Sundaram & Srinivasan
Chartered Accountants,
New No.4, Old. No. 23, C.P. Ramaswamy Road,
Alwarpet,
Chennai – 600018

Chaturvedi & Co LLP
Chartered Accountants,
2nd Floor, Park Centre,
24, Park Street,
Kolkata – 700 016

To

The Board of Directors,

NLC India Limited

Independent Statutory Auditors' Certificate for security cover and compliance with covenants in respect of listed secured debt securities of NLC India Limited as at December 31, 2024

1. This Certificate is issued at the request of the management of M/s. NLC India Limited ("the Company"/"NLCIL") vide our letter of engagement dated January 25, 2025.

2. This is to certify the security coverage ('the Statement of Security Cover') as at December 31, 2024 and compliance with covenants ('the Statement of Compliance with Covenants') for the period ended December 31, 2024 in respect of outstanding secured issuances of rated, non- cumulative, non- convertible, redeemable, taxable bonds in the nature of debentures (NCDs) namely
   - NLCIL bonds 2019 series-1, amounting to Rs. 1,475 Crores issued on 29/05/2019 with interest at 8.09% p.a; and
   - NLCIL bonds 2020 series -I amounting to Rs.525 Crore issued on 27/01/2020 with interest at 7.36% p.a;

   aggregated to ₹ 2106.83 Crore including accrued interest.

Management's Responsibility

3. The preparation of the Statement of Security Cover and the Statement of Compliance with Covenants in the format prescribed by SEBI vide its Circular No SEBI/HO/DDHS-PoD3/P/CIR/2024/46 dt. May 16, 2024 ('the SEBI Circular') and SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 (the Regulation) is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement of Security Cover and the Statement of Compliance with Covenants and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

4. The Company's management is also responsible for ensuring that the Company complies with the LODR Regulations, the Circular and other requirements stated in the Information Memorandum of the Secured Bonds.

Auditor's Responsibility

5. Pursuant to the management's request, we have examined the accompanying statement of Security Cover and the Statement of Compliance with Covenants prepared based on the criteria mentioned in the Circular referred in Paragraph 3 above. We provide a limited assurance as to whether the statement is free from material misstatement.

6. Our responsibility is to certify the book values of the assets provided as security in respect of listed secured debt securities of the Company as on December 31, 2024 based on the unaudited standalone financial results and compliance with respect to covenants of the listed debt securities

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KOLKATA CHARTERED ACCOUNTANTS

for the period ended December 31, 2024, as specified in the Circular

7. We conducted our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes and Standards on Auditing issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

9. A limited assurance engagement includes performing procedures to obtain sufficient appropriate audit evidence on the reporting criteria mentioned in paragraph 3 above. The procedures selected depends on the auditors' judgement including the assessment of the risks associated with the reporting criteria. The procedures performed vary in nature and timing from and are less extent than for, reasonable assurance. Consequently, the level of assurance is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we have performed the following procedures in relation to the Statement of Security Cover and the Statement of Compliance with Covenants:

   a. Obtained and read Debenture Trust Deeds and Information Memorandums and noted the security cover required to be maintained by the Company.

   b. Traced and agreed the amount of the Debentures outstanding as on December 31, 2024 as mentioned in the Statement of Security Cover to unaudited books of account maintained by the Company.

   c. Obtained and read the list of Security Cover in respect of Debentures outstanding as per the Statement of Security Cover. Traced the value of assets from the Statement of Security Cover to the books of account of the Company as on December 31, 2024.

   d. Examined and verified the arithmetical accuracy of the computation of Security Cover in the accompanying Statement of Security Cover.

   e. Compared the Security Cover maintained by the Company with the Security Cover required to be maintained as per respective Debenture Trust Deeds /Information Memorandums.

   f. With respect to covenants, the management has represented and confirmed that the company has complied with all the other covenants [including affirmative, informative and negative covenants], as prescribed in the Debenture Trust Deeds, as at December 31, 2024.

   g. Performed necessary inquiries with the Management and obtained necessary representations.

Conclusion

10. Based on our review conducted as above and the information and explanation provided to us, nothing has come to our attention that causes us to believe that-
    (i) the accompanying Statement of security cover prepared in accordance with the format prescribed in the Circular, has not disclosed the information required to be disclosed, including the manner in which it has to be disclosed, or that it contains any material misstatement; and
    (ii) the accompanying Statement of compliance with covenants contain any material misstatement.

SUNDARAM & SRINIVASAN New No:4, Old No:23, CP Road, Chennai 600 018. CHARTERED ACCOUNTANTS

CHATURVEDI & CO LLP KOLKATA CHARTERED ACCOUNTANTS

Restriction on Use

11. This certificate has been issued on the request of the Management of M/s. NLC India Limited to be submitted to **SBICAP Trustee Company Limited** (herein referred to as "Debenture trustee") to express the security coverage and Compliance with covenants in respect of the listed debt securities by NLCIL. Our certificate should not be used for any other purpose other than specified above.

12. Accordingly, we do not accept or assume any liability or duty of care for any other purpose or to any other person other than Debenture trustee, to whom this certificate is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

13. We have no responsibility to update this certificate for events and circumstances occurring after the date of the certificate.

For Sundaram & Srinivasan
Chartered Accountants,
Firm Regn. No 004207S

SUNDARAM & SRINIVASAN
New No:4, Old No:23, CPR Road, Chennai 600 018.
CHARTERED ACCOUNTANTS

P Menakshi Sundaram
Partner
M No. 217914
UDIN:25217914BMKYHJ2332
Place: Chennai

For Chaturvedi & Co LLP
Chartered Accountants,
Firm Regn. No: 302137E/E300286

CHATURVEDI & CO LLP
KOLKATA
CHARTERED ACCOUNTANTS

Amit Kumar
Partner
M No. 318210
UDIN:25318210BMRKFM3368
Place: Neyveli

Date: February 03, 2025

Statement of Compliance with Covenants

The listed entity has vide its Board Resolution and information memorandum/ offer document and under various Debenture Trust Deeds, has issued the following listed secured debt securities:

ISIN	Private Placement/Public Issue	Secured/ Unsecured	Value of Bond
INE589A07037	Private Placement	Secured	1475 Crore
INE589A07045			525 Crore

The company has complied with all the covenant/terms of the issue mentioned in the offer document/ Information Memorandum and/or Debenture Trust Deed for the period ended December 31, 2024, for the above mentioned Listed, Secured, Non-convertible debt securities in accordance to the Clause 56(1)(d) of Regulations read with clause 2.1 of the Chapter VI of the Circular.

Further, please find below list of the covenants which the company has failed to comply for the period:

Covenants	Document reference	Date of breach	Cure period (if any)
NIL			

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Old No:23,
CPR Road,
Chennai
600 018.

CHATURVEDI & CO LLP
KOLKATA
CHARTERED ACCOUNTANTS

NLC India Limited
('Navratna' Govt. of India Enterprise)

Statement of Security Coverage Ratio ("Statement")

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O
		Exclusive Charge		Pari- Passu Charge				Elimination on (amount in negative)		Related to only those items covered by this Certificate				
Particulars	Description of Asset for which this Certificate relate	Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge	Other assets on which there is pari-Passu charge (excluding items Covered in column F)	Assets not offered as Security	Debt amount considered more than once (due to exclusive plus pari passu charge)	(Total C to H)	Market Value for Assets charged on Exclusive Basis (Note 8)	Carrying/book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable) (Note 11)	Market Value for Pari passu charge Assets (Note 8)	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable) (Note 11)	Total Value (=K+L+M+ N)
		Book Value	Book Value	Yes/ No	Book Value	Book Value						Relating to Column F		
Assets		TPS II EXP	Talabira/Solar 709MW		NNTPS	500MW (Solar)								
Property, Plant and Equipment (Note 15)	PPE of TPS II Expansion (Exclusive charge) & Neyveli New Thermal Power station (Pari - passu Charge) With SBI Cap Trustee company Ltd.	1,689.59	2,848.47		5,553.74	1,678.47	5,477.62	-	17,247.89	-	1,689.59	-	1,184.00	2,873.59
Capital Work-in- Progress		-	105.58		944.52	-	2,406.88	-	3,456.98	-	-	-	-	-
Right of Use Assets		-	-		-	-	75.49	-	75.49	-	-	-	-	-
Goodwill		-	-		-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-		-	-	223.94	-	223.94	-	-	-	-	-
Assets under Development		-	-		-	-	-	-	-	-	-	-	-	-
Investments		-	-		-	-	4,805.08	-	4,805.08	-	-	-	-	-
Loans		-	-		-	-	774.25	-	774.25	-	-	-	-	-
Trade Receivables		-	-		-	-	2,520.43	-	2,520.43	-	-	-	-	-
Inventories		-	-		-	-	1,128.84	-	1,128.84	-	-	-	-	-
Cash and Cash Equivalents		-	-		-	-	133.38	-	133.39	-	-	-	-	-
Bank Balances other than Cash and Cash Equivalents		-	-		-	-	125.46	-	125.46	-	-	-	-	-
Others (note - 9)		-	-		-	-	4,739.93	-	4,739.93	-	-	-	-	-
Total		1,689.59	2,954.05		6,498.26	1,678.47	22,501.31	-	35,323.66		1,689.59	-	1,184.00	2,873.59
														-
Liabilities		-	-		-	-	-			-	-	-	-	-
Debt securities to which Certificate pertains		2,000.00	-		1,184.00	-	-	-1,184.00	2,000.00	-	1,582.76		417.24	2,000.00
Other debt sharing pari-passu charge with above debt		-	-		1,541.90	-	-41.90	-	1,500.00	-	-	-	-	-
other debt		-	-		-	-	-	-	-	-	-	-	-	-
Subordinated debt		-	-		-	-	-	-	-	-	-	-	-	-
Borrowings :		-	-		-	-	-	-	-	-	-	-	-	-
-Bank		-	1,174.65		-	-	-	-	1,174.65	-	-	-	-	-
- Debt Securities		-	-		-	-	2,175.00	-	2,175.00	-	-	-	-	-
- Others		-	-		-	-	399.43	-	399.43	-	-	-	-	-
Trade Payables		-	-		-	-	1,215.70	-	1,215.70	-	-	-	-	-
Lease Liabilities		-	-		-	-	35.69	-	35.69	-	-	-	-	-
Provisions		-	-		-	-	795.51	-	795.51	-	-	-	-	-
Others (note -10 & 13)		106.83	9.76		0.35	-	26,017.60	-106.83	26,027.70	-	106.83	-	-	106.83
Total		2,106.83	1,184.41		2,726.25	-	30,597.03	-1,290.83	35,323.66	-	1,689.59	-	417.24	2,106.83
														-
Cover on Book Value		0.80	-		2.38	-	-	-	-	-	-	-	-	
Cover on Market Value		-	-		-	-	-	-	-	-	-	-	-	1.36
Security Cover ratio (Note 14)		1.36	-		2.38	-	-	-	-	-	1.00	-	2.84	1.36

Notes

1 Column C - includes book value of assets having exclusive charge and outstanding book value of debt for which this certificate is issued
2 Column D - includes book value of assets having exclusive charge and outstanding book value of all corresponding debt other than column C
3. Column E -includes debt for which this certificate is issued having pari passu charge
4. Column F - includes . a) book value of assets having pari-passu charge b) outstanding book value of debt for which this certificate is issued and c). other debt sharing pari-passu charge along with debt for which certificate is issued
5 Column G - includes book value of all other assets having pari passu charge and outstanding book value of corresponding debt
6 Column H - includes all those assets which are not charged and all unsecured borrowings
7 Column I - includes the debt which has been counted more than once (included under exclusive charge column as also under pari passu). In order to match the liability amount with financials, the debt which has been counted more than once (included under exclusive charge column as also under pari passu) has been eliminated
8 Justification for not providing Market Value as on 31.12 2024: This is to confirm that the last valuation for TPS 2 Expansion and NNTPS was carried out for the period ending 31 03 2022 for which valuation report is submitted to Debenture Trustee Book value as on 31 12.2024 has been considered as fair value by the management
9. Other assets include Current tax assets, Other Financial assets, Other Non current assets other current assets and Regulatory deferral account debit balances
10. Other Liabilities in Column H include the Deferred Tax Liabilities, Other current liabilities and non current liabilities, other financial and Non-financial liabilities Regulatory deferral account credit balances, equity share capital and other equity of the company
11 The market value cover is calculated as per the total value of assets mentioned in Column O.
12. The above financial information as on 31 12 2024 has been extracted from standalone books of accounts for the period ended 31 12.2024 and other relevant records of the listed entity which have been subject to audit
13 Other Liabilities in Column D, F and L represents interest accrued
14. The Security Cover ratio of 1 36 times derived by considering the Exclusive charge asset as well as Paripassu Charge Asset pertaining to Secured NCDs.
15.Property, Plant and Equipment mentioned in column C represents net book value after deducting assets that are not paid for amounting to 13.84 Crores and in column D. F and G represents net book value without excluding assets not paid for.

CHATURVEDI & CO LLP KOLKATA CHARTERED ACCOUNTANTS

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