	
4	Disclosure of Assets under management	Segment wise break up and Type of loans – Refer page no	156
5	Details of borrowers	Geographical location wise – Refer page no	157
6	Details of Gross NPA	Segment wise – Refer page no.	159
7	Details of Assets and Liabilities	Residual maturity profile wise into several bucket – Refer page no.	158
8	Disclosure of latest ALM statements to stock exchange	Refer page no.	161

W. Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past 3 years including the current financial year

Nil

X. Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the issuer/promoters, litigation resulting in material liabilities, corporate restructuring event etc.) at the time of issue which may affect the issue or the investor’s decision to invest / continue to invest in the non-convertible securities.

Nil

Y. Any litigation or legal action pending or taken by any ministry or department of the government or a statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the issue of offer letter and any direction issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action.

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

Z. Details of default and non-payment of statutory dues

Nil

AA. If the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the offer document.

Not applicable



Handwritten signature in blue ink.

BB. WILFUL DEFAULTERS

Name of the Bank declaring entity to be wilful defaulter	Year in which entity is declared as wilful defaulter	Outstanding amount at the time of declaration	Name of the entity declared as wilful defaulter	Steps taken for removal from list of wilful default	Other disclosures
NIL	NIL	NIL	NIL	NIL	NIL

CC. Lending Policy and Guidelines:

- PFC has well-developed policies and/or guidelines in order to streamline the funding process. Regular review based on prevailing market practices, formulation of new policies and guidelines are also being carried out from time to time to strengthen the funding process. Some of the major lending guidelines and/or policies formulated by the Issuer are:
 - (a) PFC's Operational Policy Statement (OPS),
 - (b) Comprehensive Grading Framework for Private Sector Projects & Grading Framework Manual,
 - (c) Policy for Funding Independent Transmission Projects (ITPs),
 - (d) Debt Refinancing Policy,
 - (e) Master Circular – Short Term Loan Schemes
 - (f) Policy for Prepayment/Premature Repayment of Rupee Loan(s),
 - (g) Policy for Resolutions of Stressed Assets,
 - (h) Policy for takeout financing,
 - (i) Buyers' Line of Credit Scheme
 - (j) Policy on Corporate Loan
 - (k) Scheme for Extending Credit Facility for Purchase of Power through Power Exchange
 - (l) Policy For Energy Saving Projects
 - (m) Scheme For Financing Of Projects In The Area Of Fuel Sources Development & Its Distribution (FSD&D) for Power Sector
 - (n) Financial Assistance (Including Grants) For Studies / Consultancy Assignments
 - (o) Policy for Funding Against Regulatory Assets of DISCOMs
 - (p) Restated Policy for Offering Revolving Bill Payment Facility (RBPF) to DISCOMs /GEDCOs for ensuring early payment of dues to GENCOs/ TRANSCO/Trading Companies
 - (q) Policy for providing Financial Assistance to DISCOMs for clearance of Outstanding Dues under Late Payment Surcharge (LPS) Rules, 2022
 - (r) Policy for financing Private Equipment Manufacturing Projects for Power Sector
 - (s) Policy Guidelines and Charges for Letter of Comfort (LoC)
 - (t) Policy for Requirement of Security(ies) and Additional Time Period for its Creation
 - (u) Restated Policy for funding Solar PV projects
 - (v) Restated policy for Wind projects
 - (w) Policy for financing Medium Term Loan (MTL) to Govt. Sector Borrowers for meeting Operational / Non-Capex Requirements
 - (x) Policy for Providing Project Specific Funding (PSF) to Renewable Energy Contractors
 - (y) Special Long-Term Transition Loan to DISCOMs in exemption of UDAY Limit
 - (z) Policy for providing Letter of Undertaking (LoU)/ Pay on Order Instrument (PoI)
 - (aa) Special Long-Term Transition Loan to DISCOMs for COVID-19



Handwritten signature in blue ink.

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

DD. The issuer has not provided any loans/advances to associates, entities/person relating to the board, senior management, Promoter except as provided for in the chapter titled “Related Party Transaction” in the Annual report of the Company.

EE. Types of loans

i. Type of loans/advances (principal outstanding) given by the Company as on Sept 30, 2022:

S. No	Type of loan	Amount (₹ in crore)*	Percentage (%)
1	Secured	3,26,482.34	86.67%
2	Unsecured	50,213.82	13.33%
	Total assets under management (AUM)	3,76,696.16	100.00%

ii. Types of loans according to sectoral exposure as on Sept 30, 2022 is as follows:

S. No	Segment- wise breakup of AUM	Percentage of AUM
1	Retail	
a	Mortgages (home loans and loans against property)	N.A.
b	Gold loans	N.A.
c	Vehicle finance	N.A.
d	MFI	N.A.
e	M&SME	N.A.
f	Capital market funding (loans against shares, margin funding)	N.A.
h	Others	N.A.
2	Wholesale	
a	Infrastructure	N.A.
b	Real estate (including builder loans)	N.A.
c	Promoter funding	N.A.
d	Any other sector (as applicable)	N.A.
3	Others	
a	Generation	54.48%
b	Renewable	10.19%
c	Transmission & Distribution	32.85%
d	Short Term Loan	0.57%
e	Others	1.92%
	Total	100.00%

iii. Denomination of loans outstanding by ticket size as on Sept 30, 2022:

S. No	Ticket size (at the time of origination)*	Percentage of AUM
-------	---	-------------------



Handwritten signature

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

1.	Up to ₹ 2 Lakh	N.A.
2.	₹ 2-5 Lakh	N.A.
3.	₹ 5-10 Lakh	N.A.
4.	₹ 10-25 Lakh	N.A.
5.	₹ 25-50 Lakh	N.A.
6.	₹ 50 Lakh - 1 Crore	N.A.
7.	₹ 1-5 Crore	0.00%
8.	₹ 5-25 Crore	0.08%
9.	₹ 25-100 Crore	0.68%
10.	> ₹ 100 Crore	99.24%
Total		100.00%

* The above information is provided at a borrower level and not on the basis of loan accounts

- iv. Denomination of loans outstanding by Loan to Value (LTV)* as on Sept 30, 2022: **Not applicable****

S. No	LTV	Percentage of AUM
1.	Up to 40%	-
2.	40-50%	-
3.	50-60%	-
4.	60-70%	-
5.	70-80%	-
6.	80-90%	-
7.	>90%	-
Total		-

*LTV at the time of origination.

** PFC's lending policy does not evaluate loans based on LTV, given the nature of wholesale lending that the Company provides. Consequently, calculation based on LTV is not applicable to the Company.

- v. Geographical classification of borrowers as on Sept 30, 2022:

S. No.	Top 5 states / region*	Percentage of AUM
1.	TELANGANA	15.8%
2.	UTTAR PRADESH	14.1%
3.	TAMILNADU	12.9%
4.	RAJASTHAN	10.4%
5.	ANDHRA PRADESH	7.7%
Total		60.87%



Handwritten signature

**Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)**

*Includes only state sector borrowers.

FF. Maturity pattern of certain items of assets and liabilities on a standalone basis as on March 31, 2022
(₹ in crore)

Bucket as at March 31, 2022	Deposits/ Investments	Advances	Domestic Borrowings	Foreign Currency Items	
				Assets	Liabilities
1 to 7 days	374.80	0.00	86.09	0.00	0.00
8 to 14 days	460.83	1,933.65	184.70	0.00	0.00
15 days to 30/31 Days	2,510.53	3,565.02	1,067.50	0.00	5.43
Over 1 month up to 2 months	1,075.65	655.95	3,605.00	0.00	0.00
Over 2 months up to 3 months	2.03	970.23	2,268.75	0.00	2,235.52
Over 3 months and up to 6 months	2.39	6,607.24	7,733.04	0.00	0.00
Over 6 month and up to 1 year	4.49	14,531.37	13,989.53	0.00	6,982.03
Over 1 year and up to 3 years	14.74	65,323.48	83,967.36	0.00	10,160.98
Over 3 years and up to 5 years	9.50	63,292.38	44,425.26	0.00	7,797.27
Over 5 years	14,975.23	2,01,918.38	1,06,554.59	0.00	29,107.15

GG. Aggregated exposure to top 20 borrowers with respect to concentration of advances (principal amounts outstanding) as on Sept 30, 2022

Particulars	Amount
Total Advances to twenty largest borrowers (in ₹ in crore)	2,38,993.76
Percentage of Advances to twenty largest borrowers to Total Advances (in %)	63.44%

HH. Aggregated exposure to top 20 borrowers with respect to concentration of exposures as on March 31, 2022

Particulars	Amount
Total exposure to twenty largest borrowers / customers (in ₹ in crore)	3,05,673.62
Percentage of exposures to twenty largest borrowers / customers to total exposure on borrowers / customers (in %)	53.81%

II. The amount of corporate guarantee issued by the issuer along with name of the counterparty (like name of the subsidiary JV entity, group company etc.) on behalf of whom it has been issued is as follows (as on 30.09.2022):-

The company has not issued any corporate guarantee on behalf of any subsidiaries / JVs. However, the following guarantees have been issued as a part of business operation:-

Entity Name	Amount of Guarantee issued by PFC (Rs. In Crore)
Shree Maheshwar Hydro Power Corp. Ltd.	Rs. 0.00 crore *



Handwritten signature

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

*Contingent Liability (Un-invoked portion as on 30.09.2022)

Entity Name	LoC balance as on 30.09.22 (Rs. In Crore)**
WEST BENGAL POWER DEV. CORPORATION	50.00
ADANI POWER (JHARKHAND) LIMITED	2,361.50
ANTONY LARA RENEWABLE ENERGY PRIVATE LIMITED	50.57
AVAADA SUNRAYS ENERGY PRIVATE LIMITED	256.00
AVAADA SUSTAINABLE RPROJECT PRIVATE LIMITED	57.27
CONTINUUM TRINETHRA RENEWABLES PRIVATE LIMITED	358.74
RKM POWERGEN PVT LTD	438.33
SBESS SERVICES PROJECTCO TWO PRIVATE LTD	274.80
SHYAMA SHYAM P1 CITY BUS OPERATIONS PRIVATE LIMITED	15.75
VSK CITY BUS OPERATIONS PRIVATE LIMITED	15.75

**Letter of Comfort (LoC)

JJ. Details of loans overdue and classified as non – performing in accordance with the RBI’s stipulations:

Movement of gross Stage-3 Assets*	Amount (₹ in crore)**
(a) Opening balance	20,915.28
(b) Additions during the period from 01-Jun-22 to 30-Sep-2022	22.41
(c) Reductions during the period from 01-Jun-22 to 30-Sep-22	-3,027.24
(d) Closing balance as on 30-Sep-22	17,910.45

* In accordance with ECL Model **As per IND-AS balances.

Movement of provisions for gross Stage-3 Assets (in accordance with ECL Model)	Amount (₹ in crore)*
(a) Opening balance	14,336.91
(b) Provisions made during the the period from 01-Apr-22 to 30-Sep-2022 **	235.16
(c) Write-off / write -back of excess provisions during the the period from 01-Apr-22 to 30-Sep-2022	-1,600.69
(d) Closing balance	12,971.38

*As per IND-AS balances ** Including ECL on undrawn DPG of Shree Maheshwar

KK. Segment – wise Gross Stage-3 Assets as on Sept 30, 2022

S. No	Segment- wise breakup of AUM	Percentage of AUM
1	Retail	
a	-Mortgages (home loans and loans against property)	N.A.
b	-Gold loans	N.A.



Handwritten signature

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

c	- Vehicle finance	N.A.
d	-MFI	N.A.
e	-M&SME	N.A.
f	-Capital market funding (loans against shares, margin funding)	N.A.
H	-Others	N.A.
2	Wholesale	
A	-Infrastructure	N.A.
B	-Real estate (including builder loans)	N.A.
C	-Promoter funding	N.A.
D	-Any other sector (as applicable)	N.A.
3	Others	
A	Generation	76.20%
B	Renewable	16.43%
C	Transmission & Distribution	7.37%
D	Others	0%
Total		100.00%

LL. Onward lending to borrowers forming part of the “group” as defined by RBI

- There is no onward lending to borrowers forming part of the “group” as defined by RBI.

MM. Any change in promoter’s holdings in NBFCs during the last financial year beyond a particular threshold. At present, RBI has prescribed such a threshold level at 26% -

- There is no change in promoter’s holding in the Company during the last financial year beyond a particular threshold level of 26%.

NN.Portfolio Summary of borrowings made by PFC as on 31 December 2022

S.No	Particulars	Amount Outstanding (Rs Crores)	Percentage to total borrowings
1	Domestic Bonds	2,02,729	60
2	54 EC Bonds	5,755	1
3	Commercial Papers	-	-
4	Foreign Currency Borrowing	62,628	18
5	RTL from Banks/FI’s	67,122	20
6	Others CC/OD/line of credit/LAFD)	3,811	1
	Total	3,42,045	100.00

OO.Quantum and percentage of Secured vs. Unsecured borrowings (excluding CC/OD)

S.No	Particulars	Amount	Percentage to total
1	Secured Borrowings	33,570	10.01%
2	Unsecured Borrowings	2,89,952	89.99%
	Total	3,38,234	100.00%



Handwritten signature

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

PP. Disclosure of latest ALM statements to stock exchange

Confidential and Internal Use Only

Inflow outflow Statement for the purpose of Raising As on 31-Dec-2022*				
Year	Bucket	Cash Inflows	Cash Outflows	Amt in Crs Gap
Current	2022-23	24612	19134	5477
1	2023-24	75467	69124	6343
2	2024-25	65470	68535	-3065
3	2025-26	61898	44416	17482
4	2026-27	56740	49119	7620
5	2027-28	54150	41366	12784
6	2028-29	48028	48042	-15
7	2029-30	44800	27769	17031
8	2030-31	37258	37957	-699
9	2031-32	29145	10662	18483
10	2032-33	25000	8088	16912
11	2033-34	20819	8136	12683
12	2034-35	17784	12725	5059
13	2035-36	12603	6028	6275
14	2036-37	10540	5112	5428
15	2037-38	8276	7311	965
16	2038-39	5760	0	5760
17	2039-40	4130	0	4130
18	2040-41	3329	0	3329
19	2041-42	2860	0	2860
20	Beyond 2041-42	5414	0	5414
beyond 20	0	0	0	0
	TOTAL	614081	463125	150256

**Confidential and Internal Use Only*

Following Items are not considered while preparing the statement :-

1. Stressed Assets (Stage III) are excluded
2. Investment in Equity , Equity and Reserve & Surplus
3. Tangible, Intangible Assets, Contingent Liabilities



Handwritten signature

**CHAPTER XIII
CORPORATE SOCIAL RESPONSIBILITY (CSR)**

CSR is a cornerstone of the Issuer's operations and the Issuer discharges the social responsibility obligations as a part of its growth philosophy. The Issuer aims to act as a responsible corporate citizen and are committed to improving the welfare of the society through inclusive growth aimed at the empowerment of communities through skill development, environment protection through promotion of renewable energy and the development of underprivileged sections of the society through hygiene and sanitation programmes.

In order to give meaningful direction to the above initiatives, the Issuer has in place a CSR committee of Directors headed by an independent director.

With the aim of addressing the socio-economic issues that occur at a national level, the Issuer has aligned its CSR & SD policy in line with the guidelines issued by the DPE.

The funds were mainly disbursed to implement many social initiatives in the field of renewable energy, environment sustainability, sanitation and job oriented skill development programmes for underprivileged sections of the society. As part of its CSR initiative, the Issuer also works towards providing relief and rehabilitation to the victims of natural calamities and supports projects that provide various equipment to people with disabilities.

The Issuer adopts a pan-India approach to implement its various CSR initiatives and therefore supports development in remote areas of India including but not limited to the North East, Jammu and Kashmir, Jharkhand and the areas affected by left-wing extremism. The Issuer maintains a special focus on the use of renewable energy that would help to reduce its carbon footprint and create greater awareness about sustainable energy practices.

Furthermore, The Issuer has a robust mechanism for selecting CSR proposals, which are first screened by an interdisciplinary committee consisting of various senior officials (at the chief general manager level) of the Issuer. Once the proposals are screened, they are appraised according to the Issuer's CSR policy and put forward for the approval of the CSR and SD committees. Once the committee approves them, the proposals are then put forward to the Board for its approval.

After approval from the Board, a memorandum of understanding with the terms and conditions, along with the applicable implementation timeline of various deliverables, is signed with the project executing agency and, thereafter, milestone linked disbursements are made to the executing agency after ensuring compliance with the memorandum of understanding. As of the date of this Offer Letter, the Issuer is continuing its effort to lead the way in innovative approaches to CSR activities.



DECLARATION

Issuer's Absolute Responsibility

The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this placement memorandum contains all information with regard to the issuer and the issue which is material in the context of the issue, that the information contained in the placement memorandum is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading.

The Issuers undertakes that Permanent Account Number of Directors have been submitted to the stock exchanges on which the non-convertible securities are proposed to be listed at the time of filing the draft offer document.

The Issuers declares that the credit rating is valid as on the date of issuance and listing.

Undertaking by the Issuer

Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by any regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'Risk factors' given below under this declaration under the section 'General Risks'.

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Offer Document contains all information with regard to the issuer and the issue, that the information contained in the offer document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

The issuer has no side letter with any debt securities holder except the one(s) disclosed in the offer document/placement memorandum. Any covenants later added shall be disclosed on the stock exchange website where the debt is listed.

Directors' declaration:

- a) the issuer is in compliance with the provisions of Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, Companies Act and the rules and regulations made thereunder except and to the extent declared in the placement memorandum.
- b) the compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of non-convertible securities, is guaranteed by the Central Government;
- c) the monies received under the offer shall be used only for the purposes and objects indicated in the Offer document;



Handwritten signature

d) whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association

General Risk

Investment in non-convertible securities involve a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under Chapter VI of this placement memorandum. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities.

The Company undertakes that this Placement Memorandum contains full disclosures in accordance with Form PAS-4 prescribed under Section 42 and Rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014 as amended and other provisions of the Companies Act, 2013, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 issued vide circular no. SEBI/LAD-NRO/GN/2021/39 dated August 09, 2021, as amended.

The Issuer accepts no responsibility for the statements made otherwise than in the Placement Memorandum or in any other material issued by or at the instance of the Issuer and that any one relying on such information from any other source would be doing so at his own risk.

Declaration (Form No. PAS-4):

- a) the company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;
- b) the compliance with the said Act and the rules made thereunder do not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government;
- c) the monies received under the offer shall be used only for the purposes and objects indicated in the Private Placement Offer cum Application letter.

I am authorised by the Board of Directors of the Company vide Board resolution dated February 26, 2021 to sign this form (PAS 4)/ Placement Memorandum and declare that all the requirements of the Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

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



Handwritten signature in blue ink.

Private Placement Offer Document - PFC Bond Series 223
(Private and Confidential –For Private Circulation Only)

It is also declared that Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, rules, regulations, guidelines and circulars issued there under in respect of the subject matter of this form and matters incidental thereto have been complied with.

For Power Finance Corporation Limited,



Tusarkant Parida

Tusarkant Parida

General Manager

PAN No: ANOPP4461B

Place: New Delhi

Date: 20-Feb-2023

Enclosures:

1. Consent of Debenture Trustee and RT&A.
2. Copy of resolution passed the Board of Directors of the Company at their meeting held February 28, 2022 authorizing Issue of Bonds;
3. Copy of letters from CRISIL, ICRA and CARE.
4. Link for Financials for Q3 2022-23 and Annual Report for the FY ended 31.03.2022, 31.03.2021 & 31.03.2020 given below:

Q3, 2022-23

https://pfcindia.com/DocumentRepository/ckfinder/files/Investors/Financial_Results/SEBI%20Results%20Q3%20FY%202022-23.pdf

2021-22

https://www.pfcindia.com/DocumentRepository/ckfinder/files/Investors/Annual_Reports/PFC%20AR%202022_C2C_Design_v5_07_09_2022_Single_8MB.pdf

2020-21

https://pfcindia.com/DocumentRepository/ckfinder/files/Investors/Annual_Reports/PFC%20AR%202020-21_Deluxe_02_12_21.pdf

2019-20

https://pfcindia.com/DocumentRepository/ckfinder/files/Investors/Annual_Reports/PFC_AR2_019_2024122020.pdf

Note: Application Form shall be issued separately.



Tusarkant Parida

CL: CL/MUM/22-23/BT/1/12
Ref. No. : BTL/OPR/2022-23/28938
Date: February 14, 2023

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

Kind Attn: Tusarkant Parida - Deputy General Manager (Finance)

Dear Sir / Madam,

Consent to act as Debenture Trustee for PFC's proposed Bond to be issued in one or more tranches.

This is with reference to your letter dated February 14, 2023 for appointment of Beacon Trusteeship Limited as Debenture Trustee for PFC's proposed Bond.

In this regard it would indeed be our pleasure to be associated with your esteemed organization as Debenture Trustee for the Unsecured, Redeemable, Non-Convertible, Non-Cumulative Taxable Bonds in the nature of Debentures with base issue size and green shoe option aggregating to total issue size upto Rs. 7,000 Crore to be issued in one or more tranches. 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



Name: Jaydeep Bhattacharya
Designation: Executive Director



BEACON TRUSTEESHIP LIMITED

Registered & Corporate Office : 4C & D, Siddhivinayak Chambers, Gandhi Nagar, Opp MIG Cricket Club, Bandra (E), Mumbai - 400 051.

Phone : 022-26558759 | Email : contact@beacontrustee.co.in | Website : www.beacontrustee.co.in

CIN : U74999MH2015PLC271288

B-25/1, First Floor,
Okhla Industrial Area, Phase – II, New Delhi – 110 020
Phone : 011-26387320,21 Mobile :8527695125
E-mail: investor.services@rcmcdelhi.com
Website : <http://www.rcmcdelhi.com>
CIN : U67120DL1950PTC001854

RCMC/PFC/Consent/2023

Dated 15th February,2023

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

Kind Attn: Mr. Tusarkant Parida – Deputy General Manager (Finance)

Dear Sir,

Sub.: Consent to act as Registrar and Transfer Agent (RTA) for PFC’s proposed Bond Issues in 2022-23.

This is with reference to appointment of RCMC Share Registry Pvt Ltd as RTA for PFC’s proposed Bond Issues in 2022-23.

In this regards it would indeed be our pleasure to be associated with your esteemed organization as RTA for the Unsecured, Redeemable, Non-Convertible, and Non-Cumulative Taxable Bonds in the nature of Debentures with base size and green shoe option aggregating to total issue size upto Rs. 7,000 Crore to be issued in one or more tranches. In this connection, we confirm our acceptance to act as RTA for the same.

We are also agreeable for inclusion of our name as RTA 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 RCMC Share Registry Pvt Ltd



Authorised Signatory



पावर फाइनेंस कॉर्पोरेशन लिमिटेड POWER FINANCE CORPORATION LTD.

(भारत सरकार का उपक्रम)

(A Govt. of India Undertaking)

(आई.एस.ओ. 9001:2015 प्रमाणित)

(ISO 9001:2015 Certified)

Relevant Extract from Minutes of the 423.7.2 of 423rd Meeting of the Board of Directors of Power Finance Corporation Ltd. held on Monday, the 28th February, 2022

Item No. 423.7.2 :

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

“RESOLVED THAT Chairman & Managing Director, on recommendation of Director (Finance) and Director (Projects)/Director (Commercial), be and is hereby authorized to grant in-principle approval for raising of funds through various sources from domestic market i.e. in-principle approval for type of instrument, approximate size of issue, indicative timelines for raising, etc.”

“RESOLVED FURTHER THAT in line with the in-principle approval accorded by Chairman & Managing Director, Director (Finance) be and is hereby authorized to approve the raising/drawl of funds through various sources from domestic market inter-alia approving the timing of raising, final issuance structure and terms & conditions like tenure, amount, listing, launch of bond issue in one or more tranches, identify the investors, allotment, drawl and other terms & conditions for raising/drawl of funds through various sources i.e. bonds/debentures/debt securities/ commercial paper/term loans etc. from domestic market.”

“RESOLVED FURTHER THAT in case of raising of funds from domestic market through various sources wherever price discovery is taking place by inviting offers/ quotations/ bids/ book building etc. (except public issue of bonds/ debentures/ debt securities), a three members committee comprising of two Executive Directors from Finance Division and the concerned HOU/ Link HoU and in case of the absence of Executive Directors alternative members to be nominated by Director (Finance), be and hereby authorized to approve the proposal w.r.t offers received and shall finalize /scrap the deal during the bidding process on Electronic Bidding Platform (EBP)/ any other mode. The approval of the committee shall be submitted to Chairman & Managing Director for information through Director (Finance).”



पंजीकृत कार्यालय : “ऊर्जानिधि”, 1, बाराखंबा लेन, कनॉट प्लेस, नई दिल्ली - 110001 दूरभाष : 23456000 फ़ैक्स : 011-23412545

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

वैबसाईट / Website : www.pfcindia.com ● CIN : L65910DL1986GOI024862



पावर फाइनेंस कॉर्पोरेशन लिमिटेड POWER FINANCE CORPORATION LTD.

(भारत सरकार का उपक्रम)

(A Govt. of India Undertaking)

(आई.एस.ओ. 9001:2015 प्रमाणित)

(ISO 9001:2015 Certified)

“RESOLVED FURTHER THAT in case of raising of domestic funds through bilateral deal including structured deal, Chairman & Managing Director on the recommendation of Director (Finance), be and is hereby authorized to approve the instruments of raising, amount of raising, tenor, interest rate/pricing (fixed/floating), interest payment frequency (annually / half yearly / quarterly / monthly or any other period) and other terms and conditions and to negotiate these terms with any bank/institution an enter into deal with them. Further, Director (Finance) is authorized for drawl of the funds based on funds requirement of the Company.”

“RESOLVED FURTHER THAT in case of raising of domestic funds through loans from Banks/FIs/Gol, Director (Finance), be and is hereby authorized to approve the instruments of raising, amount of raising, tenor, interest rate/pricing (fixed/floating), interest payment frequency (annually / half yearly / quarterly / monthly or any other period) and other terms and conditions. Further, Director (Finance) is authorized for drawl of the loan based on funds requirement of the Company.”

“RESOLVED ALSO THAT Chairman & Managing Director, on the recommendation of Director (Finance), be and are hereby authorized to approve prepayment of loans.”

“RESOLVED FURTHER THAT Common Seal wherever required be affixed in presence of two Directors and any one officer not below the level of E6 or any other person as may be authorized by Chairman & Managing Director on bond certificates and other documents/ instruments require mandatory affixation of common seal as per the provisions of Company’s Act 2013 etc. as the case may be, related to the raising of funds/ creation of security.”

“RESOLVED THAT subject to the borrowing limit as approved by the Shareholders under section 180(1)(c) and in accordance with section 179(3)(c) and 179(3)(d) of the Companies Act, 2013, approval is be & hereby accorded to keep the borrowing limit at Rs. 82,000 crore [excluding funds raised under Extra Budgetary Resource (EBR)] for the FY 2022-



पंजीकृत कार्यालय : “ऊर्जानिधि”, 1, बाराखंबा लेन, कनॉट प्लेस, नई दिल्ली - 110001 दूरभाष : 23456000 फ़ैक्स : 011-23412545

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

वैबसाईट / Website : www.pfcindia.com ● CIN : L65910DL1986GOI024862



पावर फाइनेंस कॉर्पोरेशन लिमिटेड POWER FINANCE CORPORATION LTD.

(भारत सरकार का उपक्रम)

(A Govt. of India Undertaking)

(आई.एस.ओ. 9001:2015 प्रमाणित)

(ISO 9001:2015 Certified)

23, through different sources in one or more tranches / series
as under:-

Sl. No.	Source	Amount (Maximum) (Rs. In Crore)
1.	<p><u>Long Term Domestic Borrowings (Rupee) by way of instruments like:</u></p> <p>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</p> <p>b) Term Loan from Banks/FIs/GOI etc.</p> <p>c) Domestic borrowing through any other long term instrument</p> <p>(Long term funds raised and prepaid during the year to be excluded from this limit).</p>	42,000
2.	<p><u>Foreign Currency Borrowing/Rupee denominated Foreign Currency Borrowings through External Commercial Borrowing etc. and by way of instruments like :</u></p> <p>a) Loans such as term loans, syndicated loans, subordinated loans, FCNR(B) loans, loans from multilateral agencies.</p> <p>b) Bonds/Notes such as unsecured/secured bonds, perpetual bonds, green bonds, subordinated bonds.</p> <p>c) Any other instrument for raising Foreign Currency Borrowing/ Rupee denominated Foreign Currency Borrowings.</p> <p>(*equivalent to approx. USD 2.71 Billion)</p>	20,000*
3.	<p><u>Short Term Borrowings:</u> 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.</p>	5,000



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

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

वेबसाइट / Website : www.pfcindia.com ● CIN : L65910DL1986GOI024862



पावर फाइनेंस कॉर्पोरेशन लिमिटेड POWER FINANCE CORPORATION LTD.

(भारत सरकार का उपक्रम)

(A Govt. of India Undertaking)

(आई.एस.ओ. 9001:2015 प्रमाणित)

(ISO 9001:2015 Certified)

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

“RESOLVED FURTHER THAT subject to the borrowing limit as approved by the shareholders under 180(1)(c) and in accordance with section 179(3)(c) & 179(3)(d) of the Companies Act, 2013, the Company may borrow upto Rs. 82,000 crore in the FY 2022-23 excluding funds raised under Extra Budgetary Resource (EBR).”

“RESOLVED FURTHER THAT Chairman & Managing Director, on the recommendation of Director (Finance), be and is hereby authorized to interchange the amount amongst different sources of borrowing plan during a financial year within the overall limit approved by the Board of Directors u/s 179(3)(c) and 179(3)(d) of the Companies Act 2013.”

“RESOLVED FURTHER THAT, subject to the limit approved by shareholders u/s 180(1)(a) of the Companies Act 2013 for mortgage and/ or creation of charge on the assets of the company, the consent and approval of the Board is hereby accorded for creation of charge on book debts and/or movable / immovable properties of the company for raising funds during FY 2022-23.”

“RESOLVED FURTHER THAT Executive Director (Finance) or any other officer(s) not below the level of E8 authorized by Executive Director (Finance), be and is hereby authorized to sign and file/submit, for and on behalf of the Board of Directors, necessary undertaking/Directors declaration/declaration in form no. PAS-4/ any other declaration and to keep such records in various forms (PAS), to file/submit with any authority necessary applications, forms, reports, returns, documents etc., and to do any other act, deed and thing as may be required under the provisions of Companies Act 2013 and the rules made there under or under Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (SEBI NCS Regulations) or under any other Act /rule/ regulation, in relation to raising of funds through private placement of securities including bonds/debentures/debt securities/commercial paper for a total amount not exceeding the amount approved u/s 179(3)(c) and 179(3)(d) of Companies Act 2013 for financial year 2022-23.”



पंजीकृत कार्यालय : “ऊर्जानिधि”, 1, बाराखंबा लेन, कनॉट प्लेस, नई दिल्ली - 110001 दूरभाष : 23456000 फ़ैक्स : 011-23412545

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

वेबसाइट / Website : www.pfcindia.com ● CIN : L65910DL1986GOI024862



पावर फाइनेंस कॉर्पोरेशन लिमिटेड POWER FINANCE CORPORATION LTD.

(भारत सरकार का उपक्रम)

(A Govt. of India Undertaking)

(आई.एस.ओ. 9001:2015 प्रमाणित)

(ISO 9001:2015 Certified)

“RESOLVED FURTHER THAT Executive Director (Finance) or any other officer(s) not below the level of E8 authorized by Executive Director (Finance), be and is hereby authorized to finalize terms & conditions of agreements/certificates/undertakings/declarations/forms/documents etc. to be submitted to agencies/intermediaries/regulatory bodies in connection with raising, debt servicing, or any other correspondence in relation to the domestic borrowing of the company including public issue & private placement of bonds/ debentures/ debt securities/ commercial paper.”

“RESOLVED FURTHER THAT the certificates/ undertakings/ declarations/confirmations to be furnished to Legal Counsels / Lead Managers / Regulatory bodies / Intermediaries etc. in connection with borrowings, debt servicing, or any other activity in relation to borrowing of funds on behalf of Company shall be executed/ signed by officer not below the level of E8 nominated by Executive Director (Finance) and those required to be executed/signed by Compliance Officer may be executed/signed by Compliance Officer / Company Secretary.”

“RESOLVED FURTHER THAT the company is not accepting/ holding public deposit as on date and will not accept public deposit in future without obtaining prior written permission of Reserve Bank in India.”




10/6/22

Sachin Aggarwal

Chief Manager (Company secretariat)

RL/PFCLMTD/311640/LTBP/0223/52682/81798407
February 14, 2023



Mr. Sumeet Kumar
General Manager - Finance
Power Finance Corporation Limited
Urjanidhi, Barakhamba Lane,
Connaught Place
New Delhi - 110001

Dear Mr. Sumeet Kumar,

Re: Review of CRISIL Rating on the Rs.70000 Crore Long-Term Borrowing Programme^ (Enhanced from Rs.62000 Crore) of Power Finance Corporation Limited

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.

CRISIL Ratings has, after due consideration, reaffirmed its CRISIL AAA/Stable (pronounced as CRISIL triple A rating with Stable outlook) rating on the captioned debt instrument. Securities with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such securities carry lowest credit risk.

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. 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
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 inter-alia includes tax-free bonds under Section 10 of the Income Tax Act. Total incremental long-term borrowing and short-term borrowings not to exceed Rs 70,000 crore and Rs 12,000 crore, respectively, at any point in time during fiscal 2023.

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

CRISIL Ratings Limited

A subsidiary of CRISIL Limited, an S&P Global Company
Corporate Identity Number: U67100MH2019PLC326247

Ref No: ICRA/Power Finance Corporation Ltd./06022023/1

February 6, 2023

Mr. Sumeet Kumar
GM - Finance
Power Finance Corporation Ltd.
1, Urjanidhi, Barakhamba Lane
Connaught Place, New Delhi- 110001

Dear Sir,

Re: ICRA Credit Rating for the Rs. 70,000 crore Long Term Borrowing Programme (enhanced from Rs. 62,000 crore) of Power Finance Corporation Ltd. for the financial year 2022-23

Please refer the Rating Agreement between ICRA Limited ("ICRA") and your company whereby, ICRA is required to review the ratings assigned to your company on an annual basis or as and when circumstances so warrant. Further, please refer to the SOW dated February 3, 2023 seeking rating for increased long-term borrowing programme of Rs. 70,000 crore (revised from Rs. 62,000 crore).

The rating committee of ICRA, after due consideration, has reaffirmed the rating of "[ICRA]AAA" for the Rs. 62,000 crore long-term borrowing programme of your company and assigned the long-term rating of "[ICRA]AAA" to the additional limit of Rs. 8,000 crore. Instruments with [ICRA]AAA rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. The outlook on the long-term rating is "Stable".

In any of your publicity material or other document wherever you are using our above rating, it should be stated as [ICRA]AAA (Stable).

We would request if you can sign the acknowledgement and send it to us latest by February 9, 2023 as acceptance on the assigned rating. 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 accordingly. This is in accordance with requirements prescribed in the circular dated June 30, 2017 on 'Monitoring and Review of Ratings by Credit Rating Agencies (CRAs)' issued by the Securities and Exchange Board of India. 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. The rating is restricted to your Long-Term Borrowing programme size of Rs. 70,000 crore only. Further the total utilisation of the captioned rated Long-Term borrowings programme (including Bonds, Long Term Bank Borrowings and Bank guarantees) and Short-Term borrowing (including Commercial Paper & Short-term bank borrowings) programme should not exceed Rs. 82,000 crore for financial year 2022-23.

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. 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

ANIL GUPTA
Digitally signed
by ANIL GUPTA
Date:
2023.02.06
16:07:25 +05'30'

ANIL GUPTA
Senior Vice President
anilg@icraindia.com

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

February 06, 2023

Confidential

Dear Sir,

Credit rating for bank facilities

On the basis of recent developments including operational and financial performance of your Company for FY22 (Audited) and H1FY23 (Unaudited), our Rating Committee has reviewed the following ratings:

Facilities	Amount (Rs. crore)	Rating¹	Rating Action
Long term Market Borrowing Programme for FY13	11,165.50	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Long term Market Borrowing Programme for FY14	8,674.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Long Term Debt Instruments Subordinate Debt for FY14	3,800.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Long term Market Borrowing Programme for FY15	29,428.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Long term Market Borrowing Programme for FY16	7,930.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Long term Market Borrowing Programme for FY17	25,674.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Long term Market Borrowing Programme for FY21	98,000.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Long term Market Borrowing Programme for FY22*	80,000.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Long term Market Borrowing Programme for FY23	70,000.00 (Enhanced from 62,000.00)	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Long term Market Borrowing Programme for FY18	26,035.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Long term Market Borrowing Programme for FY19	76,500.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Long term Market Borrowing Programme for FY20	88,000.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Short term Market Borrowing Programme for FY21**	5,000.00	CARE A1+ (A One Plus)	Reaffirmed
Short term Market Borrowing Programme for FY22**	5,000.00	CARE A1+ (A One Plus)	Reaffirmed

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

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Short term Market Borrowing Programme for FY23	9,000.00 (Enhanced from 5,000.00)	CARE A1+ (A One Plus)	Reaffirmed
Short term Market Borrowing Programme for FY18**	1,925.00	CARE A1+ (A One Plus)	Reaffirmed
Short term Market Borrowing Programme for FY19**	4,000.00	CARE A1+ (A One Plus)	Reaffirmed
Short term Market Borrowing Programme for FY20**	2,000.00	CARE A1+ (A One Plus)	Reaffirmed
Total Facilities	5,52,131.50 (Rs. Five Lakhs Fifty-Two Thousand One Hundred Thirty-One Crore and Fifty Lakhs Only)		

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

**to be withdrawn subject to receipt of no dues certificate from debenture trustee/ bank

2. Refer **Annexure 1** for details of rated facilities and maturity of the NCDs.
3. The rationale for the rating will be communicated to you separately. A write-up (press release) on the above rating is proposed to be issued to the press shortly, a draft of which is enclosed for your perusal as **Annexure 2**. We request you to peruse the annexed document and offer your comments if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by February 07, 2023, we will proceed on the basis that you have no any comments to offer.
4. 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.
5. CARE Ratings Ltd. reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE Ratings Ltd. warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE Ratings Ltd. so as to enable it to carry out continuous monitoring of the rating of the bank facilities, CARE Ratings Ltd. shall carry out the review on the basis of best available information throughout the life time of such bank facilities. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE Ratings Ltd. shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.

CARE Ratings Limited

E-1, 13th Floor, Videocon Tower, Jhandewalan
Extension, New Delhi-110055
Phone: +91-11-4533 3200

Corporate Office: 4th Floor, Godrej Coliseum,
Somaiya Hospital Road, Off Eastern Express
Highway, Sion (E), Mumbai - 400 022
Phone: +91-22-6754 3456 • www.careedge.in

6. Our ratings do not take into account the sovereign risk, if any, attached to the foreign currency loans, and the ratings are applicable only to the rupee equivalent of these loans.
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 sanction, renew, disburse or recall the concerned bank facilities.

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

Thanking you,

Yours faithfully,

Deepshi Panda

Deepshi Panda
Lead Analyst
deepshi.panda@careedge.in

Neha Kadiyan

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

E-1, 13th Floor, Videocon Tower, Jhandewalan
Extension, New Delhi-110055
Phone: +91-11-4533 3200

Corporate Office: 4th Floor, Godrej Coliseum,
Somaiya Hospital Road, Off Eastern Express
Highway, Sion (E), Mumbai - 400 022
Phone: +91-22-6754 3456 • www.careedge.in

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)



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

CIN:L65910DL1986GOI024862; **PAN:** AAACP1570H; **Date and Place of Incorporation:** 16th July 1986, New Delhi

Certificate Of Registration number issued by RBI : B-14.00004

Registered & Corporate Office: 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi DL 110001 IN

Tel: (011) 23456000; **E-mail:** pfcbonds@pfcindia.com; **Website:** www.pfcindia.com;

SHELF PRIVATE PLACEMENT MEMORANDUM DATED 15TH FEBRUARY 2023

This Issue is made in conformity with Companies Act, 2013, as amended, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, Form PAS-4 prescribed under section 42 and rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended, Companies (Share Capital & Debenture) Rules, 2014, as amended, Reserve Bank of India's Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, Circular Number: RBI/DNBR/2016-17/45, Master Direction DNBR.PD.008/03.10.119/2016-17, dated September 01, 2016, as amended from time to time. This issuance would be under the electronic book mechanism for issuance of debt securities on private placement basis as per SEBI Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated August 10, 2021 bearing reference number SEBI/HO/DDHS/P/CIR/2021/613, as amended.

ISSUE OF UNSECURED, REDEEMABLE, NON-CONVERTIBLE, NON-CUMULATIVE, TAXABLE BONDS IN THE NATURE OF DEBENTURES OF FACE VALUE OF RS 1 LAC WITH BASE ISSUE SIZE AND GREEN SHOE OPTION AGGREGATING TO TOTAL ISSUE SIZE OF UPTO RS 7000 CRORES TO BE ISSUED IN ONE OR MORE TRANCHEs ON PRIVATE PLACEMENT BASIS.

Series	COUPON RATE	COUPON PAYMENT FREQUENCY	REDEMPTION DATE	REDEMPTION AMOUNT
—	___ %	ANNUAL	—	AT PAR

REGISTRAR TO THE ISSUE	DEBENTURE TRUSTEE FOR THE BONDHOLDERS
RCMC SHARE REGISTRY PRIVATE LIMITED CIN: U67120DL1950PTC001854 B-25/1, First Floor, Okhla Industrial Area Phase II, New Delhi 110020. Phone : 011 – 26387320/21 Fax: 011 – 26387322 website: www.rcmcdelhi.com E-mail: investor.services@rcmcdelhi.com Contact person: Mr. Ravinder Dua	BEACON TRUSTESHIP LTD. CIN: U74999MH2015PLC271288 4C & D, Siddhivinayak Chambers, Gandhi Nagar, Opp MIG Cricket Club, Bandra (E), Mumbai, Maharashtra 400051, Tel: 022-26558759, E-mail: compliance@beacontrustee.co.in Contact Person: Mr. Kaustubh Kulkarni

Credit Rating Agencies		
CRISIL Ratings Limited CIN: U67100MH2019PLC326247 Regd. Office: CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai-400075 Tel:022-33423000, Fax:022-33423050 Contact person: Mr. Ronak Rathi Email: Ronak.Rathi@crsil.com	ICRA Limited CIN: L74999DL1991PLC042749 Regd. Office: 1105, Kailash Building, 11 th Floor, 26, K.G. Marg, New Delhi-110001 Tel: (011) 23357940-50 Fax: +91-11-23357014 Contact person: Mr. Sandeep Sharma Email: sandeep.sharma@icraindia.com	CARE Ratings Ltd. CIN: L67190MH1993PLC071691 13th Floor, E-1 Block, Videocon Tower, Jhandewalan Extension, New Delhi-110055 Tel:-011-45333200, 23716199 Fax:011-45333238 Contact person: Ms. Deepshi Panda Email: deepshi.panda@careedge.in
Current Rating : AAA/ Stable	Current Rating : AAA/ Stable	Current Rating : AAA/ Stable

Chief Financial Officer and Director (Finance)	Compliance Officer and Company Secretary	Promoters
Ms. Parminder Chopra, E-mail: directorfinance@pfcindia.com Tel: (011) 23456000 DIN: 08530587	Sh. Manohar Balwani, E-mail: mb@pfcindia.com Tel:(011) 23456740 Membership No: A11117	Hon'ble President of India, acting through the Ministry of Power, Government of India

**Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

Issue Schedule

Issue Opening Date		Issue Closing Date	
	_		_

EBP Platform : The issuer intends to use the BSE/NSE EBP platform for this issue.

LISTING: The bond issue is proposed to be listed on National Stock Exchange of India Ltd (“NSE”) and Bombay Stock Exchange Ltd (“BSE”). The Issuer has obtained the “in-principle” approval from the NSE and BSE for listing of the Bonds offered under this Placement Memorandum vide letters dated __-Feb-2023.

Eligible Investors : The eligible participants/investors shall be as per the EBP Platform of the Stock Exchange as mentioned hereunder:

- a) QIBs as defined under Regulation 2 (ss) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (hereinafter referred to SEBI ICDR Regulations, 2018).
- b) Any non-QIB investor including arranger(s), who/ which has been authorized by the issuer, to participate in a particular issue on the EBP Platform.
- c) Any non-QIB investor which are bidding through arranger (s) authorised by the issuer

Details about underwriting of the issue including the amount undertaken to be underwritten by the underwriters –

Not applicable

Note:

This bond issue does not form part of non-equity regulatory capital mentioned under Chapter V of SEBI NCS Regulations, 2021.

This Private Placement memorandum shall be read along with various information shared by the issuer on public domains.

Figures and facts are as on 31-March-2022 unless otherwise specified.

Link for Credit rating press release

1.CRISIL:

https://www.crisil.com/mnt/winshare/Ratings/RatingList/RatingDocs/PowerFinanceCorporationLimited_February%2013,%202023_RR_311640.html

2.ICRA :

<https://www.icra.in/Rationale/ShowRationaleReport?Id=117833>

3.CARE :

https://www.careratings.com/upload/CompanyFiles/PR/13022023060917_Power_Finance_Corporation_Limited.pdf

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

TABLE OF CONTENTS

CHAPTER	PARTICULARS	PG NO	
I	DISCLAIMER		
	A	DISCLAIMER OF THE ISSUER	
	B	DISCLAIMER OF THE SECURITIES & EXCHANGE BOARD OF INDIA	
	C	DISCLAIMER OF THE STOCK EXCHANGE	
	D	DISCLAIMER OF THE RESERVE BANK OF INDIA	
II	BRIEF SUMMARY OF THE BUSINESS/ACTIVITIES OF THE ISSUER AND ITS LINE OF BUSINESS AND SUBSIDIARIES		
	A	OVERVIEW	
	B	PFC'S MAIN OBJECTS AS ON DATE	
	C	PRODUCTS	
	D	PFC & GOVERNMENT PARTNERSHIP	
	E	SUBSIDIARIES	
	F	OTHER MAJOR INVESTMENTS	
III	ORGANIZATION STRUCTURE		
IV	MANAGEMENT OF THE COMPANY		
	A	DETAILS OF CURRENT DIRECTORS OF THE COMPANY	
	B	DETAILS OF CHANGE IN DIRECTORS SINCE LAST THREE YEARS	
V	DETAILS OF AUDITOR OF THE COMPANY		
	A	AUDITOR OF THE COMPANY	
	B	DETAILS OF CHANGE IN AUDITOR SINCE LAST THREE YEARS	
VI	MANAGEMENT'S PERCEPTION OF RISK FACTORS		
	A	RISKS RELATING TO PFC'S BUSINESS AND INDUSTRY	
	B	RISKS RELATING TO THE INDIAN ECONOMY	
	C	RISKS RELATING TO THE BONDS	
VII	RISK MANAGEMENT		
VIII	ISSUER INFORMATION		
IX	SUMMARY TERM SHEET		
X	PARTICULARS OF THE OFFER		
XI	DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC		
	A	CONTRIBUTION BEING MADE BY THE PROMOTERS OR DIRECTORS EITHER AS PART OF THE OFFER OR SEPARATELY IN FURTHERANCE OF SUCH OBJECTS	
	B	ANY FINANCIAL OR OTHER MATERIAL INTEREST OF THE DIRECTORS, PROMOTERS OR KEY MANAGERIAL PERSONNEL IN THE OFFER AND THE EFFECT OF SUCH INTEREST IN SO FAR AS IT IS DIFFERENT FROM THE INTERESTS OF OTHER PERSONS	
	C	ANY MATERIAL EVENT/ DEVELOPMENT OR CHANGE HAVING IMPLICATIONS ON THE FINANCIALS/CREDIT QUALITY (E.G. ANY MATERIAL REGULATORY PROCEEDINGS AGAINST THE ISSUER/PROMOTERS, TAX LITIGATION RESULTING IN MATERIAL LIABILITIES, CORPORATE RESTRUCTURING, EVENT ETC.)AT THE TIME OF ISSUE WHICH MAY AFFECT THE ISSUE OR THE INVESTOR'S DECISION TO INVEST / CONTINUE TO INVEST IN THE DEBT SECURITIES	
	D	REMUNERATION OF DIRECTORS (DURING THE CURRENT YEAR AND LAST THREE FINANCIAL YEARS);	
	E	RELATED PARTY TRANSACTIONS ENTERED DURING THE LAST THREE FINANCIAL YEARS IMMEDIATELY PRECEDING THE YEAR OF CIRCULATION OF OFFER LETTER INCLUDING WITH REGARD TO LOANS MADE OR, GUARANTEES GIVEN OR SECURITIES PROVIDED	
	F	SUMMARY OF RESERVATIONS OR QUALIFICATIONS OR ADVERSE REMARKS OF AUDITORS IN THE LAST FIVE FINANCIAL YEARS IMMEDIATELY PRECEDING THE YEAR OF CIRCULATION OF OFFER LETTER AND OF THEIR IMPACT ON THE FINANCIAL STATEMENTS AND FINANCIAL POSITION OF THE COMPANY AND THE CORRECTIVE STEPS TAKEN AND PROPOSED TO BE TAKEN BY THE	

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

		COMPANY FOR EACH OF THE SAID RESERVATIONS OR QUALIFICATIONS OR ADVERSE REMARK	
	G	DETAILS OF ANY INQUIRY, INSPECTIONS OR INVESTIGATIONS INITIATED OR CONDUCTED UNDER THE COMPANIES ACT OR ANY PREVIOUS COMPANY LAW IN THE LAST THREE YEARS IMMEDIATELY PRECEDING THE YEAR OF CIRCULATION OF OFFER LETTER IN THE CASE OF COMPANY AND ALL OF ITS SUBSIDIARIES. ALSO IF THERE WERE ANY PROSECUTIONS FILED (WHETHER PENDING OR NOT) FINES IMPOSED, COMPOUNDING OF OFFENCES IN THE LAST THREE YEARS IMMEDIATELY PRECEDING THE YEAR OF THE OFFER LETTER AND IF SO, SECTION-WISE DETAILS THEREOF FOR THE COMPANY AND ALL OF ITS SUBSIDIARIES	
	H	DETAILS OF ACTS OF MATERIAL FRAUDS COMMITTED AGAINST THE COMPANY IN THE LAST THREE YEARS, IF ANY, AND IF SO, THE ACTION TAKEN BY THE COMPANY	
XII		FINANCIAL POSITION OF THE COMPANY	
	A	DETAILS OF SHARE CAPITAL	
	B	SHARE PREMIUM ACCOUNT	
	C	CHANGES IN ITS CAPITAL STRUCTURE AS ON LAST QUARTER END, FOR THE LAST FIVE YEARS	
	D	EQUITY SHARE CAPITAL HISTORY OF THE COMPANY AS ON LAST QUARTER END FOR THE LAST FIVE YEARS	
	E	DETAILS OF ANY ACQUISITION OR AMALGAMATION IN THE LAST 1 YEAR	
	F	DETAILS OF ANY REORGANIZATION OR RECONSTRUCTION IN THE LAST 1 YEAR	
	G	DETAILS OF SHAREHOLDING OF THE COMPANY AS ON THE LATEST QUARTER END	
	H	LIST OF TOP 10 HOLDERS OF EQUITY SHARES OF THE COMPANY	
	I	PROFITS OF THE COMPANY FOR THE THREE FINANCIAL YEARS (STANDALONE & CONSOLIDATED) IMMEDIATELY PRECEDING THE DATE OF CIRCULATION OF OFFER LETTER	
	J	DIVIDENDS DECLARED BY THE COMPANY IN RESPECT OF THE SAID THREE FINANCIAL YEARS; INTEREST COVERAGE RATIO FOR LAST THREE YEARS	
	K	A SUMMARY OF THE FINANCIAL POSITION OF THE COMPANY FOR THE THREE FINANCIAL YEARS (STANDALONE & CONSOLIDATED) IMMEDIATELY PRECEDING THE DATE OF CIRCULATION OF OFFER LETTER	
	L	AUDITED CASH FLOW STATEMENT FOR THE THREE YEARS IMMEDIATELY PRECEDING THE DATE OF CIRCULATION OF OFFER LETTER (STANDALONE & CONSOLIDATED)	
	M	FINANCIAL INDICATORS COLUMNAR REPRESENTATION OF FINANCIAL STATEMENTS ON STANDALONE & CONSOLIDATED BASIS	
	N	DEBT EQUITY RATIO	
	O	DETAILS OF ANY OTHER CONTINGENT LIABILITIES OF THE ISSUER BASED ON THE LAST AUDITED FINANCIAL STATEMENTS INCLUDING AMOUNT AND NATURE OF LIABILITY	
	P	ANY CHANGE IN ACCOUNTING POLICIES DURING THE LAST THREE YEARS AND THEIR EFFECT ON THE PROFITS AND THE RESERVES OF THE COMPANY	
	Q	DETAILS OF BORROWINGS OF THE COMPANY	
	R	LIST OF TOP TEN HOLDERS OF NON-CONVERTIBLE SECURITIES IN TERMS OF VALUE	
	S	DETAILS OF OUTSTANDING COMMERCIAL PAPER	
	T	DETAILS OF THE REST OF THE BORROWING	
	U	DETAILS OF ANY OUTSTANDING BORROWINGS TAKEN/ DEBT SECURITIES ISSUED FOR CONSIDERATION OTHER THAN CASH	
	V	DISCLOSURES ON ASSET LIABILITY MANAGEMENT (ALM)	
	W	DETAILS OF ALL DEFAULT/S AND/OR DELAY IN PAYMENTS OF INTEREST AND PRINCIPAL OF ANY KIND OF TERM LOANS, DEBT SECURITIES AND OTHER FINANCIAL INDEBTEDNESS INCLUDING CORPORATE GUARANTEE ISSUED BY THE COMPANY, IN THE PAST 3 YEARS	
	X	ANY MATERIAL EVENT/ DEVELOPMENT OR CHANGE HAVING IMPLICATIONS ON THE FINANCIALS/CREDIT QUALITY (E.G. ANY MATERIAL REGULATORY PROCEEDINGS AGAINST THE ISSUER/PROMOTERS, TAX LITIGATION RESULTING IN MATERIAL LIABILITIES,CORPORATE RESTRUCTURING, EVENT ETC)AT THE TIME OF ISSUE WHICH MAY AFFECT THE ISSUE OR THE	

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

		INVESTOR’S DECISION TO INVEST / CONTINUE TO INVEST IN THE DEBT SECURITIES.	
	Y	ANY LITIGATION OR LEGAL ACTION PENDING OR TAKEN BY ANY MINISTRY OR DEPARTMENT OF THE GOVERNMENT OR A STATUTORY AUTHORITY AGAINST ANY PROMOTER OF THE OFFEREE COMPANY DURING THE LAST THREE YEARS IMMEDIATELY PRECEDING THE YEAR OF THE ISSUE OF OFFER LETTER AND ANY DIRECTION ISSUED BY SUCH MINISTRY OR DEPARTMENT OR STATUTORY AUTHORITY UPON CONCLUSION OF SUCH LITIGATION OR LEGAL ACTION.	
	Z	DETAILS OF DEFAULT AND NON-PAYMENT OF STATUTORY DUES	
	AA	IF THE SECURITY IS BACKED BY A GUARANTEE OR LETTER OF COMFORT OR ANY OTHER DOCUMENT WITH SIMILAR INTENT, A COPY OF THE SAME SHALL BE DISCLOSED. IN CASE SUCH DOCUMENT DOES NOT CONTAIN DETAILED PAYMENT STRUCTURE (PROCEDURE OF INVOCATION OF GUARANTEE RECEIPT OF PAYMENT BY THE INVESTOR ALONG WITH TIMELINES), THE SAME SHALL BE DISCLOSED IN OFFER DOCUMENT.	
	BB	WILFUL DEFAULTER	
	CC	LENDING POLICY AND GUIDELINES	
	DD	ANY LOANS/ADVANCES TO ASSOCIATES, ENTITIES/PERSON RELATING TO THE BOARD, SENIOR MANAGEMENT, PROMOTER	
	EE	TYPE OF LOANS	
	FF	MATURITY PATTERN OF CERTAIN ITEMS OF ASSETS AND LIABILITIES ON A STANDALONE BASIS	
	GG	AGGREGATED EXPOSURE TO TOP 20 BORROWERS WITH RESPECT TO CONCENTRATION OF ADVANCES (PRINCIPAL AMOUNTS OUTSTANDING)	
	HH	AGGREGATED EXPOSURE TO TOP 20 BORROWERS WITH RESPECT TO CONCENTRATION OF EXPOSURES	
	II	THE AMOUNT OF CORPORATE GUARANTEE ISSUED BY THE ISSUER ALONG WITH NAME OF THE COUNTERPARTY (LIKE NAME OF THE SUBSIDIARY JV ENTITY, GROUP COMPANY ETC.) ON BEHALF OF WHOM IT HAS BEEN ISSUED	
	JJ	DETAILS OF LOANS OVERDUE AND CLASSIFIED AS NON – PERFORMING IN ACCORDANCE WITH THE RBI’S STIPULATIONS	
	KK	SEGMENT – WISE GROSS STAGE-3 ASSETS	
	LL	ONWARD LENDING TO BORROWERS FORMING PART OF THE “GROUP” AS DEFINED BY RBI	
	MM	ANY CHANGE IN PROMOTER’S HOLDINGS IN NBFCs DURING THE LAST FINANCIAL YEAR BEYOND A PARTICULAR THRESHOLD	
	NN	PORTFOLIO SUMMARY OF BORROWINGS MADE BY PFC	
	OO	QUANTUM AND PERCENTAGE OF SECURED VS. UNSECURED BORROWINGS	
	PP	DISCLOSURE OF LATEST ALM STATEMENTS TO STOCK EXCHANGE	
XIII		CORPORATE SOCIAL RESPONSIBILITY	
		DECLARATION	
		ENCLOSURES: –TRUSTEE AND R&TA CONSENT –BOARD OF DIRECTOR’S RESOLUTION –CREDIT RATING LETTERS –Link for Financial Results for Q3, 2022-23 and Annual Report for the FY ended 31.03.2022, 31.03.2021 & 31.03.2020	

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

ABBREVIATIONS

BSE	Bombay Stock Exchange Limited, being the stock exchange on which, the Bonds of the Company are proposed to be listed.
BBETF	Bharat Bond Exchange Traded Fund
CIN	Corporate Identity Number
CARE	Credit Analysis and Research Limited
CRISIL	Credit Rating Information Services of India Limited
CDSL	Central Depository Services (India) Limited
CRAR	Capital Risk Weighted Adequacy Ratio
CMD	Chairman & Managing Director of the Company
DP	Depository Participant
DRR	Debenture Redemption Reserve
FIs	Financial Institutions
FIIs	Foreign Institutional Investors
GoI	Government of India
IPDS	Integrated Power Development Scheme
Issuer/ Company/ PFC/ Corporation	Power Finance Corporation Limited incorporated on 16 th July 1986 under The Companies Act, 1956 and having its registered office at 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi DL 110001 IN and bearing CIN: L65910DL1986GOI024862
ICRA	Investment Information and Credit Rating Agency of India Limited
IFC	Infrastructure Finance Company, as defined under RBI guidelines
ITP	Independent Transmission Projects
MOP	Ministry of Power
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited, being the stock exchange on which, the Bonds of the Company are proposed to be listed.
NPAs	Non-Performing Assets
NBFC	Non Banking Financial Company, as defined under RBI guidelines
NEFT	National Electronic Fund Transfer
PAN	Permanent Account Number
RBI	Reserve Bank of India
RDSS	Revamped Distribution Sector Scheme
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
SEB	State Electricity Board
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act, 1992
STRPP	Separately Transferable Redeemable Principal Parts.
TDS	Tax Deducted at Source
UMPPs	Ultra Mega Power Projects
WDM	Wholesale Debt Market

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

CHAPTER I
DISCLAIMER

A. Disclaimer of the Issuer

This Placement Memorandum is neither a Prospectus nor a Statement in Lieu of Prospectus and is prepared in conformity with Form PAS-4 prescribed under section 42 and rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014 as amended, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, Reserve Bank of India's Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, Circular Number: RBI/DNBR/2016-17/45, Master Direction DNBR.PD.008/03.10.119/2016-17, dated September 01, 2016, as amended from time to time. This Placement Memorandum does not constitute an offer to the public generally to subscribe for or otherwise acquire the Bonds to be issued by (the "Issuer"/ the "Power Finance Corporation Limited (PFC)"/ ("the Company"). The document is for the exclusive use of the Institutions to whom it is addressed and it should not be circulated or distributed to third party(ies). The Company certifies that the disclosures made in this Placement Memorandum are generally adequate and are in conformity with the Companies Act 2013 & SEBI Regulations. This requirement is to facilitate investors to take an informed decision for making investment in the proposed issue.

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

In pursuance of sub-section (7) of section 42 of The Companies Act, 2013, the Issuer shall not release any public advertisements or utilise any media, marketing or distribution channels or agents to inform the public at large about such an issue.

B. Disclaimer of the Securities & Exchange Board of India

Pursuant to rule 14 (6) of The Companies (Prospectus and Allotment of Securities) Rules, 2014 as amended, a copy of record of private placement offers in form PAS-5 along with the Placement Memorandum in form PAS-4 shall be filed with the Registrar of Companies, National Capital Territory of Delhi & Haryana along with fee as provided in The Companies (Registration Offices and Fees) Rules, 2014 and since the Company is listed, the same shall also be filed with the Securities and Exchange Board of India ("SEBI") along with fee as provided in Securities and Exchange Board of India (Payment of Fees)(Amendment) Regulations, 2014, within a period of thirty days of circulation of this Private Placement Offer Letter. The Bonds have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this Private Placement Offer Letter. It is to be distinctly understood that this Placement Memorandum should not, in any way, be deemed or construed that the same has been cleared or vetted by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the Issue is proposed to be made, or for the correctness of the statements made or opinions expressed in this Private Placement Offer Letter. However SEBI reserves the right to take up at any point of time, with the Issuer, any irregularities or lapses in this Private Placement Offer Letter.

**Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

C. Disclaimer of the Stock Exchange

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

D. Disclaimer of the Reserve Bank of India

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

CHAPTER II

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

A. OVERVIEW

Power Finance Corporation Limited, incorporated in 1986, is a Schedule-A Maharatna Central Public Sector Enterprises (CPSE). Its portfolio includes financial products and services such as rupee term loans, short-term loans, equipment lease financing, transitional financing services, etc. for various power projects in the generation, transmission, and distribution sectors. Its clients mainly include central power utilities, state power utilities, private power sector utilities (including independent power producers), joint sector power utilities and power equipment manufacturers. Being a trusted partner of the government, PFC uses its expertise and experience in delivering customised and expansive suite of products and services to support India's power infrastructure ambitions.

The Issuer is a leading financial institution in India focused on the power sector. The Issuer plays a strategic role in the Government's initiatives for the development of the power sector in India. The Issuer works closely with Government 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, the Issuer is involved in various Government programs for the power sector, including acting as the nodal agency for the UMPP program and the RDSS/IPDS/(R-APDRP subsumed in it) and as a bid process coordinator through its wholly owned subsidiary PFC Consulting Limited for the ITP scheme.

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

PFC's primary sources of funds include equity capital, internal resources and domestic and foreign borrowings. The Issuer currently enjoys the highest credit ratings of 'CRISIL AAA/ Stable', 'ICRA AAA/Stable' and 'CARE AAA/ Stable' for its long term borrowing programme and 'CRISIL A1+', 'ICRA A1+' and 'CARE A1+' for its short term borrowing programme for FY 2022-23. International credit rating agencies Moody's and Fitch have granted ratings of "Baa3" and "BBB(-)" respectively.

The Issuer is a listed Government company and a notified public financial institution under the Companies Act, 2013. The Issuer is registered with the RBI as a non-deposit taking systemically important NBFC and was classified as an Infrastructure Finance Company (IFC) in July 2010 by RBI. The Issuer believes that its NBFC and IFC classification enables it to effectively capitalise on available financing opportunities in the Indian power sector.

The Issuer is required to follow the RBI prudential norms contained in the Reserve Bank of India's Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, Circular Number: RBI/DNBR/2016-17/45, Master Direction DNBR.PD.008/03.10.119/2016-17, dated September 01, 2016, as amended from time to time, and any other additional RBI directions, if any.

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

Awards and Recognition (as per Annual Report for FY 2021-22)

- PFC bagged Dun & Bradstreet's India's Best PSU Award in the category of "Best Navratna" in a virtual format.
- PFC received Dalal Street Investment Journal PSU AWARD OF THE YEAR 2020 in the Category – Navratna of the Year and the Most Efficient and Profitable Navratna of the Year – Non-Manufacturing.
- PFC has been awarded the First prize in Public Sector Category in Region 'A' of 'Rajbhasha Kirti puruskar' for the year 2020-21.
- PFC's House Journal 'Urja Deepti' was awarded First prize in the 'Best House Journal Category'.
- PFC won the prestigious ICAI (Institute of Chartered Accountants of India) Silver award for excellence in financial reporting for the financial year 2020-21 in 'Public Sector Entities' category. PFC was bestowed with this coveted award for its highest degree of compliance with accounting standards, commendable accounting practices adopted while preparing financial statements, the policies adopted for disclosure & presentation of financial statements amongst other information contained in the annual report.
- The Company Secretary of your Company, Shri Manohar Balwani has been included amongst top 10 Chief Compliance Officers of India - 2022 by 'CEO Insights' in its July 2022 publication. This is an annual recognition that showcases exceptional leaders and professionals in Compliance Assurance Department in an Organisation.

Commencement

PFC was incorporated on July 16, 1986 under the Companies Act as a public limited company, registered with the RoC, National Territory of Delhi and Haryana and received the certificate for commencement of business on December 31, 1987.

Public Financial Institution

PFC was incorporated as a financial institution to finance, facilitate and promote India's power sector development and was notified as a public financial institution under Section 4A of the Companies Act 1956 (now section 2(72) of Companies Act 2013) on August 31, 1990.

Infrastructure Finance Company

PFC is registered with RBI as a non-deposit taking systemically important NBFC ("NBFC") on February 10, 1998 and it was classified as an Infrastructure Finance Company ("IFC") on July 28, 2010.

Maharatna Company

PFC was conferred with the 'Mini Ratna' (Category – I) status in the year 1998, Navratna status on June 22, 2007 and Govt. of India accorded the prestigious 'Maharatna' status to the state-owned Power Finance Corporation Ltd (PFC) on October 12, 2021, thus giving PFC greater operational and financial autonomy. An order to this effect was issued by the Department of Public Enterprises, under the Ministry of Finance. The grant of 'Maharatna' status to PFC will impart enhanced powers to the PFC Board while taking financial decisions.

The Board of a 'Maharatna' CPSE can make equity investments to undertake financial joint ventures and wholly-owned subsidiaries and undertake mergers and acquisitions in India and abroad, subject to a ceiling of 15% of the Net Worth of the concerned CPSE, limited to Rs.5,000 crore in one project. The Board can also structure and implement schemes relating to personnel and Human Resource Management and Training. They can also enter into technology Joint Ventures or other strategic alliances among others.

Hon'ble Union Minister of Power and New & Renewable Energy, Shri R.K. Singh congratulated PFC and remarked that conferment of 'Maharatna' status is a reflection of the confidence of the Govt. of India on PFC's strategic role in the overall development of Indian Power Sector and an endorsement of its sterling performance. This new recognition will enable PFC to offer competitive financing for the power sector, which will go a long way in

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

making available affordable & reliable 'Power For all 24x7'. The enhanced powers that come with Maharatna Status will also help PFC in pushing the Government's agenda of funding under the National Infrastructure Pipeline, national commitment of 50% green energy by 2030 and effective monitoring and implementation of the New Revamped Distribution Sector Scheme with an outlay of more than Rs.3 Lakh crore.

B. PFC's MAIN OBJECTS AS ON DATE

The main objects, as contained in Clause III A of the Memorandum of Association of PFC, are as herein under mentioned:

1. To finance projects, activities or works of creation, up-gradation, renovation, improvement, maintenance, repair, modernisation, modification, replacement, augmentation, etc. related to generation, transmission, distribution or supply of power of any form including power from sources of renewable energy.
2. To finance projects, activities or works including electrification works of creation, up-gradation, renovation, improvement, maintenance, repair, modernization, modification, replacement, augmentation, etc. of electrical and electromechanical system, standalone or that are part of large projects e.g. Projects of lift Irrigation, Sewage treatment plant, Smart City, Electrification of railway line, etc.
3. To finance projects, activities, schemes for energy conservation, energy efficiency and environmental aspects of power including cogeneration/tri-generation/combined heat and power waste heat recovery system(s), e-vehicle(s) and setting up of charging stations.
4. To finance projects for establishment, expansion, modernisation, operations, maintenance of units for manufacturing of capital equipment(s) required in power sector including renewable energy & allied sectors.
5. To finance projects, works and activities having a forward or backward linkage with power projects included in Clause A1, including but not limited to development of coal and other mining activity(ies) for use as fuel or other fuel supply arrangements for power sector, laying of railway line(s), road(s), bridge(s), port(s), jetty(ies) and harbor(s), gas pipeline(s), gas terminal(s) & to meet such other enabling infrastructure facility(ies) that may be required for a power project included in clause A1.
6. To finance studies, surveys, investigations, research on any project, activity, or work covered in clauses A1 to A4 and to carry out any activity including consultancy, training, etc. to promote the business interest of the company in any of the clauses A1 to A5.

*7. To lend to Logistics and Infrastructure sectors to the extent permitted by the Government of India.

**Inserted vide Special Resolution passed at 36th AGM held on 21st September, 2022.*

C. PRODUCTS

The Issuer provide a comprehensive range of fund based and non-fund based financial products and services from project conceptualization to the post-commissioning stage to its clients in the power sector.

Fund Based

The issuer's fund based products includes:

- Project term loans (Rupee and foreign currency)
- Grants/interest free loans for studies/consultancies
- Buyer's line of credit
- Lease financing for purchase of equipment

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

- Lease financing for wind power projects
- Corporate loan
- Debt refinancing
- Short/Medium term loan to equipment manufacturers
- Line of credit for import of coal
- Credit facility for purchase of power through power exchange

Non-Fund Based

The Issuer's non-fund based products include:

- Deferred payment guarantee
- Guarantee for performance of contract/ obligations w.r.t Fuel Supply Agreement (FSA)
- Letter of comfort (LoC)
- Policy for guarantee of credit enhancement

D. PFC & GOVERNMENT PARTNERSHIP

a) Ultra Mega Power Projects (UMPP)

Development of Ultra Mega Power Projects (UMPPs), with a capacity of about 4,000 MW each, adopting super critical technology is the initiative of Ministry of Power (MoP), Government of India for which the issuer has been designated as the 'Nodal Agency' and Central Electricity Authority (CEA) as the Technical Partner by MoP.

PFC Consulting Limited (a wholly-owned subsidiary of PFC) along with MoP and CEA undertake preliminary site investigation activities, land acquisition activities, site specific studies to obtain appropriate regulatory and other approvals for land, water, coal block, environment etc. necessary to conduct catalyst of the bidding process. The successful bidder is then expected to develop and implement these projects.

The issuer incorporated a total of 19 wholly-owned Special Purpose Vehicles (SPVs) for the 14 UMPPs. Out of these, 4 UMPPs have been transferred to successful bidders and as per the direction of MoP and respective State Governments, PFC / PFCCL is in the process of closure of 4 UMPPs.

PFC initiated the process of closure of SPVs namely Tatiya Andhra Mega Power Limited (TAMPL), Coastal Maharashtra Mega Power Ltd (CMMPL) and Chhattisgarh Surguja Power Ltd (CSPL). Requisite documents for closure are filed in RoC. Further, PFC is intending to utilise the SPV namely Coastal Karnataka Power Ltd (CKPL) for bidding regarding stressed projects.

MoP has decided 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, PFC was advised to review the status of UMPPs and take necessary action for closure wherever required, in consultation with stakeholders. Matter is under consideration.

b) Independent Transmission Projects (ITP)

Ministry of Power has also initiated Tariff Based Competitive Bidding (TBCB) Process for development and strengthening of Transmission system through private sector participation. The objective of this initiative is to develop transmission capacities in India and to bring in the potential investors after developing such projects to a stage having preliminary survey work, identification of route, preparation of survey report,

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

initiation of process of land acquisition for sub-stations, if any, initiation of process of seeking forest clearance, if required etc. As on March 31, 2022, 40 Special Purpose Vehicles (SPVs), 2 by PFC and other 38 by PFC Consulting Limited (wholly-owned subsidiary) have been established for ITPs.

Further, during the FY 2021-22, following SPVs established for development of transmission projects has been transferred to the successful bidders selected through TBCB:

- i. Khavda-Bhuj Transmission Limited
- ii. Nangalbibra-Bongaigaon Transmission Limited
- iii. Sikar-II Aligarh Transmission Limited
- iv. Koppal-Narendra Transmission Limited
- v. Karur Transmission Limited

c) Integrated Power Development Scheme (“IPDS”) (with Restructured Accelerated Power Development and Reform Programme (R-APDRP) Subsumed in it)

In order to provide impetus to strengthening of power distribution sector in urban areas and 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, Ministry of Power, Government of India launched “Integrated Power Development Scheme” (IPDS) on December 3, 2014. Restructured Accelerated Power Development & Reforms Programme (R-APDRP) Scheme notified vide MoP order dated September 19, 2008 was subsumed into IPDS. PFC is the Nodal Agency for operationalisation of the IPDS/ R-APDRP Scheme. IPDS (including R-APDRP subsumed) Scheme had Sunset date of March 31, 2022 (excluding identified Projects).

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 estimated outlay of the scheme is Rs. 32,612 crore including a budgetary support of Rs. 25,354 crore from Government of India during the entire implementation period.
- R-APDRP scheme cost of Rs. 44,011 crore (with a budgetary support of Rs. 22,727 crore) as already approved by CCEA is also carried forward to IPDS in addition to the outlay of Rs. 32,612 crore.

**Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

Financial Assistance under IPDS / R-APDRP

(Rs. in crore)

Scheme	FY 2021-22		Cumulative up to March, 2022	
	Approved Cost	Gol Fund Disb.	Approved Cost	Gol Fund Disb.
R-APDRP	(1,987)*	385	29,978	13,580
IPDS	(2,428)*	1,977	28,886	17,638

*Negative figure is due to cancellation/ reduction in cost of Projects upon financial closure

In addition to above disbursement to Discoms for Projects, during FY 2021-22, MoP has also released Gol Grant of Rs. 67 crore (cumulative Rs. 284 crore) for IPDS other than Project head (e.g. nodal agency fee, reimbursement of expenditure, Un-interrupted Direct Current (UDC), National Power Portal (NPP) etc.) and Rs. 29 crore (cumulative Rs. 563 crore) under Part-C of R-APDRP to PFC.

Moreover, MoP has also released Gol Grant of Rs. 350 crore during FY 2021-22 (cumulative Rs. 1,350 crore) for implementation of PMDP-2015 in J&K through PFC.

Progress of Implementation

IPDS

Under IPDS, inspite of a tough pandemic hit last 2 years, work in 546 out of 547 sanctioned Circles/Projects has been declared complete with overall physical progress achieved of 99% (timeline for completion of Ayodhya Circle is up to March, 2023). The Scheme is helping in making a difference in the lives of around 10 crore urban electricity consumers living in 3600 towns across the country where the Power Distribution infrastructure has been upgraded. IT enablement has been undertaken even in smaller towns of 34 Discoms. ERP system has been set up / upgraded in 32 Discoms.

Further, during the year, PFC also disbursed an amount of Rs. 440 crore (cumulative disbursement Rs. 3,755 crore) as counterpart loans to State Power Discoms under IPDS.

R-APDRP

With the measures taken so far, IT backbone has been established in the State Power Discoms which has aided the Discoms continue their operations during COVID-19 and consequent lockdown. All sanctioned 1,233 towns have been declared completed under Part A IT with all business process software modules are functional and energy audit reports being derived. SCADA Automation has been completed in 57 large towns to improve power reliability. Implementation work of distribution system strengthening has been completed in all sanctioned 1,227 towns.

Further, the Issuer has also disbursed an amount of Rs. 3,616 crore (cumulative) as counterpart loans to State Power Discoms under Part B of R-APDRP.

Other developments

- IT and Technical interventions undertaken under the scheme is helping in improvement of Billing/ Collection efficiency which will ultimately result in reduction in Aggregate Technical and Commercial (AT&C) losses. The reduction in AT&C loss is already visible in many R-APDRP towns because of establishment of IT system and Part-B completion coupled with administrative and other measures.

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

- There has been an increased in transparency by way of capturing of data from ≈ 36,000 urban feeders (11 kV) in IT enabled towns on Urban Distribution Monitoring System under National Power Portal.
- Real Time Data Acquisition System has been set up covering around 15,000 feeders for capturing data w.r.t. reliability indices at feeder level.
- 92 Gas Insulated Substations (GIS) & Hybrid PSS have been commissioned/upgraded. Such substations have been set up for the first time in Bihar, Karnataka, UP and NER States.
- Around 10 lakh Smart/Prepaid Meters have been installed in the country under IPDS.
- '1912' – Short-code for 'Complaints on Electricity' is now operational in all Discoms.
- Capacity building/training of Utility personnel has been carried out using Digital means under IPDS / R-APDRP to enhance their skill through workshops/ webinars on AT&C loss reduction, smart metering, project management, guidelines, best practices etc.

Thus, PFC is contributing towards improving operational efficiency and financial health of Distribution Utilities.

d) 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 upgradation of the Distribution Infrastructure and Prepaid Smart Metering & System Metering based on meeting pre-qualifying criteria and achieving basic minimum benchmarks in reforms. PFC and REC (PFC’s subsidiary) 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. Nodal agencies are eligible for 0.5% of the sum total of the Gross Budgetary Support (GBS) component of the various projects approved by Monitoring Committee as its fee. PFC is the nodal agency for 17 States/ UTs under the Scheme. The ongoing approved projects under IPDS/R-APDRP 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).

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.

Scope of Scheme

The Scheme has two parts:

Part A covers Metering works (prepaid smart metering for consumers and system metering) and distribution infrastructure works (loss reduction; modernization & system augmentation components).

Part B covers Training & Capacity Building and other Enabling & Supporting Activities.

Outlay and Budgetary Support

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

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

Progress of implementation (as on 31.08.2022)

Based on the commitments of State cabinet w.r.t. Action plan for achieving outcomes and recommendations of PFC, GOI has approved projects worth Rs. 77,264 Cr. to DISCOMs of AP, Gujarat, Haryana, HP, Jharkhand, Kerala, MP and Uttarakhand under RDSS. Further, PFC has disbursed an amount of Rs. 975 Cr. to DISCOMs of AP, Gujarat, Haryana, HP, Kerala and MP towards Gol Grant Phase - I advance for implementation of Loss Reduction Projects, as per RDSS guidelines. PFC is also supporting the States by providing Model Standard Bidding Documents for Automation and ERP projects under RDSS.

Part-B component of RDSS focuses on the human resources and skill development interalia including capacity building initiatives on corporate governance, technical matters, advance technology intervention areas, new business processes etc. MoP has mandated PFC for taking-up skill development for Smart Metering works as well as training programme for DISCOMs' employees. Upto Aug 2022, total 89 training programs were conducted through NPTI covering 3,299 DISCOM personnel. PFC is also handholding the Discoms in incorporating better corporate governance practices.

E. SUBSIDIARIES

The following are the subsidiaries of PFC as on 30th Sept 2022:-

a) REC Limited (RECL)

During FY 2018-19, PFC has acquired 52.63% shareholding held by the President of India (103,93,99,343 equity shares of face value Rs. 10/- per share) in REC Limited (RECL) at Rs. 139.5036 per share for a total cash consideration of Rs. 14,500.00 crore on 28.03.2019. By virtue of this investment, PFC has become the holding company of RECL. RECL is also engaged in extending financial assistance to power sector and is a Systemically Important (Non-Deposit Accepting or Holding) Non-Banking Finance Company (NBFC) registered with Reserve Bank of India (RBI) as an Infrastructure Finance Company (IFC).

b) PFC Consulting Limited (PFCL)

PFCL is a wholly owned subsidiary of our Company. PFCL was incorporated on March 25, 2008 under the Companies Act, 1956 with an authorized share capital of Rs. 5,00,000 divided into 50,000 equity shares of Rs. 10 each. The Corporate Identification Number of PFCL is U74140DL2008GOI175858. The registered office of PFCL is located at First Floor, "Urjanidhi", 1, Barakhamba Lane, Connaught Place, New Delhi – 110 001, India. PFCL has been incorporated to carry on, promote and organize consultancy services related to the power sector. Presently, the consultancy services being undertaken by PFCL comprise of assignments from state power utilities, licensees/ IPPs, State Government, PSUs and state electricity regulatory commissions. As on 30.09.2021 our Company (including its nominees) holds 100% of the issued and paid up equity capital of PFCL.

c) Subsidiaries incorporated under the programmes of Government of India

As on 31.03.2022, the following Special Purpose Vehicles (SPVs) have been incorporated as subsidiaries/deemed subsidiaries of the Company:

**Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

Subsidiaries of PFC (UMPPs)

1. Chhattisgarh Surguja Power Limited^
2. Coastal Karnataka Power Limited
3. Coastal Maharashtra Mega Power Limited^
4. Coastal Tamil Nadu Power Limited
5. Orissa Integrated Power Limited
6. Sakhigopal Integrated Power Company Limited
7. Ghogarpalli Integrated Power Company Limited
8. Tatiya Andhra Mega Power Limited^
9. Deoghar Mega Power Limited
10. Cheyyur Infra Limited
11. Odisha Infrapower Limited
12. Deoghar Infra Limited
13. Bihar Infrapower Limited
14. Bihar Mega Power Limited
15. Jharkhand Infrapower Limited

^ SPV under the process of striking-of

Subsidiaries through PFCL (ITPs)

1. Tanda Transmission Company Limited ^
2. Bijawar-Vidarbha Transmission Limited
3. Shongtong Karcham-Wangtoo Transmission Limited^
4. Ananthapuram Kurnool Transmission Limited
5. Bhadla Sikar Transmission Limited
6. Khetri Narela Transmission Limited
7. Kishtwar Transmission Limited
8. Mohanlalganj Transmission Limited
9. Chhatarpur Transmission Limited

^ SPV under the process of striking-of

Subsidiaries through REC Ltd.

1. REC Power Development and Consultancy Limited
2. Chandil Transmission Limited
3. Dumka Transmission Limited
4. Koderma Transmission Limited
5. Mandar Transmission Limited
6. Bidar Transmission Limited
7. Rajgarh Transmission Limited
8. MP Power Transmission Package-I Limited
9. ER-NER Transmission Limited

F. OTHER MAJOR INVESTMENTS (as on 30.09.2022)

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

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

The Company has jointly promoted Power Trading Corporation of India (PTC) with PGCIL, NTPC and NHPC, pursuant to a shareholders agreement dated 8 April 1999, as amended by an agreement dated 29 November 2002. As on 30.09.2022, we have invested Rs.12 crore in PTC. PTC provides power trading solutions in India in addition to power trading.

b) Power Exchange India Limited (PXIL)

We have made strategic investment in PXIL, which is promoted by the NSE and the National Commodity and Derivatives Exchange Limited (NCDEX). We entered into a share subscription and shareholders agreement with NSE and NCDEX on 24 February 2009. PXIL commenced operations in October 2008 and operates a national power exchange. Our investment in PXIL is Rs. 3.22 crore as of 30.06.2022. PFC has provided full provision against its investment in PXIL i.e. Rs. 3.22 Crore.

c) Energy Efficiency Services Limited(EESL)

Energy Efficiency Services Limited (EESL) was incorporated on December 10, 2009. EESL was jointly promoted by Power Grid, NTPC, REC and PFC with 25% equity stake each for implementation of Energy Efficiency projects in India and abroad. During the FY 2021-22, amendments in the JV agreement were made vide Supplementary Agreement dated 01.09.2021, where by the substantive participative rights and privileges previously enjoyed by all the joint venture partners, through their right to affirmative vote on certain reserved matters which are in nature of relevant activities as per the requirements of Ind AS 110 'Consolidated Financial Statements' stands withdrawn. Therefore, in absence of any joint control, EESL ceases to be a Joint Venture Company for the purpose of consolidation of financial statements.

Further, as on 30.09.2022, the Company along with its subsidiary RECL is holding 33.33 % stake in equity share capital of EESL .However, in the absence of any practical ability to direct the relevant activities as per the requirements of Ind AS 27'Investment in Associates and Joint Ventures', the Company does not have any significant influence and EESL has not been considered as an associate company for purpose of consolidation of financial statements.

d) Coal India Limited :

PFC had invested ₹ 500.74 crore(purchase of 1,39,64,530 shares @ 358.58 share) in Coal India Limited in January 2015. As on 30.09.2022, PFC is holding 1,39,64,530 shares of Coal India Limited valued at ₹ 296.40 crore.

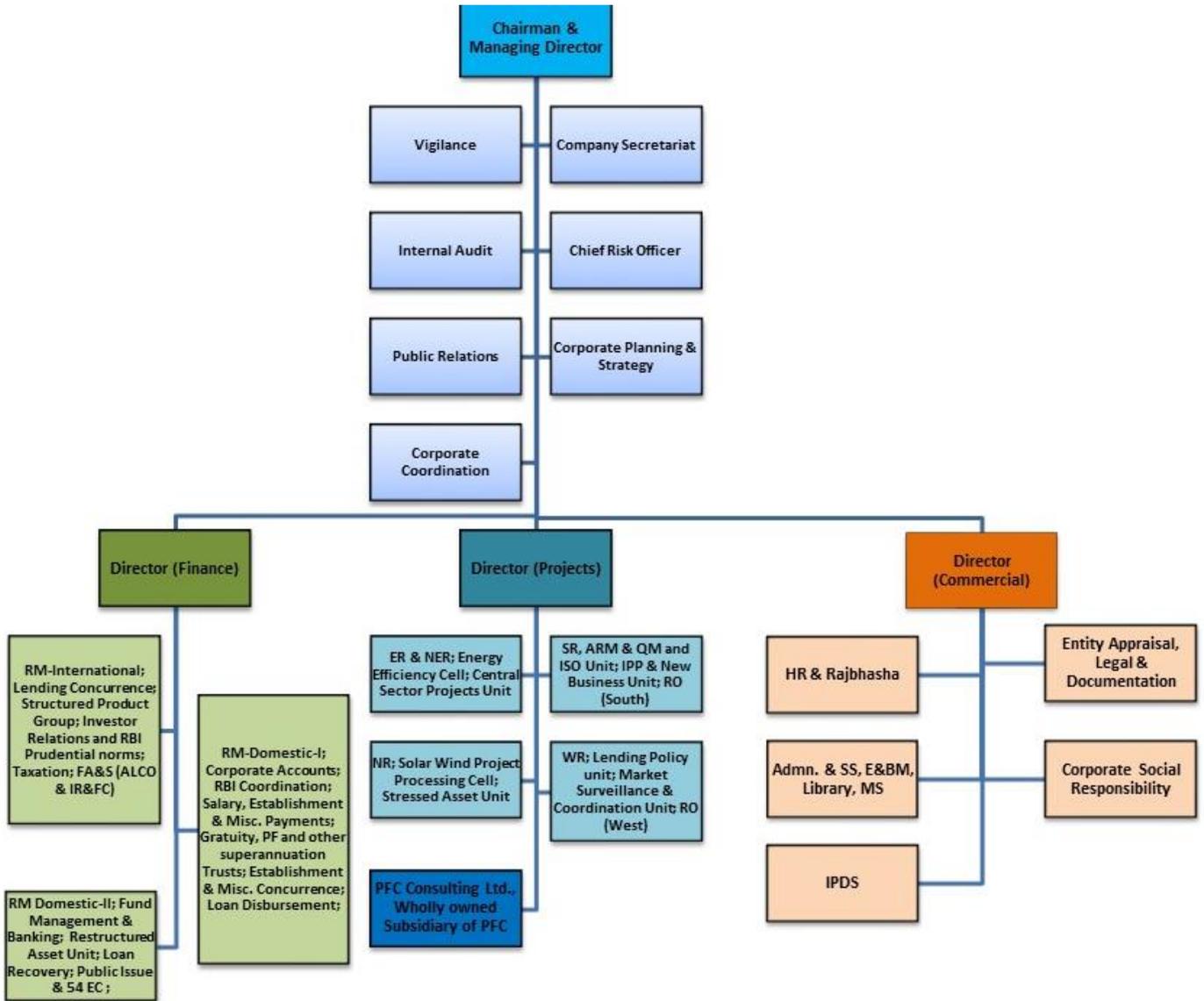
e) NHPC Limited:

PFC had invested ₹ 567.46 crore (purchase of 26,05,42,051 shares @ 21.78 per share) in NHPC Limited in April 2016. Up to 30.06.2022, PFC has sold 8,28,62,859 shares of NHPC Limited and as on 30.09.2022, PFC holds 15,98,08,287 shares of NHPC Limited valued at ₹ 570.52 crore.

For detailed list of investments of PFC as on 31.03.2022 kindly refer Note 11 of the Standalone financial Statements.

CHAPTER III

ORGANIZATION/CORPORATE STRUCTURE



Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

CHAPTER IV

MANAGEMENT OF THE COMPANY

A. Details of current directors of the company

S. No	Name, Designation and DIN	Age (Completed Years)	Address	Date of Appointment	Details of Other Directorships	Whether Wilful Defaulter (yes/No)
1)	Shri. R. S. Dhillon Designation: Chairman and Managing Director DIN: 00278074 Nationality: Indian	59	'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi DL 110001 IN	01/06/2020	<ul style="list-style-type: none"> • PFC Consulting Limited 	
2)	Shri. Ajay Tewari Designation: Govt. Nominee Director DIN: 09633300 Nationality: Indian	51	Ministry of Power, Shram Shakti Bhawan, Rafi Marg, New Delhi -1	09/06/2022	--	
3)	Smt. Parminder Chopra Designation: Director (Finance) DIN: 08530587 Nationality: Indian	55	'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi DL 110001 IN	01/07/2020	<ul style="list-style-type: none"> • 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 	
4)	Shri Rajiv Ranjan Jha Designation: Director (Projects) DIN: 03523954 Nationality: Indian	56	'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi DL 110001 IN	28/10/2021	<ul style="list-style-type: none"> • PFC Consulting Limited • Orissa Integrated Power Limited 	
5)	Shri Manoj Sharma Designation: Director (Commercial) DIN: 06822395 Nationality: Indian	56	'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi DL 110001 IN	29/08/2022	<ul style="list-style-type: none"> • PFC Projects Limited • Jharkhand Infrapower Limited • PFC Consulting Limited 	

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

6)	Shri. Bhaskar Bhattacharya Designation: Independent Director DIN: 09406292 Nationality: Indian	63	'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi DL 110001 IN	23.12.2021	--	
7)	Smt. Usha Sajeew Nair Designation: Independent Director DIN: 09408454 Nationality: Indian	46	'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi DL 110001 IN	23.12.2021	--	
8)	Shri Prasanna Tantri Designation: Independent Director DIN: 06471864 Nationality: Indian	40	'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi DL 110001 IN	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	Date of Cessation, if applicable	Date of Resignation, if applicable	Remarks
Shri. Rajeev Sharma Designation: Chairman and Managing Director DIN:00973413 Nationality: Indian	01 October, 2016	1 June, 2020	-	Superannuated
Dr. Arun Kumar Verma Designation: Govt. Nominee Director DIN: 02190047 Nationality: Indian	13 October, 2015	28 August,2019	-	Nomination changed by Government
Shri. Mritunjay Kumar Narayan Designation: Govt. Nominee Director DIN: 03426753 Nationality: Indian	28 August,2019	4 November, 2020	-	Nomination changed by Government
Shri. Tanmay Kumar				

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

Designation: Govt. Nominee Director DIN: 02574098 Nationality: Indian	4 November, 2020	07 September, 2021	-	Nomination changed by Government
Shri. Vishal Kapoor Designation: Govt. Nominee Director DIN: 02574098 Nationality: Indian	07 September, 2021	09 June, 2022	-	Nomination changed by Government
Shri. C. Gangopadhyay Designation: Director (Projects) DIN:02271398 Nationality: Indian	1 January, 2017	1 May, 2019	-	Superannuated
Shri. Sitaram Pareek Designation: Independent Director DIN: 00165036 Nationality: Indian	06 February, 2017	06 February, 2020	-	Completion of Tenure
Shri. N.B. Gupta Designation: Director (Finance) DIN: 00530741 Nationality: Indian	18 August, 2017	1 July, 2020	-	Superannuated
Smt. Gouri Chaudhury Designation: Independent DIN: 07970522 Nationality: Indian	3 November, 2017	3 November, 2020	-	Completion of Tenure
Shri. Praveen Kumar Singh Designation: Director (Commercial) DIN: 03548218 Nationality: Indian	10 August, 2018	01.02.2022	-	Superannuated
Shri. R. C. Mishra Designation: Independent DIN:02469982 Nationality: Indian	11 July, 2019	10 July, 2022	-	Completion of Tenure
Shri. R. S. Dhillon Designation: CMD DIN: 00278074 Nationality: Indian	01 June, 2020	Continuing	-	Appointment

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

Shri. Shri Ajay Tewari Designation: Govt. Nominee Director DIN: 09633300 Nationality: Indian	09 June, 2022	Continuing	-	Appointment
Smt. Parminder Chopra Designation: Director (Finance) DIN: 08530587 Nationality: Indian	01 July 2020	Continuing	-	Appointment
Shri Rajiv Ranjan Jha Designation: Director (Projects) DIN: 03523954 Nationality: Indian	28 October, 2021	Continuing	-	Appointment
Shri Manoj Sharma Designation: Director (Commercial) DIN: 06822395 Nationality: Indian	29 August, 2022	Continuing	-	Appointment
Shri. Bhaskar Bhattacharya Designation: Independent Director DIN: 09406292 Nationality: Indian	23 December, 2021	Continuing	-	Appointment
Smt. Usha Sajeev Nair Designation: Independent Director DIN: 09408454 Nationality: Indian	23 December, 2021	Continuing	-	Appointment
Shri Prasanna Tantri Designation: Independent Director DIN: 06471864 Nationality: Indian	23 December, 2021	Continuing	-	Appointment

CHAPTER V
DETAILS OF AUDITOR OF THE COMPANY

A. Auditors of the company

Year	Name of the Auditor	Address	Auditor Since
2022-23	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	01-Aug-19
	M/s Prem Gupta & Co Chartered Accountants Registration No.: 000425N	T-2342/2, Ashok Nagar, Faiz Road, Karol Bagh, New Delhi - 110005 Tel No.: 011-25466394, 25422417 E-mail: pguptaco@yahoo.co.in	19-Aug-21

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

Name of the Auditor	Address	Date of Appointment	Date of Cessation, if applicable	Date of Resignation, if applicable
M/s Gandhi Minocha & Co.	B-6, Shakti Nagar Extension, Near Laxmi Bai College New Delhi – 110052 Tel No.: (011) 27303078	11- Jul-2017	Appointed till FY 2020-21	NA
M/s Dass Gupta & Associates	B-4, Gulmohar Park, New Delhi – 110049 Tel No.: (011)46111000	01- Aug-19	NA	NA
M/s Prem Gupta & Co	T-2342/2, Ashok Nagar, Faiz Road, Karol Bagh, New Delhi - 110005 Tel No.: 011-25466394, 25422417	19-Aug-21	NA	NA

CHAPTER VI
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 PFC, based on the information currently available to it, deems immaterial, may also impair its business, financial condition and results of operations. All of these risks are contingencies which may or may not occur and the Issuer is 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, the 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 PFC’S BUSINESS AND INDUSTRY

- 1. The Issuer has 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 the asset portfolio may be adversely affected.**

The Issuer is a Public Financial Institutions (“PFI”) focused on financing of the power sector in India, which has a limited number of borrowers, primarily comprising of state power utilities (“SPUs”) and state electricity boards (“SEBs”), many of which have been historically loss making. The issuer’s past exposure has been, and future exposure is expected to be, concentrated towards these borrowers. Historically, SPUs or SEBs have had a relatively weak financial position and have in the past delayed on their indebtedness. Consequently, the Issuer had to restructure some of the loans sanctioned to certain SPUs and SEBs, including rescheduling of repayment terms. In addition, many of its 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. 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 the issuer’s non-performing assets (“NPAs”) and adversely affect its business, financial condition and results of operations.

- 2. The Issuer may not have obtained sufficient security or collateral in connection with its loans, or may be unable to recover, or experience delays in recovering, the expected value from such security or collateral.**

Although the Issuer endeavour to obtain adequate security or implement quasi-security arrangements in connection with its loans, the Issuer has not obtained such security or collateral for all of its loans. In addition, in connection with certain of the Issuer’s loans, the Issuer have been able to obtain only partial security or have made disbursements prior to adequate security being created or perfected. There can be no assurance that any security or collateral that the Issuer has obtained will be adequate to cover repayment of its loans or interest payments thereon or that the Issuer will be able to recover the expected value of such security or collateral in a timely manner, or recover at all.

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

The Issuer's loans are typically secured by various movable and immovable assets and/ or other collaterals. The Issuer generally seeks 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 The Issuer generally seeks to have a second pari passu charge on the relevant project assets. In addition, some of the Issuer's loans may relate to imperfect security packages or negative liens provided by its 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 the Issuer's 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 the Issuer 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 the Issuer's 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 a lower rate, and will have an impact on the Company's financials going forward. 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 the Issuer's 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 the issuer's borrowers, the issuer may be required by such other lenders to agree to such corrective action plan, irrespective of the Issuer's preferred mode of settlement of its

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

loan to such borrower or subject its 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 the Issuer dissents from a particular resolution plan, while under the Stressed Assets Framework the Issuer is 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 the Issuer. Any such corrective action plan / accelerated provisioning could lead to an unexpected loss that could adversely affect the business, financial condition or results of operations.

3. The Issuer's ability to compete effectively is dependent on its ability to maintain a low effective cost of funds

The Issuer's ability to compete effectively is dependent on its timely access to capital, the costs associated with raising capital and its ability to maintain a low effective cost of funds in the future that is comparable or lower than that of its competitors. Historically, the Issuer has been able to reduce its cost of capital and reliance on commercial borrowings through the issuance of Rupee denominated bonds and loans guaranteed by the GoI. The Issuer also benefits from certain tax benefits extended by the GoI. In addition, in respect of certain of the Issuer's foreign currency borrowings guaranteed by the GoI, the Issuer has been exempted from guarantee fees payable to the GoI, which has also enabled the Issuer to reduce its costs of funds. Furthermore, with effect from fiscal 2018, the Issuer has been allowed to issue taxable bonds under Section 54EC of the Indian Income Tax Act, which shall also help it to reduce its cost of funds. However, there can be no assurance that the Issuer will continue to benefit from any direct or indirect support from the GoI and any adverse development in GoI policies may result in an increase in its cost of funds.

Following a general decrease in the level of direct and indirect financial support by the GoI to the Issuer in recent years, the Issuer is fundamentally dependent upon funding from the equity and debt markets and commercial borrowings and is particularly vulnerable in this regard given the growth of the business. The market for such funds is competitive and there can be no assurance that the Issuer will be able to obtain funds on acceptable terms, or at all. Many of the competitors have greater and cheaper sources of funding than the Issuer. Furthermore, many of the competitors may have larger resources or greater balance sheet strength than the Issuer and may have considerable financing resources. In addition, since the Issuer is a non-deposit taking NBFC, the Issuer may have restricted access to funds in comparison to banks and deposit taking NBFCs. While The Issuer has generally been able to pass any increased cost of funds onto its customers, the Issuer may not be able to do so in the future. If the financial products are not competitively priced, there is a risk of the Issuer's borrowers raising loans from other lenders and in the case of financially stronger SPUs and SEBs and private sector borrowers, the risk of their raising funds directly from the market. The Issuer's ability to raise capital also depends on its ability to maintain its credit ratings in order to access various cost competitive funding options. The Issuer is also dependent on its classification as an IFC which enables the Issuer, among other things, to diversify its borrowings through the issuance of Rupee-denominated infrastructure bonds that offer certain tax benefits to bondholders as and when such schemes are notified by the GoI and to raise ECB under the automatic route subject to certain specified limits.

In addition, adverse developments in economic and financial markets or the lack of liquidity in financial markets could make it difficult for the Issuer to access funds at competitive rates.

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

These and other related events have resulted in increased borrowing costs and difficulty in accessing funds in a cost effective manner. If the Issuer is not able to maintain a low effective cost of funds, the Issuer may not be able to implement its growth strategy, competitively price its loans and, consequently, the Issuer may not be able to maintain the profitability or growth of its business, which could have a material adverse effect on its business, financial condition and results of operations.

4. An increase in the level of the Issuer’s NPAs could adversely affect its financial condition.

In the past, the Issuer’s gross NPAs have been as indicated below:

Particulars as of	(Rs. million)	As % of total loan assets
31 March 2014.....	12,277	0.65%
31 March 2015.....	23,636	1.09%
31 March 2016.....	75,190	3.15%
31 March 2017.....	307,022	12.50%
31 March 2018.....	267,030	9.57%
31 March 2019.....	295,400*	9.39%
31 March 2020.....	278,680*	8.08%
31 March 2021.....	211,500*	5.70%
31 March 2022.....	209,152*	5.61%

*Stage III Assets as per Ind-AS accounting

The provisioning has been made in terms of prudential norms as notified by the RBI for “Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies”. As the Issuer is required to follow a borrower-wise NPA determination policy for its government sector borrowers, the Issuer’s NPA levels may increase substantially, which may have a material adverse effect on the Issuer’s business, financial condition and results of operations. In addition, the Issuer may, from time to time, amend its policies and procedures regarding asset classification or rescheduling of its loans, which may also increase the Issuer’s level of NPAs. The Issuer’s loans made to the private sector are generally consistent with the lending (exposure) norms stipulated by the RBI. As RBI provisioning norms have become applicable to the Issuer, the Issuer’s level of NPAs and provisions with respect thereto have significantly increased for fiscal 2017. If the Issuer is not able to prevent increases in its level of NPAs, the Issuer’s business and future financial condition could be adversely affected. 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 the Issuer’s NPAs.

5. Inability to develop or implement effective risk management policies and procedures could expose the Issuer’s to unidentified risks or unanticipated levels of risk.

Although the Issuer 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 the Issuer encounters in its business and operations or that such policies and procedures are as comprehensive as those implemented by banks and other financial institutions. The Issuer’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,

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

information available to the Issuer 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 the Issuer's results of operations and financial condition. The Issuer'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 regulations that adversely affect the Issuer's business and operations. In addition, the Issuer 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 the Issuer currently encounters or anticipates, and there can be no assurance that the Issuer will be able to effectively identify and address any additional risks that apply to such business initiatives. An inability to develop, modify and implement effective and dynamic risk management policies and procedures may adversely affect the Issuer'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 the Issuer's policies and procedures will effectively and accurately record and verify such information. Failure of the Issuer's risk management policies and procedures or exposure to unanticipated risks could lead to losses and adversely affect the Issuer's business, financial condition and results of operations.

6. Risks inherent to power sector projects, particularly power generation projects, could adversely affect the Issuer's business, financial condition and results of operations.

The Issuer 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 the Issuer finances are beyond its 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;

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

- 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 the 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 the Issuer 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 the Issuer'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 the Issuer finances, materialise, the quality of the Issuer's asset portfolio and its results of operations may be adversely affected. Furthermore, if the Issuer expands its operations, its loans to individual projects may increase, thereby increasing its exposure with respect to individual projects and the

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

potential for adverse effects on its business, financial condition and results of operations in the event these risks were to materialise.

7. Risks inherent to power generation companies, who comprise a significant portion of the Issuer's borrowers, could adversely affect its business, financial condition and results of operations.

Many of the Issuer's borrowers are power generation companies who face various industry-specific risks as well as risks that are generally applicable to the power sector in India. Many of these risks are beyond the Issuer's control and include the following:

- activities in the power generation business can be dangerous and can cause injury to people or property;
- power generation companies may have limited access to funding for the development and implementation of their power projects which may limit the expansion of their business;
- changes in technology may negatively impact power generation companies by making their equipment or power projects less competitive or obsolete;
- the provisions of the Electricity Act, 2003 have significantly increased competition in the power generation industry which may negatively impact individual power generation companies;
- changes to tariff regulations may adversely affect the revenues and results of operations for power generation companies;
- compliance with strict environmental regulations; and
- fluctuating fuel costs.

To the extent the risks mentioned above or other risks relating to power generation companies materialise, the quality of the Issuer's asset portfolio and the Issuer's results of operations may be adversely affected. Furthermore, as the Issuer continues to expand its operations, its loans to individual power generation companies may increase, thereby increasing its exposure with respect to individual power generation companies and the potential risk for adverse effects on the Issuer's business, financial condition and results of operations in the event these risks were to materialise.

8. Failure to manage any acquisition that the Issuer makes may cause its profitability to suffer.

As of the date of this Offer Letter, the Issuer is not evaluating any merger and acquisition opportunities however it may take advantage of merger and acquisition opportunities in the future if suitable opportunities arise. These may require significant investments which may adversely affect the Issuer's business and revenues. Furthermore, the Issuer is not permitted to carry out any merger or acquisitions without prior approval from the GoI. Acquisitions involve additional risks, including the following:

- impact of unforeseen risks, such as contingent or latent liabilities relating to the acquired businesses that become apparent only after the merger or acquisition is finalised;
- success or failure of integration and management of the acquired operations and systems;
- success or failure of retention of select personnel; or
- impact of diversion of the Issuer management's attention from other ongoing business concerns.

If the Issuer is unable to integrate the operations of an acquired business successfully or manage such future acquisitions profitably, its revenues and results of operations may be adversely affected.

9. If inflation increases, the Issuer'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 its products and, as a result, on its business and financial results. In the event that domestic inflation or global inflation increases, certain of the Issuer'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, the Issuer may face increased costs of funding. To the extent the Issuer cannot pass these increases on to its borrowers, its results of operations could be adversely affected.

10. The Issuer currently funds its business in significant part through use of borrowing that have shorter maturities than the maturities of substantially all of its new loan assets and the Issuer may be required to obtain additional financing in order to repay its indebtedness and grow its business.-

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

To the extent the Issuer funds its business through the use of borrowings that have shorter maturities than the loan assets the Issuer disburses, the Issuer's loan assets will not generate sufficient liquidity to enable the Issuer to repay its borrowings as they become due, and the Issuer will be required to obtain new borrowings to repay its existing indebtedness. Furthermore, in accordance with GoI directives, the Issuer is required to declare a minimum dividend on equity of 5.0 per cent of net worth or a minimum dividend payout of 30.0 per cent of its profit after tax each fiscal year, whichever is higher. However, this is subject to availability of disposable profits and the Issuer may declare a lower dividend with the consent of the GoI. As a result, the Issuer's retained earnings remain low and the Issuer may be unable to repay its loans from its retained earnings as and when they mature. There can be no assurance that new borrowings will be available on favourable terms, or at all. In particular, the Issuer is increasingly reliant on funding from the debt capital markets and commercial borrowings. The market for such funds is competitive and the Issuer's ability to obtain funds on acceptable terms will depend on various factors including, in particular, the Issuer's ability to maintain its credit ratings. Furthermore, the Issuer's inability to effectively manage its funding requirements and the financing the Issuer provides may also be aggravated if the Issuer's borrowers pre-pay or are unable to repay any of the financing facilities the Issuer grants to them. The Issuer's asset-liability management framework categorises all interest rate sensitive assets and liabilities into various time period categories according to contracted residual maturities or anticipated re-pricing dates, as may be relevant in each case. The difference between the value of assets and liabilities maturing, or being re-priced, in any time period category provides the measure to which the Issuer is exposed to the risk of potential changes in the margins on new or re-priced assets and liabilities. Despite the existence of such measures, the Issuer's liquidity position could be adversely affected by the development of an asset-liability mismatch, which could have a material adverse effect on the Issuer's business, prospects, results of operations and financial condition.

**Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

11. An inability to effectively manage the Issuer’s growth or successfully implement its business plan and growth strategy could adversely affect the Issuer’s business, financial condition and results of operations.

The Issuer intends to continue to grow its business, which could place significant demands on its operational, credit, financial and other internal risk controls, making management of asset quality increasingly important. This may also exert pressure on the adequacy of the Issuer’s capitalisation. The Issuer intends to fund its asset growth primarily through the issuance of Rupee-denominated bonds and commercial borrowings raised in India. There can be no assurance that the Issuer will be able to raise funding on attractive terms, or at all. Any adverse development in the Indian credit markets or any increase in interest rates may significantly increase the Issuer’s debt service costs and its overall cost of funds. The Issuer’s growth also increases the challenges involved in maintaining and improving its internal administrative, technological and physical infrastructure, and entails substantial senior level management time and resources.

As part of its growth strategy, the Issuer 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, the Issuer intends to expand its business and service offerings in consultancy and other fee-based services, debt syndication and equity investments. The Issuer 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. The Issuer 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 the Issuer in its current operations. In addition, if the Issuer 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 the Issuer 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.

12. If the Issuer is not in compliance with corporate governance requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Companies Act, 2013, etc., it may result in imposition of a penalty that may adversely affect the Issuer’s reputation and business.

The Issuer has not complied with certain provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to composition of its Board. As of the date of this Offer Letter, the Issuer’s Board has eight Directors, of which four are full-time functional directors, one is a Government nominee director and three are independent directors.

The Equity Listing Regulations requires that at least half of the Board should be comprised of independent directors if the chairman of the Board is an executive director. However, as of the date of this Offer Letter, the Board of the Issuer does not have the requisite minimum number of independent directors.

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

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

As on 31.03.2022, the GoI has 55.99% stake in the equity share capital of the Issuer. As a result, the GoI, acting through the MoP, will continue to exercise significant control over the Issuer. The GoI also controls the composition of the Board and determines matters requiring shareholder approval or approval by the Board. The GoI may take or block actions with respect to the Issuer's business, which may conflict with the Issuer's interests or the interests of the Issuer's minority shareholders. By exercising its control, the GoI could delay, defer or cause a change of the Issuer's control or a change in the Issuer's capital structure, or a merger, consolidation, takeover or other business combination involving the Issuer, or discourage or encourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Issuer. In addition, as long as the GoI continues to exercise control over the Issuer, it may influence the material policies of the Issuer in a manner that could conflict with the interest of the Issuer's other shareholders and may take positions with which the Issuer or the Issuer's other shareholders may not agree. In addition, the GoI significantly influences the Issuer'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 GoI could require the Issuer to take action designed to serve the public interest in India and not necessarily to maximise the Issuer's profits.

14. The Government may sell all or part of its shareholding in the Issuer that may result in a change in control of the Issuer.

Whilst the Government's shareholding in the Issuer equals or exceeds 51%, the Issuer 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 on date, there is no legislation that places a mandatory requirement on the Government to hold a minimum 51% shareholding in the Issuer. Therefore the Government may sell all or part of its shares in the Issuer, which may result in a change in control of the Issuer and which may, in turn, disqualify the Issuer from benefiting from certain regulatory exemptions and other benefits that may be applicable to the Issuer due to it being a public sector company. If a change of control were to occur, the Issuer cannot assure investors that it will have sufficient funds available at such time to pay the purchase price of such outstanding Bonds or repay such loan, which 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 the Issuer may not be able to obtain at that time.

15. The Issuer is subject to credit, market and liquidity risks and, if any such risk were to materialise, the Issuer's credit ratings and its cost of funds may be adversely affected.

The Issuer may not be able to effectively mitigate its risk exposures in particular market environments or against particular types of risks. The Issuer'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. The Issuer'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, the Issuer could incur higher than anticipated losses. The successful management of credit, market and operational risk is an important consideration in managing the Issuer's liquidity risk because it

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

affects the evaluation of the Issuer's credit ratings by rating agencies. The Issuer currently holds credit ratings for its long-term domestic borrowings and its short term borrowings from CRISIL (CIN: U67100MH2019PLC326247), ICRA (CIN: L74999DL1991PLC042749) and CARE (CIN: L67190MH1993PLC071691) respectively. International credit rating agencies Moody's and Fitch have also provided long-term foreign currency issuer ratings for the Issuer. However, rating agencies may reduce or indicate their intention to reduce the ratings at any time and there can be no assurance that the Issuer 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 the Issuer's ratings. Any reduction (or withdrawal) in the Issuer's ratings may make the Issuer ineligible to remain classified as an IFC, increase the Issuer's borrowing costs, limit the Issuer's access to capital markets and adversely affect the Issuer'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 the Issuer's liquidity and negatively impact the Issuer's financial condition and results of operations.

16. The Issuer may fail to obtain regulatory approvals to operate or expand its business in a timely manner or at all, or to comply with the terms and conditions of its existing regulatory approvals and licenses, which may have a material adverse effect on the continuity of the Issuer's business and may impede its operations in the future.

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

NBFCs in India are subject to strict regulations and supervision by the RBI. These laws and regulations impose numerous requirements on the Issuer, including those relating to asset classification and prescribed levels of capital adequacy, cash reserves and liquid assets. In addition to the numerous conditions required for the registration as an NBFC with the RBI, the Issuer is required to maintain certain statutory and regulatory permits and approvals for its business. In the future, the Issuer 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 the Issuer or at all. Failure by the Issuer to renew, maintain or obtain the required permits or approvals may result in the interruption of the Issuer's operations and may have a material adverse effect on its business, financial condition and results of operations.

Furthermore, the RBI has not provided for any ceiling on interest rates that can be charged by non-deposit taking NBFCs even though they have stated in circulars that NBFCs should lay out appropriate internal principles and procedures in determining interest rates and other charges. The Issuer fixes the interest rate based on average cost of funds, RBI's monetary policies, competitors' interest rate, certain percentage of margin and other markets conditions, which are subject to change from time to time. There may be future changes in the regulatory system or in the enforcement of laws and 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, the Issuer is required to make various filings with the RBI, the Registrar of Companies (RoC) and other relevant authorities pursuant to the provisions of the RBI regulations, the Companies Act and other regulations. If the Issuer fails to comply with these requirements, or if a regulator claims the Issuer has not complied with such requirements, the Issuer may be subject to penalties. Moreover, these laws and regulations can be amended, supplemented or changed at any time such that the Issuer may be required to restructure its activities and incur additional expenses in complying with such laws and regulations, which could adversely affect the Issuer's business. In addition, any historical or future failure to comply with the

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

terms and conditions of the Issuer’s existing regulatory or statutory approvals may cause the Issuer to lose or become unable to renew such approvals.

17. The Issuer may in the future conduct additional business through joint ventures and strategic partnerships, exposing the Issuer to certain regulatory and operating risks.

The Issuer 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 the Issuer’s business operations in the power sector. The Issuer may not be able to identify suitable joint venture or strategic partners or the Issuer may not complete transactions on terms commercially acceptable to it, or may not complete transactions at all. The Issuer 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 the Issuer’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 the Issuer’s management, financial and other resources and any unforeseen costs or losses could adversely affect its business, profitability and financial condition.

18. Some of the Issuer’s agreements with its lenders and its borrowers are not executed on stamp paper.

In the event that some of the Issuer’s loan documents with its lenders and borrowers may not be executed on appropriate stamp paper documents such agreements cannot be admitted as evidence in a court of law or be acted upon by any person having consent of parties by law or the authority to receive any such evidence. Such agreements can only be used as evidence in a court of law upon payment of the applicable stamp duty, along with any additional penalty that may be levied (which penalty may be up to ten times the applicable stamp duty). Therefore, in cases of disputes among the lenders or borrowers where the agreements have not been executed on the correct stamp paper, such agreements may be inadmissible as evidence (unless the adequate stamp duty together with any penalty has been paid) and this may in turn have a material adverse effect on the Issuer’s business, results of operations and financial position.

19. The Issuer has 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 cash outflows relating to loans and advances that the Issuer disburses (net of any repayments the Issuer receives) are reflected in the Issuer’s cash flow from operating activities whereas the cash inflows from external funding that the Issuer procures (net of any repayments of such funding) to disburse these loans and advances are reflected in the Issuer’s cash flows from financing activities. The net cash flows from investing activities primarily represent sale and purchase of fixed assets, other investments and interest received. The following table sets forth certain information with respect to the Issuer’s historical cash flows, including certain negative cash flows, for the periods indicated:

(Rs. in crores)

Particulars	As of March 31				
	2018	2019	2020	2021	2022
Net cash from operating Activities	(27,528.34)	(44,499.69)	(10,025.55)	(17,514.68)	6,738.42
Net cash from investing activities	1,138.18	(13,819.57)	1,555.92	880.92	(30.53)
Net cash from financing activities	1,475.36	58,091.65	8,342.06	20,168.86	(9,704.60)
Net increase/(decrease) in cash and cash equivalents	3,086.68	(227.62)	(127.57)	3,535.10	(2,996.71)

**Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

There can be no assurance that there will not be a negative cash flow in the future.

20. The Issuer may not be able to identify attractive financing or investment opportunities, or provide financing to or make investments in such identified opportunities, which may adversely affect the Issuer's financial condition and results of operations.

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

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

21. 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 the Issuer's borrowers and in turn adversely affect the quality its 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 the Issuer's customers to incur substantial expenditure, specifically with respect to compliance with environmental laws. Furthermore, certain of the Issuer's borrowers' contractors and other counterparties are required to obtain approvals, licenses, registrations and permits with respect to the services they provide to the Issuer's borrowers. The Issuer'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 the Issuer's borrowers may adversely affect its operations. This in turn could adversely affect the quality of the Issuer's loans, may put the Issuer's customers in financial difficulties (which could increase the

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

level of non-performing assets in the Company's portfolio) and adversely affect the Issuer's business and financial condition.

22. The Issuer's business and activities are regulated by the Competition Act, 2002 (the "Competition Act") and any application of the Competition Act to the Issuer may be unfavourable or have an adverse effect its business, financial condition and results of operations.

The Indian Parliament has enacted the Competition Act under the auspices of the Competition Commission of India ("**Competition Commission**") to prevent business practices that have an appreciable adverse effect on competition in India, which (other than for certain provisions relating to the regulation of combinations) became effective in 2009. 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 the Issuer 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 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 the Issuer's business, financial condition and results of operations.

23. Changes in legislation, including tax legislation, or policies applicable to the Issuer could adversely affect its results of operations.

The Government has proposed two major reforms in Indian tax laws, namely the Goods and Services Tax (GST) and provisions relating to General Anti Avoidance Rules (GAAR).

The provisions of the GST have come into effect from 1 July 2017 and have replaced the indirect taxes on goods and services such as central excise duty, service tax, customs duty, central sales tax, state VAT, surcharge and excise currently being collected by the central and state governments.

As regards GAAR, the provisions have come into effect from assessment year 2018-2019. The GAAR provisions intend to catch arrangements declared as "impermissible avoidance arrangements", which is any arrangement, the main purpose or one of the main purposes of which is to obtain a tax benefit and which satisfy at least one of the following tests: (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act, 1961; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, which are not ordinarily employed for bona fide purposes. The onus to prove that the transaction is not an "impermissible avoidance agreement" is on the assessee. If GAAR provisions are invoked, then the tax authorities have wide powers, including denial of tax benefit or a benefit under a tax treaty.

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

24. The risks to financial stability could adversely affect the Issuer’s business.

As reported by the RBI in its financial stability report dated June 26, 2015, the gross non- performing assets in the banking system have grown, while stressed advances including standard restructured loans have risen since September 2014. This deterioration in asset quality is expected to continue into the next few quarters as well. Profitability measured by return on assets and return on equity remained around the same level during the last two years. The banking stability map suggests that the overall risks to the banking sector have moderated marginally since September 2014. However, concerns remain over the continued weakness in asset quality and profitability.

The Issuer has little or no control over any of these risks or trends and may be unable to anticipate changes in economic conditions. Adverse effects on the Indian banking system could impact the Issuer’s funding and adversely affect its business, operations and financial condition and the market price of the Bonds.

25. The Issuer has 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 its financial condition.

As of March 31, 2022 Rs. 59,130 crore or 15.85% of the Issuer’s total outstanding loans were to private sector borrowers. Under the terms of the loans to private sector borrowers, the Issuer’s loans are secured by project assets, and in certain cases, the Issuer has also obtained additional collateral in the form of a pledge of shares by the relevant promoter, or sponsor guarantee. The Issuer expects that its exposure to private sector borrowers will increase in the future. The ability of such borrowers to perform their obligations under its 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.

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

Majority of the Issuer’s 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 the Issuer’s borrowers and deposited in the relevant escrow accounts or trust and retention accounts. Though the Issuer monitors the flow into the escrow accounts and trust and retention accounts, the Issuer does 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 the Issuer’s borrowers, the escrow account mechanism and the trust and retention account arrangements will not be effective in ensuring the timely repayment of the Issuer’s loans, which may adversely affect the Issuer’s financial condition and results of operations. In addition, as the Issuer diversifies the loan portfolio and enter into new business opportunities, the Issuer 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.

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

27. Insurance of relevant project assets obtained by the Issuer's borrowers may not be adequate to protect them against all potential losses, which could indirectly affect the Issuer's ability to recover its loans to such borrowers.

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

28. The Issuer is involved in a number of legal proceedings that, if determined against it, could adversely impact its business and financial condition.

The Issuer 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 the Issuer, could have an adverse impact on the business, financial condition and results of operations of the Issuer. No assurances can be given as to whether these legal proceedings will be decided in the Issuer's favour or have no adverse outcome, nor can any assurance be given that no further liability will arise out of these claims.

29. Volatility in interest rates affects the Issuer's lending operations and may result in a decline in its net interest income and net interest margin and adversely affect its return on assets and profitability.

The Issuer's business is primarily dependent on interest income from its lending operations. The primary interest rate-related risks the Issuer faces are from timing differences in the pricing of the Issuer's assets and liabilities, for example, in an increasing interest rate environment, the Issuer's liabilities are priced prior to its assets being priced, it 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 its loan assets and its loan liabilities.

Interest rates are highly sensitive to many factors beyond the Issuer'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, the Issuer is subject to greater re-pricing and prepayment risks as borrowers may take advantage of the attractive interest rate environment. If the Issuer re-prices loans, the Issuer's results may be adversely affected in the period in which the re-pricing occurs. If borrowers prepay loans, the return on the Issuer's capital may be impaired as any prepayment premium the Issuer receives may not fully compensate the Issuer for the redeployment of such funds elsewhere. In addition, while the Issuer sets the interest rate under its loans and also typically has the option to reset the rate to the Issuer's prevailing lending rates in accordance with the terms of the relevant loans, typically every three 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 the Issuer's borrowings and given that a majority of the Issuer's loans are subject to three year re-set clauses, the Issuer 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 the Issuer's results of operations and financial condition. In addition, as a non-deposit

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

taking NBFC, the Issuer may be more susceptible to such increases in interest rates than some of the Issuer’s competitors such as commercial banks or deposit taking NBFCs that have access to lower cost funds.

The Issuer’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 the Issuer’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 the Issuer may enter into in the future may be affected by changes in interest rates. There can be no assurance that the Issuer 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.

30. As an NBFC and an IFC, the Issuer is required to adhere to certain individual and borrower group exposure limits prescribed by the RBI.

The Issuer is a systemically important non-deposit taking NBFC and is subject to various regulations by the RBI as an NBFC. With effect from 28 July 2010, the Issuer has been classified as an IFC by the RBI, and the classification is subject to certain conditions stipulated by RBI.

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:

		(limit as a % of owned funds)	
Concentration of credit / investment	Loan company	Infrastructure Finance Company	
• Lending ceilings			
<i>Lending to any single borrower</i>	15%	25%	
<i>Lending to any single group of borrowers</i>	25%	40%	
• Loans and investment taken together			
<i>Lending and investing to single party</i>	25%	30%	
<i>Lending and investing to single group of parties</i>	40%	50%	

The applicable NBFCs may exceed the concentration of credit/investment norms by 5 per cent for any single party and by 10 per cent for a single group of parties, if the additional exposure is on account on infrastructure loan and/or investment.

Furthermore, the Issuer is exempted from the applicability of RBI concentration of credit and investment limits in respect of its exposure towards Government entities (including state government entities) until 31 March 2022. Accordingly, in case of the Government sector, the Issuer is following the below MoP-approved credit concentration limits:

Concentration of credit / investment	Government sector Companies (limit as a % of network)
• Lending to a single entity :	100% -150% (higher exposure upto 150% is permitted subject to certain conditions)
• Investment in shares :	15%
• Lending + Investment :	100%-150%

As of 31 March 2022, the Issuer’s CRAR was 23.48 per cent. Any inability to continue to be classified as an IFC may impact the Issuer’s growth plans by affecting its competitiveness. As an IFC, the Issuer has to constantly monitor its compliance with the necessary conditions, which may hinder the Issuer’s future plans to diversify into new business lines. In the event that the Issuer is unable to comply with the eligibility condition(s), the Issuer may be subject to regulatory actions by the RBI and/or the cancellation of its registration as a systemically

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

important non-deposit taking NBFC that is also an IFC. Any levy of fines or penalties or the cancellation of the Issuer's registration as an NBFC or IFC may adversely affect the Issuer's business, prospects, results of operations and financial condition.

In addition, the Issuer's 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. As the Issuer grows its business and increases its borrowings, it may face similar limitations with other lenders, which could impair the Issuer's growth and interest margins.

31. The power sector financing industry is becoming increasingly competitive and the Issuer's growth will depend on its ability to compete effectively and maintain a low effective cost of funds.

The Issuer is facing increasing competition from public and private sector commercial banks and from other financial institutions that provide funding to the power sector. Many of the Issuer's competitors may have access to greater and cheaper sources of funding than the Issuer. Competition in the Issuer's industry depends on, among other factors, the ongoing evolution of GoI policies relating to the industry, the entry of new participants into the industry and the extent to which there is consolidation among banks, financial institutions and NBFCs in India. The Issuer's primary competitors are public sector infrastructure finance companies, public sector banks, private banks (including foreign banks), financial institutions and other NBFCs. Many of the Issuer's competitors may have larger resources or sizes than the Issuer and may have considerable financing resources. In addition, since the Issuer is a non-deposit taking NBFC, the Issuer may have restricted access to funds in comparison to banks and deposit taking NBFCs. The Issuer's ability to compete effectively is dependent on its ability to maintain a low effective cost of funds. With the growth of its business, the Issuer is dependent on funding from the equity and debt markets and commercial borrowings. The market for such funds is competitive and the Issuer's ability to obtain funds on acceptable terms, or at all, will depend on various factors including the Issuer's ability to maintain its credit ratings. If the Issuer is unable to access funds at an effective cost that is comparable to or lower than that of its competitors, the Issuer may not be able to offer competitive interest rates for its loans to power projects. This is a significant challenge for the Issuer, as there are limits to the extent to which higher costs of funds can be passed on to borrowers, thus potentially affecting the Issuer's net interest income

32. The power sector in India is regulated by GoI, and the Issuer's operations are directly or indirectly dependent on GoI policies and support, which make it susceptible to any adverse developments in such GoI policies and support.

The Issuer is a Government company operating in a regulated industry, and the GoI (being a principal shareholder holding 55.99% as on March 31, 2022, of its paid up equity share capital), acting through the MoP, exercises significant influence on key decisions relating to its operations, including with respect to the appointment and removal of members of its Board, and can determine various corporate actions that require the approval of the 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 the Issuer's 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 the Issuer, like other Government companies, are responsible for the implementation of, and providing support to, such GoI schemes and initiatives. The Issuer 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 its commercial interests. In addition, the Issuer may be required to provide financial or other assistance and services

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

to public sector borrowers and Gol and other Government agencies in connection with the implementation of such Gol initiatives, resulting in diversion of management focus and resources from its core business interests. Any developments in Gol policies or in the level of direct or indirect support provided to the Issuer or its borrowers by the Gol in these or other areas could adversely affect the business, financial condition and results of operations.

33. Volatility in foreign exchange and un-hedged foreign currency could adversely affect the Issuer's financial conditions and results of operations.

As of March 31, 2022, the Issuer had foreign currency borrowing outstanding of Rs. 56,288 crore, or approx. 18% of its total borrowings. The Issuer may continue to be involved in foreign currency borrowing and lending in the future, which will further expose it to fluctuations in foreign currency rates. The Issuer has put in place a currency risk management (“**CRM**”) policy, which has been approved by RBI, to manage risks associated with foreign currency borrowing. However, there is no assurance that it will remain effective over a period of time. The Issuer 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. Volatility in foreign exchange rates could adversely affect the business and financial performance. The Issuer is also affected by adverse movements in foreign exchange rates to the extent they impact its borrowers negatively, which may in turn impact the quality of the Issuer's exposure to these borrowers. Foreign lenders may also impose conditions more onerous than domestic lenders.

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

34. Certain of the Issuer's SEB borrowers have been restructured and the Issuer has not yet entered into definitive loan agreements with such restructured entities, which could affect its ability to enforce applicable loan terms and related state Government guarantees.

The Issuer has granted long-term loans to various SEBs that were guaranteed by the respective state Governments. Pursuant to certain amendments to the Electricity Act, 2003 (“**Electricity Act**”), the respective state Governments have restructured these SEBs into separate entities formed for power generation, transmission and/ or distribution activities. As part of such restructuring process, all liabilities and obligations of the restructured SEBs relating to the Issuer's loans were transferred, pursuant to a notification process, to the respective state Government, which in turn transferred such liabilities and obligations to the newly formed state Government-owned transmission, distribution and/ or generation companies. However, the relevant notification transferring such liabilities and obligations under the Issuer's loans necessitates the execution of a transfer agreement among the Issuer, the respective state Government and the relevant newly formed transferee entity. The Issuer has not yet executed such transfer agreements with respect to some of these loans. In such circumstances, as the state Government guarantees have not been reaffirmed to cover the debt obligations of such newly formed transferee entities, the Issuer may not be able to enforce the relevant state guarantees in case of default on its loans by such transferee entities. Although the Issuer intends to enter into such transfer agreements to ensure that the terms of its original loan agreements entered into with the SEBs continue to apply to such transferee entities, there can be no assurance that the Issuer will be able to execute such transfer agreements in a timely manner, or execute at all. In addition, the relevant state Government may not reaffirm

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

such guarantees with respect to the debt obligations assumed by such restructured transferee entities. There may also be delay, due to factors beyond the Issuer's control, with respect to the establishment of relevant trust and retention account arrangements with such restructured transferee entities. In addition, the Issuer has restructured loans sanctioned to certain SPUs and other SEBs, including rescheduling of repayment terms. Any negative trends or financial difficulties faced by such SPUs and SEBs could increase the Issuer's NPAs and adversely affect the Issuer's business, financial condition and results of operations.

35. The Issuer may incur shortfalls in the advance subsidy received under the Accelerated Generation and Supply Programme ("AG&SP") scheme of the Gol, which may affect its financial condition.

In Fiscal 1998, the Gol started the AG&SP, a scheme for providing interest subsidies for various projects. The Issuer oversees and operate this scheme on behalf of the Gol. The scheme subsidizes the Issuer's normal lending rates on loans to SPUs. The subsidy is paid in advance directly to the Issuer from the Central Government budget and is to be passed on to the borrowers against their interest liability arising in future under the AG&SP scheme.

The Issuer maintains an interest subsidy fund account on account of the subsidy claimed from the Gol at net present value which is calculated at certain pre-determined and indicative discount rates, irrespective of the actual repayment schedule, moratorium period and duration of repayment. The impact of the difference between the indicative discount rate and period considered at the time of drawal and the actual can be ascertained only after the end of the respective repayment period in relation to that particular loan. In the event of there being a shortfall, the Issuer shall have to bear the difference, which may affect its financial condition and results of operations.

36. The Issuer might not be able to develop or recover costs incurred on its Ultra Mega Power Projects and ITPs and its failure to do so may have an adverse effect on its profitability.

The Issuer has been appointed as the nodal agency for the development of UMPPs, each with a contracted capacity of 4,000 MW or more. The Issuer has incorporated wholly-owned subsidiaries as SPVs for these projects. These SPVs have been established to undertake preliminary site investigation activities necessary for conducting the bidding process for these projects and also to undertake preliminary studies and obtain necessary linkages, clearances, land and approvals including for water, land and power sale arrangements, prior to transfer of the projects to successful bidders. The objective is to transfer these SPVs to successful bidders, through a tariff based international competitive bidding process, who will then implement these projects, on payment of development costs incurred by each SPV. The Issuer 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 the Issuer 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 the Issuer's inability to find a developer for such projects. In addition, the Issuer may not be able to fully recover its expenses from the successful bidder, which may result in financial loss to it, which could adversely affect the financial condition and results of operations.

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

37. The Issuer's agreements regarding certain of its joint venture arrangements or investments in other companies contain restrictive covenants, which limit its ability to transfer its shareholding in such ventures.

The Issuer has entered into a joint venture arrangement, pursuant to which a joint venture company has been incorporated.

The Issuer has also entered into a share subscription and shareholders agreement with the NSE and National Commodity & Derivatives Exchange Limited subscribing to the equity shares of Power Exchange India Limited.

The Issuer has also jointly promoted various companies in which the Issuer holds a minority stake.

As the Issuer holds minority interests in the joint venture company, the Issuer's joint venture partners will have control over such joint venture companies (except to the extent agreed under the respective joint venture agreements). In addition, the Issuer has not made provisions for the decline in value of some investments which may have an adverse impact on the Issuer's financial condition. In addition, the Issuer may not be able perform or comply with its obligations under the joint venture agreement and its failure to do so may result in a breach of such agreement, which could affect the Issuer's rights under this agreement.

Furthermore, the success of the joint venture is dependent upon the cooperation of the Issuer's joint venture partners. The joint venture is subject to the risk of non-performance by the Issuer's joint venture partners of their obligations, including their financial obligations, in respect of the joint venture. Joint venture partners may have business interests or goals that may differ from the Issuer's business interests or goals, or those of the Issuer's shareholders. Any disputes that may arise between the Issuer and its joint venture partners may cause delays in completion or the suspension or abandonment of the venture. In addition, although the joint venture confers rights on the Issuer, its joint venture partners have certain decision-making rights that may limit the Issuer's flexibility to make decisions relating to such business, and may cause delays or losses.

38. The Issuer's success depends in large part upon its management team and skilled personnel and its ability to attract and retain such persons.

Many of the Issuer's employees, particularly senior management, have worked with the Issuer for significantly long periods. The Issuer's future performance depends on the continued service of its management team and skilled personnel. The Issuer may face a challenge to recruit and retain a sufficient number of suitably skilled personnel, particularly as the Issuer continues to grow. There is significant competition for management and other skilled personnel in the Issuer's industry. Furthermore, the Issuer's ability to meet future business challenges depends on its ability to attract and recruit talented and skilled personnel. The loss of any of the members of the Issuer's Board, senior management, or other key personnel or an inability to manage the attrition levels in the different employee categories may materially and adversely impact the Issuer's business, financial condition and results of operations.

39. The Issuer benefits from certain tax benefits available to it as a lending institution. If these tax benefits are no longer available to the Issuer it would adversely affect its business, financial condition and results of operations.

The Issuer has received and currently receives tax benefits by virtue of its status as a lending institution, including as a result of its lending within the infrastructure sector, which have enabled it to reduce its effective tax rate. The availability of such tax benefits is subject to the policies of the GoI and there can be no assurance as to any or all of these tax benefits that the Issuer will receive or continue to receive in the future. If the laws or

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

regulations regarding these tax benefits are amended, the Issuer's taxable income and tax liability may increase/decrease, which may have an impact on its financial condition and results of operations.

40. The Issuer may make equity investments in power sector in the future and such investments may not be recovered.

As part of its growth strategy, and subject to receipt of relevant approvals, the Issuer may evaluate potential equity investment opportunities in power sector projects. In addition, the Issuer may consider equity syndication opportunities for power sector projects, which the Issuer expects will also increase its fee-based income. The value of such investments will depend on the success and continued viability of these projects. In addition to project-specific risks, the Issuer will have limited control over the operations or management of these businesses. Therefore, the Issuer's ability to realise expected gains on its equity interest in a business is highly dependent on factors outside the Issuer's control. Write-offs or write-downs in respect of the Issuer's equity investments may adversely affect the Issuer's financial condition. The Issuer may also be unable to realise any value if the company in which the Issuer invests does not have a liquidity event, such as a sale of the business, recapitalisation or public offering, which would allow the Issuer 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 the Issuer's financial statements may be higher than the values obtained by the Issuer upon the sale of such investments.

41. The Issuer is subject to restrictive covenants under its credit facilities that could limit its flexibility in managing the business.

There are restrictive covenants in the agreements the Issuer has entered into with certain banks and financial institutions for its short term borrowing, medium term borrowing, long term borrowing and bonds trust deeds. These restrictive covenants require the Issuer to maintain certain financial ratios and seek the prior permission of these banks/financial institutions for various activities, including, amongst others, selling, leasing, transferring or otherwise disposing of any part of the Issuer's 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 the Issuer's loan and bond documents may restrict its operations or ability to expand and may adversely affect its business.

In addition, if the Issuer fails to meet its debt service obligations or if a default otherwise occurs, its lenders could declare the Issuer 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 the Issuer's obligations could have a material adverse effect its cash flows, business and results of operations. Furthermore, the Issuer's lenders may recall certain short-term demand loans availed of by the Issuer at any time. There can be no assurance that the Issuer will be able to comply with these financial or other covenants or that it will be able to obtain the consents necessary to take the actions it believes are required to operate and grow its business in the future.

**Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

42. The Issuer has 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.

The Issuer has entered and may enter into transactions with related parties, including its Directors. There can be no assurance that the Issuer could not have achieved more favourable terms on such transactions had they not been entered into with related parties. Furthermore, it is likely that the Issuer 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 the Issuer's financial condition and results of operations. The transactions the Issuer has entered into and any future transactions with related parties have involved or could potentially involve conflicts of interest.

The Issuer's subsidiaries PFCCL is engaged in the consultancy services and debt syndication services business respectively, and the Issuer's constitutional documents permit the Issuer to engage in similar business however there is no relationship agreement or similar arrangement currently in place between the Issuer and PFCCL and the Issuer and it is possible this may result in potential conflicts of interest.

43. The Issuer's insurance may not be adequate to protect it against all potential losses to which it may be subject.

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

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

44. The Issuer is subject to stringent labour laws, thus making it difficult for it to maintain flexible human resource policies, which could have an adverse effect on the 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 the Issuer to maintain flexible human resource policies, discharge employees or downsize, which though not quantifiable, may adversely affect the Issuer's business and profitability. The Issuer has a registered trade union under the Trade Unions Act, 1926. Although the Issuer considers its relations with its employees to be stable, 4.38% of its employees are unionised and although the Issuer has not lost any time on account of strikes or labour unrest to date, the Issuer's failure to effectively re-negotiate wage revisions or other legitimate union activity could result in work stoppages. Any such work stoppage, though not quantifiable, could have an adverse effect on the Issuer's business, financial condition and results of operations.

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

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

The Issuer has taken property on lease for its branch 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 the Issuer'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 the Issuer, 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 the Issuer 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 the business.

46. The Issuer may become liable for the acts or omissions of external consultants engaged by the Issuer or its Subsidiaries.

Certain of the Issuer's Subsidiaries provide consultancy services and undertakes execution of consultancy assignments in the power sector for its clients. For these purposes, the Issuer's Subsidiaries also engages external consultants. The Issuer 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, the Issuer may become liable to its clients or third parties for the acts or omissions of such external consultants, which could have an adverse affect on the business, financial condition and results of operations.

47. Changes in environment standards in relation to thermal power projects impose significant risks to the Issuer's business.

With the change in requirements and adoption of stricter norms by thermal power projects in order to bring such projects in line with global parameters of climate conservation, there may be delays in the execution of such thermal power projects, which in turn may adversely affect the Issuer's business and financial condition. This is because the companies engaged in the thermal power sector form one of the Issuer's primary borrowers and any delay in implementation of such projects may in turn lead to delay or impediments to future sanctions, disbursements and recovery from such sectors, which may adversely affect the Issuer's business and financial condition.

48. Security of the Issuer's IT systems may fail and adversely affect the business, operations, financial condition and reputation.

The Issuer 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 the business operations or cause disclosure or modification of sensitive or confidential information. The Issuer's operations also rely on the secure processing, storage and transmission of confidential and other information in its computer systems and networks. The Issuer's computer systems, software and networks may be vulnerable

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

to unauthorised access, computer viruses or other malicious code and other events that could compromise data integrity and security. Although the Issuer 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 its IT systems as mentioned above could result in business interruption, material financial loss, regulatory actions, legal liability and harm to the Issuer's reputation. Furthermore, any delay in implementation or disruption of the functioning of the Issuer's IT systems could disrupt its ability to track, record, process financial information or manage creditors/debtors or engage in normal business activities.

49. A decline in the the Issuer's capital adequacy ratio could restrict the company's future business growth.

The Issuer is required under applicable laws and regulations to maintain a capital adequacy ratio of at least 15.00% of its risk-weighted assets, with the minimum requirement of Tier I capital being 10.00%. For maintaining growth in its loan portfolio and asset base, the Issuer may be required to raise additional Tier I and Tier II capital in order to continue to meet applicable capital adequacy ratios. There can be no assurance that the Issuer will be able to raise adequate additional capital in the future on terms favourable to the Company or that it will be able to retain its IFC classification, which may affect the growth of the business.

DRAFT

B. RISKS RELATING TO THE INDIAN ECONOMY

- 1. A slowdown in economic growth in India could adversely impact the Issuer's business. The Issuer's performance and the growth of its business are necessarily dependent on the performance of the overall Indian economy.**

Any slowdown in the Indian economy or in the growth of any of the industries to which the Issuer provides a financing facility, or a rise in volatility in global commodity prices could adversely affect the Issuer's borrowers and in turn the growth of the Issuer's business, results of operations and financial condition.

India's economy could be adversely affected by a general rise in interest rates, currency exchange rates, and adverse conditions affecting agriculture, commodity and electricity prices or various other factors. Furthermore, 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.

The Indian economy and financial markets are also significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America, Europe or China, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets.

For example, (i) the global financial turmoil in 2008, which was an outcome of the sub-prime mortgage crisis that originated in the United States of America, led to a worldwide loss in investor confidence. The Indian financial markets also experienced the effect of the global financial turmoil, evidenced by the sharp decline in stock exchange indices; and (ii) the result of the referendum which led United Kingdom to opt out of the European Union membership (Brexit) has generated significant uncertainty as to the impact of Brexit on general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets. These issues and any other prolonged financial crisis may have an adverse impact on the Indian economy, thereby resulting in a material adverse effect on Issuer's business, financial condition and results of operations.

- 2. Any downgrading of India's debt rating by an international rating agency could have a negative impact on the Issuer's business.**

The Issuer is rated by international rating agencies namely, Fitch and Moody's for its foreign currency borrowings.

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 the Issuer'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 the business and future financial performance and the Issuer's ability to obtain financing for providing finance to the power sector.

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

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

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 the Issuer'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 the business, prospects, financial condition and results of operations.

4. 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 the Issuer.

Although the power sector is rapidly growing in India, the Issuer believes 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 the Issuer 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, the Issuer's 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 the Issuer expects or at all. In the event demand for power in India does not increase as anticipated, the extent to which the Issuer is able to grow the business by financing the growth of the power sector would be limited and this could have a material adverse effect on the business, financial condition and results of operations.

5. 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 the Issuer has exposure, which could adversely affect it.

India majorily imports its requirements of crude oil. Although oil prices have shown a marked lack of volatility recently, volatility in oil prices is expected to increase, as the current compressed level in oil prices appears inconsistent with falling inventories, limited global spare capacity and an escalation in the number and connectedness of geopolitical risks. The GoI has deregulated retail prices of certain fuels, and prices have moderated in fiscal year 2014 due to concerns over a slowdown in global economic growth. The GoI has also deregulated the prices of certain oil products resulting in greater pass-through of international crude prices to domestic oil prices. Any significant increase in oil prices could affect the Indian economy, including the power sector, and the Indian banking and financial system. High oil prices could also add to inflationary pressures in the Indian economy. In addition, increases in oil prices may have a significant impact on the power sector and related industries in which the Issuer has substantial exposure. This could adversely affect the Issuer's business including its ability to grow, the quality of its asset portfolio, its financial condition and its ability to implement its strategy.

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

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

Continued shortages of fuel could adversely affect some of the projects the Issuer finances and could impact the quality of the Issuer's asset portfolio and the Issuer's financial condition. With regard to coal, while there are substantial proven reserves in India, significant investments are required to mine the reserves. There can be no assurance that such investments will be made. Domestic coal demand is expected to increase significantly, driven by significant Indian power capacity addition. High dependence on domestic coal could therefore expose power companies to potential price and availability risks. In the case of a shortage of coal, the productivity of the domestic coal-fired power stations could be reduced and their expansion plans hindered. Domestic power companies also import coal however there is no assurance that such sources of coal will continue to be available to the power companies at reasonable price or terms.

6. 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 the Issuer's cost of funding, loan portfolio, business, future financial performance and the trading price of any Bonds issued under the Programme. 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.

7. Political instability or changes in GoI policies could delay the liberalization of the Indian economy and adversely affect economic conditions in India generally, which could impact the Issuer's financial results and prospects.

**Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

The Issuer is incorporated in India, derives its revenues from operations in India and all its assets are located in India. Consequently, the Issuer'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. The Issuer'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, the Issuer's business, its future financial performance and the trading price of the Bonds.

8. Difficulties faced by other financial institutions or the Indian financial sector generally could cause the Issuer's business to suffer.

The Issuer is 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 the business and financial performance.

9. Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and the Issuer's business.

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets in which the Issuer's 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 the 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 the Issuer's ability to develop its operations. As a result, the Issuer's business, prospects, results of operations and financial condition could be materially adversely affected by any such events.

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

India has experienced natural calamities such as earthquakes, floods and drought in the recent past. The extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of below normal rainfall in the country or other natural calamities could have a negative impact on the Indian economy, affecting the Issuer's business and potentially causing the trading price of the Bonds to decrease. Because the Issuer's operations are located in India, its business and operations could be interrupted or delayed as a result of a natural disaster in India, which could affect the business, financial condition and results of operations. Health epidemics could also disrupt the Issuer's business. In Fiscal year 2010, there were outbreaks of swine flu, caused by the H1N1 virus, in certain regions of the world including India and several other countries in Asia. Further, since March, 2020, there is outbreaks of COVID-19, declared as Pandemic by WHO, throughout the world including India and several other countries in Asia. Any further severity or future outbreak of health epidemics and panemics may restrict the level of business activity in affected areas, which may in turn adversely affect the business.

11. There may be other changes to the regulatory framework that could adversely affect the Issuer.

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

The Issuer is under the administrative control of the MoP and a number of the Issuer's activities are subject to supervision and regulation by statutory authorities including the RBI, the SEBI and IRDA. The Issuer is also subject to policies/procedures of GoI departments such as the MoF, MCA and DPE. In addition, the Issuer's borrowers in the power sector are subject to supervision and regulation by the CEA, CERC and SERCs. Furthermore, the Issuer is subject to changes in Indian law as well as to changes in regulation and Government policies and accounting principles. The Issuer is receive certain benefits and takes advantage of certain exemptions available to it 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, the Issuer is 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 the business, financial condition and results of operations. Applicable laws and regulations governing the Issuer's borrowers and the Issuer could change in the future and any such changes could adversely affect the business, financial condition and results of operations.

12. Direct capital market access by the Issuer's borrowers could adversely affect the Issuer.

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. The Issuer has large exposure to SPUs and such changes may have an adverse impact on the business, financial condition and results of operations.

13. Companies operating in India are subject to a variety of Central and state Government taxes and surcharges.

Tax and other levies imposed by the Central and State Governments in India that affect the tax liability of the Corporation include Central and state taxes and other levies including income tax, GST, stamp duty and other special taxes surcharges and cess etc. These taxes are extensive and subject to change from time to time. Any amendments may affect the overall tax liability of Companies operating in India and result in significant additional taxes becoming payable. Additional tax exposure could adversely affect the business and results of operations.

**Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

C. RISKS RELATING TO THE NON CONVERTIBLE SECURITIES

1. There is no guarantee that the Bonds will be listed on NSE / BSE in a timely manner, or at all.

In accordance with Indian law and practice, permissions for listing and trading of the Bonds issued pursuant to this Issue will not be granted until the relevant stock exchanges as well as SEBI approve of the listing, which will be available only after an updated document is accordingly filed with the relevant authorities at the time of such listing. Approval for listing and trading will require all relevant documents authorising the issuing of Bonds to be submitted. There could be a failure or delay in listing the Bonds on the NSE and/or BSE. If permission to deal in and for an official quotation of the Bonds is not granted by the Stock Exchanges, the Bonds will remain unlisted.

2. There has been only a limited trading in the bonds of such nature and the price of the Bonds may be volatile subject to variation.

These Bonds have no established trading market. There can be no assurance that an active public market for the Bonds will develop or be sustained. The liquidity and market prices of the Bonds can be expected to vary with changes in market and economic conditions, the Issuer's financial condition and other factors that may be beyond the Issuer's control.

3. Risks relating to any international regulations, FATCA, taxation rules may apply on foreign investors as the Issue may be marketed to them.

The Bonds have not been recommended by any U.S. federal or state securities commission or regulatory authority. Any representation to the contrary is a criminal offence in the United States and may be a criminal offence in other jurisdictions. The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States under the U.S. Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States. Further, any person making or intending to make an offer of Bonds within the European Economic Area ("EEA") which are the subject of the Issue should only do so in circumstances in which no obligation arises for the Issuer to produce a prospectus for such offer.

Foreign Account Tax Compliance Act withholding may affect payments on the Bonds. Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("FATCA") impose a new reporting regime and, potentially, a 30% withholding tax with respect to (i) certain payments from sources within the United States, (ii) "foreign passthru payments" made to certain non-U.S. financial institutions that do not comply with this new reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution. FATCA may affect payments made to custodians or intermediaries in the payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the

**Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

payments to be made free of FATCA withholding. This is not a complete analysis or listing of all potential tax consequences of FATCA. Investors should consult their own tax advisers to obtain a more detailed explanation of FATCA and how FATCA may affect them. India and The United States have signed an agreement on 9 July to share financial information about their residents, which takes effect on 30 September, 2015 and the amendments to the Income Tax Act, have been notified on 7 August by the CBDT. Therefore if any withholding or deduction is required pursuant to section 1471 through 1474 of the US Internal Revenue Code of 1986 (FATCA), any regulation or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto, the Issuer shall make such FATCA deduction and shall not be liable to compensate, reimburse, indemnify or otherwise make any payment whatsoever directly or indirectly in respect of such FATCA deduction.

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

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

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

The Bonds will be denominated in Indian rupees and the payment of interest and redemption amount shall be made in Indian rupees. Various statutory and regulatory requirements and restrictions apply in connection with the Bonds held by foreign investors. The amounts payable to foreign investors holding the Bonds, on redemption of the Bonds and/or the interest paid/payable in connection with such Bonds would accordingly be subject to prevailing Exchange Control Regulations. Any change in the Exchange Control Regulations may adversely affect the ability of such foreign investors to convert such amounts into other currencies, in a timely manner or may not be permitted to be converted at all. Further, fluctuations in the exchange rates between the Indian rupee and other currencies could adversely affect the amounts realized by foreign investors on redemption or payment of interest on the Bonds by the Issuer.

6. The Bonds are not guaranteed by the Republic of India.

The Bonds are not the obligations of, or guaranteed by, the Republic of India. Although the Government owned 55.99% of the Issuer's issued and paid up share capital as on 31.03.2022, the Government is not providing a guarantee in respect of the Bonds. In addition, the Government is under no obligation to maintain the solvency of the Issuer. Therefore, investors should not rely on the Government ensuring that the Issuer fulfils its obligations under the Bonds.

7. Legal investment considerations may restrict certain investments

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

**Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

8. The Bonds are subject to the risk of change in law.

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

9. No debenture redemption reserve will be created for the Bonds issued under this issue.

According to the Companies (Share Capital and Debentures) Rules, 2014 as amended, for NBFCs registered with the RBI under Section 45-IA of the RBI (Amendment) Act, 1997, no DRR is required in case of privately placed debentures. Therefore creation of DRR is not envisaged against the Bonds being issued under the terms of this Private Placement Offer Letter.

10. Any downgrading in credit rating of the Issuer's other Bonds may affect the rating for these bonds and consequently trading price of the Bonds and its ability to raise funds.

The Bonds proposed to be issued under this Issue have been rated "AAA/Stable" by CRISIL (CIN: U67100MH2019PLC326247) , "CARE AAA/Stable" by CARE (CIN: L67190MH1993PLC071691) and [ICRA]AAA/Stable by ICRA (CIN: L74999DL1991PLC042749). The credit ratings of the Issuer's other bonds may be suspended, withdrawn or revised at any time by the assigning Credit Rating Agencies. Any revision or downgrading in the credit rating may affect the ratings for these bonds and consequently may lower the value of the Bonds and may also affect the Issuer's ability to raise further debt on competitive terms.

11. Payments made on the Bonds will be subordinated to certain tax and other liabilities preferred by law i.e. secured debt.

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

CHAPTER VII
RISK MANAGEMENT

The Issuer has developed various risk management policies and procedures, with particular emphasis on actively managing and controlling its risk exposures. These processes include a detailed appraisal methodology, identification of risks and suitable structuring of credit risk mitigation measures.

The Issuer has 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 the Issuer's operations.

The Issuer has developed an integrated enterprise-wide risk management policy. The Risk Management Committee has set up a Risk Management Sub Committee to monitor certain risks identified by the Issuer.

Important risks faced by the Issuer are:

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

a) Credit risks

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. The Issuer follows 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. The Issuer uses a wide range of quantitative as well as qualitative parameters as a part of the appraisal process to make a sound assessment of the underlying credit risk in a project. The Issuer evaluates the credit quality of the borrowers by assigning risk weights on the basis of the various financial and non-financial parameters. The Issuer evaluates borrowers' eligibility criteria with an emphasis on financial and operational strength, capability and competence.

Although the Issuer encourages certain schemes through differential lending rates, the eligibility criteria and the Issuer's funding decision is guided by the merit of the project and no funds are pre-allocated. In addition, the Issuer has adopted its own prudential norms that provide guidance on aspects of its financial operations including asset classification, provisioning, income recognition, asset concentration and investment limits.

The Issuer's lending policies are set out in its Operational Policy Statement ("**OPS**") which is reviewed from time to time to align it with market requirements. In addition, the Issuer places emphasis is given to projects/ schemes having short gestation periods and on-going generation projects.

The Issuer lends to projects which meet the following criteria:

- 1) techno-economically sound with Financial or Economic Rate of Return of not less than 12% (as may be applicable); other than in certain specific instances, such as projects involving environmental upgrading, meter installation, load dispatch, computerisation and communication, research and development and non-conventional energy projects;
- 2) feasible and technically sound and provide optimal cost solutions for the selected alternative;

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

- 3) compatible with integrated power development and expansion plans of the state/ region/ country;
- 4) compliant with environmental guidelines, standards and conditions;
- 5) schemes should have obtained the required clearances;
- 6) all inputs required for the implementation and operation of the projects are tied up and proper procurement and implementation plans have been drawn up.
- 7) The minimum project size to be considered for appraisal of generation projects (for sanctioning of term loan/guarantee) of private companies (including for captive projects and Debt Refinancing proposals) shall be as follows:* -
 - i. Generation from Non-Conventional Energy Sources (including small hydro projects) and other Projects Promoted by an existing Co. on its own Balance Sheet or by forming SPV with adequate collaterals on the revenues of main Company – 5 MW
 - ii. Other Projects – 10 MW
 - iii. In case of Wind Power Generation projects promoted by Grade I-IV promoters the minimum benchmark can be lowered from 5 MW to 3 MW on case-to-case basis.
 - iv. In case of all Grid connected Solar PV Private Sector Power Generation Projects the minimum size of the project to be considered for appraisal/financing of shall be 1 (one) MW

*The financial assistance for R&M/R&U and other schemes/projects will not be governed by above limits. The above limits shall also not be applicable to the loan/guarantee proposals received from State/Central sector borrowers.

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

b) Security risks

The Issuer seeks to put in place a number of different security and quasi-security arrangements for the loans that the Issuer extends. The Issuer obtains one or more of the following securities in public sector power projects: (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; and (iii) security in the form a charge over the relevant project assets;

For loans to Central and State sector borrowers that do not satisfy certain criteria in terms of credit rating and debt service coverage ratios, the Issuer uses an escrow arrangement as a credit enhancement mechanism pursuant to an escrow agreement (the “**Escrow Agreement**”). The Escrow Agreement is typically a tripartite agreement entered into by the Issuer, 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 centres) into the designated escrow account and the borrower is specifically prohibited from opening any other account for the purpose of collection of revenues without the Issuer’s written consent. In the event of a default in payment by the borrower, upon a demand by the Issuer the escrow agent is authorised to pay the amount owed to he Issuer 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 the Issuer.

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 (the “**TRA Agreement**”). The TRA Agreement is entered into amongst the Issuer, 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

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

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 us 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 Issuer's prior approval. The TRA Agreement continues to operate until all of the obligations have been indefeasibly and irrevocably paid by the borrower. The trust and retention account is a no lien account. 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.

Eligibility of private sector borrowers is assessed on the basis of various factors such as past performance of the promoters, their experience and their capacity to bring in equity and project soundness. In certain cases, collateral securities such as pledges of equity shares held by the promoters and personal or corporate guarantees are also required.

c) Liquidity risks

Liquidity risk is the risk of the Issuer's potential inability to meet its liabilities as they become due. The Issuer faces liquidity risks, which could require the Issuer to raise funds or liquidate assets on unfavourable terms. The Issuer manages its liquidity risk through a mix of strategies, including through forward-looking resource mobilisation based on projected disbursements and maturing obligations.

The Issuer has put in place an effective Asset Liability Management System, constituted an Asset Liability Management Committee ("ALCO") headed by Director (Finance). ALCO monitors risks related to liquidity and interest rate and also monitors implementation of decisions taken in the ALCO meetings. The liquidity risk is being monitored with the help of liquidity gap analysis. The Asset Liability Management framework includes periodic analysis of long term liquidity profile of asset receipts and debt service obligations.

To ensure that the Issuer always have sufficient funds to meet its commitments, the Issuer OPS requires us to maintain satisfactory level of liquidity to ensure availability of funds at any time up to three months' anticipated disbursements. At present, surplus funds are invested by way of short-term deposits with banks and in debt based liquid schemes of public sector mutual funds.

d) Interest rate risks

Interest rate risk is the risk that changes in market interest rates will adversely affect the Issuer's financial condition. The primary interest rate-related risks that the Issuer faces are from timing differences in the maturity of its fixed rate assets and liabilities. For example, if in an increasing interest rate environment, its fixed rate liabilities mature prior to its fixed rate assets and therefore require the Issuer 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 the Issuer's loan assets and its loan liabilities.

Interest income forms a substantial part of total income of the Issuer. The Issuer extends loans at fixed as well as floating interest rates. The Issuer's borrowings are also a mix of fixed and floating rates. A mismatch between assets and liabilities may cause the Issuer's gross spreads to decline and adversely affect the Issuer's profitability. The Company endeavours to match interest rate positions to minimize interest rate risk but may not be able to do so.

Interest rates are dynamic and dependent on various internal and external factors beyond the Issuer's control including cost of borrowing, liquidity in the market, competitors' rates, movement of benchmarks such as AAA bond/GSEC yields, RBI policy changes, de-regulation of the financial sector in india, domestic and international

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

economic and political conditions, inflation and other factors. The interest rate risk is managed by the analysis of interest rate sensitivity gap statements, the evaluation of earning at risk on change of interest and the creation of assets and liabilities with a mix of fixed and floating interest rates.

The Issuer reviews its lending rates periodically based on prevailing market conditions, borrowing cost, yield, spread, competitors' rates, sanctions and disbursements. The Issuer's incremental Rupee lending interest rates are usually made with either a one year, three year, five year or ten year interest reset clause. In order to manage pre-payments risks, the Issuer's policy as of the date of this Offer Letter is to require a pre-payment premium to be paid by the borrower in case of pre-payment. The interest rate reset dates typically occur at the option of the borrower at one, three, five or ten year intervals.

The Issuer has historically, and may in the future, implement interest rate risk management through the contractual terms of its loans, including pricing terms, maturities and pre-payment and re-pricing provisions. In addition, all loan sanction documents specifically entitle the Issuer to vary the interest rate on the undisbursed portion of any loan.

e) Foreign currency risks

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. The Issuer has foreign currency borrowings that could expose it to foreign currency exchange rate risk and the Issuer expects to increase its foreign currency-denominated borrowings in the future.

The Issuer has developed a currency risk management policy to manage risks associated with foreign currency borrowing. The Issuer manages foreign currency risk by lending in foreign currency and through derivative products (such as currency forwards, options, principal swaps, interest rate swaps and forward rate agreements) offered by banks, who are authorised dealers. The Issuer's currency risk management 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 currency risk management 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 currency risk management policy. Every month, the details of foreign currency exposure, open and hedged position are submitted to the Risk Management Committee and such details are submitted every quarter to the Audit Committee and the Board.

f) Operational risks

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

- (a) Operational controls in project finance activities: The Issuer's OPS, operational guidelines and manuals provide a detailed description of the systems and procedures to be followed in the course of appraisal, approval, disbursement, recovery of a loan and resource mobilisation. . Various checks and control measures have been built-in for timely review of the operating activities and monitoring of any gaps in the same. A significant proportion of the activities are subject to regular monitoring and auditing, including loan sanctions, disbursements, recovery and resource mobilisation. In addition to this, many important activities are monitored on a periodic basis.
- (b) Operational controls in treasury activities: The Issuer's OPS and manual for deployment of surplus funds provide a description of operations to be followed, with suitable exposure and counterparty limits.

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

Compliance with the Issuer’s guidelines is monitored through internal control and a well-developed audit system including external and internal audits.

- (c) Legal risk: Legal risk arises from the uncertainty of the enforceability of contracts relating to the obligations of the Issuer’s borrowers. This could be on account of delay in the process of enforcement or difficulty in the applicability of the contractual obligations. The Issuer seeks to minimize the legal risk through legal documentation that is drafted to protect its interests to the maximum extent possible.

DRAFT

CHAPTER VIII
ISSUER INFORMATION

Name of the Issuer	Power Finance Corporation Limited	
Registered & Corporate Office	'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi DL 110001 IN Tel:011-23456000, Fax:011-23456285 Website: www.pfcindia.com , E-mail: pfc.bonds@pfcindia.com	
CMD of The Company	Sh. R.S. Dhillon Chairman and Managing Director, DIN: 00278074 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi DL 110001 IN Tel:011-23456000, Fax: 011-23412545	
CFO/Director (Finance) of The Company	Ms. Parminder Chopra Director (Finance) , DIN:08530587 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi DL 110001 IN Tel:011-23456000, Fax: 011-23412545	
Compliance Officer	Sh. Manohar Balwani Company Secretary, Membership No.: A11117 'Urjanidhi', 1, Barakhamba Lane, Connaught Place, New Delhi DL 110001 IN Tel: (011) 23456740 Fax: (011) 23456740 e-mail: mb@pfcindia.com	
Registrar to the Issue	RCMC Share Registry Pvt Ltd. CIN: U67120DL1950PTC001854 B-25/1, First Floor, Okhla Industrial Area Phase II, New Delhi 110020. Phone : 011 – 26387320/21 Contact Person- Mr. Ravinder Dua E-mail:-investor.services@rcmcdelhi.com Website - www.rcmcdelhi.com	
Debenture Trustee to the Issue	BEACON TRUSTEESHIP LTD. CIN: U74999MH2015PLC271288 4C & D, Siddhivinayak Chambers, Gandhi Nagar, Opp MIG Cricket Club, Bandra (E), Mumbai, Maharashtra 400051 Tel: 022-26558759, Contact Person- Mr. Kaustubh Kulkarni Email- compliance@beacontrustee.co.in Website - www.beacontrustee.co.in	
Statutory Auditors of the Company	M/s Dass Gupta & Associates Chartered AccountantsB-4, Gulmohar Park, New Delhi – 110049	M/s Prem Gupta & Co. Chartered Accountants,T-2342/2 Ashok Nagar, Faiz Road, Karol Bagh,New Delhi - 110005

RCMC

BEACON
TRUSTEESHIP

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

Tel: (+91 11) 46111000
Email: admin@dassgupta.com
ICAI Firm Registration no.: 000112N
Auditor since: Aug 01, 2019
Contact Person : Mr.Naresh Goel
Website : www.dassgupta.com

Tel No.: 011-25466394
E-mail: office@pguptaco.com
ICAI Firm Registration no:
000425N
Auditor since: August 19, 2021
Contact Person: Mr. Shakun Gupta
Website : www.pguptaco.com

Credit Rating Agencies

CRISIL Ratings Limited

CIN: U67100MH2019PLC326247
Regd. Office: CRISIL House,
Central Avenue, Hiranandani
Business Park, Powai, Mumbai-400075
Tel:022-33423000
Contact Person- Mr. Ronak Rathi
Email- Ronak.Rathi@crisil.com
Website - www.crisil.com



ICRA Limited

CIN: L74999DL1991PLC042749
Regd. Office: 1105, Kailash Building,
11th Floor, 26, K.G. Marg,
New Delhi-110001
Tel: (011) 23357940-50
Contact Person- Mr. Sandeep Sharma
Email- sandeep.sharma@icraindia.com
Website - www.icra.in/Rating



CARE Ratings Limited

(CIN: L67190MH1993PLC071691)
13th Floor, E-1 Block, Videocon Tower,
Jhandewalan Extension
New Delhi-110055
Tel:-011-45333200, 23716199
Contact Person- Ms. Deepshi Panda
Email- deepshi.panda@careedge.in
Website - www.careratings.com



**Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

Arrangers to the issue:-

DRAFT

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

CHAPTER IX
SUMMARY TERM SHEET

Security Name	__ % PFC BS __ (yet to be finalized)
Issuer	Power Finance Corporation Limited
Type of Instrument	PFC Unsecured, Redeemable, Non-Convertible, Non-cumulative, Taxable Bonds in the nature of Debentures Series __
Nature of Instrument (Secured or Unsecured)	Unsecured
Seniority (Senior or Subordinated)	Senior
Mode of Issue	Private placement basis
#Eligible investors	<p>The eligible participants/investors shall be as per the EBP Platform of the Stock Exchange as mentioned hereunder:</p> <p>a) QIBs as defined under Regulation 2 (ss) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (hereinafter referred to SEBI ICDR Regulations, 2018).</p> <p>b) Any non-QIB investor including arranger(s), who/ which has been authorized by the issuer, to participate in a particular issue on the EBP Platform.</p> <p>c) Any non-QIB investor which are bidding through arranger (s) authorised by the issuer</p>
Listing (including name of stock exchange(s) where it will be listed & timeline for listing)	<p>On the Debt Market segment of NSE and wholesale Debt Market segment of BSE</p> <p>Further, it shall be ensured by the company that the bonds are listed within T+3 days (T = date of bidding). In case bonds are not listed within T+3 days, the issuer shall; (a) pay penal interest of 1% p.a. over the coupon rate for the period of delay to the investor (i.e. from date of allotment to the date of listing); and (b) be permitted to utilise the issue proceeds of its subsequent two privately placed issuances of securities only after receiving final listing approval from Stock Exchanges.</p>
Rating of the instrument	'AAA/Stable' by CRISIL, 'AAA (Stable)' by ICRA & 'AAA/Stable' by CARE
Issue Size	Rs. __ crore ('Base Issue') with green shoe option of Rs. __ Crore (yet to be finalised)
Minimum Subscription	100 bonds (Rs. 1 crore) and then in multiple of 1 bond (Rs. 1 lakh)
Option to retain	Upto Rs 7000 Crore in one or more tranches

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

oversubscription (Amount)	
Objects of the Issue/ Purpose for which there is requirement of funds	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 objects of the Issue
Coupon Rate	___ % p.a. (yet to be finalized)
Step up/step down coupon rate	Not applicable
Coupon Payment frequency	Annually
Coupon payment dates	First Coupon- __ (yet to be finalised) Thereafter Annually subject to holiday conventions
Coupon type (Fixed, Floating or other structure)	Fixed
Coupon Reset process (including rates, spread, effective date, interest rate cap & floor etc.)	Not applicable
Day count basis (Actual/Actual)	Actual/Actual Interest shall be computed on an “actual/actual basis”. In case of leap year, if 29 Feb falls during the tenor of security, then the number of days shall be reckoned as 366 days for a whole one year period in accordance with Operational Circular no. SEBI/HO/DDHS/P/CIR/2021/613 dtd. 10.08.2021 issued by SEBI, as amended.
Interest on Application money	The interest on application money shall be paid from the date of receipt of application money in PFC's account till one day prior to the date of allotment on the aggregate face value amount of Bonds. No interest on application money would be paid if the date of receipt of application money and allotment is same.
Default Interest Rate	<p>Default in payment: In case of default (including delay) in payment of interest and/ or redemption of principal on the due dates, the Company shall pay additional interest @ 2% p.a. over the coupon rate for defaulting period</p> <p>Listing: The Issuer shall complete all the formalities and seek listing permission within T+3 days.</p> <p>In case of delay in listing of the Bonds within the prescribed period from Deemed Date of Allotment, the Company shall pay penal interest of 1% p.a. over the coupon/ dividend rate for the period of delay to the investor (i.e. from the date of allotment to the date of listing) and be permitted to utilise the issue proceeds of its subsequent two privately placed issuances of securities only after receiving final listing approval from stock exchanges.</p> <p>In case of delay in execution of the Bond Trust Deed within the prescribed period from the deemed date of allotment, the Issuer shall pay penal interest at the rate as mentioned in the relevant regulations, till the date of execution of</p>

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

	the Bond Trust Deed.
Tenor	Tenor to be finalised (bonds to be issued in one or more tranches)
Redemption Date	_ (yet to be finalised)
Redemption amount	At Par
Redemption Premium/Discount	Not applicable
Issue Price	At par
Discount at which security is issued & the effective yield as a result of such discount	Not applicable
Put Date	Not applicable
Put Price	Not applicable
Call Date	Not applicable
Call Price	Not applicable
Put Notification Time (Timelines by which the investor need to intimate Issuer before exercising the put)	Not applicable
Call Notification Time (Timelines by which the Issuer need to intimate Investor before exercising the call)	Not applicable
Face Value	Rs. 1,00,000 (Rupees One lac only) per bond
Minimum application and in multiples of thereafter	100 bonds (Rs. 1 crore) and then in multiple of 1 bond (Rs. 1 lakh)
Issue Timing	_ (yet to be finalised)
Issue Opening date	_(yet to be finalised)
Issue Closing date	_(yet to be finalised)
Date of earliest closing of the issue, if any.	Not applicable
Pay-in-date	_(yet to be finalised)

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

Deemed Date of allotment	_(yet to be finalised)
Settlement mode of the instrument	Through Indian Clearing Corporation Ltd. / Through NSE Clearing Ltd. (as applicable)
Depository	National Securities Depository Limited (“NSDL”) and Central Depository Services (India) Limited (“CDSL”)
Disclosure of Interest/ redemption dates	_(yet to be finalised)
Record Date	15 calendar days prior to actual interest/principal payment date.
All Covenants of the issue (including side letters, accelerated payment clause, etc.)	All covenants to the issue shall be mentioned in the Bond Trust Deed which will be executed within time frame prescribed under the Companies Act.
Description regarding Security (where applicable) including type of security (movable/ immovable/ tangible etc.) type of charge (pledge/ hypothecate on/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the placement memorandum.	The bonds issued are unsecured in nature.
Transaction Documents	<p>The Issuer has executed/ shall execute the documents including but not limited to the following in connection with the Issue:</p> <ol style="list-style-type: none"> 1. Letter appointing Trustees to the Bondholders; 2. Debenture Trust Deed 3. Debenture Trusteeship Agreement; 4. Tripartite Agreement between the Issuer; Registrar and NSDL for issue of Bonds in dematerialized form; 5. Tripartite Agreement between the Issuer, Registrar and CDSL for issue of Bonds in dematerialized form; 6. Letter appointing Registrar and MoU entered into between the Issuer and the Registrar; 7. Application made to NSE and BSE for seeking its in-principle approval for listing of Bonds; 8. Listing Agreement with NSE and BSE; 9. Letters appointing Arrangers to the Issue.

Shelf Private Placement Offer Document– PFC Bond Series

(Private and Confidential –For Private Circulation Only)

<p>Conditions precedent to Disbursement</p>	<p>The subscription from investors shall be accepted for allocation and allotment by the Issuer subject to the following:</p> <ol style="list-style-type: none"> 1. Rating letters from CRISIL, ICRA and CARE not being more than one month old from the issue opening date; 2. Seek a written consent letter from the Trustees conveying their consent to act as Trustees for the Bondholders; 3. Making an application to NSE and BSE for seeking its in-principle approval for listing of Bonds.
<p>Conditions subsequent to Disbursement</p>	<p>The Issuer shall ensure that the following documents are executed/ activities are completed as per time frame mentioned elsewhere in this Private Placement Offer Letter:-</p> <ol style="list-style-type: none"> 1. Maintaining a complete record of private placement offers in Form PAS-5. 2. Filing a return of allotment of Bonds with complete list of all Bondholders in Form PAS-3 under section 42 of the Companies Act, 2013, with the Registrar of Companies, within fifteen days of the Deemed Date of Allotment; 3. Credit of demat account(s) of the allottee(s) by number of Bonds allotted within the stipulated time period from the Deemed Date of Allotment; 4. Making listing application to NSE/ BSE within T+3 days. 5. Execution of trust deed before listing of the bonds (T+3 days) and uploading the same on their website along with listing application. <p>Besides, the Issuer shall perform all activities, whether mandatory or otherwise, as mentioned elsewhere in this Private Placement Offer Letter.</p>
<p>Events of Default (including manner of voting /conditions of joining Inter Creditor Agreement)</p>	<p>Default in payment of interest / principal redemption / delay in listing / delay in execution of trust deed or as may be detailed in respective trust deed / trustee agreement.</p> <p>In case of event of default, penal interest will be paid in accordance with provisions of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended.</p> <p>Manner of voting/ conditions of joining the Inter Creditor Agreement shall be mentioned in the Bond Trust Deed which will be executed within time frame prescribed under the Companies Act.</p>
<p>Creation of Recovery Expense Fund</p>	<p>If required under law, the Issuer undertakes to create a recovery expense fund in the manner as may be specified by SEBI from time to time and inform the Bond Trustee about the same.</p>
<p>Conditions for breach of covenants (as specified in Debenture Trust Deed)</p>	<p>Shall be mentioned in the Bond Trust Deed which will be executed within time frame prescribed under the Companies Act.</p>
<p>Provisions related to cross default clause</p>	<p>Not applicable</p>
<p>Role and Responsibilities of Debenture Trustees</p>	<p>The trustees will be responsible for all action as per SEBI regulation and Companies Act 2013.</p> <p>The Trustees shall carry out its duties and perform its functions as required to discharge its obligations under the terms of the Companies Act, 2013, SEBI Debt Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, Debenture Trusteeship Agreement, Placement Memorandum and all other related transaction documents, with due care,</p>

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

	diligence and loyalty.
Risk factors pertaining to the issue	Please refer to Chapter VI (Management’s Perception of Risk Factors) of the Placement Memorandum for details in respect of risks relating to Issue of Bonds.
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.
Mode of Subscription	Successful Bidders shall be required to transfer funds from bank account(s) registered with EBP to the bank account of the Clearing Corporation/ ICL to the extent of funds pay-in obligation on or before 10.30 hours on T+1 or T+2 day as defined by Issuer at the time of issue setup, T being the bidding end date as per the operating guidelines for electronic book mechanism issued by NSE and BSE.
Issuance & trading mode of instrument	In demat Only
Interest on Refunded Money against which Allotment is not made	No interest on Application Money will be paid in respect of applications which are invalid and / or rejected by PFC due to any reason.
Type of Bidding	Closed Bidding
Manner of Allotment	Uniform Yield
Effect of holidays	<p>For the purpose of standardization, if the coupon/ dividend payment date of the non- convertible securities falls on a Sunday or a holiday, the coupon payment shall be made on the next working day. However, the dates of the future payments would continue to be as per the schedule originally stipulated in the offer document.</p> <p>If the maturity date of the debt securities, falls on a Sunday or a holiday, the redemption proceeds shall be paid on the previous working day.</p> <p>In order to ensure consistency, a uniform methodology shall be followed for calculation of interest payments in the case of leap year. If a leap year (i.e. February 29) falls during the tenor of a security, then the number of days shall be reckoned as 366 days (Actual/ Actual day count convention) for the entire year, irrespective of whether the interest is payable annually, half yearly, quarterly or monthly.</p>
Reissuance and Consolidation	The Issuer shall have right to reissue or consolidate the bonds under present series in accordance with applicable law.

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

Note:-

1. Payment of interest on application money & interest will be subject to deduction of tax at source as applicable.
2. Company reserves its sole & absolute right to modify (pre-pone/post pone) the issue opening/closing/pay-in-date(s) without giving any reasons or prior notice. In such case, Investors/Arrangers shall be intimated about the revised time schedule by Company. Company also reserves the right to keep multiple deemed date of allotment at its sole & absolute discretion without any notice. Consequent to change in Deemed Date of Allotment, the Coupon Payment Dates and/or Redemption Date may also be changed at the sole and absolute discretion of the Company.
3. If there is any change in Coupon Rate rate pursuant to any event including lapse of certain time period or downgrade in rating, then such new Coupon Rate and events which lead to such change should be disclosed.
4. The list of documents which has been executed in connection with the issue and subscription of debt securities shall be annexed.
5. 100% of the proceeds from this bond issue shall be utilised/ earmarked towards the object of the issue mentioned in the summary term sheet above.

DRAFT

**Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

**CHAPTER X
PARTICULARS OF THE OFFER**

1. OFFERING DETAILS

Issue of unsecured, redeemable, non-convertible, non-cumulative, taxable bonds in the nature of debentures of face value of Rs. 1 lac with base issue size and green shoe option aggregating to total issue size of upto rs 7000 crores to be issued in one or more tranches 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 offer document and Application forms, the relevant statutory guidelines and regulations for allotment and listing of securities issued from time to time by the Govt. of India (GOI), Reserve Bank of India (RBI), SEBI and the Stock Exchanges concerned.

2. NATURE OF BONDS

The Bonds are Unsecured, Redeemable, Non-Convertible, Non-Cumulative, Taxable Bonds in the nature of Debentures. 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 unsecured borrowings (except subordinated debt) of the Corporation.

3. ISSUE SCHEDULE*

Particulars	Date
Issue Opening Date	—
Issue Closing Date	—
Pay-in Date	—
Deemed Date of Allotment	—

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

4. AUTHORITY FOR THE ISSUE AND DATE OF PASSING RESOLUTION

The bonds proposed to be issued is subject to the provisions of the Companies Act, 2013 and the Memorandum and Articles of Association of the Company.

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

- (a) Special resolution passed by the shareholders of the Company under clause c of sub-section 1 of section 180 of The Companies Act, 2013 on September 29, 2020 and delegation provided there under;
- (b) The resolution passed by Board of Directors of the Company at their 423rd meeting held on February 28, 2022.

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

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

5. ELIGIBILITY OF PFC TO COME OUT WITH THE ISSUE

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

6. Designated Stock Exchange for the Issue

The bond issue is proposed to be listed on National Stock Exchange of India Ltd (“NSE”) and Bombay Stock Exchange Ltd (“BSE”). NSE is the designated stock exchange for the issue.

7. Recovery Expense Fund

The issuer has created its recovery expense funds with Bombay Stock Exchange Ltd (“BSE”)

8. MINIMUM SUBSCRIPTION

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

9. UNDERWRITING

The present Issue of Bonds is not underwritten.

10. FORCE MAJEURE

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

11. DEEMED DATE OF ALLOTMENT

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

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

12. ALLOTMENT IN CASE OF OVER-SUBSCRIPTION

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

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

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

The beneficiary / demat account of the investors with National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL)/ Depository Participant will be given credit within two working days from the Deemed Date of Allotment. The credit in the account will be akin to the Bond Certificate. However, in case , if all formalities are not completed the same will be akin to letter of allotment , which on completion of the all statutory formalities, such credit will be akin to a Bond Certificate. The Bonds issued in electronic (dematerialized) form, will be governed as per the provisions of The Depository Act, 1996, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, rules notified by NSDL/ CDSL/ Depository Participant from time to time and other applicable laws and rules notified in respect thereof. The Bonds shall be allotted in dematerialized form only.

14. MODE OF TRANSFER OF BONDS

Bonds shall be transferred subject to and in accordance with the rules / procedures as prescribed by NSDL /CDSL /Depository Participant of the transferor / transferee and any other applicable laws and rules notified in respect thereof. The normal procedure followed for transfer of securities held in dematerialised form shall be followed for transfer of these bonds held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant. The provisions of the Depositories Act, 1996 read with Companies Act shall apply for transfer and transmission of Bonds.

The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the records of the Depository. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(S) and not with the issuer.

15. DELAY IN ALLOTMENT OF SECURITIES

PFC agrees that allotment of securities to the investors shall be made within stipulated timelines. In case of delay of allotment of debt securities beyond the stipulated time period, the Issuer will comply with applicable regulatory requirements, if any, with respect to such delay.

16. DEFAULT IN PAYMENT

In the event of Default in payment of interest / principal redemption, penal interest will be paid in accordance with provisions of SEBI (ILNCS) Regulations, 2021 read along with SEBI Operational Circular dated August 10, 2021 bearing reference number SEBI/HO/DDHS/P/CIR/2021/613, as amended from time to time.

17. DELAY IN LISTING

In the event of Default in listing of securities within the prescribed timeframe, penal interest will be paid in accordance with provisions of SEBI (ILNCS) Regulations, 2021 read along with SEBI Operational Circular dated August 10, 2021 bearing reference number SEBI/HO/DDHS/P/CIR/2021/613, as amended from time to time.

18. BONDS IN DEMATERIALISED FORM/ PROCEDURE FOR APPLYING FOR DEMAT FACILITY

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

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

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

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

19. WHO CAN APPLY

The eligible participants/investors shall be as per the EBP Platform of the Stock Exchange as mentioned hereunder:

- QIBs as defined under Regulation 2 (ss) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (hereinafter referred to SEBI ICDR Regulations, 2018).
- Any non-QIB investor including arranger(s), who/ which has been authorized by the issuer, to participate in a particular issue on the EBP Platform.
- Any non-QIB investor which are bidding through arranger (s) authorised by the issuer

However, out of the aforesaid class of investors eligible to invest, this Placement 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 Placement Memorandum from the Company).

20. PAN NUMBER

Every applicant should mention his Permanent Account Number (PAN) allotted under Income Tax Act, 1961 and copy of the same may be submitted along with application if not submitted earlier.

21. DOCUMENTS TO BE PROVIDED BY INVESTORS

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

- Memorandum and Articles of Association/ Constitution/ Bye-laws/ Trust Deed;
- Board Resolution authorizing the investment and containing operating instructions;
- Power of Attorney/ relevant resolution/ authority to make application;
- Specimen signatures of the authorized signatories (ink signed), duly certified by an appropriate authority;
- Government Notification (in case of Primary Co-operative Bank and RRBs);
- Copy of Permanent Account Number Card (“PAN Card”) issued by the Income Tax Department;
- Necessary forms for claiming exemption from deduction of tax at source on interest on application money, wherever applicable.
- In case of remittance of application money through electronic mode/ bank transfer, the applicants are required to submit a self- attested copy of their bank account statement reflecting debit for the application money. The bank statement must contain name of applicant, account number, name and branch of the bank.

**Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

22. TERMS OF PAYMENT

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

23. HOW TO APPLY

For this, Operational Circular no. SEBI/HO/DDHS/P/CIR/2021/613 dtd. 10.08.2021 issued by SEBI, as amended from time to time, may be referred to along with the operating guideline of Stock Exchange on the same.

Further, this being a private placement offer, only the investors who have been addressed through this Placement Memorandum are eligible to apply.

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

Applications along with details of payment of requisite amount and other necessary documents may be submitted to PFC head office on or before the closure of the issue or to the Arrangers to the Issue.

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

24. 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.

25. APPLICATION BY MUTUAL FUNDS

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

26. RIGHT TO ACCEPT OR REJECT APPLICATIONS

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

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

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

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

27. FICTITIOUS APPLICATIONS

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

28. INTEREST ON APPLICATION MONEY

- a. In case of change in deemed date of allotment and in respect of investors who get allotment in the bond issue , interest on application money shall be paid at the coupon rate applicable for bond series (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) from the date of receipt of application money in PFC's account till one day prior to the date of allotment on the aggregate face value amount of Bonds The interest on Application Money shall be computed as per "Actual/Actual" day count convention. The payment shall be made only through electronic mode. However, in case of rejection of electronic mode, due to incomplete / in correct detail provided by applicant payment may be made through cheque /demand draft. The cheque /demand draft for interest on application money shall be dispatched by the Issuer within 15 days from the Deemed Date of Allotment by registered post to the sole/ first applicant, at the sole risk of the applicant.
- b. No interest on Application Money will be paid in respect of applications which are rejected due to any reason.

29. INTEREST PAYMENT

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

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

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

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

30. DEDUCTION OF TAX AT SOURCE

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

Interest payable subsequent to the Deemed Date of Allotment of Bonds will be treated as “Interest on Securities” as per Income Tax Rules. Bondholders desirous of claiming exemption from deduction of income tax at source on the interest payable on Bonds should submit tax exemption certificate/ document, under Income Tax Act, 1961, if any, at least 15 days before the payment of interest becoming due with the Registrars, [RCMC Share Registry Pvt. Ltd., CIN: U67120DL1950PTC001854] (Address: [B-25/1, First Floor, Okhla Industrial Area Phase II, New Delhi 110020. Phone : 011 – 26387320, 26387321, 26387323 Fax : 011 - 26387322], E-mail: [alok.sharma@rcmcdelhi.com]), or to such other person(s) at such other address(es) as the Company may specify from time to time through suitable communication. Regarding deduction of tax at source and the requisite declaration forms to be submitted, prospective investors are advised to consult their own tax consultant(s).

31. PAYMENT ON REDEMPTION

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

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

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

32. EFFECT OF HOLIDAY

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

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 following working day in line with Operational Circular no. SEBI/HO/DDHS/P/CIR/2021/613 dtd. 10.08.2021 issued by SEBI, as amended.

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 preceding Business Day along with interest accrued on the Bonds until but excluding the date of such payment.

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

DRAFT

**Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

33. Disclosure of Cash Flow

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

ILLUSTRATION OF BOND CASH FLOW –

Bond Series 223

Issuer	Power Finance Corporation Limited
Face Value(per security)	Rs. 1,00,000/-
Deemed Date of Allotment and issue of securities	_
Date of Redemption	_
Tenure and Coupon Rate	(Yet to be finalised)and ---- % p.a.
Frequency of interest payment (with specified dates)	Annually. First interest shall become payable on _, 202- and subsequently on _ every year till maturity subject to holiday conventions
Day Count Convention	Actual/Actual

Cash Flows	Coupon Date	Payment Date	Day	Day count (Actual /Actual)	No. of days in Coupon Period	Amount (in Rs)
_	_	_	_	_	_	_

Assumptions and Notes:

1. For the purposes of the above illustration, as per RBI press release dtd. 28 August 2015, only such dates that fall on second and fourth Saturday of every month have been considered as non-business day. Further, Sundays, have also been considered as non-Business Days.
2. The aggregate coupon payable to each Bondholder shall be rounded off to the nearest rupee as per the Fixed Income Money Market and Derivatives Association handbook on market practices.
3. The actual dates and maturity amount will be in accordance to and in compliance with the provisions of Operational Circular no. SEBI/HO/DDHS/P/CIR/2021/613 dtd. 10.08.2021 issued by SEBI, as amended, giving effect to actual holidays and dates of maturity which qualifies the SEBI requirement.

**Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

34. RECORD DATE FALLING ON DAY OTHER THAN BUSINESS DAY

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

35. DEPOSITORY ARRANGEMENT

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

PFC has signed two tripartite agreements in this connection viz.

Tripartite Agreement dated 25.09.2001 between PFC, National Securities Depository Limited (NSDL) and R&TA i.e. M/s RCMC Share Registry (Pvt.) Ltd.

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

36. RIGHT TO REPURCHASE, RE-ISSUE AND CANCELLATION

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

37. 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.

38. 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.

39. BUY-BACK OF BONDS

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

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

40. DEBENTURE REDEMPTION RESERVE (“DRR”)

Circular no. 9/2002 dtd 18.04.2002 issued by Department of Company Affairs and Rule 18(7)(b)(ii) of Companies (Share Capital & Debenture) Rules, 2014 as amended, provides that no Debenture Redemption Reserve (DRR) is required in the case of privately placed debenture for NBFC's registered with the RBI under Section 45-IA of the RBI (Amendment) Act, 1997. Accordingly, PFC being registered as NBFC with RBI is not required to create DRR in respect of Private Placement of debentures.

41. NOTICES

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

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

42. MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTIONS

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

Material Contracts and Documents

1. Memorandum and Articles of Association of PFC.
2. Special Resolution passed by the shareholders of the Company at Meeting held on September 29, 2020 under section 180 (1) (C) for borrowing power of the Company;
3. Resolution of the Board of Directors of PFC passed at 423rd Meeting held on February 28, 2022 approving the borrowing programme of 82,000 crore for the year 2022-23 and authorizing the Chairman & Managing Director, Director (Finance) and Director (Projects)/Director (Commercial) jointly to invite or make offer to subscribe to private placement of bonds & its various terms and conditions.
4. Credit Rating letters from CRISIL, CARE and ICRA.
5. Copies of the audited Balance Sheets and Profit & Loss Accounts for five years ended March 31, 2018, 2019, 2020, 2021 and 2022.
6. Copy of Tripartite Agreement dt.25.09.2001 between PFC, NSDL & RCMC Pvt. Ltd.
7. Copy of Tripartite Agreement dt. 04.07.2014 between PFC, CDSL & RCMC Pvt. Ltd.

43. 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.

44. REISSUANCE AND CONSOLIDATION OF BONDS

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

The Issuer shall have right to reissue or consolidate the bonds under present series in accordance with applicable law.

45. CONSENTS

Currently, PFC has appointed Beacon Trusteeship Ltd. (CIN: U74999MH2015PLC271288), to act as debenture trustee for its Bonds. PFC holds consent from Beacon Trusteeship Ltd., to act as trustees and the consent has not been withdrawn.

Currently PFC has appointed RCMC Share Registry Private Limited (CIN: U67120DL1950PTC001854) as Registrar & Transfer Agent (R&TA) for its Bonds. PFC holds consent from RCMC Share Registry Private Limited (CIN: U67120DL1950PTC001854) 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.

46. UNDERTAKINGS FROM THE ISSUER:

PFC hereby undertakes that

- ❖ The complaints in respect of the issue would be attended to expeditiously and satisfactorily.
- ❖ PFC would take necessary steps for completion of the necessary formalities for listing & commencement of trading at stock exchange.
- ❖ PFC shall co-operate with the rating agencies in providing true and adequate information.
- ❖ The funds to be raised through the private placement are to augment long-term resources of PFC and not for a specific project. Hence, no monitoring agency is required to be appointed.
- ❖ Since it is a private placement of bonds and PFC is a public financial institution under Section 4A of the Companies Act, 1956 (now section 2(72) of Companies Act 2013), all monies received out of issue of bonds shall be utilized for the purpose as stated in this offer letter. However, PFC undertakes to refund the application money in case the allotment is not done within 60 days and / or the application for permission to deal in bonds is not granted by NSE. (Please refer to sub-title 'Listing' and 'Interest in case of delay on allotment/dispatch' of this offer letter).
- ❖ PFC shall disclose the complete name and address of the debenture trustee in the Annual Report.
- ❖ PFC shall provide a compliance certificate to the debenture trustee in r/o compliance with the terms and conditions of issue of bonds as contained in this offer document.

47. 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.

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

The bonds proposed to be issued are unsecured.

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

49. TRUSTEES TO THE BONDHOLDERS

Currently PFC has appointed Beacon Trusteeship Ltd. (CIN: U74999MH2015PLC271288), to act as debenture trustee for its Bonds. PFC holds consent from Beacon Trusteeship Ltd., to act as trustees and the consent has not been withdrawn. Beacon Trusteeship Ltd., is a SEBI registered Debenture Trustee. The Debenture Trustee has given its consent to the issuer for its appointment under the SEBI Debt Regulations. PFC would pay fees to the trustee as per the appointment letter and agreement between the issuer and trustee. Trustee is conducting its due diligence in coordination with its empanelled agency. Due diligence certificate as per the specified format is also obtained from the 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 specified in the terms of the bond issue for each series to be uploaded in NSE website.

The holders of the Bonds shall without any further act or deed be deemed to have irrevocably given their consent and authorized the Trustees to do, inter-alia, acts and deeds and things necessary to safeguard the interests of Bondholder(s) in terms of this offer document. A copy of letter from Beacon Trusteeship Ltd. conveying their consent to act as Debenture Trustee for the current issue of Debenture is enclosed to this Private Placement Offer Letter.

50. CREDIT RATING FOR THE BONDS

- a) ICRA has assigned a rating of 'AAA(Stable)' to the long term borrowing programme for the Financial Year 2022-23 aggregating to Rs. 70,000.00 crore indicating the highest degree of safety with regard to payment of interest and principal vide letter no. ICRA/Power Finance Corporation Ltd./06022023/1 dated 06.02.2023. A copy of the said letter is enclosed elsewhere in this Private Placement Offer Letter.
- b) CRISIL has assigned a rating of 'AAA/Stable' to the long term borrowing programme for the Financial Year 2022-23 aggregating to Rs. 70,000.00 crore, indicating the highest degree of safety with regard to payment of interest and principal vide letter no. RL/PFCLMTD/311640/LTBP/0223/52682/81798407 dated 14.02.2022. A copy of the said letter from CRISIL is enclosed elsewhere in this Private Placement Offer Letter.
- c) CARE has assigned a rating of 'AAA/Stable' to the long term borrowing programme for the Financial Year 2022-23 aggregating to Rs. 70,000.00 crore indicating the highest degree of safety with regard to payment of interest and principal vide letter no. CARE/DRO/RL/2022-23/3083 dated 06.02.2023. A copy of the said letter from CARE is enclosed elsewhere in this Private Placement Offer Letter.

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

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

51. RECOGNISED STOCK EXCHANGE:-

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

CHAPTER XI

DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC.

A. Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects

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

B. Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons.

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

C. Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the issuer/promoters, tax litigation resulting in material liabilities, corporate restructuring, event etc.)at the time of issue which may affect the issue or the investor's decision to invest / continue to invest in the debt securities

Nil

D. Remuneration of directors (during the current year and last three financial years); -

1. Whole-time directors

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

Financial Year	(Amt Rs. in crores)
2022-23(provisional)	3.49
2021-22	3.30
2020-21	3.34
2019-20	3.18
2018-19	5.16

2. Non-executive directors

The Non-Executive/ Non Whole-time Directors of the Company are entitled to sitting fees at a rate fixed by the Board within the limits as prescribed under the Companies Act, 2013 for attending the meetings of the Board and Committees of Directors. Presently, sitting fee of Rs. 40,000 for attending each meeting of the Board of Directors/AGM and Rs. 30,000 for attending each meeting of the Committees of Directors is being paid to each Independent Director. The following table provides the details of remuneration paid by the Company to the Non-Executive Directors:-

Financial Year	(Amt Rs. in crores)
2022-23 (provisional)	0.30
2021-22	0.25
2020-21	0.19
2019-20	0.16

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

2018-19	0.12
---------	------

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

E. Related party transactions

Details of related parties of the Company and transactions entered by the Company with the related parties during the last three financial years as on 31.03.2022 including with regard to loans advanced, guarantees given or securities provided on the basis of audited accounts, are furnished as under:

1. Promoter/ holding companies

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

- 2. Investment in equity share capital of companies incorporated in India as subsidiaries / associates /joint venture companies including companies promoted as Special Purpose Vehicles (SPV) for ultra-mega power projects during the last three financial year as on 31.03.2022 are given below:-**

Sr. no.	Name of the Companies	Date of investment	No. of Shares Subscribed	% of ownership	Amount Rs. in crore
A. Subsidiary Company					
1.	PFC Consulting Limited	09.04.2008 05.02.2019	50,000 2246	100%	0.15
2.	REC Ltd.	28.03.2019	103,94,95,247	52.63%	14,500.50
3.	POWER Equity Capital Advisors (private) Limited (iv)	15.04.2008 11.10.2011	15,000 35,000	NIL*	NIL
	Sub-Total (A)				14500.65
B. Subsidiary Companies promoted as SPVs for Ultra Mega Power Projects					
1.	Coastal Maharashtra Mega Power Limited	05.09.2006	50,000	100%	0.05
2.	Orissa Integrated Power Limited	05.09.2006	50,000	100%	0.05
3.	Coastal Karnataka Power Limited	14.09.2006	50,000	100%	0.05
4.	Coastal Tamil Nadu Power Limited	31.01.2007	50,000	100%	0.05
5.	Chhattisgarh Surguja Power Limited	31.03.2008	50,000	100%	0.05
6.	Sakhigopal Integrated Power Company Limited	27.01.2010	50,000	100%	0.05
7.	Ghogarpalli Integrated Power Company Limited	27.01.2010	50,000	100%	0.05
8.	Tatiya Andhra Mega Power Limited	27.01.2010	50,000	100%	0.05
9.	Deoghar Mega Power Limited	30.07.2012	50,000	100%	0.05
10.	Cheyyur Infra Limited.	24.03.2014	50,000	100%	0.05

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

11.	Odisha Infrapower Limited	27.03.2014	50,000	100%	0.05
12.	Deoghar Infra Ltd	25.08.2015	50,000	100%	0.05
13.	Bihar Infrapower Ltd	26.08.2015	50,000	100%	0.05
14.	Bihar Mega Power Ltd	27.08.2015	50,000	100%	0.05
15.	Jharkhand Infrapower Ltd	05.02.2016	50,000	100%	0.05
	Sub-Total (B)				0.75
C. Joint Venture Companies					
1.	Energy Efficiency Services Limited <i>(Ceases to be JV w.e.f 01.09.2021)</i>	21.01.2010 26.03.2013 21.08.2015 25.04.2016 02.07.2018	6,25,000 2,18,75,000 2,50,00,000 9,90,00,000 9,90,00,000	17.65%	245.50
	Sub-Total (C)				245.50
	TOTAL (A+B+C)				14,746.90

* Written-off from books of accounts.

3. The details of amount recoverable and payable from subsidiaries and associates are given below:
Amount (in Rs. Crore)

Particulars	31.03.2022	31.03.2021	31.03.2020
Advances to Subsidiaries and Associates	195.25	3,169.58	155.05
Advance received from Subsidiaries and Associates	177.13	176.86	168.42

- F. Summary of reservations or qualifications or adverse remarks of auditors during the FY 2017-18 to FY 2021-22 and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark–**

There has been no qualification, reservation or adverse remark of the auditor of the Company in the last five financial years.

- G. Details of any inquiry, inspections or investigations initiated or conducted under the companies act or any previous company law in the last three years immediately preceding the year of circulation of offer letter in the case of company and all of its subsidiaries. Also if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the offer letter and if so, section-wise details thereof for the company and all of its subsidiaries.**

All the directors of the Company are appointed by the President of India as per the Articles of the Company. As on date of this offer letter, the Company's Board comprises of eight Directors which includes four whole time functional directors, one is a Government Nominee Director and three independent directors. Since appointment of directors is undertaken by the GoI, and is beyond the control of the Issuer, it could not comply with certain corporate governance requirements envisaged under Clause 49 of the Equity Listing Regulations and Companies Act, 2013.

The equity listing regulations requires that at least half of the Board should comprise of Independent Directors, if the Chairman of the Board is an executive director. The Issuer does not have the requisite minimum number of independent directors on the Board.

**Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

This non-compliance with regard to appointment of requisite minimum number of independent directors is beyond the control of the Company and the Company has requested the GoI from time to time to expedite the process of such appointment(s) but the Issuer cannot provide any assurance that this will be rectified until the GoI appoints such directors.

H. Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company

Nil

DRAFT

CHAPTER XII
FINANCIAL POSITION OF THE COMPANY

A. Details of Share Capital as at 30 Sept 2022:-

Particulars	Rs. in Crore
Share Capital	
Authorized Share Capital	
1100,00,00,000 Equity Shares of Rs. 10/- each & 20,00,00,000 Preference shares of Rs. 10/- each	11200.00
Issued, Subscribed and Paid-up Share Capital	
264,00,81,408 Equity Shares of Rs. 10/- each	2640.08

B. Share premium/ Securities Premium account as on 30 Sept 2022 -

Particulars	Rs. in Crore
Share premium account before the issue	2776.54
Share premium account after the issue*	2776.54

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

C. Changes in its capital structure as at 30 Sept 2022 for the last three years:-

Date of Change (AGM/EGM)	Particulars
	Nil

D. Equity Share Capital History of the company as at 30 Sept 2022 for the last three years:-

Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration (Cash, other than cash, etc.)	Nature of Allotment	Cumulative		
						No. of equity shares	Equity Share Capital (Rs.)	Equity Security Premium (In Rs.)
Nil								

E. Details of any acquisition of or amalgamation with any entity in the last 1 year-
NIL

F. Details of any reorganization or reconstruction in the last 1 year:-

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

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

G. Details of shareholding of the company as on 31.12.2022, as per the format specified under the listing regulations:

1. Shareholding pattern of the company as on last quarter end as on 31.12.2022:-

Sr. No.	Particulars	Total Number of Shares	No of Shares Held in Dematerialized Form	Total Shareholding as a % of Total No of Shares
(A)	PROMOTER AND PROMOTER GROUP			
(1)	INDIAN			
(a)	Individual /HUF			
(b)	Central Government/State Government(s)	1,47,82,91,778	1,47,82,91,778	55.99
(c)	Bodies Corporate			
(d)	Financial Institutions / Banks			
(e)	Others			
	Sub-Total A(1) :	1,47,82,91,778	1,47,82,91,778	55.99
(2)	FOREIGN			
(a)	Individuals (NRIs/Foreign Individuals)			
(b)	Bodies Corporate			
(c)	Institutions			
(d)	Qualified Foreign Investor			
(e)	Others			
	Sub-Total A(2) :			
	Total A=A(1)+A(2)	1,47,82,91,778	1,47,82,91,778	55.99
(B)	PUBLIC SHAREHOLDING			
(1)	INSTITUTIONS			
(a)	Mutual Funds /UTI	30,67,89,621	30,67,89,621	11.62
(b)	Financial Institutions /Banks	41,87,633	41,87,631	0.16
(c)	Central Government / State Government(s)			
(d)	Venture Capital Funds			
(e)	Insurance Companies	1,08,32,610	1,08,32,610	0.41
(f)	Foreign Institutional Investors			
(g)	Foreign Portfolio Investor	44,49,55,288	44,49,55,288	16.85
(h)	Qualified Foreign Investor			
(i)	Others			
	Sub-Total B(1) :	76,67,65,152	76,67,65,150	29.04
(2)	NON-INSTITUTIONS			
(a)	Body Corporates	3,39,99,777	3,39,99,777	1.29
(b)	NBFCs	11,38,506	11,38,506	0.04

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

(c)	Resident Individuals	18,68,19,517	18,67,96,433	7.08
(d)	Others			
	Employees	9,35,719	9,35,719	0.04
	Non Resident Indians	46,52,879	46,52,879	0.18
	HUF	1,03,68,503	1,03,68,422	0.39
	Clearing Members	14,94,099	14,94,099	0.06
	NRI Non Repatriable	35,05,188	35,05,188	0.13
	Trusts	16,23,020	16,23,020	0.06
	I E P F	1,00,906	1,00,906	0.00
	Qualified Institutional Buyer	14,99,79,599	14,99,79,599	5.68
	Alternate Investment Fund	3,89,565	3,89,565	0.01
	Overseas Corporate Bodies	15,000	15,000	0.00
	Foreign Nationals	2,200	2,200	0.00
	Sub-Total B(2) :	39,50,24,478	39,50,01,313	14.96
	Total B=B(1)+B(2) :	1,16,17,89,630	1,16,17,66,463	44.01
	Total (A+B) :	2,64,00,81,408	2,64,00,58,241	100.00
(C)	Shares held by custodians, against which			
	Depository Receipts have been issued			
(1)	Promoter and Promoter Group			
(2)	Public			
	GRAND TOTAL (A+B+C) :	2,64,00,81,408	2,64,00,58,241	100.00

Shelf Private Placement Offer Document– PFC Bond Series
(Private and Confidential –For Private Circulation Only)

2. Details of promoters of the company as on the latest quarter ending Dec 31, 2022:-

S No.	Name of Shareholders	Total no. of equity shares	No. of shares in demat form	Total shareholding as % of total no. of equity shares	No. of shares pledged	% of shares Pledged with respect to shares owned
1	President of India Through MoP , GoI	147,82,91,778	147,82,91,778	55.99	NIL	N.A

H. List of top 10 holders of equity shares of the company as on 31.12.2022-

S No.	Name of the Shareholders	Total No. of Equity Shares	No. of shares in demat form	Total share holding as % of Total No. of Equity Shares
1	PRESIDENT OF INDIA	1,47,82,91,778	1,47,82,91,778	55.99
2	THE WINDACRE PARTNERSHIP MASTER FUND LP	12,67,95,000	12,67,95,000	4.80
3	LIFE INSURANCE CORPORATION OF INDIA	11,21,73,420	11,21,73,420	4.25
4	HDFC TRUSTEE COMPANY LTD. A/C HDFC BALANCED ADVANTAGE FUND	7,52,65,321	7,52,65,321	2.85
5	UBS PRINCIPAL CAPITAL ASIA LTD	7,50,71,000	7,50,71,000	2.85
6	HDFC TRUSTEE COMPANY LTD - A/C HDFC MID - CAPOPPORTUNITIES FUND	3,14,41,527	3,14,41,527	1.19
7	HDFC TRUSTEE COMPANY LTD. A/C HDFC TOP 100 FUND	3,10,59,486	3,10,59,486	1.18
8	NIPPON LIFE INDIA TRUSTEE LTD-A/C NIPPON INDIA GROWTH FUND	2,38,15,322	2,38,15,322	0.90
9	MIRAE ASSET EMERGING BLUECHIP FUND	1,87,32,745	1,87,32,745	0.71
10	MIRAE ASSET MIDCAP FUND	1,82,61,227	1,82,61,227	0.69
	TOTAL:	1,99,09,06,826	1,99,09,06,826	75.41

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

- I.
1. Profits of the company for the three financial years immediately preceding the date of circulation of offer letter on standalone basis-As per Ind-AS and is annexed.
 2. Profits of the company for the three financial years immediately preceding the date of circulation of offer letter on consolidated basis;-As per Ind-AS and is annexed.
- J. Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years

Particulars	FY 2021-22	FY 2020-21	FY 2019-20
	Audited	Audited	Audited
Dividend declared on equity shares (%age)	120% (Rs. 10.75 – Interim Dividend) (Rs. 1.25 – Final Dividend)	100% (Rs. 8 – Interim Dividend) (Rs. 2 – Final Dividend)	95%
Interest coverage ratio (times)	2.16	1.44	1.38

- K. (1) A summary of the financial position of the company for the three audited balance sheets immediately preceding the date of circulation of offer letter on standalone basis- As per Ind-AS and is annexed.
- (2) A summary of the financial position of the company for the three financial years immediately preceding the date of circulation of offer letter on consolidated basis- As per Ind-AS and is annexed.
- L. (1) Audited cash flow statement for the three years immediately preceding the date of circulation of offer letter on standalone basis:- As per Ind-AS and is annexed.
- (2) Audited cash flow statement for the three years immediately preceding the date of circulation of offer letter on consolidated basis:- As per Ind-As and is annexed.

Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)

M. (I) FINANCIAL INDICATORS (ON STANDALONE BASIS)

(All figures are in Rs./crore, except percentages)

Particulars	As on/for the quarter ended 30.09.2022 (Un-audited) IND-AS	As on/for the year ended 31.03.2022 (Audited) IND-AS	As on/for the year ended 31.03.2021 (Audited) IND-AS	As on/for the year ended 31.03.2020 (Audited) IND-AS
Balance Sheet				
Net Fixed Assets	42.05	44.85	37.45	31.76
Current Assets		54,367.43	61,442.22	59,066.56
Non-Current Assets		3,40,042.58	3,30,604.40	3,02,688.94
Total Assets	4,00,447.64	3,94,410.01	3,92,084.07	3,61,787.26
Non-Current Liabilities (including maturities of long-term borrowings and short-term borrowings)		2,84,141.94	2,89,229.55	2,60,870.11
Financial (borrowings, trade payables, and other financial liabilities)		283780.33	2,89,100.83	2,60,719.06
Provisions		140.43	55.54	44.91
Deferred tax liabilities (net)		Nil	Nil	Nil
Other non-current liabilities		221.18	73.18	106.14
Current Liabilities (including maturities of long-term borrowings) Financial (borrowings, trade payables, and other financial liabilities)	-	50,917.79	50,461.40	55,753.02
Provisions		50,560.55	50,180.60	55,530.60
Current tax liabilities (net)		106.57	99.61	219.38
Other current liabilities		Nil	Nil	0.11
Equity (equity and other equity)	62,860.08	59,350.28	52,393.12	45,164.13
Total Equity and liabilities	4,00,447.64	3,94,410.01	3,92,084.07	3,61,787.26
Profit and Loss				
Total Revenue from operations	10,078.11	38,545.40	37,744.87	33,362.90
Other income	0.34	45.77	21.70	8.16
Total Expenses	6,408.48	26,363.52	27,559.26	25,178.52
Other comprehensive income	(230.39)	180.83	90.20	(334.63)
Total comprehensive income	2,768.36	10,202.73	8,534.21	5,320.51
Profit / loss after tax	2,998.75	10,021.90	8,444.01	5,655.14
Earnings per equity share: (a) basic; and (b) diluted	11.36	37.96	31.98	21.42
Continuing operations	NA	NA	NA	NA
Discontinued operations				

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

Total Continuing and discontinued Operations	11.36	37.96	31.98	21.42
Cash Flow				
Net cash generated from operating activities	457.65	6,738.42	(17,514.68)	(10,025.55)
Net cash used in / generated from investing activities	(348.72)	(30.53)	880.92	1,555.92
Net cash used in financing activities	(820.70)	(9,704.64)	20,168.86	8,342.06
Cash and cash equivalents	9.14	720.91	3,717.62	182.52
Balance as per statement of cash flows	9.14	720.91	3,717.62	182.52
Additional Information				
Net worth	62,860.08	59,350.28	52,393.12	45,164.13
Cash and Cash Equivalents and Other Bank Balances	2,565.23	3,961.22	4,762.20	198.99
Current Investment	-	1,084.80	882.65	663.35
Asset under Management (Loan Assets)	-	3,78,201.04	3,76,665.52	3,49,896.16
Off Balance Sheet Assets	Nil	Nil	Nil	Nil
Total Debts to Total assets	0.81	0.81	0.83	0.84
Debt Service Coverage Ratios	NA	NA	NA	NA
Interest Income	9,533.41	36,701.22	36,145.76	31,950.42
Interest Expense	5,684.78	22,671.30	23,194.49	21,853.19
Interest service coverage ratio	-	NA	NA	NA
Provisioning & Write-offs	151.83	2,222.14	3,496.40	991.22
Bad debts to Accounts receivable ratio				
Gross Stage 3 Assets (%)	4.75%	5.61%	5.70%	8.08%
Net Stage 3 Assets (%)	1.31%	1.76%	2.09%	3.80%
Tier I Capital Adequacy Ratio (%)	-	20.00%	15.46%	12.45%
Tier II Capital Adequacy Ratio (%)	-	3.48%	3.37%	4.51%

*Figures related to Current and Non-current classification is not applicable to PFC as it is preparing its financial statements in compliance with Division III of Schedule III of Companies Act, 2013.

(II) FINANCIAL INDICATORS(ON CONSOLIDATED BASIS)

(All figures are in Rs./crore, except percentages)

Particulars	As on/for the quarter ended 30.09.2022 (Un-audited) IND-AS	As on/for the year ended 31.03.2022 (Audited) IND-AS	As on/for the year ended 31.03.2021 (Audited) IND-AS	As on/for the year ended 31.03.2020 (Audited) IND- AS
Balance Sheet				
Net Fixed Assets	730.75	722.30	634.19	475.18

Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)

Current Assets	-	97,109.25	99,364.6	99,307.16
Non-Current Assets	-	6,93,891.01	6,76,342.48	5,94,738.33
Total Assets	8,11,240.05	7,91,000.27	7,75,707.08	6,94,520.65
Non-Current Liabilities (including maturities of long-term borrowings and short-term borrowings)	-	5,89,450.66	5,71,120.79	5,01,955.18
Financial (borrowings, trade payables, and other financial liabilities)		5,89,011.22	5,70,845.08	5,01,759.71
Provisions		188.50	97.41	84.04
Deferred tax liabilities (net)		0.00	0.00	0.00
Other non-current liabilities		250.94	178.14	111.43
Current Liabilities (including maturities of long- term borrowings)	-	1,05,274.46	1,22,796.04	1,26,400.10
Financial (borrowings, trade payables, and other financial liabilities)		1,04,770.09	1,22,322.46	1,25,959.32
Provisions		168.05		
Current tax liabilities (net)		23.98	165.7	290.28
Other current liabilities		312.34	24.84	67.40
Equity (equity and other equity)	1,02,280.19	71,676.24	60,767.48	49,399.80
Total Equity and liabilities	8,11,240.05	7,92,000.27	7,75,707.08	6,94,520.65
Profit and Loss				
Total Revenue From operations	19,336.05	76,261.66	71,655.94	62,189.44
Other income	8.34	83.26	44.57	89.52
Total Expenses	12,740.41	52,940.30	51,816.02	48,204.12
Other comprehensive income	(1,044.25)	121.57	547.89	(888.61)
Total comprehensive income	4,185.08	18,889.78	16,264.09	8,588.64
Profit / loss after tax	5,229.33	18,768.21	15,716.2	9,477.25
Earnings per equity share: (a) basic; and (b) diluted				
Continuing operations	14.91	53.08	44.50	26.98
Discontinued operations	Nil	Nil	Nil	Nil
Total Continuing and discontinued Operations	14.91	53.08	44.50	26.98
Cash Flow				
Net cash generated from operating activities	(5,939.59)	1,632.47	(59,142.61)	(42,689.90)
Net cash used in / generated from investing Activities	(555.96)	(366.55)	1,741.06	469.81
Net cash used in financing activities	8,003.89	(5,279.42)	60,424.08	43,398.66
Cash and cash equivalents	2,422.58	914.24	4,927.74	1,905.21
Balance as per statement of cash flows	2,422.58	914.24	4,927.74	1,905.21
Additional Information				
Net worth	76,505.69	96,275.15	81,790.25	66,165.37
Cash and Cash Equivalents and Other Bank Balances	7,558.15	6,684.50	8,202.56	4,188.17
Current Investment	-	1,146.91	920.76	2,164.80
Asset under Management (Loan Assets)	-	7,64,826.72	7,52,132.63	6,73,975.71
Off Balance Sheet Assets				

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

Total Debts to Total assets	0.82	0.82	0.83	0.84
Debt Service Coverage Ratios	-	NA	NA	NA
Interest Income	19,225.09	74,887.12	70,845.42	61,628.35
Interest Expense	11,412.88	44,708.78	44,683.52	40,844.65
Interest service coverage ratio	-	NA	NA	NA
Provisioning & Write-offs	371.06	5,965.07	5,942.29	1,910.83
Bad debts to Account receivable ratio				
Gross Stage 3 Assets (%)	4.38%		5.29%	3.57%
Net Stage 3 Assets (%)	1.27%	1.60%	1.91%	3.71%
Tier I Capital Adequacy Ratio (%)	-	NA	NA	NA
Tier II Capital Adequacy Ratio (%)	-	NA	NA	NA

Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)

(III) Columnar Representation of Financial Statements (ON STANDALONE BASIS) (Rs. In Crores)

Particulars	As on/for the quarter ended 30.09.2022 (Unaudited) IND-AS	As on/for the year ended 31.03.2022 (Audited) IND-AS	As on/for the year ended 31.03.2021 (Audited) IND-AS	As on/for the year ended 31.03.2020 (Audited) IND- AS
BALANCE SHEET				
ASSETS				
Financial Assets				
Cash and Cash Equivalents	9.14	720.91	3,717.62	182.52
Bank Balance other than included in Cash and Cash Equivalents	2,556.09	3,240.31	1,044.58	16.47
Derivative Financial Instruments	4,931.57	3,080.56	1,251.45	1,863.42
Loans	3,64,750.53	3,60,929.74	3,60,124.77	3,34,112.60
Investments	17030.06	16,084.27	15,973.50	16,473.32
Other Financial Assets	5891.38	5,382.67	5,336.77	5,339.12
Total Financial Assets (1)	395168.77	3,89,438.46	3,87,448.69	3,57,987.45
Non- Financial Assets				
Current Tax Assets (Net)	239.53	273.65	260.64	651.31
Deferred Tax Assets (Net)	4,478.83	4,151.82	3,996.76	2,952.12
Property, Plant and Equipment	41.99	44.72	37.21	31.35
Intangible Assets	0.06	0.13	0.24	0.41
Right-of-use Assets	34.62	34.85	35.30	35.75
Other Non-Financial Assets	483.94	466.38	305.23	128.87
Total Non- Financial Assets (2)	5,278.87	4,971.55	4,635.38	3,799.81
Total Assets (1+2)	4,00,447.64	3,94,410.01	3,92,084.07	3,61,787.26
LIABILITIES AND EQUITY				
LIABILITIES				
Financial Liabilities				
Derivative Financial Instruments	61.76	103.25	494.04	599.82
Debt Securities	2,34,332.05	2,30,156.95	2,42,811.54	2,21,847.67
Borrowings (other than Debt Securities)	87,107.83	87,965.42	80,837.60	79,116.06
Subordinated Liabilities	9,672.37	9,311.27	9,310.20	9,310.95
Other Financial Liabilities	5,429.87	6,803.99	5,828.05	5,375.16
Total Financial Liabilities (1)	3,36,603.88	3,34,340.88	3,39,281.43	3,16,249.66
Non- Financial Liabilities				
Current Tax Liabilities (Net)	527.61	194.92	43.24	0.11
Provisions	204.27	247.00	155.15	264.29
Other Non-Financial Liabilities	251.80	276.93	211.13	109.07
Total Non- Financial Liabilities (2)	983.68	718.85	409.52	373.47
Total Liabilities (1+2)	3,35,587.56	3,35,059.73	3,39,690.95	3,16,623.13

Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)

Equity				
Equity Share Capital	2,640.08	2,640.08	2,640.08	2,640.08
Other Equity	60,220.00	56,710.20	49,753.04	42,524.05
Total Equity (3)	62,860.08	59,350.28	52,393.12	45,164.13
Total Liabilities and Equity (1+2+3)	4,00,447.64	3,94,410.01	3,92,084.07	3,61,787.26
Statement of Profit and Loss				
Revenue from Operations				
Interest Income	9,533.41	36,701.22	36,145.76	31,950.42
Dividend Income	511.82	1,347.42	1,204.21	1,289.52
Fees and Commission Income	32.88	496.76	394.90	122.96
Total Revenue from Operations	10,078.45	38,545.40	37,744.87	33,362.90
Other Income	0.34	45.77	21.70	8.16
Total Income (I+II)	10,078.45	38,591.17	37,766.57	33,371.06
Expenses				
Finance Costs	5,684.78	22,671.30	23,194.49	21,853.19
Net Translation / Transaction Exchange Loss / (Gain)	652.59	905.58	(164.06)	2,633.42
Fees and Commission Expense	3.15	10.18	14.28	10.76
Net Loss / (Gain) on Fair Value changes	(178.36)	(9.42)	518.95	(699.05)
Impairment on Financial Instruments	151.83	2,222.14	3,496.40	991.22
Employee Benefit Expenses	51.11	213.11	194.62	193.82
Depreciation, Amortisation and Impairment	4.09	13.20	11.17	9.10
Corporate Social Responsibility Expenses	13.72	214.72	222.61	97.15
Other Expenses	25.57	122.71	70.80	88.91
Total Expenses	6,408.48	26,363.52	27,559.26	25,178.52
Profit/(Loss) Before Exceptional Items and Tax (III-IV)	3,669.97	12,227.65	10,207.31	8,192.54
Exceptional Items		-	-	-
Profit/(Loss) Before Tax (V-VI)	3,669.97	12,227.65	10,207.31	8,192.54
Tax Expense:				
(1) Current Tax:				
- Current Year	763.79	2,418.91	2,613.09	1,406.73
- Earlier Years	(40.22)	(36.05)	178.94	17.75
(2) Deferred Tax	(52.35)	(177.11)	(1,028.73)	1,112.92
Total Tax Expense	671.22	2,205.75	1,763.30	2,537.40
Profit/(Loss) for the period from Continuing Operations (VII-VIII)	2,998.75	10,021.90	8,444.01	5,655.14
Profit/(Loss) from Discontinued Operations (After Tax)	-	-	-	-
Profit/(Loss) for the period (from continuing and discontinued operations) (IX+X)	2,998.75	10,021.90	8,444.01	5,655.14
Other Comprehensive Income				
(i) Items that will not be reclassified to Profit or Loss				
- Re-measurement of Defined Benefit Plans	(1.27)	(5.07)	(4.26)	(5.09)

Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)

- Net Gain / (Loss) on Fair Value of Equity Instruments	138.88	151.94	137.25	(287.11)
(ii) Income Tax relating to items that will not be reclassified to Profit or Loss		-		
- Re-measurement of Defined Benefit Plans	0.34	0.54	1.13	0.08
- Net Gain / (Loss) on Fair Value of Equity Instruments	(6.20)	(9.58)		
Sub-Total (A)	131.75	138.66	134.12	(292.12)
(i) Items that will be reclassified to Profit or Loss				
- Effective Portion of Gains / (Loss) on Hedging Instruments in Cash Flow Hedge	236.51	419.18	(27.64)	(46.74)
- Cost of Hedging Reserve	(720.44)	(362.82)	(31.06)	-
(ii) Income Tax relating to items that will be reclassified to Profit or Loss				
- Effective Portion of Gains / (Loss) on Hedging Instruments in Cash Flow Hedge	(59.53)	(105.50)	6.96	4.23
- Cost of Hedging Reserve	181.32	91.31	7.82	-
Sub-Total (B)	(362.14)	42.17	(43.92)	(42.51)
Other Comprehensive Income (A+B)	(230.39)	180.83	90.20	(334.63)
Total Comprehensive Income for the period (XI+XII)	2,768.36	10,202.73	8,534.21	5,320.51
Basic and Diluted Earnings Per Equity Share (Face Value ₹ 10/- each):				
(1) For continuing operations (in ₹)	11.36	37.96	31.98	21.42
(2) For discontinued operations (in ₹)	-	-	-	-
(3) For continuing and discontinued operations (in ₹)	11.36	37.96	31.98	21.42
Statement of Cash Flows				
Cash Flow from Operating Activities :-				
Profit before Tax	6,209.86	12,227.65	10,207.31	8,192.54
Adjustments for:				
Loss on derecognition of Property, Plant and Equipment (net)	1.27	2.91	1.12	0.96
Depreciation and Amortisation	8.87	13.20	11.17	9.10
Interest expense on Zero Coupon Bonds and Commercial Papers	28.39	92.79	9.21	329.58
Unrealised Foreign Exchange Translation Loss / (Gain)	3015.44	1,343.15	293.25	2,908.53
Net Change in Fair Value	(217.79)	(9.42)	518.95	(699.05)
Impact of Effective Interest Rate on Loans	19.40	2.25	(19.90)	6.50
Impairment on Financial Instruments	323.55	2,222.14	3,496.40	991.22
Interest income on Investments				(250.53)
Interest on Interest Subsidy Fund	-	1.13	1.41	1.35
Provision for interest under Income Tax Act,		1.91	2.91	0.17

Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)

1961				
Excess Liabilities written back		(2.38)		(0.18)
Provision for Retirement Benefits etc.		112.49	50.16	44.44
Dividend Income				(1,289.52)
Effective Interest Rate on Borrowings / Debt Securities / Subordinated Liabilities	30.03	5.98	82.28	(188.06)
Interest on Income Tax Refund			(9.67)	(0.66)
Interest expenses on Lease Liability				0.77
Interest Accrued but not due on investments				
Gain on cessation of joint control in joint venture		(32.66)		
Interest accrued on investments	7.49	(22.00)		
Operating profit before Working Capital Changes:	9,452.34	15,959.14	14,643.88	10,057.16
Increase / Decrease :				
Loans (Net)	(4,704.86)	(2,936.88)	(29,814.52)	(32,097.93)
Other Financial and Non-Financial Assets	173.91	(2,402.13)	(1,174.43)	13,891.09
Derivative	(2,399.92)	(2,123.78)	(95.29)	(504.95)
Other Financial & Non-Financial Liabilities and Provisions	(1,177.10)	488.52	1,302.95	154.44
Cash Flow from Operations Before Tax	1,344.37	8,984.87	(15,137.41)	(8,500.19)
Income Tax paid	(944.61)	(2,246.45)	(2,671.39)	(1,584.39)
Income Tax Refund	57.89	-	294.12	59.03
Net Cash flow from Operating Activities	457.65	6,738.42	(17,514.68)	(10,025.55)
Cash Flow From Investing Activities :				
Proceeds from disposal of Property, Plant and Equipment	0.03	0.24	0.20	0.07
Purchase of Property, Plant and Equipment	(7.14)	(23.30)	(17.73)	(13.11)
Investment in Subsidiaries	-			-
Interest income on investment	-			250.32
Dividend on investment	-			1,289.52
Increase / Decrease in Other Investments	(341.61)	(7.47)	898.45	29.12
Net Cash Used in Investing Activities	(348.72)	(30.53)	880.92	1,555.92
Cash Flow From Financing Activities :				
Raising of Bonds (including premium) (Net of Redemptions)	2,126.46	(12,600.78)	13,733.45	6,244.24
Raising of Long Term Loans (Net of Repayments)	(3,421.25)	4,663.50	4,000.00	10,895.44
Raising of Foreign Currency Loans (Net of Repayments)	(2,051.88)	5,229.95	2,648.62	15,293.94
Raising of Subordinated Liabilities (Net of Redemptions)	-			0.00
Raising of Commercial paper (Net of	-	(3,120.00)	3,120.00	(10,000.00)

Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)

Repayments)				
Raising of Working Capital Demand Loan / OD / CC / Line of Credit (Net of Repayments)	3,468.07	(454.45)	(1,355.32)	(11,318.82)
Unclaimed Bonds (Net)	(18.03)	(58.28)	133.76	0.59
Unclaimed Dividend (Net)	(0.04)	1.56	0.42	0.32
Payment of Interim Dividend	(924.03)	(3,366.10)	(2,112.07)	(2,508.08)
Payment of Corporate Dividend Tax	(0.00)		-	(264.79)
Payment of Lease Liability	(18.03)			(0.77)
Net Cash in-flow from Financing Activities	(820.70)	(9,704.60)	20,168.86	8,342.06
Net Increase / Decrease in Cash and Cash Equivalents	(711.77)	(2,996.71)	3,535.10	(127.57)
Add : Cash and Cash Equivalents at beginning of the financial year	720.91	3,717.62	182.52	310.09
Cash and Cash Equivalents at the end of the Period	9.14	720.91	3,717.62	182.52

(IV) Columnar Representation of Financial Statements (ON CONSOLIDATED BASIS) (Rs. In Crores)

Particulars	As on/for the quarter ended 30.09.2022 (Audited) IND-AS	As on/for the year ended 31.03.2022 (Audited) IND-AS	As on/for the year ended 31.03.2021 (Audited) IND-AS	As on/for the year ended 31.03.2020 (Audited) IND- AS
BALANCE SHEET				
ASSETS				
Financial Assets				
Cash and Cash Equivalents	2,422.58	914.24	4,927.74	1,905.21
Bank Balance other than included in Cash and Cash Equivalents	5,135.57	5,770.26	3,274.82	2,282.96
Derivative Financial Instruments	12,368.45	8,590.73	3,562.67	5,182.27
Trade Receivables	117.81	125.63	167.61	137.31
Loans	7,45,705.26	7,32,850.76	7,22,386.84	6,46,196.11
Investments (Other than accounted for using equity method)	5,102.26	3,773.51	2,950.48	3,853.72
Other Financial Assets	30,308.74	29,820.35	29,779.87	27,462.12
Total Financial Assets (1)	8,01,160.73	7,81,845.48	7,67,050.03	6,87,019.70
Non- Financial Assets				
Current Tax Assets (Net)	535.26	495.25	525.32	1,138.33
Deferred Tax Assets (Net)	8,162.02	7,315.37	6,461.03	5,005.31
Investment Property	-	-	0.01	0.01
Property, Plant and Equipment	689.92	668.94	297.75	186.79
Capital Work-in-Progress	40.83	53.36	335.67	287.62

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

Intangible Assets under development	-	-	0.77	0.77
Other Intangible Assets	2.89	4.41	6.39	9.23
Right of Use Assets	44.40	45.83	37.17	42.07
Other Non-Financial Assets	576.08	551.68	411.43	263.94
Investments accounted for using equity method	0.50	0.50	548.35	549.90
Total Non- Financial Assets (2)	10,051.90	9,135.34	8,623.89	7,483.97
Assets Classified as held for sale	27.42	19.45	33.16	16.98
Total Assets (1+2+3)	8,11,240.05	7,91,000.27	7,75,707.08	6,94,520.65
LIABILITIES AND EQUITY				
LIABILITIES				
Financial Liabilities				
Derivative Financial Instruments	1,306.63	656.39	1,340.35	1,925.55
Trade Payables				
(i) Total outstanding dues of Micro, Small and Medium Enterprises	0.09	1.11	0.01	0.15
(ii) Total outstanding dues of creditors other than Micro, Small and Medium Enterprises	34.83	48.64	70.42	53.07
Debt Securities	4,55,070.86	4,49,731.56	4,80,080.65	4,41,765.90
Borrowings (other than Debt Securities)	2,03,549.74	1,94,616.98	1,63,344.42	1,40,666.72
Subordinated Liabilities	16,226.41	16,127.74	16,257.09	14,130.60
Other Financial Liabilities	31,421.18	32,598.89	32,074.60	29,177.04
Total Financial Liabilities (1)	7,07,609.74	6,93,781.31	6,93,167.54	6,27,719.03
Non- Financial Liabilities				
Current Tax Liabilities (Net)	606.34	219.15	140.68	67.40
Provisions	424.56	356.55	263.27	374.32
Other Non-Financial Liabilities	319.21	368.10	345.26	193.85
Total Non- Financial Liabilities (2)	1,350.11	943.80	749.21	635.57
Liabilities directly associated with assets classified as held for sale	0.01	0.01	0.08	0.68
Total Liabilities (1+2+3)	7,08,959.86	6,94,725.12	6,93,916.83	6,28,355.28
Equity				
Equity Share Capital	2,640.08	2,640.08	2,640.08	2,640.08
Other Equity	73,865.61	69,036.16	58,127.40	46,759.72
Equity attributable to owners of the Company (a+b)	76,505.69	71,676.24	60,767.48	49,399.80

Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)

Non-Controlling interest	25,774.50	24,598.91	21,022.77	16,765.57
Total Equity (4)	1,02,280.19	96,275.15	81,790.25	66,165.37
Total Liabilities and Equity (1+2+3+4)	8,11,240.05	7,91,000.27	7,75,707.08	6,94,520.65
STATEMENT OF PROFIT AND LOSS				
Revenue from Operations				
Interest Income	19,225.09	74,887.12	70,845.42	61,628.35
Dividend Income	13.85	68.86	88.74	105.65
Fees and Commission Income	67.28	1,069.58	490.36	161.91
Other Operating Income	29.83	236.10	231.42	293.53
Total Revenue from Operations	19,336.05	76,261.66	71,655.94	62,189.44
Other Income	8.34	83.26	44.57	85.92
Total Income (I+II)	19,344.39	76,344.92	71,700.51	62,275.36
Expenses				
Finance Costs	11,412.88	44,708.78	44,683.52	40,844.65
Net Translation / Transaction Exchange Loss / (Gain)	1,109.38	1,704.63	166.20	4,991.32
Fees and Commission Expense	4.58	26.91	24.23	36.20
Net Loss / (Gain) on Fair Value changes	(385.78)	(356.00)	(53.39)	(673.20)
Impairment on Financial Instruments	371.06	5,695.07	5,942.29	1,910.83
Cost of Services Rendered	10.72	76.83	101.23	85.18
Employee Benefit Expenses	91.43	407.31	370.82	399.72
Depreciation and Amortisation	11.91	34.77	25.46	24.43
Corporate Social Responsibility Expenses	51.69	388.76	370.22	356.44
Other Expenses	62.54	253.24	185.44	228.55
Total Expenses	12,740.41	52,940.30	51,816.02	48,204.12
Profit/(Loss) Before Exceptional Items and Tax (III-IV)	6,603.98	23,404.62	19,884.49	14,071.24
Exceptional Items	-	-	-	-
Share of Profit / (Loss) in Joint Venture and Associates	-	(22.40)	6.24	21.43
Profit/(Loss) Before Tax (V-VI+VII)	6,603.98	23,382.22	19,890.73	14,092.67
Tax Expense:				
(1) Current Tax				
- Current Year	1,417.32	5,501.89	5,321.55	3,004.98
- Earlier Years	(40.22)	(40.01)	401.96	83.02
(2) Deferred Tax	(2.45)	(847.87)	(1,548.98)	1,527.42
Total Tax Expense	1,374.65	4,614.01	4,174.53	4,615.42
Profit/(Loss) for the year from Continuing Operations (VIII-IX)	5,229.33	18,768.21	15,716.20	9,477.25
Profit/(Loss) From Discontinued Operations (After Tax)	-	-	-	-
Profit/(Loss) for the year (for continuing and discontinued operations) (X+XI)	5,229.33	18,768.21	15,716.20	9,477.25
Other Comprehensive Income				

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

(i) Items that will not be reclassified to Profit or Loss				
- Re-measurement of Defined Benefit Plans	(3.63)	(13.40)	(18.52)	(7.96)
- Net Gain / (Loss) on Fair Value of Equity Instruments	135.50	174.13	303.78	(416.31)
- Share of Other Comprehensive Income / (Loss) in Joint Venture accounted for using equity method	-	(0.02)	(0.12)	(0.30)
(ii) Income Tax relating to items that will not be reclassified to Profit or Loss				
- Re-measurement of Defined Benefit Plans	0.93	3.47	4.72	0.80
- Net Gain / (Loss) on Fair Value of Equity Instruments	(6.24)	(7.03)	(6.01)	12.39
- Share of Other Comprehensive Income/ (loss) of Joint Venture accounted for using equity method				0.05
Sub-Total (A)	126.56	157.15	283.85	(411.33)
(i) Items that will be reclassified to Profit or Loss				
- Effective Portion of Gains and (Loss) on Hedging Instruments in Cash Flow Hedge	747.45	900.02	53.17	(348.86)
- Cost of Hedging Reserve	(2,312.01)	(947.33)	297.94	(273.61)
- Share of Other Comprehensive Income/ (loss) of Joint Venture accounted for using equity method	-	(0.17)	1.29	(3.94)
(ii) Income Tax relating to items that will be reclassified to Profit or Loss				
- Effective Portion of Gains and (Loss) on Hedging Instruments in Cash Flow Hedge	(188.13)	(226.52)	(13.38)	80.27
- Cost of Hedging Reserve	581.88	238.42	(74.98)	68.86
- Share of Other Comprehensive Income/ (loss) of Joint Venture accounted for using equity method				-
Sub-Total (B)	(1,170.81)	(35.58)	264.04	(477.28)
Other Comprehensive Income (A+B)	(1,044.25)	121.57	547.89	(888.61)
Total Comprehensive Income for the Year (XII+XIII)	4,185.08	18,889.78	16,264.09	8,588.64
Profit for the year attributable to:				
- Owners of the Company	3,935.26	14,014.79	11,747.83	7,122.13
- Non-Controlling Interest	1,294.07	4,753.42	3,968.37	2,355.12
	5,229.33	18,768.21	15,716.20	9,477.25
Other Comprehensive Income for the Year				
- Owners of the Company	(658.76)	148.99	331.07	(626.28)
- Non-Controlling Interest	(385.49)	(27.42)	216.82	(262.33)
	(1,044.25)	121.57	547.89	(888.61)
Total Other Comprehensive Income for the Year				
- Owners of the Company	3,276.50	14,163.78	12,078.90	6,495.85
- Non-Controlling Interest	908.58	4,726.00	4,185.19	2,092.79
	4,185.08	18,889.78	16,264.09	8,588.64

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

Basic and Diluted Earnings Per Equity Share (Face Value ` 10/- each):				
(1) For continuing operations (in `)	14.91	53.08	44.50	26.98
(2) For discontinued operations (in `)	-	-	-	-
(3) For continuing and discontinued operations (in `)	14.91	53.08	44.50	26.98
STATEMENT OF CASH FLOWS				
Cash Flow from Operating Activities :-				
Profit before Tax	12,115.25	23,382.22	19,890.73	14,092.67
Adjustments for:				
Loss on derecognition of Property, Plant and Equipment (net)	2.66	2.43	5.81	2.66
Loss / (Gain) on sale of Investments			-	-3.16
Depreciation and Amortisation	23.44	34.78	25.45	24.43
Interest expense on Zero Coupon Bonds and Commercial Papers	28.39	107.55	126.31	898.53
Unrealised Foreign Exchange Translation Loss / (Gain)	1,878.38	(821.27)	819.96	5,250.80
Net Change in Fair Value	(455.36)	-348.00	-29.40	-657.73
Impact of Effective Interest Rate on Loans	52.38	-9.74	12.49	59.05
Impairment on Financial Instruments	1,050.78	5,695.07	5,943.36	1,910.83
Interest income on Investments and Others				
Interest on Interest Subsidy Fund		1.13	1.41	1.35
Provision for interest under Income Tax Act, 1961		1.91	24.90	0.20
Excess Liabilities written back	1.20	-2.40	-0.15	-0.48
Provision for Retirement Benefits etc.		112.49	50.16	44.44
Dividend Income				
Effective Interest Rate on Borrowings / Debt Securities / Subordinated Liabilities	30.03	-105.33	234.47	-125.75
Interest on Income Tax Refund			-9.67	-0.66
Share of Profit/Loss of Joint Venture accounted for using equity method		22.40	-6.24	-21.43
Impairment Allowance on Assets Classified as Held for Sale		9.71		
Provision Written back for Doubtful Debt & Advances				
Loss/ (Gain) on derecognition of Assets held for sale (net)	(1.46)	-30.25		
Interest Accrued on investments	(6.28)	-22.00		
Operating profit before Working Capital Changes:	14,745.24	28,032.18	27,089.59	21,475.75
Increase / Decrease :		-		
Loans (Net)	(14,009.31)	-12,804.48	-83,336.45	-73,762.52
Other Financial and Non-Financial Assets	(498.46)	-2,852.51	-3,015.58	8,730.00

Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)

Derivative	(1,957.46)	-4,584.30	615.91	-912.65
Other Financial & Non-Financial Liabilities and Provisions	(2,075.95)	-817.12	4,579.10	5,631.91
Cash Flow before Exceptional Items	(3,795.94)	6,973.77	-54,067.43	-38,837.51
Exceptional Items		-	-	-
Cash Flow from Operations Before Tax	(3,795.94)	6,973.77	-54,067.43	-38,837.51
Income Tax paid	(2,201.54)	-5,364.56	-5,381.03	-3,385.85
Income Tax Refund	57.89	23.26	305.85	75.70
Net Cash flow from Operating Activities	(5,939.59)	1,632.47	-59,142.61	-42,147.66
Cash Flow From Investing Activities :		-		
Proceeds from disposal of Property, Plant and Equipment	0.09	0.48	0.97	1.02
Purchase of Property, Plant and Equipment & Intangible Assets (including CWIP and Capital Advance)	(31.14)	-120.15	-92.78	-130.52
Finance Cost Capitalised		-5.10	-22.04	-
Investment in Subsidiaries		-		
Interest income on investment		-		
Dividend on investment		-		
Increase / Decrease in Other Investments	(526.51)	-273.02	1,854.91	56.30
Sale of assets held for sale	1.60	31.24		
Net Cash Inflow from Investing Activities	(555.96)	-366.55	1,741.06	-73.20
Cash Flow From Financing Activities :		-		
Raising of Bonds (including premium) (Net of Redemptions)	1,636.70	-33,444.88	29,233.11	27,537.63
Raising of Long Term Loans (Net of Repayments)	5,396.71	15,603.25	19,838.32	16,045.23
Raising of Foreign Currency Loans (Net of Repayments)	(2,051.88)	29,540.53	5,533.01	27,911.51
Raising of Subordinated Liabilities (Net of Redemptions)		-	1,999.50	0.00
Raising of Commercial paper (Net of Repayments)		-3,134.76	195.00	-15,270.30
Raising of Working Capital Demand Loan / OD / CC / Line of Credit (Net of Repayments)	3,468.07	-9,230.04	6,076.34	-8,563.96
Issue of Perpetual Debt Instruments entirely equity in nature (Net of Issue Exp)		-45.60	557.46	-
Unclaimed Bonds (Net)	(18.03)	-58.28	133.76	0.59
Unclaimed Dividend (Net)	(0.04)	1.56	0.42	0.32
Payment of Lease Liability	(1.75)	-2.95	-0.73	-0.64
Payment of Interim Dividend	(425.07)	-4,508.25	-3,142.11	-3,534.68
Payment of Corporate Dividend Tax		-	-	-726.27
Net Cash in-flow from Financing Activities	8,003.89	-5,279.42	60,424.08	43,399.43

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

Net Increase / Decrease in Cash and Cash Equivalents	1,508.34	-4,013.50	3,022.53	1,178.57
Add : Cash and Cash Equivalents at beginning of the financial year	914.24	4,927.74	1,905.21	726.64
Cash and Cash Equivalents at the end of the year	2,422.58	914.24	4,927.74	1,905.21
Details of Cash and Cash Equivalents at the end of the year:				
i) Balances with Banks (of the nature of cash and cash equivalents)		-		
In current accounts	71.90		970.90	1,380.56
In Term Deposit Accounts	2,350.60	914.22	3,956.72	524.59
ii) Cheques, Drafts on hand including postage and Imprest	0.08	0.02	0.12	0.06
Total Cash and Cash Equivalents at the end of the year	2,422.58	914.24	4,927.74	1,905.21

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

N. DEBT EQUITY RATIO

Debt: Equity Ratio of the Company as on date is as under:-

Before the issue	
After the issue	

O. Details of any other contingent liabilities of the issuer based on the last audited financial statements including amount and nature of liability

		Amount (in Crore)
Sr. No.	Description	as on 31.03.2022
Contingent Liabilities		
i)	Guarantees ^(a) & ^(b)	8.29
ii)	Claims against the Company not acknowledged as debts - -	
iii)	Additional demands raised by the Income Tax Department of earlier years which are being contested	91.78
iv)	Service Tax demand or show cause notices raised by Service Tax Department in respect of earlier years which are being contested.	24.53
	Service Tax Department has filed appeals before CESTAT against the order of Commissioner (CE&ST) who had dropped a demand of service tax. The same is also being contested.	53.40
v)	Outstanding disbursement commitments to the borrowers by way of Letter of Comfort against loans sanctioned ^(b)	7,032.45
Commitments		
i)	Estimated amount of contracts (excluding GST) remaining to be executed on capital account and not provided for	174.53
ii)	Other Commitments – CSR unspent amount pertaining to the period up to 31.03.2020	99.15
	Total	7,484.13

^(a)Default payment guarantee given by the Company in favour of a borrower company. The amount paid/payable against this guarantee is reimbursable by Government of Madhya Pradesh.

^(b)Necessary impairment loss allowance has been made.

P. Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company:-

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

(Rs. in crore)

Financial Year	Modifications	Impact on PBT [(+) increase / (-) decrease]
2021-22	A policy on Offsetting of financial assets and financial liabilities has been incorporated in line with Ind AS 32. Further, certain accounting policies have also been reworded to bring in more clarity and align with Company's practice. There is no financial impact of such modifications carried out in the accounting policies.	Nil

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

2020-21	The policy on the additional Income Tax on distribution of dividend has been deleted subsequent to the abolition of the incidence of Dividend Distribution Tax (DDT) on companies. Further, certain accounting policies have also been reworded to bring in more clarity and align with Company’s practice. There is no financial impact of such modifications carried out in the accounting policies.	Nil
2019-20	The Company has adopted Ind AS 116-Leases’ using modified retrospective approach w.e.f. 01.4.2019 as notified by the Ministry of Corporate Affairs (MCA). Further, policies on Company’s business model in line with the requirements of Ind AS 109 and contingent assets have been incorporated in significant accounting policies. In addition, certain accounting policies have also been reworded to bring in more clarity.	Nil
2018-19	The Company has adopted Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from 01.04.2018. New Accounting Policy has been drafted in line with Ind AS.	N.A.

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

Q. Details of liabilities/ borrowings of the company, as on the latest quarter end

a. Details of Secured Term Loan Outstanding as on 31.12.2022:-

Name of Lender	Type of Facility	Amount Sanctioned (Rs. in crs)	Principal Amount Outstanding (Rs. in Crs)	Last Repayment Date/ Schedule	Security
Canara Bank	Rupee Term Loan	1,000.00	1,000.00	20-Feb-24	Pari Passu charge in the form of hypothecation on the receivables/loan assets of the company except for the receivables/loan assets on which a specific charge has already been created in favour of Catalyst Trusteeship Ltd.(Formerly known as GDA Trusteeship Ltd.)
Union Bank of India (erstwhile Corporation Bank)	Rupee Term Loan	1,000.00	200	15-Mar-24	
Canara Bank	Rupee Term Loan	500	500	21-Jun-24	
Canara Bank	Rupee Term Loan	500	500	24-Jun-24	
Canara Bank	Rupee Term Loan	1,000.00	1,000.00	29-Jun-24	
Union Bank of India (erstwhile Corporation Bank)	Rupee Term Loan	500	200	30-Sep-24	
Punjab National Bank (erstwhile OBC)	Rupee Term Loan	1,500.00	1,125.00	25-Feb-25	
Bank of India	Rupee Term Loan	1,000.00	1,000.00	2-Mar-25	
State Bank of India	Rupee Term Loan	5,000.00	4,285.00	10-Jul-25	
Indian Bank	Rupee Term Loan	1,500.00	1,125.00	28-Sep-25	
Punjab National Bank (erstwhile OBC)	Rupee Term Loan	225	168.75	30-Sep-25	
Union Bank of India	Rupee Term Loan	2,000.00	1,350.00	30-Sep-25	
Indian bank (erstwhile Allahabad Bank)	Rupee Term Loan	1,800.00	1,800.00	29-Jun-26	
Indian bank (erstwhile Allahabad Bank)	Rupee Term Loan	500	500	2-Jan-27	
Canara Bank	Rupee Term Loan	1,000.00	1,000.00	20-Feb-24	

b. Details of Outstanding Unsecured Term Loan as on 31 Dec 2022:-

Name of Lender	Type of Facility	Amount Sanctioned (Rs. in crs)	Principal Amount Outstanding (Rs. in crs)	Last Repayment Date/ Schedule
UCO Bank	Rupee Term Loan	500	500	31-Mar-23
UCO Bank	Rupee Term Loan	200	200	26-May-23
HDFC Bank	Rupee Term Loan	3,000.00	3,000.00	29-Jun-23
HDFC	Short Term Loan	3,000.00	3,000.00	30-Jun-23
State Bank of India	Rupee Term Loan	6,000.00	2,999.98	27-Sep-23
HDFC Bank	Rupee Term Loan	1,000.00	1,000.00	30-Sep-23
HDFC Bank	Rupee Term Loan	750	750	5-Oct-23
Punjab National Bank (erstwhile United Bank of India)	Rupee Term Loan	1,000.00	995	24-Dec-23

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

Canara Bank	Rupee Term Loan	500	500	28-Dec-23
Canara Bank	Rupee Term Loan	500	500	15-Jan-24
Bank of India	Rupee Term Loan	1,000.00	1,000.00	21-Jan-24
Bank of India	Rupee Term Loan	1,000.00	1,000.00	21-Jan-24
Canara Bank (erstwhile Syndicate Bank)	Rupee Term Loan	1,750.00	1,093.75	20-Mar-24
SBI	Rupee Term Loan	3,000.00	3,000.00	19-Dec-24
Union Bank of India (erstwhile Andhra bank)	Rupee Term Loan	800	800	15-Jan-25
Punjab National Bank (erstwhile OBC)	Rupee Term Loan	1,000.00	1,000.00	20-Mar-25
Union Bank	Rupee Term Loan	2,500.00	1,875.00	23-Mar-25
HDFC Bank	Rupee Term Loan	3,000.00	3,000.00	30-Sep-25
Canara Bank	Rupee Term Loan	500	350	23-Mar-26
Bank of India	Rupee Term Loan	1,000.00	1,000.00	11-Sep-26
Canara Bank	Rupee Term Loan	2,000.00	1,500.00	22-Sep-26
UCO Bank	Rupee Term Loan	1,000.00	1,000.00	24-Sep-26
Punjab National Bank	Rupee Term Loan	500	500	27-Sep-26
Punjab National Bank	Rupee Term Loan	5	5	29-Sep-26
IIFCL	Rupee Term Loan	1,000.00	1,000.00	30-Sep-26
Central Bank of India	Rupee Term Loan	1,000.00	1,000.00	31-Mar-27
Union Bank of India	Rupee Term Loan	3,000.00	3,000.00	31-Mar-28
Bank of India	Rupee Term Loan	500	500	18-Sep-28
NSSF	Rupee Term Loan	7,500.00	7,500.00	27-Dec-28
Canara Bank	Rupee Term Loan	2,500.00	2,500.00	30-Jun-28
Indian Overseas Bank	Rupee Term Loan	1,000.00	1,000.00	30-Sep-28
KEB Hana Bank	Rupee Term Loan	100.00	100.00	17-Nov-25
Bank of Baroda	Rupee Term Loan	5,000.00	5,000.00	17-Nov-29

c. Details of Outstanding Secured/Unsecured Other Loan facilities as on 31 Dec 2022:-

Name of Lender	Type of Facility	Amount Sanctioned (Rs. in crs)	Principal Amount Outstanding (Rs. in Crs)	Repayment Date/ Schedule	Security, if any

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

d. Details of Unsecured Foreign Currency Loans Outstanding as on 30.09.2022

Sl. No.	Lender's Name	Type of Facility	Amount Sanctioned (in FC)	Principal Amount Outstanding (in FC)	Repayment Date/ Schedule
1.	Kreditanstalt Fur Wiederaufbau (KFW-1 & II)	Foreign Currency Loan	Deutsche Mark 4.65 crores, divided into two equal sub-limits, namely, Portion I and Portion II.	For Portion I: Euro 4.87 million;	Portion I: payable in 60 instalments payable semi-annually from December 30, 2005. Portion II loan has been repaid in full on 30.12.2015.
2.	Asian Development Bank	Foreign Currency Loan	USD 150.00 million	USD 6.96 million	Each disbursement of this facility will be repaid in semi-annual instalments payable on April 15 and October 15 of each year, the first instalment payable on the eleventh interest payment date with respect to such disbursement, i.e. from 15.10.2009 and the last repayment date is 15.10.2028
3.	Natixis (formerly known as Credit National France) (on behalf of the Government of the Republic of France)	Foreign Currency Loan	FRF 16.46 crores	Euro 2.65 million	Each portion of this facility is repayable in 46 equal and successive half-yearly installments, the first of which is payable 126 months from the date of the calendar half-year during which such disbursement has been made, i.e. from 30.12.2000 and the last repayment date is 30.06.2028.
4.	State Bank of India acting as facility agent through its branch in Hong Kong on behalf of various lenders	Foreign Currency Loan-syndicated loan-XVIII	JPY 43,668 million	JPY 14,556 million	Repayment in three equal installments on 6.11.2020, 8.11.2021 and 4.11.2022
5.	The Bank of New York Mellon, London Branch acting as Trustee	Green Bonds 2027	USD 400.00 million	USD 400.00 million	Repayment after 10 years from drawdown (i.e. on 06.12.2027)

Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)

6.	State Bank of India acting as facility agent through its branch in Hong Kong on behalf of various lenders	Foreign Currency Loan-syndicated loan-XXI	USD 300.00 million	USD 300.00 million	Repayment after 5 years from drawdown (i.e. on 12.12.2022)
7.	State Bank of India, Hong Kong	Foreign Currency Loan-syndicated loan-XXII	USD 250.00 million	USD 250.00 million	Repayment after 5 years from drawdown (i.e. on 28.02.2023)
8.	State Bank of India acting as facility agent through its branch in Hong Kong on behalf of various lenders	Foreign Currency Loan-syndicated loan-XXIII	USD 250.00 million	USD 250.00 million	Repayment after 5 years from drawdown (i.e. on 22.03.2023)
9.	The Bank of New York Mellon, London Branch acting as Trustee	Bonds 2028	USD 300.00 million	USD 300.00 million	Repayment after 10 years from drawdown (i.e. on 10.08.2028)
10.	Bank of Baroda, New York	Foreign Currency Loan-syndicated loan-XXVI	USD 250.00 million	USD 250.00 million	Repayment after 5 years from drawdown (i.e. on 26.09.2023)
11.	The Bank of New York Mellon, London Branch acting as Trustee	Bonds 2028	USD 500.00 million	USD 500.00 million	Repayment after 10 years from drawdown (i.e. on 06.12.2028)
12.	Mizuho Bank Ltd. acting as facility agent through its branch in Singapore on behalf of various lenders	Foreign Currency Loan-syndicated loan-XXVII	JPY 16,410.75 million	JPY 16,410.75 million	Repayment after 5 years from drawdown (i.e. on 01.02.2024)
13.	The Bank of New York Mellon, London Branch acting as Trustee	Bonds 2024	USD 400.00 million	USD 400.00 million	Repayment after 5 years from drawdown (i.e. on 18.06.2024)
14.	The Bank of New York	Bonds 2029	USD 600.00 million	USD 600.00 million	Repayment after 10 years from drawdown (i.e. on

Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)

	Mellon, London Branch acting as Trustee				18.06.2029)
15.	The Bank of New York Mellon, London Branch acting as Trustee	Bonds 2024	USD 300.00 million	USD 300.00 million	Repayment after 5 years from drawdown (i.e. on 16.09.2024)
16.	The Bank of New York Mellon, London Branch acting as Trustee	Bonds 2029	USD 450.00 million	USD 450.00 million	Repayment after 10 years from drawdown (i.e. on 16.09.2029)
17.	State Bank of India, Hong Kong	Foreign Currency Loan-syndicated loan-XXIX	USD 250.00 million	USD 250.00 million	Repayment after 5 years from drawdown (i.e. on 20.12.2024)
18.	The Bank of New York Mellon, London Branch acting as Trustee	Bonds 2030	USD 750.00 million	USD 750.00 million	Repayment after 10.25 years from drawdown (i.e. on 17.04.2030)
19.	Exim Bank of India	Foreign Currency Loan-Term Loan-30 (USD 100m)	USD 100.00 million	USD 100.00 million	Repayment after 5 years from drawdown (i.e. on 13-Oct-25)
20.	DBS Bank Ltd. acting as facility agent through its branch in Singapore on behalf of various lenders	Foreign Currency Loan-syndicated loan-30 (USD 300m)	USD 300.00 million	USD 300.00 million	Repayment after 5 years from drawdown (i.e. on 05-Nov-25)
21.	The Bank of New York Mellon, London Branch acting as Trustee	Bonds 2031	USD 500.00 million	USD 500.00 million	Repayment after 10 years, 3 months & 17 days from drawdown (i.e. on 16.05.2031)
22.	The Bank of New York Mellon, London Branch acting as Trustee	Bonds 2028	EUR 300.00 million	EUR 300.00 million	Repayment after 7 years from drawdown (i.e. on 21.09.2028)
23.	State Bank of India acting as facility agent through its branch in Hong Kong on behalf	Foreign Currency Term Loan – 31 A	USD 525.00 million	USD 525.00 million	Repayment after 5 years from drawdown (i.e. on 30.11.2026)

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

	of various lenders				
24.	Exim Bank of India	Foreign Currency Term Loan – 31 B	USD 100.00 million	USD 100.00 million	Repayment after 5 years from drawdown (i.e. on 30.11.2026)

e. Details of Outstanding Non-Convertible Securities as on 31-Dec-2022-

Series of NCS	Tenor/period of maturity	Coupon	Amount Outstanding (Amount in Rs)	Date of Allotment	Redemption Date	Unsecured / Secured	Security
Infrastructure Bonds (2010-11) - tranche 1 - Series III	15 Years	8.50%	5,27,25,000	31-Mar-11	31-Mar-26	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
Infrastructure Bonds (2010-11) - tranche 1 - Series IV	15 Years	8.50%	19,33,45,000	31-Mar-11	31-Mar-26	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
Bond Series 79-B	15 Years	7.75%	2,17,99,00,000	15-Oct-11	15-Oct-26	Secured	First Pari-passu charge on the total receivables of the Company, excluding the receivables on which specific

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

							charge has already been created by the Company, alongwith first pari-passu charge on immovable property situated at Guindy, Chennai
Infrastructure Bonds (2011-12) - tranche 1 - Series III	15 Years	8.75%	2,86,30,000	21-Nov-11	21-Nov-26	Secured	First pari-passu charge of present and future receivables (excluding those receivables which are specifically charged by the Company) along with first pari-passu charge on immovable property situated at Guindy, Chennai
Infrastructure Bonds (2011-12) - tranche 1 - Series IV	15 Years	8.75%	7,77,20,000	21-Nov-11	21-Nov-26	Secured	First pari-passu charge of present and future receivables (excluding those receivables which are specifically charged by the Company) along with first pari-passu charge on immovable property situated at Guindy, Chennai
Bond Series 80-B	15 Years	8.16%	2,09,34,00,000	25-Nov-11	25-Nov-26	Secured	First Pari-passu charge on the total receivables of the Company, excluding the receivables on which specific charge has already been created by the Company, alongwith first pari-passu charge on immovable property situated at Guindy, Chennai
8.30% PUBLIC ISSUE OF TAX FREE BONDS FY 11-12	15 Years	8.30%	12,80,58,12,000	01-Feb-12	01-Feb-27	Secured	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.
8.72 % SERIES III INFRA BONDS PRIVATE PLACEMENT	15 Years	8.72%	86,50,000	30-Mar-12	30-Mar-27	Secured	First pari-passu charge of present and future receivables (excluding those receivables which are specifically charged by the Company) along with first pari-passu charge on immovable property situated at Guindy, Chennai

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

8.72% SERIES IV INFRA BONDS PRIVATE PLACEMENT	15 Years	8.72%	2,40,25,000	30-Mar-12	30-Mar-27	Secured	First pari-passu charge of present and future receivables (excluding those receivables which are specifically charged by the Company) along with first pari-passu charge on immovable property situated at Guindy, Chennai
Bond Series 94-B	15 Years	7.38%	25,00,00,000	22-Nov-12	22-Nov-27	Secured	First Pari-passu charge on the total receivables of the Company, excluding the receivables on which specific charge has already been created by the Company, alongwith first pari-passu charge on immovable property situated at Guindy, Chennai
Bond Series 95-B	15 Years	7.38%	1,00,00,00,000	29-Nov-12	29-Nov-27	Secured	First Pari-passu charge on the total receivables of the Company, excluding the receivables on which specific charge has already been created by the Company, alongwith first pari-passu charge on immovable property situated at Guindy, Chennai
7.36% 15YEARS TAX FREE BONDS 2012- 13 TR-I SERIES-2	15 Years	7.36%	1,62,72,22,000	04-Jan-13	04-Jan-28	Secured	First pari passu charge over Company's Immovable properties as described in the first schedule of debenture trust deed and first pari- passu the Hypothecated Properties as described in the second schedule of debenture trust deed.
7.86% 15YEARS TAX FREE BONDS 2012- 13 TR-I SERIES-2	15 Years	7.86%	1,94,27,56,000	04-Jan-13	04-Jan-28	Secured	First pari passu charge over Company's Immovable properties as described in the first schedule of debenture trust deed and first pari- passu the Hypothecated Properties as described in the second schedule of debenture trust deed.
7.19% 10YEARS TAX FREE BONDS 12-13 TR -I SERIES 1	10 Years	7.19%	1,97,08,66,000	04-Jan-13	04-Jan-23	Secured	First pari passu charge over Company's Immovable properties as described in the first schedule of debenture trust deed and first pari- passu

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

							the Hypothecated Properties as described in the second schedule of debenture trust deed.
7.69% 10YEARS TAX FREE BONDS 2012-13 TR-I SERIES-1	10 Years	7.69%	1,45,66,24,000	04-Jan-13	04-Jan-23	Secured	First pari passu charge over Company's Immovable properties as described in the first schedule of debenture trust deed and first pari- passu the Hypothecated Properties as described in the second schedule of debenture trust deed.
7.04% TR-2 TAX FREE BONDS 12-13	15 Years	7.04%	10,25,07,000	28-Mar-13	28-Mar-28	Secured	Secured by charge on specific book debts of Rs. 3090.80 crore as on 31.03.2016 of the Company along with first charge on immovable property situated at Jangpura, New Delhi
7.54% TR 2 TAX FREE BONDS 12-13	15 Years	7.54%	58,95,79,000	28-Mar-13	28-Mar-28	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
6.88% TR-2 TAX FREE BONDS 12-13	10 Years	6.88%	52,90,23,000	28-Mar-13	28-Mar-23	Secured	Secured by charge on specific book debts of Rs. 3090.80 crore as on 31.03.2016 of the Company along with first charge on immovable property situated at Jangpura, New Delhi
7.38% tr-2 tax free bonds 12-13	10 Years	7.38%	43,25,71,000	28-Mar-13	28-Mar-23	Secured	First Pari-passu charge on the total receivables of the Company, excluding the receivables on which specific charge has already been created by the Company,

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

							limited to the extent of payment/repayment of the Bonds including interest, additional interest, cost and expenses and all the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
Bond Series 107-B	15 Years	8.46%	10,11,10,00,000	30-Aug-13	30-Aug-28	Secured	First pari passu charge, on total receivables of the Company as mentioned in, First Schedule of the debenture agreement, excluding receivables on which specific charge has already been created by the Company limited to payment/repayment of bonds including interest, additional interest, cost and expenses and all other monies whatsoever payable/repayable by the Company to the Bondholders and/or others pursuant to the Transaction documents.
Bond Series 107-A	10 Years	8.01%	1,13,00,00,000	30-Aug-13	30-Aug-23	Secured	First pari passu charge, on total receivables of the Company as mentioned in, First Schedule of the debenture agreement, excluding receivables on which specific charge has already been created by the Company limited to payment/repayment of bonds including interest, additional interest, cost and expenses and all other monies whatsoever payable/repayable by the Company to the Bondholders and/or others pursuant to the Transaction documents.
8.67% TAX FREE BONDS 13-14 SERIES 3A	20 Years	8.67%	10,67,38,04,000	16-Nov-13	16-Nov-33	Secured	Secured by charge on specific book debts of Rs. 3090.80 crore as on 31.03.2016 of the Company along with first charge on immovable property

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

							situated at Jangpura, New Delhi
8.92% TAX FREE BONDS 13-14 SERIES 3B	20 Years	8.92%	8,61,96,08,000	16-Nov-13	16-Nov-33	Secured	First pari-passu charge of present and future receivables (excluding those receivables which are specifically charged for infra bond issue during the FY 2010-11) along with first pari-passu charge on immovable property situated at Guindy, Chennai
8.54% TAX FREE BONDS 13-14 SERIES 2A	15 Years	8.54%	9,32,69,84,000	16-Nov-13	16-Nov-28	Secured	Secured by charge on specific book debts of Rs. 3090.80 crore as on 31.03.2016 of the Company along with first charge on immovable property situated at Jangpura, New Delhi
8.79% TAX FREE BONDS 13-14 SERIES 2B	15 Years	8.79%	3,53,31,64,000	16-Nov-13	16-Nov-28	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
8.18% TAX FREE BONDS 13-14 SERIES 1A	10 Years	8.18%	3,25,07,62,000	16-Nov-13	16-Nov-23	Secured	First pari-passu charge over Company's Hypothecated Properties as described in part A of first schedule of debenture trust deed.
8.43% TAX FREE BONDS 13-14 SERIES 1B	10 Years	8.43%	3,35,46,78,000	16-Nov-13	16-Nov-23	Secured	First pari-passu charge of present and future receivables (excluding those receivables which are specifically charged by the Company) along with first pari-passu charge on immovable property situated at Guindy, Chennai

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

Bond Series 136	10 Years	7.16%	3,00,00,00,000	17-Jul-15	17-Jul-25	Secured	First pari passu charge, on total receivables of the Company as mentioned in, First Schedule of the debenture agreement, excluding receivables on which specific charge has already been created by the Company limited to payment/repayment of bonds including interest, additional interest, cost and expenses and all other monies whatsoever payable/repayable by the Company to the Bondholders and/or others pursuant to the Transaction documents.
7.35% TAXFREE BONDS 3A 17.10.2015	20 Years	7.35%	2,13,57,30,000	17-Oct-15	17-Oct-35	Secured	First pari- passu charge over Company's Hypothecated Properties as described in part A of first schedule of debenture trust deed.
7.60% TAXFREE BONDS 3B 17.10.2015	20 Years	7.60%	1,55,47,58,000	17-Oct-15	17-Oct-35	Secured	First pari- passu charge over Company's Hypothecated Properties as described in part A of first schedule of debenture trust deed.
7.27% TAXFREE BONDS 2A 17.10.2015	15 Years	7.27%	1,31,33,02,000	17-Oct-15	17-Oct-30	Secured	First pari- passu charge over Company's Hypothecated Properties as described in part A of first schedule of debenture trust deed.
7.52% TAXFREE BONDS 2B 17.10.2015	15 Years	7.52%	45,17,53,000	17-Oct-15	17-Oct-30	Secured	First pari- passu charge over Company's Hypothecated Properties as described in part A of first schedule of debenture trust deed.
7.11% TAXFREE BONDS 1A 17.10.2025	10 Years	7.11%	75,09,68,000	17-Oct-15	17-Oct-25	Secured	First pari- passu charge over Company's Hypothecated Properties as described in part A of first schedule of debenture trust deed.
7.36% TAXFREE BONDS 1B 17.10.2015	10 Years	7.36%	79,34,89,000	17-Oct-15	17-Oct-25	Secured	First pari- passu charge over Company's Hypothecated Properties as described in part A of first schedule of debenture trust deed.

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

PFC Capital Gain Bonds Series II	5 Years	5.75%	6,53,80,000	30-Apr-18	30-Apr-23	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series II	5 Years	5.75%	7,04,20,000	31-May-18	31-May-23	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series II	5 Years	5.75%	10,11,10,000	30-Jun-18	30-Jun-23	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

PFC Capital Gain Bonds Series II	5 Years	5.75%	14,31,50,000	31-Jul-18	31-Jul-23	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series II	5 Years	5.75%	15,95,00,000	31-Aug-18	31-Aug-23	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series II	5 Years	5.75%	26,03,00,000	30-Sep-18	30-Sep-23	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

PFC Capital Gain Bonds Series II	5 Years	5.75%	32,94,70,000	31-Oct-18	31-Oct-23	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series II	5 Years	5.75%	41,12,50,000	30-Nov-18	30-Nov-23	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series II	5 Years	5.75%	55,14,40,000	31-Dec-18	31-Dec-23	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

PFC Capital Gain Bonds Series II	5 Years	5.75%	70,63,00,000	31-Jan-19	31-Jan-24	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series II	5 Years	5.75%	66,74,30,000	28-Feb-19	29-Feb-24	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series II	5 Years	5.75%	1,45,37,70,000	31-Mar-19	31-Mar-24	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

PFC Capital Gain Bonds Series III	5 Years	5.75%	48,91,20,000	30-Apr-19	30-Apr-24	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series III	5 Years	5.75%	72,71,60,000	31-May-19	31-May-24	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series III	5 Years	5.75%	81,73,10,000	30-Jun-19	30-Jun-24	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

PFC Capital Gain Bonds Series III	5 Years	5.75%	1,17,29,30,000	31-Jul-19	31-Jul-24	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series III	5 Years	5.75%	1,05,72,80,000	31-Aug-19	31-Aug-24	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series III	5 Years	5.75%	1,02,02,50,000	30-Sep-19	30-Sep-24	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

PFC Capital Gain Bonds Series III	5 Years	5.75%	92,09,20,000	31-Oct-19	31-Oct-24	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series III	5 Years	5.75%	89,95,90,000	30-Nov-19	30-Nov-24	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series III	5 Years	5.75%	93,07,60,000	31-Dec-19	31-Dec-24	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

PFC Capital Gain Bonds Series III	5 Years	5.75%	94,01,80,000	31-Jan-20	31-Jan-25	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series III	5 Years	5.75%	1,07,88,10,000	29-Feb-20	28-Feb-25	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series III	5 Years	5.75%	1,29,01,20,000	31-Mar-20	31-Mar-25	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

PFC Capital Gain Bonds Series IV	5 Years	5.75%	12,43,80,000	30-Apr-20	30-Apr-25	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series IV	5 Years	5.75%	39,38,90,000	31-May-20	31-May-25	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series IV	5 Years	5.75%	1,17,99,30,000	30-Jun-20	30-Jun-25	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

PFC Capital Gain Bonds Series IV	5 Years	5.75%	82,55,60,000	31-Jul-20	31-Jul-25	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series IV	5 Years	5.00%	26,03,40,000	31-Aug-20	31-Aug-25	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series IV	5 Years	5.00%	61,44,30,000	30-Sep-20	30-Sep-25	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

PFC Capital Gain Bonds Series IV	5 Years	5.00%	45,90,30,000	31-Oct-20	31-Oct-25	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series IV	5 Years	5.00%	48,87,40,000	30-Nov-20	30-Nov-25	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series IV	5 Years	5.00%	86,18,00,000	31-Dec-20	31-Dec-25	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

PFC Capital Gain Bonds Series IV	5 Years	5.00%	76,54,00,000	31-Jan-21	31-Jan-26	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series IV	5 Years	5.00%	1,01,96,00,000	28-Feb-21	28-Feb-26	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series IV	5 Years	5.00%	2,38,47,00,000	31-Mar-21	31-Mar-26	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

PFC Capital Gain Bonds Series V	5 Years	5.00%	74,66,00,000	30-Apr-21	30-Apr-26	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series V	5 Years	5.00%	66,60,00,000	31-May-21	31-May-26	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series V	5 Years	5.00%	1,03,86,00,000	30-Jun-21	30-Jun-26	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

PFC Capital Gain Bonds Series V	5 Years	5.00%	1,31,00,00,000	31-Jul-21	31-Jul-26	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series V	5 Years	5.00%	1,06,04,00,000	31-Aug-21	31-Aug-26	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series V	5 Years	5.00%	1,35,75,00,000	30-Sep-21	30-Sep-26	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

PFC Capital Gain Bonds Series V	5 Years	5.00%	94,42,00,000	31-Oct-21	31-Oct-26	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series V	5 Years	5.00%	84,94,00,000	30-Nov-21	30-Nov-26	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series V	5 Years	5.00%	1,25,81,00,000	31-Dec-21	31-Dec-26	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

PFC Capital Gain Bonds Series V	5 Years	5.00%	1,11,14,20,000	31-Jan-22	31-Jan-27	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series V	5 Years	5.00%	1,30,48,50,000	28-Feb-22	28-Feb-27	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series V	5 Years	5.00%	2,69,92,60,000	31-Mar-22	31-Mar-27	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

PFC Capital Gain Bonds Series VI	5 Years	5.00%	1,82,00,00,000	30-Apr-22	30-Apr-27	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series VI	5 Years	5.00%	1,90,40,00,000	31-May-22	31-May-27	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series VI	5 Years	5.00%	1,80,62,00,000	30-Jun-22	30-Jun-27	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

PFC Capital Gain Bonds Series VI	5 Years	5.00%	2,53,08,30,000	31-July-22	31-July-27	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series VI	5 Years	5.00%	1,46,19,00,000	31-Aug-22	31-Aug-27	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series VI	5 Years	5.00%	2,14,66,70,000	30-Sept-22	30-Sept-27	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

PFC Capital Gain Bonds Series VI	5 Years	5.00%	1,76,40,50,000	31-Oct-22	31-Oct-27	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series VI	5 Years	5.00%	2,00,24,50,000	30-Nov-22	30-Nov-27	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PFC Capital Gain Bonds Series VI	5 Years	5.00%	2,12,29,00,000	31-Dec-22	31-Dec-27	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

GSEC LINK PI TR I SER V CAT I-II	10 Years	6.58	10,35,00,000	22-Jan-21	22-Jan-31	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
GSEC LNK PI TR I SER V CAT III-IV	10 Years	6.83	12,50,73,22,000	22-Jan-21	22-Jan-31	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PI TR I SER I CAT III- IV	3 Years	4.8	1,96,05,000	22-Jan-21	22-Jan-24	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

PI TR I SER II CAT I-II	5 Years	5.65	27,05,00,000	22-Jan-21	22-Jan-26	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PI TR I SER II CAT III-IV	5 Years	5.8	3,50,16,000	22-Jan-21	22-Jan-26	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PI TR I SER III CAT I-II	10 Years	6.63	50,00,000	22-Jan-21	22-Jan-31	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

PI TR I SER III CAT III-IV	10 Years	6.82	28,74,22,000	22-Jan-21	22-Jan-31	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PI TR I SER IV CAT I-II	10 Years	6.8	33,66,65,000	22-Jan-21	22-Jan-31	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PI TR I SER IV CAT III-IV	10 Years	7	16,35,52,85,000	22-Jan-21	22-Jan-31	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

PI TR I SER VI CAT I-II	15 Years	6.78	3,49,50,000	22-Jan-21	22-Jan-36	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PI TR I SER VI CAT III-IV	15 Years	6.97	53,36,04,000	22-Jan-21	22-Jan-36	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
PI TR I SER VII CAT I-II	15 Years	6.95	50,05,00,000	22-Jan-21	22-Jan-36	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

PI TR I SER VII CAT III-IV	15 Years	7.15	13,30,04,88,000	22-Jan-21	22-Jan-36	Secured	First Pari-passu charge on the 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 the other monies whatsoever payable/repayable by the Company to the Bondholders and/or others under/pursuant to the Transaction documents.
Bond Series 57-C	15 Years	8.60%	8,66,50,00,000	07-Aug-09	07-Aug-24	Unsecured	N.A.
Bond Series 61	15 Years	8.50%	3,51,00,00,000	15-Dec-09	15-Dec-24	Unsecured	N.A.
Bond Series 62-B	15 Years	8.80%	11,72,60,00,000	15-Jan-10	15-Jan-25	Unsecured	N.A.
Bond Series 63-III	15 Years	8.90%	1,84,00,00,000	15-Mar-10	15-Mar-25	Unsecured	N.A.
Bond Series 64-III	15 Years	8.95%	4,92,00,00,000	30-Mar-10	30-Mar-25	Unsecured	N.A.
Bond Series 65	15 Years	8.70%	13,37,50,00,000	14-May-10	14-May-25	Unsecured	N.A.
Bond Series 66-B	15 Years	8.75%	15,32,00,00,000	15-Jun-10	15-Jun-25	Unsecured	N.A.
Bond Series 66-C	20 Years	8.85%	6,33,00,00,000	15-Jun-10	15-Jun-30	Unsecured	N.A.
Bond Series 71	15 Years	9.05%	3,85,40,00,000	15-Dec-10	15-Dec-25	Unsecured	N.A.
Bond Series 76-B	15 Years	9.46%	11,05,00,00,000	01-Aug-11	01-Aug-26	Unsecured	N.A.
Bond Series 77-B	15 Years	9.45%	25,68,00,00,000	01-Sep-11	01-Sep-26	Unsecured	N.A.
Bond Series 85-D	11.12 Years	9.26%	7,36,00,00,000	06-Mar-12	15-Apr-23	Unsecured	N.A.
Bond Series 100-B	10 Years	8.84%	13,10,00,00,000	04-Mar-13	04-Mar-23	Unsecured	N.A.
Bond Series 101-B	15 Years	9.00%	13,70,00,00,000	11-Mar-13	11-Mar-28	Unsecured	N.A.
Bond Series 102-A(II)	10 Years	8.90%	4,03,00,00,000	18-Mar-13	18-Mar-23	Unsecured	N.A.
Bond Series 102-A(III)	15 Years	8.90%	4,03,00,00,000	18-Mar-13	18-Mar-28	Unsecured	N.A.
Bond Series 103	15 Years	8.94%	28,07,00,00,000	25-Mar-13	25-Mar-28	Unsecured	N.A.
Bond Series 117-B	10 Years	9.37%	8,55,00,00,000	19-Aug-14	19-Aug-24	Unsecured	N.A.
Bond Series 118-B-II	10 Years	9.39%	4,60,00,00,000	27-Aug-14	27-Aug-24	Unsecured	N.A.
Bond Series 118-B-III	15 Years	9.39%	4,60,00,00,000	27-Aug-14	27-Aug-29	Unsecured	N.A.
Bond Series 120-A	10 Years	8.98%	9,61,00,00,000	08-Oct-14	08-Oct-24	Unsecured	N.A.
Bond Series 120-B	10 Years	8.98%	9,50,00,00,000	08-Oct-14	08-Oct-24	Unsecured	N.A.
Bond Series 124-C	10 Years	8.48%	10,00,00,00,000	09-Dec-14	09-Dec-24	Unsecured	N.A.
Bond Series 125	10 Years	8.65%	28,26,00,00,000	29-Dec-14	28-Dec-24	Unsecured	N.A.
Bond Series 126	10 Years	8.65%	50,00,00,00,000	05-Jan-15	04-Jan-25	Unsecured	N.A.
Bond Series 128	10 Years	8.20%	16,00,00,00,000	10-Mar-15	10-Mar-25	Unsecured	N.A.

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

Bond Series 130-C	10.09 Years	8.39%	9,25,00,00,000	19-Mar-15	19-Apr-25	Unsecured	N.A.
Bond Series 131-C	10 Years	8.41%	50,00,00,00,000	27-Mar-15	27-Mar-25	Unsecured	N.A.
Bond Series 141-B	10 Years	8.40%	10,00,00,00,000	18-Sep-15	18-Sep-25	Unsecured	N.A.
Bond Series 147	10 Years	8.03%	10,00,00,00,000	02-May-16	02-May-26	Unsecured	N.A.
Bond Series 151-B	10 Years	7.56%	2,10,00,00,000	16-Sep-16	16-Sep-26	Unsecured	N.A.
Bond Series 152	10 Years	7.55%	40,00,00,00,000	26-Sep-16	25-Sep-26	Unsecured	N.A.
Bond Series 155	10 Years	7.23%	26,35,00,00,000	05-Jan-17	05-Jan-27	Unsecured	N.A.
Bond Series 156	10 Years	7.1	2,00,00,00,000	11-Jan-17	11-Jan-27	Unsecured	N.A.
Bond Series 158	10 Years	7.18	13,35,00,00,000	20-Jan-17	20-Jan-27	Unsecured	N.A.
Bond Series 160	10 Years	7.6	14,65,00,00,000	20-Feb-17	20-Feb-27	Unsecured	N.A.
Bond Series 164	10 Years	7.75	20,00,00,00,000	22-Mar-17	22-Mar-27	Unsecured	N.A.
Bond Series 168B	10 Years	7.44%	15,40,00,00,000	12-Jun-17	11-Jun-27	Unsecured	N.A.
Bond Series 169B	10 Years	7.30%	15,00,00,00,000	08-Aug-17	07-Aug-27	Unsecured	N.A.
Bond Series 170B	10 Years	7.65%	20,01,00,00,000	22-Nov-17	22-Nov-27	Unsecured	N.A.
Bond Series 171 (LIC)	10 Years	7.62%	50,00,00,00,000	15-Dec-17	15-Dec-27	Unsecured	N.A.
Bond Series 172	10 Years	7.74%	8,50,00,00,000	30-Jan-18	29-Jan-28	Unsecured	N.A.
Bond Series 177	10 Years	7.85%	38,55,00,00,000	03-Apr-18	03-Apr-28	Unsecured	N.A.
Bond Series 178	10 Years	8.95%	30,00,00,00,000	10-Oct-18	10-Oct-28	Unsecured	N.A.
Bond Series179(A)	10 Years	8.67%	10,07,40,00,000	19-Nov-18	18-Nov-28	Unsecured	N.A.
Bond Series179(B)	15 Years	8.64%	5,28,40,00,000	19-Nov-18	19-Nov-33	Unsecured	N.A.
Bond Series 180	15 Years	8.75%	26,54,00,00,000	22-Feb-19	22-Feb-34	Unsecured	N.A.
Bond Series184(B)	10 Years	9.10%	24,11,50,00,000	25-Mar-19	23-Mar-29	Unsecured	N.A.
Bond Series184(A)	5.51 Years	9.25%	20,00,00,00,000	25-Mar-19	25-Sep-24	Unsecured	N.A.
Bond Series 185	10 Years	8.98%	10,00,00,00,000	28-Mar-19	28-Mar-29	Unsecured	N.A.
Bond Series 186	15 Years	8.79%	25,78,90,00,000	30-Apr-19	29-Apr-34	Unsecured	N.A.
Bond Series187(B)	10 Years	8.85%	19,82,10,00,000	27-May-19	25-May-29	Unsecured	N.A.
Bond Series 188	5 Years	8.10%	6,91,10,00,000	04-Jun-19	04-Jun-24	Unsecured	N.A.
Bond Series 189	15 Years	8.15%	40,35,00,00,000	08-Aug-19	08-Aug-34	Unsecured	N.A.
Bond Series 190	15 Years	8.25%	40,16,00,00,000	06-Sep-19	06-Sep-34	Unsecured	N.A.
Bond Series 192	5 Years	7.42%	30,00,00,00,000	19-Nov-19	19-Nov-24	Unsecured	N.A.
Bond Series 193	10 Years	7.93%	47,10,50,00,000	31-Dec-19	31-Dec-29	Unsecured	N.A.
Bond Series 194	3.27 Years	7.04%	14,00,00,00,000	07-Jan-20	14-Apr-23	Unsecured	N.A.
Bond Series 195	10.25 Years	7.86%	11,00,00,00,000	14-Jan-20	12-Apr-30	Unsecured	N.A.
Bond Series 196	10 Years	7.41%	25,00,00,00,000	25-Feb-20	25-Feb-30	Unsecured	N.A.
Bond Series 197	10.21 Years	7.41%	50,00,00,00,000	02-Mar-20	15-May-30	Unsecured	N.A.
Bond Series 198	3 Years	6.98%	31,60,00,00,000	20-Apr-20	20-Apr-23	Unsecured	N.A.
Bond Series-199 A	3 Years	6.83%	19,70,00,00,000	24-Apr-20	24-Apr-23	Unsecured	N.A.
Bond Series-199 B	5 Years	7.16%	13,20,00,00,000	24-Apr-20	24-Apr-25	Unsecured	N.A.
Bond Series-200	10 Years	7.40%	29,20,00,00,000	08-May-20	08-May-30	Unsecured	N.A.

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

Bond Series-201	10.17 Years	7.68%	31,01,30,00,000	15-May-20	15-Jul-30	Unsecured	N.A.
Bond Series202-A	3 Years	6.75%	21,45,00,00,000	22-May-20	22-May-23	Unsecured	N.A.
Bond Series 202-B	5 Years	7.17%	8,10,00,00,000	22-May-20	22-May-25	Unsecured	N.A.
Bond Series-202-C	10.17 Years	7.79%	19,36,00,00,000	22-May-20	22-Jul-30	Unsecured	N.A.
Bond Series 203-A	3 Years	6.72%	22,06,00,00,000	11-Jun-20	09-Jun-23	Unsecured	N.A.
Bond Series-203-B	10 Years	7.75%	33,18,00,00,000	11-Jun-20	11-Jun-30	Unsecured	N.A.
Bond Series -196 (Reissuance-1)	9.62 Years	6.90%	15,00,00,00,000	14-Jul-20	25-Feb-30	Unsecured	N.A.
Bond Series204-A	4.71 Years	5.77%	9,00,00,00,000	28-Jul-20	11-Apr-25	Unsecured	N.A.
Bond Series 204-B	10.71 Years	6.88%	13,00,00,00,000	28-Jul-20	11-Apr-31	Unsecured	N.A.
Bond Series205-A	10 Years	7.05%	16,10,10,00,000	10-Aug-20	09-Aug-30	Unsecured	N.A.
Bond Series-205-B	15 Years	7.20%	16,05,70,00,000	10-Aug-20	10-Aug-35	Unsecured	N.A.
Bond Series-206	3 Years	5.47%	30,00,00,00,000	20-Aug-20	19-Aug-23	Unsecured	N.A.
Bond Series-207	10.27 Years	7.04%	10,97,40,00,000	09-Sep-20	16-Dec-30	Unsecured	N.A.
Bond Series-208	5 Years	6.50%	28,06,00,00,000	17-Sep-20	17-Sep-25	Unsecured	N.A.
Bond Series-209	15 Years	7.34%	17,11,00,00,000	29-Sep-20	29-Sep-35	Unsecured	N.A.
Bond Series-207 (Reissuance-1)	10.1 Years	7.04%	25,49,10,00,000	11-Nov-20	16-Dec-30	Unsecured	N.A.
Bond Series 210-A Tr. I	4 Years	6.35	4,05,60,00,000	30-Jun-21	30-Jun-25	Unsecured	N.A.
Bond Series 210-A Tr. II	5 Years	6.35	5,40,80,00,000	30-Jun-21	30-Jun-26	Unsecured	N.A.
Bond Series 210-A Tr. III	6 Years	6.35	4,05,60,00,000	30-Jun-21	30-Jun-27	Unsecured	N.A.
Bond Series 210-B	15 Years	7.11	19,33,50,00,000	30-Jun-21	30-Jun-36	Unsecured	N.A.
Series 211-Floating rate	3 years	4.05	19,85,00,00,000	02-Aug-21	02-Aug-24	Unsecured	N.A.
Series 212-A	5 years	6.09	24,50,00,00,000	27-Aug-21	27-Aug-26	Unsecured	N.A.
Series 212-B	15 years	7.15	23,43,70,00,000	27-Aug-21	27-Aug-36	Unsecured	N.A.
Series 213	10 years	6.95	19,88,00,00,000	01-Oct-21	01-Oct-31	Unsecured	N.A.
Series 214	10.32 years	6.92	11,80,00,00,000	21-Dec-21	14-Apr-32	Unsecured	N.A.
Series 215	3 years	7.13	24,20,00,00,000	10-Aug-22	8-Aug-25	Unsecured	N.A.
Series 216	3.89 years	7.13	30,00,00,00,000	24-Aug-22	15-Jul-26	Unsecured	N.A.
Series 217A	10 years	7.42	40,00,00,00,000	8-Sep-22	8-Sep-32	Unsecured	N.A.
Series 217B STRPP I	3 years	7.15	2,76,40,00,000	8-Sep-22	8-Sep-25	Unsecured	N.A.
Series 217B STRPP II	4 years	7.15	2,76,40,00,000	8-Sep-22	8-Sep-26	Unsecured	N.A.
Series 217B STRPP III	5 years	7.15	2,76,40,00,000	8-Sep-22	8-Sep-27	Unsecured	N.A.
Series 218	3 years	7.59	14,50,00,00,000	3-Nov-22	3-Nov-25	Unsecured	N.A.
Series 219	15 years	7.65	40,00,00,00,000	14-Nov-22	13-Nov-37	Unsecured	N.A.
Series 220	10.34 years	7.58	4,70,00,00,000	14-Dec-22	15-Apr-33	Unsecured	N.A.
Series 221A	15 years	7.72	27,82,70,00,000	19-Dec-22	19-Dec-37	Unsecured	N.A.
Series 221B	5.08 years	7.59	35,00,00,00,000	19-Dec-22	17-Jan-28	Unsecured	N.A.

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

Series 222	3.05 years	7.58	25,40,00,00,000	27-Dec-22	15-Jan-26	Unsecured	N.A.
Bond Series 105	10 Years	8.19%	8,00,00,00,000	14-Jun-13	14-Jun-23	Unsecured Subordinated	N.A.
Bond Series 111	10 Years	9.65%	10,00,00,00,000	13-Jan-14	13-Jan-24	Unsecured Subordinated	N.A.
Bond Series 114	10 Years	9.70%	20,00,00,00,000	21-Feb-14	21-Feb-24	Unsecured Subordinated	N.A.

Note : All the above non-convertible securities are issued at AAA/Stable credit rating from ICRA

(CIN: L74999DL1991PLC042749) , CRISIL (CIN: U67100MH2019PLC326247) and CARE(CIN: L67190MH1993PLC071691)

R. List of Top Ten Holders of non-convertible securities in terms of value (in cumulative basis) (As on Dec 31, 2022)

S No.	Name of the Holders of non-convertible securities	Amount (Rs. in Crore)	% of total NCS outstanding
1	LIFE INSURANCE CORPORATION OF INDIA	39,057.90	19.33
2	CBT-EPF	32,107.00	15.89
3	NPS TRUST	7,771.81	3.85
4	EDELWEISS TRUSTEESHIP CO LTD-MF	7,261.20	3.59
5	STATE BANK OF INDIA	7,072.10	3.50
6	COAL MINES PROVIDENT FUND ORGANISATION	6,558.30	3.25
7	STATE BANK OF INDIA EMPLOYEES PENSION FUND	4,037.10	2.00
8	HDFC -MF	3,810.00	1.89
9	KOTAK -MF	2,907.61	1.44
10	SBI -MF	2,903.40	1.44

S. Details of outstanding commercial paper as on Dec 31, 2022:-

S. No.	ISIN of Commercial Paper	Series	Maturity Date	Amount Outstanding (Rs. in crore)
Nil				

T. Details of the rest of the borrowing (if any including hybrid debt like FCCB, optionally convertible debentures / preference shares) as on September 30, 2022:

Name of the party/ Name of Instrument	Type of facility/ instrument	Amount sanctioned/ issued	Principal Amount outstanding	Date of Repayment /schedule	Credit Rating	Secured/ unsecured	Security
Nil							

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

U. Details of any outstanding borrowings taken/ debt securities issued for consideration other than cash. This information shall be disclosed whether such borrowing/ debt securities have been taken / issued (i) in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option or not
Nil

V. Where the issuer is a Non-Banking Finance Company or Housing Finance Company the following disclosures on Asset Liability Management (ALM) shall be provided for the latest audited financials:

S.No	Particulars of disclosures	Details	Para Number/ Page Number
1	Details with regard to lending done out of the issue proceeds of earlier issuances of debt securities (whether public issue or private placement) by NBFC	<p>Lending Policy – Refer page no.</p> <p>Classification of Loans given to associate or entities related to Board, Senior management, promoters, etc – Refer page No.</p> <p>Classification of loans into several maturity profile denomination – Refer page no.</p> <p>Aggregated exposure to top 20 borrowers – Refer page no.</p> <p>Details of loans, overdue and classified as Non performing assets (NPA) – Refer page</p>	
2	Details of borrowings made by NBFC	<p>Portfolio Summary of borrowings made by NBFC – Refer pg</p> <p>Quantum and percentage of Secured vs. Unsecured borrowings – refer pg</p>	
3	Details of change in shareholding	<p>Any change in promoters holding in NBFC during last financial year beyond the threshold prescribed by Reserve Bank of India – Refer</p>	

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

		page no.	
4	Disclosure of Assets under management	Segment wise break up and Type of loans – Refer page no	
5	Details of borrowers	Geographical location wise – Refer page no	
6	Details of Gross NPA	Segment wise – Refer page no.	
7	Details of Assets and Liabilities	Residual maturity profile wise into several bucket – Refer page no.	
8	Disclosure of latest ALM statements to stock exchange	Refer page no.	

W. Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past 3 years including the current financial year

Nil

X. Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the issuer/promoters, litigation resulting in material liabilities, corporate restructuring event etc.) at the time of issue which may affect the issue or the investor’s decision to invest / continue to invest in the non-convertible securities.

Nil

Y. Any litigation or legal action pending or taken by any ministry or department of the government or a statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the issue of offer letter and any direction issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action.

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

Z. Details of default and non-payment of statutory dues

Nil

AA. If the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the offer document.

Not applicable

BB. WILFUL DEFAULTERS

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

Name of the Bank declaring entity to be wilful defaulter	Year in which entity is declared as wilful defaulter	Outstanding amount at the time of declaration	Name of the entity declared as wilful defaulter	Steps taken for removal from list of wilful default	Other disclosures
NIL	NIL	NIL	NIL	NIL	NIL

CC. Lending Policy and Guidelines:

- PFC has well-developed policies and/or guidelines in order to streamline the funding process. Regular review based on prevailing market practices, formulation of new policies and guidelines are also being carried out from time to time to strengthen the funding process. Some of the major lending guidelines and/or policies formulated by the Issuer are:
 - (a) PFC's Operational Policy Statement (OPS),
 - (b) Comprehensive Grading Framework for Private Sector Projects & Grading Framework Manual,
 - (c) Policy for Funding Independent Transmission Projects (ITPs),
 - (d) Debt Refinancing Policy,
 - (e) Master Circular – Short Term Loan Schemes
 - (f) Policy for Prepayment/Premature Repayment of Rupee Loan(s),
 - (g) Policy for Resolutions of Stressed Assets,
 - (h) Policy for takeout financing,
 - (i) Buyers' Line of Credit Scheme
 - (j) Policy on Corporate Loan
 - (k) Scheme for Extending Credit Facility for Purchase of Power through Power Exchange
 - (l) Policy For Energy Saving Projects
 - (m) Scheme For Financing Of Projects In The Area Of Fuel Sources Development & Its Distribution (FSD&D) for Power Sector
 - (n) Financial Assistance (Including Grants) For Studies / Consultancy Assignments
 - (o) Policy for Funding Against Regulatory Assets of DISCOMs
 - (p) Restated Policy for Offering Revolving Bill Payment Facility (RBPF) to DISCOMs /GEDCOs for ensuring early payment of dues to GENCOs/ TRANSCO/Trading Companies
 - (q) Policy for providing Financial Assistance to DISCOMs for clearance of Outstanding Dues under Late Payment Surcharge (LPS) Rules, 2022
 - (r) Policy for financing Private Equipment Manufacturing Projects for Power Sector
 - (s) Policy Guidelines and Charges for Letter of Comfort (LoC)
 - (t) Policy for Requirement of Security(ies) and Additional Time Period for its Creation
 - (u) Restated Policy for funding Solar PV projects
 - (v) Restated policy for Wind projects
 - (w) Policy for financing Medium Term Loan (MTL) to Govt. Sector Borrowers for meeting Operational / Non-Capex Requirements
 - (x) Policy for Providing Project Specific Funding (PSF) to Renewable Energy Contractors
 - (y) Special Long-Term Transition Loan to DISCOMs in exemption of UDAY Limit
 - (z) Policy for providing Letter of Undertaking (LoU)/ Pay on Order Instrument (Pol)
 - (aa) Special Long-Term Transition Loan to DISCOMs for COVID-19

DD. The issuer has not provided any loans/advances to associates, entities/person relating to the board, senior management, Promoter except as provided for in the chapter titled "Related Party Transaction" in the Annual report of the Company.

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

EE. Types of loans

i. Type of loans/advances (principal outstanding) given by the Company as on Sept 30, 2022:

S. No	Type of loan	Amount (₹ in crore)*	Percentage (%)
1	Secured	3,26,482.34	86.67%
2	Unsecured	50,213.82	13.33%
	Total assets under management (AUM)	3,76,696.16	100.00%

ii. Types of loans according to sectoral exposure as on Sept 30, 2022 is as follows:

S. No	Segment- wise breakup of AUM	Percentage of AUM
1	Retail	
a	Mortgages (home loans and loans against property)	N.A.
b	Gold loans	N.A.
c	Vehicle finance	N.A.
d	MFI	N.A.
e	M&SME	N.A.
f	Capital market funding (loans against shares, margin funding)	N.A.
h	Others	N.A.
2	Wholesale	
a	Infrastructure	N.A.
b	Real estate (including builder loans)	N.A.
c	Promoter funding	N.A.
d	Any other sector (as applicable)	N.A.
3	Others	
a	Generation	54.48%
b	Renewable	10.19%
c	Transmission & Distribution	32.85%
d	Short Term Loan	0.57%
e	Others	1.92%
	Total	100.00%

iii. Denomination of loans outstanding by ticket size as on Sept 30, 2022:

S. No	Ticket size (at the time of origination)*	Percentage of AUM
1.	Up to ₹ 2 Lakh	N.A.
2.	₹ 2-5 Lakh	N.A.

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

3.	₹ 5-10 Lakh	N.A.
4.	₹ 10-25 Lakh	N.A.
5.	₹ 25-50 Lakh	N.A.
6.	₹ 50 Lakh - 1 Crore	N.A.
7.	₹ 1-5 Crore	0.00%
8.	₹ 5-25 Crore	0.08%
9.	₹ 25-100 Crore	0.68%
10.	> ₹ 100 Crore	99.24%
Total		100.00%

* The above information is provided at a borrower level and not on the basis of loan accounts

- iv. Denomination of loans outstanding by Loan to Value (LTV)* as on Sept 30, 2022: **Not applicable****

S. No	LTV	Percentage of AUM
1.	Up to 40%	-
2.	40-50%	-
3.	50-60%	-
4.	60-70%	-
5.	70-80%	-
6.	80-90%	-
7.	>90%	-
Total		-

*LTV at the time of origination.

** PFC's lending policy does not evaluate loans based on LTV, given the nature of wholesale lending that the Company provides. Consequently, calculation based on LTV is not applicable to the Company.

- v. Geographical classification of borrowers as on Sept 30, 2022:

S. No.	Top 5 states / region*	Percentage of AUM
1.	TELANGANA	15.8%
2.	UTTAR PRADESH	14.1%
3.	TAMILNADU	12.9%
4.	RAJASTHAN	10.4%
5.	ANDHRA PRADESH	7.7%
Total		60.87%

*Includes only state sector borrowers.

FF. Maturity pattern of certain items of assets and liabilities on a standalone basis as on March 31, 2022

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

(₹ in crore)

Bucket as at March 31, 2022	Deposits/ Investments	Advances	Domestic Borrowings	Foreign Currency Items	
				Assets	Liabilities
1 to 7 days	374.80	0.00	86.09	0.00	0.00
8 to 14 days	460.83	1,933.65	184.70	0.00	0.00
15 days to 30/31 Days	2,510.53	3,565.02	1,067.50	0.00	5.43
Over 1 month up to 2 months	1,075.65	655.95	3,605.00	0.00	0.00
Over 2 months up to 3 months	2.03	970.23	2,268.75	0.00	2,235.52
Over 3 months and up to 6 months	2.39	6,607.24	7,733.04	0.00	0.00
Over 6 month and up to 1 year	4.49	14,531.37	13,989.53	0.00	6,982.03
Over 1 year and up to 3 years	14.74	65,323.48	83,967.36	0.00	10,160.98
Over 3 years and up to 5 years	9.50	63,292.38	44,425.26	0.00	7,797.27
Over 5 years	14,975.23	2,01,918.38	1,06,554.59	0.00	29,107.15

GG. Aggregated exposure to top 20 borrowers with respect to concentration of advances (principal amounts outstanding) as on Sept 30, 2022

Particulars	Amount
Total Advances to twenty largest borrowers (in ₹ in crore)	2,38,993.76
Percentage of Advances to twenty largest borrowers to Total Advances (in %)	63.44%

HH. Aggregated exposure to top 20 borrowers with respect to concentration of exposures as on March 31, 2022

Particulars	Amount
Total exposure to twenty largest borrowers / customers (in ₹ in crore)	3,05,673.62
Percentage of exposures to twenty largest borrowers / customers to total exposure on borrowers / customers (in %)	53.81%

II. The amount of corporate guarantee issued by the issuer along with name of the counterparty (like name of the subsidiary JV entity, group company etc.) on behalf of whom it has been issued is as follows (as on 30.09.2022):-

The company has not issued any corporate guarantee on behalf of any subsidiaries / JVs. However, the following guarantees have been issued as a part of business operation:-

Entity Name	Amount of Guarantee issued by PFC (Rs. In Crore)
Shree Maheshwar Hydro Power Corp. Ltd.	Rs. 0.00 crore *

*Contingent Liability (Un-invoked portion as on 30.09.2022)

Entity Name	LoC balance as on 30.09.22
-------------	----------------------------

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

	(Rs. In Crore)**
WEST BENGAL POWER DEV. CORPORATION	50.00
ADANI POWER (JHARKHAND) LIMITED	2,361.50
ANTONY LARA RENEWABLE ENERGY PRIVATE LIMITED	50.57
AVAADA SUNRAYS ENERGY PRIVATE LIMITED	256.00
AVAADA SUSTAINABLE RPROJECT PRIVATE LIMITED	57.27
CONTINUUM TRINETHRA RENEWABLES PRIVATE LIMITED	358.74
RKM POWERGEN PVT LTD	438.33
SBESS SERVICES PROJECTCO TWO PRIVATE LTD	274.80
SHYAMA SHYAM P1 CITY BUS OPERATIONS PRIVATE LIMITED	15.75
VSK CITY BUS OPERATIONS PRIVATE LIMITED	15.75

**Letter of Comfort (LoC)

JJ. Details of loans overdue and classified as non – performing in accordance with the RBI's stipulations:

Movement of gross Stage-3 Assets*	Amount (₹ in crore)**
(a) Opening balance	20,915.28
(b) Additions during the period from 01-Jun-22 to 30-Sep-2022	22.41
(c) Reductions during the period from 01-Jun-22 to 30-Sep-22	-3,027.24
(d) Closing balance as on 30-Sep-22	17,910.45

* In accordance with ECL Model **As per IND-AS balances.

Movement of provisions for gross Stage-3 Assets (in accordance with ECL Model)	Amount (₹ in crore)*
(a) Opening balance	14,336.91
(b) Provisions made during the the period from 01-Apr-22 to 30-Sep-2022 **	235.16
(c) Write-off / write -back of excess provisions during the the period from 01-Apr-22 to 30-Sep-2022	-1,600.69
(d) Closing balance	12,971.38

*As per IND-AS balances ** Including ECL on undrawn DPG of Shree Maheshwar

KK. Segment – wise Gross Stage-3 Assets as on Sept 30, 2022

S. No	Segment- wise breakup of AUM	Percentage of AUM
1	Retail	
a	-Mortgages (home loans and loans against property)	N.A.
b	-Gold loans	N.A.
c	- Vehicle finance	N.A.

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

d	-MFI	N.A.
e	-M&SME	N.A.
f	-Capital market funding (loans against shares, margin funding)	N.A.
H	-Others	N.A.
2	Wholesale	
A	-Infrastructure	N.A.
B	-Real estate (including builder loans)	N.A.
C	-Promoter funding	N.A.
D	-Any other sector (as applicable)	N.A.
3	Others	
A	Generation	76.20%
B	Renewable	16.43%
C	Transmission & Distribution	7.37%
D	Others	0%
Total		100.00%

LL. Onward lending to borrowers forming part of the “group” as defined by RBI

- There is no onward lending to borrowers forming part of the “group” as defined by RBI.

MM. Any change in promoter’s holdings in NBFCs during the last financial year beyond a particular threshold. At present, RBI has prescribed such a threshold level at 26% -

- There is no change in promoter’s holding in the Company during the last financial year beyond a particular threshold level of 26%.

NN.Portfolio Summary of borrowings made by PFC as on 31 Dec 2022

S.No	Particulars	Amount Outstanding (Rs Crores)	Percentage to total borrowings
1	Domestic Bonds	2,02,729	60
2	54 EC Bonds	5,755	1
3	Commercial Papers	-	-
4	Foreign Currency Borrowing	62,628	18
5	RTL from Banks/FI’s	67,122	20
6	Others CC/OD/line of credit/LAFD)	3,811	1
	Total	3,42,045	100.00

OO.Quantum and percentage of Secured vs. Unsecured borrowings (excluding CC/OD)

S.No	Particulars	Amount	Percentage to total
1	Secured Borrowings	33,570	10.01%
2	Unsecured Borrowings	2,89,952	89.99%
	Total	3,38,234	100.00%

Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)

PP. Disclosure of latest ALM statements to stock exchange

Confidential and Internal Use Only

Inflow outflow Statement for the purpose of Raising As on 31-Dec-2022*				
				Amt in Crs
Year	Bucket	Cash Inflows	Cash Outflows	Gap
Current	2022-23	24612	19134	5477
1	2023-24	75467	69124	6343
2	2024-25	65470	68535	-3065
3	2025-26	61898	44416	17482
4	2026-27	56740	49119	7620
5	2027-28	54150	41366	12784
6	2028-29	48028	48042	-15
7	2029-30	44800	27769	17031
8	2030-31	37258	37557	-699
9	2031-32	29145	10662	18483
10	2032-33	25000	8088	16912
11	2033-34	20819	8136	12683
12	2034-35	17784	12725	5059
13	2035-36	12603	6028	6275
14	2036-37	10540	5112	5428
15	2037-38	8276	7011	965
16	2038-39	5760	0	5760
17	2039-40	4130	0	4130
18	2040-41	3329	0	3329
19	2041-42	2860	0	2860
20	Beyond 2041-42	5414	0	5414
beyond 20	0	0	0	0
	TOTAL	614081	463125	150256

**Confidential and Internal Use Only*

Following items are not considered while preparing the statement :-

1. Stressed Assets (Stage III) are excluded
2. Investment in Equity, Equity and Reserve & Surplus
3. Tangible, Intangible Assets, Contingent Liabilities

**CHAPTER XIII
CORPORATE SOCIAL RESPONSIBILITY (CSR)**

CSR is a cornerstone of the Issuer's operations and the Issuer discharges the social responsibility obligations as a part of its growth philosophy. The Issuer aims to act as a responsible corporate citizen and are committed to improving the welfare of the society through inclusive growth aimed at the empowerment of communities through skill development, environment protection through promotion of renewable energy and the development of underprivileged sections of the society through hygiene and sanitation programmes.

In order to give meaningful direction to the above initiatives, the Issuer has in place a CSR committee of Directors headed by an independent director.

With the aim of addressing the socio-economic issues that occur at a national level, the Issuer has aligned its CSR & SD policy in line with the guidelines issued by the DPE.

The funds were mainly disbursed to implement many social initiatives in the field of renewable energy, environment sustainability, sanitation and job oriented skill development programmes for underprivileged sections of the society. As part of its CSR initiative, the Issuer also works towards providing relief and rehabilitation to the victims of natural calamities and supports projects that provide various equipment to people with disabilities.

The Issuer adopts a pan-India approach to implement its various CSR initiatives and therefore supports development in remote areas of India including but not limited to the North East, Jammu and Kashmir, Jharkhand and the areas affected by left-wing extremism. The Issuer maintains a special focus on the use of renewable energy that would help to reduce its carbon footprint and create greater awareness about sustainable energy practices.

Furthermore, The Issuer has a robust mechanism for selecting CSR proposals, which are first screened by an interdisciplinary committee consisting of various senior officials (at the chief general manager level) of the Issuer. Once the proposals are screened, they are appraised according to the Issuer's CSR policy and put forward for the approval of the CSR and SD committees. Once the committee approves them, the proposals are then put forward to the Board for its approval.

After approval from the Board, a memorandum of understanding with the terms and conditions, along with the applicable implementation timeline of various deliverables, is signed with the project executing agency and, thereafter, milestone linked disbursements are made to the executing agency after ensuring compliance with the memorandum of understanding. As of the date of this Offer Letter, the Issuer is continuing its effort to lead the way in innovative approaches to CSR activities.

DECLARATION

Issuer's Absolute Responsibility

The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this placement memorandum contains all information with regard to the issuer and the issue which is material in the context of the issue, that the information contained in the placement memorandum is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading.

The Issuers undertakes that Permanent Account Number of Directors have been submitted to the stock exchanges on which the non-convertible securities are proposed to be listed at the time of filing the draft offer document.

The Issuers declares that the credit rating is valid as on the date of issuance and listing.

Undertaking by the Issuer

Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by any regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'Risk factors' given below under this declaration under the section 'General Risks'.

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Offer Document contains all information with regard to the issuer and the issue, that the information contained in the offer document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

The issuer has no side letter with any debt securities holder except the one(s) disclosed in the offer document/placement memorandum. Any covenants later added shall be disclosed on the stock exchange website where the debt is listed.

Directors' declaration:

- a) the issuer is in compliance with the provisions of Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, Companies Act and the rules and regulations made thereunder except and to the extent declared in the placement memorandum.
- b) the compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of non-convertible securities, is guaranteed by the Central Government;

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

- c) the monies received under the offer shall be used only for the purposes and objects indicated in the Offer document;
- d) whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association

General Risk

Investment in non-convertible securities involve a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under Chapter VI of this placement memorandum. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities.

The Company undertakes that this Placement Memorandum contains full disclosures in accordance with Form PAS-4 prescribed under Section 42 and Rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014 as amended and other provisions of the Companies Act, 2013, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 issued vide circular no. SEBI/LAD-NRO/GN/2021/39 dated August 09, 2021, as amended.

The Issuer accepts no responsibility for the statements made otherwise than in the Placement Memorandum or in any other material issued by or at the instance of the Issuer and that any one relying on such information from any other source would be doing so at his own risk.

Declaration (Form No. PAS-4):

- a) the company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;
- b) the compliance with the said Act and the rules made thereunder do not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government;
- c) the monies received under the offer shall be used only for the purposes and objects indicated in the Private Placement Offer cum Application letter.

I am authorised by the Board of Directors of the Company vide Board resolution dated February 26, 2021 to sign this form (PAS 4)/ Placement Memorandum and declare that all the requirements of the Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

**Private Placement Draft Offer Document - PFC Bond Series
(Private and Confidential –For Private Circulation Only)**

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

It is also declared that Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, rules, regulations, guidelines and circulars issued there under in respect of the subject matter of this form and matters incidental thereto have been complied with.

For Power Finance Corporation Limited,

Pawan Kumar
Executive Director
PAN No:
Place: New Delhi
Date:

Enclosures:

1. Consent of Debenture Trustee and RT&A.
2. Copy of resolution passed the Board of Directors of the Company at their meeting held February 28, 2022 authorizing Issue of Bonds;
3. Copy of letters from CRISIL, ICRA and CARE.
4. Link for Financials for Q3 2022-23 and Annual Report for the FY ended 31.03.2022, 31.03.2021 & 31.03.2020 given below:

Q3, 2022-23

https://pfcindia.com/DocumentRepository/ckfinder/files/Investors/Financial_Results/SEBI%20Results%20Q3%20FY%202022-23.pdf

2021-22

https://www.pfcindia.com/DocumentRepository/ckfinder/files/Investors/Annual_Reports/PFC%20AR%202022_C2C_Design_v5_07_09_2022_Single_8MB.pdf

2020-21

https://pfcindia.com/DocumentRepository/ckfinder/files/Investors/Annual_Reports/PFC%20AR%202020-21_Deluxe_02_12_21.pdf

2019-20

https://pfcindia.com/DocumentRepository/ckfinder/files/Investors/Annual_Reports/PFC_AR2019_2024122020.pdf

Note: Application Form shall be issued separately.

CL: CL/MUM/22-23/BT/1/12
Ref. No. : BTL/OPR/2022-23/28938
Date: February 14, 2023

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

Kind Attn: Tusarkant Parida - Deputy General Manager (Finance)

Dear Sir / Madam,

Consent to act as Debenture Trustee for PFC's proposed Bond to be issued in one or more tranches.

This is with reference to your letter dated February 14, 2023 for appointment of Beacon Trusteeship Limited as Debenture Trustee for PFC's proposed Bond.

In this regard it would indeed be our pleasure to be associated with your esteemed organization as Debenture Trustee for the Unsecured, Redeemable, Non-Convertible, Non-Cumulative Taxable Bonds in the nature of Debentures with base issue size and green shoe option aggregating to total issue size upto Rs. 7,000 Crore to be issued in one or more tranches. 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



Name: Jaydeep Bhattacharya
Designation: Executive Director



BEACON TRUSTEESHIP LIMITED

Registered & Corporate Office : 4C & D, Siddhivinayak Chambers, Gandhi Nagar, Opp MIG Cricket Club, Bandra (E), Mumbai - 400 051.

Phone : 022-26558759 | Email : contact@beacontrustee.co.in | Website : www.beacontrustee.co.in

CIN : U74999MH2015PLC271288

B-25/1, First Floor,
Okhla Industrial Area, Phase – II, New Delhi – 110 020
Phone : 011-26387320,21 Mobile :8527695125
E-mail: investor.services@rcmcdelhi.com
Website : <http://www.rcmcdelhi.com>
CIN : U67120DL1950PTC001854

RCMC/PFC/Consent/2023

Dated 15th February,2023

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

Kind Attn: Mr. Tusarkant Parida – Deputy General Manager (Finance)

Dear Sir,

Sub.: Consent to act as Registrar and Transfer Agent (RTA) for PFC’s proposed Bond Issues in 2022-23.

This is with reference to appointment of RCMC Share Registry Pvt Ltd as RTA for PFC’s proposed Bond Issues in 2022-23.

In this regards it would indeed be our pleasure to be associated with your esteemed organization as RTA for the Unsecured, Redeemable, Non-Convertible, and Non-Cumulative Taxable Bonds in the nature of Debentures with base size and green shoe option aggregating to total issue size upto Rs. 7,000 Crore to be issued in one or more tranches. In this connection, we confirm our acceptance to act as RTA for the same.

We are also agreeable for inclusion of our name as RTA 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 RCMC Share Registry Pvt Ltd



Authorised Signatory



पावर फाइनेंस कॉर्पोरेशन लिमिटेड POWER FINANCE CORPORATION LTD.

(भारत सरकार का उपक्रम)

(A Govt. of India Undertaking)

(आई.एस.ओ. 9001:2015 प्रमाणित)

(ISO 9001:2015 Certified)

Relevant Extract from Minutes of the 423.7.2 of 423rd Meeting of the Board of Directors of Power Finance Corporation Ltd. held on Monday, the 28th February, 2022

Item No. 423.7.2 :

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

“RESOLVED THAT Chairman & Managing Director, on recommendation of Director (Finance) and Director (Projects)/Director (Commercial), be and is hereby authorized to grant in-principle approval for raising of funds through various sources from domestic market i.e. in-principle approval for type of instrument, approximate size of issue, indicative timelines for raising, etc.”

“RESOLVED FURTHER THAT in line with the in-principle approval accorded by Chairman & Managing Director, Director (Finance) be and is hereby authorized to approve the raising/drawl of funds through various sources from domestic market inter-alia approving the timing of raising, final issuance structure and terms & conditions like tenure, amount, listing, launch of bond issue in one or more tranches, identify the investors, allotment, drawl and other terms & conditions for raising/drawl of funds through various sources i.e. bonds/debentures/debt securities/ commercial paper/term loans etc. from domestic market.”

“RESOLVED FURTHER THAT in case of raising of funds from domestic market through various sources wherever price discovery is taking place by inviting offers/ quotations/ bids/ book building etc. (except public issue of bonds/ debentures/ debt securities), a three members committee comprising of two Executive Directors from Finance Division and the concerned HOU/ Link HoU and in case of the absence of Executive Directors alternative members to be nominated by Director (Finance), be and hereby authorized to approve the proposal w.r.t offers received and shall finalize /scrap the deal during the bidding process on Electronic Bidding Platform (EBP)/ any other mode. The approval of the committee shall be submitted to Chairman & Managing Director for information through Director (Finance).”



पंजीकृत कार्यालय : “ऊर्जानिधि”, 1, बाराखंबा लेन, कनॉट प्लेस, नई दिल्ली - 110001 दूरभाष : 23456000 फ़ैक्स : 011-23412545

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

वेबसाईट / Website : www.pfcindia.com ● CIN : L65910DL1986GOI024862



पावर फाइनेंस कॉर्पोरेशन लिमिटेड POWER FINANCE CORPORATION LTD.

(भारत सरकार का उपक्रम)

(A Govt. of India Undertaking)

(आई.एस.ओ. 9001:2015 प्रमाणित)

(ISO 9001:2015 Certified)

“RESOLVED FURTHER THAT in case of raising of domestic funds through bilateral deal including structured deal, Chairman & Managing Director on the recommendation of Director (Finance), be and is hereby authorized to approve the instruments of raising, amount of raising, tenor, interest rate/pricing (fixed/floating), interest payment frequency (annually / half yearly / quarterly / monthly or any other period) and other terms and conditions and to negotiate these terms with any bank/institution an enter into deal with them. Further, Director (Finance) is authorized for drawl of the funds based on funds requirement of the Company.”

“RESOLVED FURTHER THAT in case of raising of domestic funds through loans from Banks/FIs/Gol, Director (Finance), be and is hereby authorized to approve the instruments of raising, amount of raising, tenor, interest rate/pricing (fixed/floating), interest payment frequency (annually / half yearly / quarterly / monthly or any other period) and other terms and conditions. Further, Director (Finance) is authorized for drawl of the loan based on funds requirement of the Company.”

“RESOLVED ALSO THAT Chairman & Managing Director, on the recommendation of Director (Finance), be and are hereby authorized to approve prepayment of loans.”

“RESOLVED FURTHER THAT Common Seal wherever required be affixed in presence of two Directors and any one officer not below the level of E6 or any other person as may be authorized by Chairman & Managing Director on bond certificates and other documents/ instruments require mandatory affixation of common seal as per the provisions of Company’s Act 2013 etc. as the case may be, related to the raising of funds/ creation of security.”

“RESOLVED THAT subject to the borrowing limit as approved by the Shareholders under section 180(1)(c) and in accordance with section 179(3)(c) and 179(3)(d) of the Companies Act, 2013, approval is be & hereby accorded to keep the borrowing limit at Rs. 82,000 crore [excluding funds raised under Extra Budgetary Resource (EBR)] for the FY 2022-



पंजीकृत कार्यालय : “ऊर्जानिधि”, 1, बाराखंबा लेन, कनॉट प्लेस, नई दिल्ली - 110001 दूरभाष : 23456000 फ़ैक्स : 011-23412545

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

वैबसाईट / Website : www.pfcindia.com ● CIN : L65910DL1986GOI024862



पावर फाइनेंस कॉर्पोरेशन लिमिटेड POWER FINANCE CORPORATION LTD.

(भारत सरकार का उपक्रम)

(A Govt. of India Undertaking)

(आई.एस.ओ. 9001:2015 प्रमाणित)

(ISO 9001:2015 Certified)

23, through different sources in one or more tranches / series
as under:-

Sl. No.	Source	Amount (Maximum) (Rs. In Crore)
1.	<p><u>Long Term Domestic Borrowings (Rupee) by way of instruments like:</u></p> <p>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</p> <p>b) Term Loan from Banks/FIs/GOI etc.</p> <p>c) Domestic borrowing through any other long term instrument</p> <p>(Long term funds raised and prepaid during the year to be excluded from this limit).</p>	42,000
2.	<p><u>Foreign Currency Borrowing/Rupee denominated Foreign Currency Borrowings through External Commercial Borrowing etc. and by way of instruments like :</u></p> <p>a) Loans such as term loans, syndicated loans, subordinated loans, FCNR(B) loans, loans from multilateral agencies.</p> <p>b) Bonds/Notes such as unsecured/secured bonds, perpetual bonds, green bonds, subordinated bonds.</p> <p>c) Any other instrument for raising Foreign Currency Borrowing/ Rupee denominated Foreign Currency Borrowings.</p> <p>(*equivalent to approx. USD 2.71 Billion)</p>	20,000*
3.	<p><u>Short Term Borrowings:</u> 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.</p>	5,000



पंजीकृत कार्यालय : "ऊर्जानिधि", 1, बाराखम्बा लेन, कंनॉट प्लेस, नई दिल्ली - 110001 दूरभाष : 23456000 फैक्स : 011-23412545

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

वेबसाईट / Website : www.pfcindia.com ● CIN : L65910DL1986GOI024862



पावर फाइनेंस कॉर्पोरेशन लिमिटेड POWER FINANCE CORPORATION LTD.

(भारत सरकार का उपक्रम)

(A Govt. of India Undertaking)

(आई.एस.ओ. 9001:2015 प्रमाणित)

(ISO 9001:2015 Certified)

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

“RESOLVED FURTHER THAT subject to the borrowing limit as approved by the shareholders under 180(1)(c) and in accordance with section 179(3)(c) & 179(3)(d) of the Companies Act, 2013, the Company may borrow upto Rs. 82,000 crore in the FY 2022-23 excluding funds raised under Extra Budgetary Resource (EBR).”

“RESOLVED FURTHER THAT Chairman & Managing Director, on the recommendation of Director (Finance), be and is hereby authorized to interchange the amount amongst different sources of borrowing plan during a financial year within the overall limit approved by the Board of Directors u/s 179(3)(c) and 179(3)(d) of the Companies Act 2013.”

“RESOLVED FURTHER THAT, subject to the limit approved by shareholders u/s 180(1)(a) of the Companies Act 2013 for mortgage and/ or creation of charge on the assets of the company, the consent and approval of the Board is hereby accorded for creation of charge on book debts and/or movable / immovable properties of the company for raising funds during FY 2022-23.”

“RESOLVED FURTHER THAT Executive Director (Finance) or any other officer(s) not below the level of E8 authorized by Executive Director (Finance), be and is hereby authorized to sign and file/submit, for and on behalf of the Board of Directors, necessary undertaking/Directors declaration/declaration in form no. PAS-4/ any other declaration and to keep such records in various forms (PAS), to file/submit with any authority necessary applications, forms, reports, returns, documents etc., and to do any other act, deed and thing as may be required under the provisions of Companies Act 2013 and the rules made there under or under Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (SEBI NCS Regulations) or under any other Act /rule/ regulation, in relation to raising of funds through private placement of securities including bonds/debentures/debt securities/commercial paper for a total amount not exceeding the amount approved u/s 179(3)(c) and 179(3)(d) of Companies Act 2013 for financial year 2022-23.”



पंजीकृत कार्यालय : “ऊर्जानिधि”, 1, बाराखंबा लेन, कनॉट प्लेस, नई दिल्ली - 110001 दूरभाष : 23456000 फ़ैक्स : 011-23412545

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

वेबसाईट / Website : www.pfcindia.com ● CIN : L65910DL1986GOI024862



पावर फाइनेंस कॉर्पोरेशन लिमिटेड POWER FINANCE CORPORATION LTD.

(भारत सरकार का उपक्रम)

(A Govt. of India Undertaking)

(आई.एस.ओ. 9001:2015 प्रमाणित)

(ISO 9001:2015 Certified)

“RESOLVED FURTHER THAT Executive Director (Finance) or any other officer(s) not below the level of E8 authorized by Executive Director (Finance), be and is hereby authorized to finalize terms & conditions of agreements/certificates/undertakings/declarations/forms/documents etc. to be submitted to agencies/intermediaries/regulatory bodies in connection with raising, debt servicing, or any other correspondence in relation to the domestic borrowing of the company including public issue & private placement of bonds/ debentures/ debt securities/ commercial paper.”

“RESOLVED FURTHER THAT the certificates/ undertakings/ declarations/confirmations to be furnished to Legal Counsels / Lead Managers / Regulatory bodies / Intermediaries etc. in connection with borrowings, debt servicing, or any other activity in relation to borrowing of funds on behalf of Company shall be executed/ signed by officer not below the level of E8 nominated by Executive Director (Finance) and those required to be executed/signed by Compliance Officer may be executed/signed by Compliance Officer / Company Secretary.”

“RESOLVED FURTHER THAT the company is not accepting/ holding public deposit as on date and will not accept public deposit in future without obtaining prior written permission of Reserve Bank in India.”




10/6/22

Sachin Aggarwal

Chief Manager (Company secretariat)

RL/PFCLMTD/311640/LTBP/0223/52682/81798407
February 14, 2023



Mr. Sumeet Kumar
General Manager - Finance
Power Finance Corporation Limited
Urjanidhi, Barakhamba Lane,
Connaught Place
New Delhi - 110001

Dear Mr. Sumeet Kumar,

Re: Review of CRISIL Rating on the Rs.70000 Crore Long-Term Borrowing Programme^ (Enhanced from Rs.62000 Crore) of Power Finance Corporation Limited

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.

CRISIL Ratings has, after due consideration, reaffirmed its CRISIL AAA/Stable (pronounced as CRISIL triple A rating with Stable outlook) rating on the captioned debt instrument. Securities with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such securities carry lowest credit risk.

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. 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
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 inter-alia includes tax-free bonds under Section 10 of the Income Tax Act. Total incremental long-term borrowing and short-term borrowings not to exceed Rs 70,000 crore and Rs 12,000 crore, respectively, at any point in time during fiscal 2023.

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

CRISIL Ratings Limited

A subsidiary of CRISIL Limited, an S&P Global Company
Corporate Identity Number: U67100MH2019PLC326247

Ref No: ICRA/Power Finance Corporation Ltd./06022023/1

February 6, 2023

Mr. Sumeet Kumar
GM - Finance
Power Finance Corporation Ltd.
1, Urjanidhi, Barakhamba Lane
Connaught Place, New Delhi- 110001

Dear Sir,

Re: ICRA Credit Rating for the Rs. 70,000 crore Long Term Borrowing Programme (enhanced from Rs. 62,000 crore) of Power Finance Corporation Ltd. for the financial year 2022-23

Please refer the Rating Agreement between ICRA Limited ("ICRA") and your company whereby, ICRA is required to review the ratings assigned to your company on an annual basis or as and when circumstances so warrant. Further, please refer to the SOW dated February 3, 2023 seeking rating for increased long-term borrowing programme of Rs. 70,000 crore (revised from Rs. 62,000 crore).

The rating committee of ICRA, after due consideration, has reaffirmed the rating of "[ICRA]AAA" for the Rs. 62,000 crore long-term borrowing programme of your company and assigned the long-term rating of "[ICRA]AAA" to the additional limit of Rs. 8,000 crore. Instruments with [ICRA]AAA rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. The outlook on the long-term rating is "Stable".

In any of your publicity material or other document wherever you are using our above rating, it should be stated as [ICRA]AAA (Stable).

We would request if you can sign the acknowledgement and send it to us latest by February 9, 2023 as acceptance on the assigned rating. 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 accordingly. This is in accordance with requirements prescribed in the circular dated June 30, 2017 on 'Monitoring and Review of Ratings by Credit Rating Agencies (CRAs)' issued by the Securities and Exchange Board of India. 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. The rating is restricted to your Long-Term Borrowing programme size of Rs. 70,000 crore only. Further the total utilisation of the captioned rated Long-Term borrowings programme (including Bonds, Long Term Bank Borrowings and Bank guarantees) and Short-Term borrowing (including Commercial Paper & Short-term bank borrowings) programme should not exceed Rs. 82,000 crore for financial year 2022-23.

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. 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

ANIL GUPTA
Digitally signed
by ANIL GUPTA
Date:
2023.02.06
16:07:25 +05'30'

ANIL GUPTA
Senior Vice President
anilg@icraindia.com

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

February 06, 2023

Confidential

Dear Sir,

Credit rating for bank facilities

On the basis of recent developments including operational and financial performance of your Company for FY22 (Audited) and H1FY23 (Unaudited), our Rating Committee has reviewed the following ratings:

Facilities	Amount (Rs. crore)	Rating¹	Rating Action
Long term Market Borrowing Programme for FY13	11,165.50	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Long term Market Borrowing Programme for FY14	8,674.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Long Term Debt Instruments Subordinate Debt for FY14	3,800.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Long term Market Borrowing Programme for FY15	29,428.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Long term Market Borrowing Programme for FY16	7,930.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Long term Market Borrowing Programme for FY17	25,674.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Long term Market Borrowing Programme for FY21	98,000.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Long term Market Borrowing Programme for FY22*	80,000.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Long term Market Borrowing Programme for FY23	70,000.00 (Enhanced from 62,000.00)	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Long term Market Borrowing Programme for FY18	26,035.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Long term Market Borrowing Programme for FY19	76,500.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Long term Market Borrowing Programme for FY20	88,000.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Short term Market Borrowing Programme for FY21**	5,000.00	CARE A1+ (A One Plus)	Reaffirmed
Short term Market Borrowing Programme for FY22**	5,000.00	CARE A1+ (A One Plus)	Reaffirmed

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

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Short term Market Borrowing Programme for FY23	9,000.00 (Enhanced from 5,000.00)	CARE A1+ (A One Plus)	Reaffirmed
Short term Market Borrowing Programme for FY18**	1,925.00	CARE A1+ (A One Plus)	Reaffirmed
Short term Market Borrowing Programme for FY19**	4,000.00	CARE A1+ (A One Plus)	Reaffirmed
Short term Market Borrowing Programme for FY20**	2,000.00	CARE A1+ (A One Plus)	Reaffirmed
Total Facilities	5,52,131.50 (Rs. Five Lakhs Fifty-Two Thousand One Hundred Thirty-One Crore and Fifty Lakhs Only)		

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

**to be withdrawn subject to receipt of no dues certificate from debenture trustee/ bank

2. Refer **Annexure 1** for details of rated facilities and maturity of the NCDs.
3. The rationale for the rating will be communicated to you separately. A write-up (press release) on the above rating is proposed to be issued to the press shortly, a draft of which is enclosed for your perusal as **Annexure 2**. We request you to peruse the annexed document and offer your comments if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by February 07, 2023, we will proceed on the basis that you have no any comments to offer.
4. 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.
5. CARE Ratings Ltd. reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE Ratings Ltd. warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE Ratings Ltd. so as to enable it to carry out continuous monitoring of the rating of the bank facilities, CARE Ratings Ltd. shall carry out the review on the basis of best available information throughout the life time of such bank facilities. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE Ratings Ltd. shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.

AK

CARE Ratings Limited

E-1, 13th Floor, Videocon Tower, Jhandewalan
Extension, New Delhi-110055
Phone: +91-11-4533 3200

Corporate Office: 4th Floor, Godrej Coliseum,
Somaiya Hospital Road, Off Eastern Express
Highway, Sion (E), Mumbai - 400 022
Phone: +91-22-6754 3456 • www.careedge.in

6. Our ratings do not take into account the sovereign risk, if any, attached to the foreign currency loans, and the ratings are applicable only to the rupee equivalent of these loans.
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 sanction, renew, disburse or recall the concerned bank facilities.

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

Thanking you,

Yours faithfully,

Deepshi Panda

Deepshi Panda
Lead Analyst
deepshi.panda@careedge.in

Neha Kadiyan

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

E-1, 13th Floor, Videocon Tower, Jhandewalan
Extension, New Delhi-110055
Phone: +91-11-4533 3200

Corporate Office: 4th Floor, Godrej Coliseum,
Somaiya Hospital Road, Off Eastern Express
Highway, Sion (E), Mumbai - 400 022
Phone: +91-22-6754 3456 • www.careedge.in