



Date : 27.03.2024

To,  
**The Debenture Holders,  
Power Finance Corporation Limited (“Issuer”)**

**Subject:** No Objection Certificate for ceding first pari-passu charge by way of hypothecation of present & future receivable of Power Finance Corporation Ltd (PFC) excluding the receivables on which specific charge has already been created, for raising funds during the Financial years 2024-25 & FY 2025-26, through issue of Secured Capital Gain Bonds on Private Placement basis and Public Issue of Bonds/NCDs of Rs.25,000 Crores.

This is with reference to the listed, secured, non-convertible debentures (“NCDs”) issued by Power Finance Corporation Limited (“**Issuer**”) from time to time under various Debenture Trust Deeds (collectively referred to as “**Existing DTD**”) wherein we would like to inform the Debenture holder/s (“**Existing Debenture Holder/s**”) as per the latest BENPOS for the respective NCD issuances.

In relation to the above, we have been requested by the Issuer vide letter dated February 28, 2024 regarding NOC for ceding pari passu charge by way of hypothecation of present and future receivable of Power Finance Corporation Limited, excluding the receivables on which specific charge has already been created, for raising funds during the Financial years 2024-25 & FY 2025-26, through issue of Secured Capital Gain Bonds on Private Placement basis and Public Issue of Bonds/NCDs of Rs. 25,000 Crores., over the same ‘Security’ which has been provided to the Existing Debenture Holders under the Existing DTD.

In this connection, we refer to relevant provision of Existing DTDs (Debenture Trust cum Hypothecation Deed - Future Borrowing) as reproduced below,

*“Future Borrowing : The Company shall be entitled at any time in the future during the term of the Bonds or thereafter to borrow or raise loans or create encumbrances or avail of financial assistance in any form, and also to issue promissory notes or bonds or any other securities in any form, manner, ranking and denomination whatsoever and to any eligible persons whatsoever and to change its capital structure including through the issue of shares of any class, on such terms and conditions as the Company may deem appropriate, without requiring the consent of, or intimation to, the Bondholders or the Bond Trustee in this connection, subject to the security cover for the Bonds being 100% of the principal outstanding on the Bonds at all points of time maintained during the tenor of the Bonds.”*

Accordingly, please note that the Issuer has obtained and submitted to us a Chartered Accountant Certificate (**as attached**), which indicates that there would be no dilution of Security below the Security Cover stipulated under the Existing DTD and that the Issuer has maintained and will continue to maintain the stipulated security cover under Existing DTD to secure the existing outstanding NCDs.

In light of the above, considering the stipulated Security Cover as stated under the Existing DTDs is maintained, there is no specific requirement for Vistra to obtain ‘consent’ from the Existing Debenture Holders under the Existing DTDs, prior to providing the No Objection Certificate for ceding first pari-passu charge by way of hypothecation of present & future receivable of Power Finance Corporation Ltd (PFC) excluding the receivables on which specific charge has already been created, for raising funds during the Financial years 2024-25 & FY 2025-26, through issue of Secured Capital Gain Bonds on Private Placement basis and Public Issue of Bonds/NCDs of Rs.25,000 Crores.

Kindly note that this is for your information and records.

In case of any additional information required, please feel free to enquire us. We will assist you with the same and facilitate the response to your queries from the Issuer.

**Thanks & Regards**

**Vistra ITCL (India) Limited | Trust Operations**

Registered office:  
The IL&FS Financial Centre,  
Plot No. C- 22, G Block, 6th Floor  
Bandra Kurla Complex, Bandra (East),  
Mumbai 400051, India

Corporate office :  
The Qube, 6th floor, 602  
A wing Hasan pada road ,  
Mittal industrial estate Marol ,  
Andheri (East) Mumbai 400059  
Tel : +91 22 2850 0028  
Fax : +9122 2850 0029  
Email: [mumbai@vistra.com](mailto:mumbai@vistra.com)  
[www.vistraitcl.com](http://www.vistraitcl.com)

Vistra ITCL (India) Limited  
Corporate Identity Number (CIN):U66020MH1995PLC095507



(एक महारत्न कंपनी)



# पावर फाइनेंस कॉर्पोरेशन लिमिटेड POWER FINANCE CORPORATION LTD.

(भारत सरकार का उपक्रम)

(A Govt. of India Undertaking)

(आई.एस.ओ. 45001:2018 प्रमाणित)

(ISO 45001:2018 Certified)

No. 04:04:54EC&PI/DTNOC

February 28, 2024

Vistra ITCL (India) Ltd  
IL&FS Financial Centre,  
Plot C-22, G Block,  
Bandra Kurla Complex, Bandra(E),  
Mumbai-400 051

**Subject : Request for issuance of NOC for ceding first pari-passu charge by way of hypothecation of present & future receivables of Power Finance Corporation Ltd (PFC), excluding the receivables on which specific charge has already been created, for raising funds during the Financial Years 2024-25 & FY 2025-26, through issue of Secured Capital Gain Bonds on Private Placement Basis and Public Issue of Bonds/NCDs.**

\*\*\*

Sir,

As you are aware that you are the Trustee for the following secured bonds series in which PFC had provided in favour of IL&FS Trust Company Ltd., first pari-passu charge on its immovable property in Chennai (1545 sq. ft. in Module No. 38 & 40 on the 3<sup>rd</sup> floor of SIDCO Electronic Complex, Guindy, Chennai) and total receivables of the Company, excluding the receivables on which specific charge has already been created by PFC, limited to the extent of payment/repayment of the Bonds including interest, additional interest, cost and expenses and all other monies whatsoever payable/repayable by the Company to the bondholders and/or others under/pursuant to the Transaction Documents :-

| Sl. No. | Bond Series  | Amount (Rs/crores) |
|---------|--|--------------------|
| (i)     | 8.46% Tax Free Bond Series 107-B                   | 1,011.10           |
| (ii)    | 7.36% 15YEARS TAX FREE BONDS 2012-13 TR-I SERIES-2 | 179.99             |
| (iii)   | 7.86% 15YEARS TAX FREE BONDS 2012-13 TR-I SERIES-2 | 177.01             |
| (iv)    | 7.04% TR-2 TAX FREE BONDS 12-13                    | 13.35              |
| (v)     | 7.54% TR 2 TAX FREE BONDS 12-13                    | 55.85              |
| (vi)    | 8.54% TAX FREE BONDS 13-14 SERIES 2A               | 932.70             |
| (vii)   | 8.79% TAX FREE BONDS 13-14 SERIES 2B               | 353.32             |
| (viii)  | 8.67% TAX FREE BONDS 13-14 SERIES 3A               | 1,067.38           |
| (ix)    | 8.92% TAX FREE BONDS 13-14 SERIES 3B               | 861.96             |

It is now informed that PFC may consider issue of secured Capital Gain Bonds on private placement basis and Public Issue of Bonds/NCDs during the FY 2024-25 & FY 2025-26, on the security of first pari passu charge by way of hypothecation of present & future receivables of PFC (excluding the receivables on which specific charge has already been created).

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पंजीकृत कार्यालय : 'ऊर्जानिधि', 1, बाराखंबा लेन, कनॉट प्लेस, नई दिल्ली-110001

Regd. Office : "Urjanidhi", 1, Barakhamba Lane, Connaught Place, New Delhi-110001

दूरभाष / Phone : 011-23456000 फैक्स / Fax : 011-23412545

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



(from pre page)

You are, therefore, requested to issue NOC in favour of Debenture Trustee appointed for said purpose for ceding first pari passu charge by way of hypothecation on all present & future receivables of PFC, excluding the receivables on which specific charge has already been created by PFC, for the proposed secured Capital Gain Bonds on private placement basis and Public Issue of Bonds/NCDs (other than capital Gain Bonds) during the FY 2024-25 and FY 2025-26, totaling for an amount of Rs 25,000 crore.

It is also informed that as per the executed Trustee Agreement, PFC has to ensure minimum coverage ratio of 1.25. As on 31.12.2023, the total outstanding receivables (gross loan assets) of PFC and total secured debt outstanding are Rs 4,57,027 crore and Rs 31,517.60 crore respectively. Accordingly, PFC has sufficient asset base to cover its aforesaid proposed secured Bonds/NCDs of Rs 25,000 crore.

Thanking you,

Yours sincerely,

For Power Finance Corporation Ltd



(Shraddha Arora)  
Deputy General Manager (Fin)  
Office No. 011-23456257  
Mobile : +91 9911515991





Prem Gupta & Company  
Chartered Accountants,  
2342, Faiz Road, Karol Bagh  
New Delhi - 110005

Chokshi & Chokshi LLP  
Chartered Accountants,  
23, Rectangle I, District Centre,  
Saket, New Delhi – 110017  
LLP Regn. No. AAC-8909

**Independent Auditor's Review Report on unaudited standalone financial results for the Quarter & Nine months ended 31<sup>st</sup> December, 2023 of the Company Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**To the Board of Directors of  
Power Finance Corporation Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results of Power Finance Corporation Limited (the "Company") for the quarter & nine months ended 31<sup>st</sup> December, 2023 together with the notes thereon (hereinafter referred to as the "Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors of the Company, in its meeting held on 8<sup>th</sup> February, 2024, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 as amended read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 and 52 of the Listing Regulations. Our responsibility is to issue a report on the statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of Unaudited Standalone Financial results, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other recognised accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulations 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatements.



Prem Gupta & Company  
Chartered Accountants,  
2342, Faiz Road, Karol Bagh  
New Delhi - 110005

Chokshi & Chokshi LLP  
Chartered Accountants,  
23, Rectangle I, District Centre,  
Saket, New Delhi - 110017  
LLP Regn. No. AAC-8909

Other Matters

5. As per past practice, in respect of loan assets and undisbursed letter of comfort, the Company has provided expected credit loss (ECL) as required under Ind AS 109 based on the ECL report submitted by an independent expert appointed by the Company, which *inter-alia* includes assumptions based on technical parameters/certain aspects.
6. The Standalone Unaudited Financial Results of the company for the corresponding quarter & nine months ended 31<sup>st</sup> December, 2022 were reviewed by the Joint Statutory Auditors of the company, one of whom was predecessor audit firm, and they had expressed unmodified conclusion vide their review report dated 13<sup>th</sup> February, 2023 on such financial results.

The Standalone Financial Information of the company for the year ended 31<sup>st</sup> March, 2023 included in this Statement, were audited by the Joint Statutory Auditors of the company, one of whom was predecessor audit firm, and they had expressed an unmodified opinion on Standalone Financial Statements vide their audit report dated 27<sup>th</sup> May, 2023.

Our conclusion on the statement is not modified in respect of the above matters.

**FOR PREM GUPTA & COMPANY**  
Chartered Accountants  
Firm's Registration No.: 000425N

  


**CA MEENAKSHI BANSAL**  
Partner  
Membership No. 520318  
UDIN: 24520318BKDFCF1098

**FOR CHOKSHI & CHOKSHI LLP**  
Chartered Accountants  
Firm's Registration No.:101872W/W100045

  


**CA M.K. SARAOGI**  
Partner  
Membership No. 054106  
UDIN: 240541068KERFO4839

Place: New Delhi  
Date: 8<sup>th</sup> February, 2024

Annexure C

| 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             | Column P   |
|---|---|---|--|---|---|--------------------|--------------------------------|--|----------------|--|---|-------------------------------------|---|----------------------|--|
| Particulars   | Exclusive Charge                                | Exclusive Charge                                | Part-Passes Charge                               | Part-Passes Charge  | Part-Passes Charge  | Part-Passes Charge | Assets not offered as Security | Classification (amount by segment)                                   | (Total C to H) | Market Value for Assets charged on Exclusion basis | Carrying value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balances, DEMA market value is not applicable)       | Market Value for Part passes Assets | Carrying value/book value for part passes assets where market value is not ascertainable or applicable (For Eg. Bank Balances, DEMA market value is not applicable) | Total Value=K+L+M+N) | Debit and backed by any assets offered for security is |
|   | Debit for which the certificate is being issued | Debit for which the certificate is being issued | Debit for which this certificate is being issued | Assets shared by part passes debt holders for which this certificate is issued (due to inclusion of other assets with part-passes charge) | Other assets on which there is part-passes charge (covered in column F) |                    |                                | debt amount considered here (due to inclusion of part passes charge) |                | Market Value for Assets charged on Exclusion basis | Carrying value/book value for part passes assets where market value is not ascertainable or applicable (For Eg. Bank Balances, DEMA market value is not applicable) | Market Value for Part passes Assets | Carrying value/book value for part passes assets where market value is not ascertainable or applicable (For Eg. Bank Balances, DEMA market value is not applicable) | Total Value=K+L+M+N) | Debit and backed by any assets offered for security is |
|   | Back Value                                      | Back Value                                      | Yes/No   | Back Value  | Back Value  | Back Value         |                                |  |                |  |   |                                     |   |                      |  |
| <b>Assets</b>   |   |   |  |   |   |                    |                                |  |                |  |   |                                     |   |                      |  |
| Property, Plant and Equipment *                         |   |   |  |   |   |                    |                                |  |                |  |   |                                     |   |                      |  |
| Capital Work-in-Progress                                |   |   |  |   |   |                    |                                |  |                |  |   |                                     |   |                      |  |
| Right of Use Assets                                     |   |   | Yes  | 1.27  | -   | -                  | 39.81                          | -  | 41.08          | -  | -   | -                                   | -   | 41.08                | -  |
| Goodwill  |   |   |  | -   | -   | -                  | -                              | -  | -              | -  | -   | -                                   | -   | -                    | -  |
| Intangible Assets                                       |   |   |  | -   | -   | -                  | 34.09                          | -  | 34.09          | -  | -   | -                                   | -   | -                    | -  |
| Intangible Assets under Development                     |   |   |  | -   | -   | -                  | 0.03                           | -  | 0.03           | -  | -   | -                                   | -   | -                    | -  |
| Investments   |   |   |  | -   | -   | -                  | 15,017.06                      | -  | 15,017.06      | -  | -   | -                                   | -   | -                    | -  |
| Loans (Bank Debt) **                                    |   | NA  | Yes  | 33,534.90   | 0.00  | 0.00               | 413,907.37                     | -  | 447,442.27     | -  | -   | -                                   | 17,981.63   | 15,981.63            | -  |
| Investments   |   |   |  | -   | -   | -                  | -                              | -  | -              | -  | -   | -                                   | -   | -                    | -  |
| Bank Borrowings   |   |   |  | -   | -   | -                  | 2,890.32                       | -  | 2,890.32       | -  | -   | -                                   | -   | -                    | -  |
| Cash and Cash Equivalents                               |   |   |  | -   | -   | -                  | 211.97                         | -  | 211.97         | -  | -   | -                                   | -   | -                    | -  |
| Bank Balance other than Cash and Cash Equivalents       |   |   |  | -   | -   | -                  | 14,565.34                      | -  | 14,565.34      | -  | -   | -                                   | -   | -                    | -  |
| Others  |   |   |  | -   | -   | -                  | -                              | -  | -              | -  | -   | -                                   | -   | -                    | -  |
| <b>Total</b>  |   |   |  | 24,796.27   | 0.00  | 0.00               | 473,666.56                     | -  | 473,666.56     | -  | -   | 14.36                               | 15,981.63   | 15,981.63            | -  |
| <b>Liabilities</b>                                      |   |   |  |   |   |                    |                                |  |                |  |   |                                     |   |                      |  |
| Debt securities to which the certificate pertains       |   |   | Yes  | 18,399.81   | -   | -                  | -                              | -  | 18,399.81      | -  | -   | -                                   | -   | -                    | -  |
| Other debt (during part-passes charge with direct debt) |   |   | No   | 8,079.01  | -   | -                  | -                              | -  | 8,079.01       | -  | -   | -                                   | -   | -                    | -  |
| Other Debt  |   |   |  | -   | -   | -                  | -                              | -  | -              | -  | -   | -                                   | -   | -                    | -  |
| Subordinated debt                                       |   |   |  | -   | -   | -                  | 0.00                           | -  | 0.00           | -  | -   | -                                   | -   | -                    | -  |
| Borrowings  |   |   | No   | -   | 0.00  | 0.00               | 15,017.06                      | -  | 15,017.06      | -  | -   | -                                   | -   | -                    | -  |
| Debt Securities   |   | NA  |  | -   | 0.00  | 0.00               | 351,198.21                     | -  | 351,198.21     | -  | -   | -                                   | -   | -                    | -  |
| Others  |   | Not to be Offered                               |  | -   | -   | -                  | -                              | -  | -              | -  | -   | -                                   | -   | -                    | -  |
| Cash Payables   |   |   |  | -   | -   | -                  | -                              | -  | -              | -  | -   | -                                   | -   | -                    | -  |
| Loans Payables  |   |   |  | -   | -   | -                  | 306.51                         | -  | 306.51         | -  | -   | -                                   | -   | -                    | -  |
| Provisions  |   |   |  | -   | -   | -                  | 2,656.80                       | -  | 2,656.80       | -  | -   | -                                   | -   | -                    | -  |
| Others  |   |   |  | -   | -   | -                  | 278,791.48                     | -  | 278,791.48     | -  | -   | -                                   | -   | -                    | -  |
| <b>Total</b>  |   |   |  | 18,399.81   | 0.00  | 0.00               | 473,666.56                     | -  | 473,666.56     | -  | -   | -                                   | -   | -                    | -  |
| Cover on Back Value                                     |   |   |  |   |   |                    |                                |  |                |  |   |                                     |   |                      |  |
| Cover on Market Value****                               |   |   |  |   |   |                    |                                |  |                |  |   |                                     |   |                      |  |
|   | Exclusive Security cover ratio                  | NA  |  | Part-Passes Security cover ratio  | 1.04  |                    |                                |  |                |  |   |                                     |   |                      |  |

We confirm that the Company has complied with the provisions mentioned in the disclosure documents of the secured/trackable Non-contractible debentures for the period ended December 31, 2023.

\* The market value of Rs. 17.75 Cr. @ Rs. 14.36 Cr. (Total Rs. 14.36 Cr.) of the same-class debentures are on the basis of certified valuations done on 15th May 2023 & 26th May 2023 respectively.

\*\* Loans (Bank Debt) shared by part passes charge are calculated based on security cover requirements as per information memorandum for securities.

\*\*\* Loans (Bank Debt) shared by part passes charge includes charge against LGFC Bonds amounting to Rs. 0.75 Cr. (1 Cr.) for which the certificate is not being issued.

\*\*\*\* Applicable only for debt securities, borrowings and subordinated debt.

