

Power Finance Corporation Ltd.

March 19, 2019

Summary of rating action

| Instrument* | Previous Rated Amount (Rs. crore) | Current Rated Amount (Rs. crore) | Rating Action |
|---|-----------------------------------|----------------------------------|-----------------------------------|
| Long-term borrowing programme FY2019 | 77,000 [^] | 80,000 [^] | [ICRA]AAA&; Assigned |
| Short-term borrowing programme FY2019 | 20,000 [^] | 17,000 [^] | [ICRA]A1+; Outstanding |
| Overall borrowing programme FY2019 | 97,000 [^] | 97,000 [^] | |
| Rated long-term/short-term borrowings of previous FYs | 3,34,505 | 3,34,505 | [ICRA]AAA&/[ICRA]A1+; Outstanding |
| Fixed deposit programme | - | - | MAAA&; Outstanding |
| Total | 4,31,505 | 4,31,505 | |

[^]Short-term borrowings are interchangeable with long-term borrowings, subject to the total borrowings in FY2019 not exceeding Rs. 97,000 crore & Under Rating Watch with Developing Implications

* Instrument details are provided in Annexure-1

Rationale

The long-term ratings for PFC are on watch with developing implications. In ICRA's opinion, the proposed acquisition by PFC is likely to impact its capitalisation profile adversely as PFC would have to knock off its proposed investments in REC from its net owned funds, for capital adequacy calculations. ICRA has taken note the capitalisation profile PFC was good as on December 31, 2018 with Tier I% of 15.95% and CRAR of 18.95%, however depending upon the amount of investment and portfolio growth in Q4FY2019, the Tier I % for PFC could come under pressure; however as per ICRA's estimates, it is likely to remain above the regulatory threshold of 10%. Additionally, the gearing levels for PFC would also increase from current levels of 6.1 times as on December 31, 2018 to around 8 times in the near term. Thus, the need for external capital could go up for PFC, despite the good internal capital generation to maintain prudent capitalisation in relation to the rating level. ICRA believes that prudent capitalisation is a key mitigant against the risks in PFCs portfolio arising out of the sectoral and credit concentration. The modalities for the proposed acquisition are yet to be finalised, ICRA would be monitoring the events closely and would take suitable rating action once more clarity emerges.

The ratings derive significant strength from PFC's sovereign ownership (61.48% held by the Government of India (GoI) as on December 31, 2018) and its important role as a nodal agency for various GoI power sector schemes under Ultra Mega Power Projects (UMPPs) and the Integrated Power Development Scheme (IPDS). PFC, being the largest power sector financier in India, remains strategically important to the GoI, for augmenting power capacity across the country. The ratings also continue to draw comfort from PFC's good financial flexibility by virtue of its ownership, and its adequate earnings profile (annualised net profit/average total assets of 2.19% for FY2018 and 2.20% for 9M FY2019), supported by good net interest margins (3.22% for FY2018 and 3.32% for 9M FY2019) and low operating costs (0.15% for FY2018 and 0.14% for 9MFY2019). These strengths are partly offset by the company's exposure to a single sector (i.e. power) with a high concentration towards state power utilities, as well as the vulnerability of its exposure to private sector borrowers (17% of the total loan book as on December 31, 2018), as reflected by the asset quality indicators, with Stage 3 assets of 9.47% of total advances as on December 31, 2018. Overall, PFC's ability to grow its loan book while maintaining adequate profitability and controlling credit costs would be the key rating sensitivity, going forward.

Key rating drivers

Credit strengths

Strong parentage and strategic importance to GoI - The company is a nodal agency for various GoI schemes, such as UMPPs and IPDS, for the development of the country's power sector. Further, as one of the major power sector financiers, PFC remains strategically important for achieving the Government's objective of augmenting power capacity across the country. The GoI remains the majority shareholder in the company, with a stake of 61.48% as on December 31, 2018. PFC gained approval from the GoI to raise 54EC capital gain bonds in June 2017 and was also given permission to raise tax-free bonds in the past.

Experienced management and operational team - The company has an experienced management team with the senior team having an experience of more than 30 years in power financing. The company's well laid-out credit appraisal and monitoring systems have enabled it to establish itself as a preferred lender in the power sector.

Good financial flexibility and sovereign ownership support liquidity profile - Owing to its sovereign ownership, PFC has been able to raise funds at competitive rates. Around 71% of its outstanding borrowings, as on December 31, 2018, were in the form of long-term bonds, which augur well for the maturity profile of its assets. The company received approval from the GoI in June 2017 to raise 54EC low-cost capital gain bonds, which could further reduce its cost of funds.

Adequate profitability profile – PFC's yield moderated to 9.91% in FY2018 from 10.91% in FY2017 on account of a decline in systemic interest rates. The cost of funds also moderated to 7.66% in FY2018 from 7.82% in FY2017, albeit by a lower extent, leading to a decline in spreads and, hence, net interest margins (NIMs), which stood at 3.22% in FY2018 compared with 3.94% in FY2017. Nevertheless, the company's profitability remained comfortable with return on assets of 2.19% and return on equity of 15.34% during FY2018. Moreover, PFC is expected to maintain a spread of 2.5-3%. However, its credit costs could increase, going forward, if it is unable to recover effectively from stressed assets, thus adversely impacting its profitability. ICRA, nevertheless, derives comfort from PFC's strong capitalisation profile and likely support from the Government, in case of need.

Credit challenges

Capitalisation likely to be impacted post acquisition – ICRA has taken note the capitalisation profile PFC was adequate as on December 31, 2018 with Tier I% of 15.95% and CRAR of 18.95%, however depending upon the amount of investment and portfolio growth in Q4FY2019, the Tier I % for PFC could come under pressure; however as per ICRA's estimates, it is likely to remain above the regulatory threshold of 10%. Additionally, the gearing levels for PFC would also increase from current levels of 6.1 times as on December 31, 2018 to around 8 times in the near term. Thus, the need for external capital could go up for PFC, despite the good internal capital generation to maintain prudent capitalisation in relation to the rating level.

High portfolio vulnerability likely to keep asset quality volatile - The company's asset quality deteriorated in FY2017 following a change in NPA recognition norms. However, since a large proportion of the projects that were classified as NPA, as on March 31, 2017, had already achieved the date of commencement of commercial operations (DCCO), some of those were upgraded in FY2018. Consequently, the gross NPA improved to 5.71% as on December 31, 2017 (12.50% as on March 31, 2017).

However, the company's asset quality deteriorated in Q4 FY2018 after the Reserve Bank of India (RBI) made changes in the framework for the resolution of stressed assets in February 2018, whereby all the earlier schemes for stressed assets were discontinued. Though the new guidelines were not applicable to PFC, the company decided to follow them, and loans under various RBI resolution schemes were classified as NPA. Consequently, the gross NPA increased to 9.57% as on March 31, 2018 (5.71% as on December 31, 2017) and the net NPA to 7.39% as on March 31, 2018 (4.23% as on December 31, 2017). Gross Stage 3 assets stood at 9.47% though net Stage 3 assets were lower at 4.55% as on December

31, 2018 on account of increased provisioning following the transition to IND-AS. Around 55% of the private sector book was recognised as a part of Stage 3 assets on which the company made provisions of 52%. PFC might have to create additional provisions if it is unable to effectively resolve the stressed assets. ICRA believes any stress in the loan book is likely to be restricted to PFC's private sector book (17% of the total portfolio as on December 31, 2018). Overall, the company's ability to grow its loan book, while maintaining adequate profitability and controlling credit costs, would be critical.

High concentration risk -The company's exposure to a single sector (i.e. power), large ticket size of loans, high concentration of exposure towards financially weak state power utilities and the vulnerability of its exposure to private sector borrowers (17% of the book as on December 31, 2018) increases its portfolio vulnerability. The risk is further heightened as PFC is exempt from the concentration norms applicable to non-banking finance companies, and thus has significantly concentrated exposures. PFC's independent power producer (IPP) portfolio remains impacted by concerns regarding fuel availability, disputed and competitive power sale tariffs, absence of power purchase agreements (PPAs), environmental clearance and land acquisition issues. However, with PFC not sanctioning new private sector thermal projects in the last four-five years and focussing on solar and wind projects, the vulnerability of the IPP book is expected to improve from the current levels in the medium term.

Liquidity position

PFC's ALM profile, as on September 30, 2018, indicates a cumulative negative mismatch of 2% of the total assets in the less than 1-year bucket. As per the ALM profile on September 30, 2018, the company has debt repayments of Rs. 24,748 crore in the next six months (including Rs. 6,400 crore of CP borrowings) against which it has maturities of Rs. 29,796 crore. Further, considering its good financial flexibility, supported by the sovereign ownership and availability of sufficient unutilised bank lines (Rs. 9,750 crore as on November 20, 2018), the company should be able to refinance the gaps in the ALM profile. Also, PFC would need to raise fresh funds for incremental disbursements and to the proposed acquisition of REC Ltd.

Analytical approach

| Analytical Approach | Comments |
|---------------------------------|---|
| Applicable Rating Methodologies | ICRA's Credit Rating Methodology for Non-Banking Finance Companies |
| Parent/Group Support | The ratings derive significant strength from PFC's sovereign ownership (61.48% held by the GoI as on December 31, 2018) and its important role as a nodal agency for various GoI power sector schemes under UMPPs and IPDS. The sovereign ownership supports PFC's financial flexibility and liquidity profile. |
| Consolidation / Standalone | Standalone |

About the company

PFC was set up in 1986 by the GoI as a specialised development financial institution to fund projects in the domestic power sector. The GoI held a 61.48% stake in the company as on December 31, 2018. PFC provides loans for a range of power-sector activities including generation, distribution, transmission, and plant renovation and maintenance. It finances state sector entities including generating and distribution companies as well as IPPs. PFC is also the nodal agency for the development of 15 UMPPs in the country.

In FY2018, PFC reported a profit after tax (PAT) of Rs. 5,855 crore against PAT of Rs. 2,126 crore in FY2017. It reported PAT of Rs. 4,804 crore in 9M FY2019. As on December 31, 2018, PFC's reported capital adequacy was 18.95%. As on December 31, 2018, PFC had a total loan book of Rs. 2,98,128 crore. Its exposure to state power utilities and Central and joint sector entities accounted for 79% of its total advances, and its exposure to IPPs was 17% as on December 31, 2018.

Key financial indicators (audited)

| | FY2017 | FY2018 | 9MFY2019 |
|-------------------------|---------------|---------------|-----------------|
| Total income | 27,019 | 26,738 | 21,384 |
| Profit after tax | 2,126 | 5,855 | 4,804 |
| Net worth | 36,470 | 39,861 | 40,932 |
| Loan book | 2,45,525 | 2,78,915 | 2,98,128 |
| CRAR | 19.28% | 19.99% | 18.95% |
| Tier I | 16.20% | 16.98% | 15.95% |
| Gearing (times) | 5.55 | 5.76 | 6.10 |
| Return on net worth (%) | 5.89% | 15.34% | 15.34% |
| Gross NPAs (%) | 12.50% | 9.57% | 9.47% |
| Net NPAs (%) | 10.55% | 7.39% | 4.55% |
| Net NPA/Net worth | 69% | 52% | 33% |

Source: PFC; Amount in Rs. crore

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years

| | Instrument | Current Rating (FY2019) | | | | | | | | | Chronology of Rating History for the Past 3 Years | | |
|-------------|--|-------------------------|--------------|--------------------------------|-----------------|-----------------|-----------------|------------------------|------------------------|------------------------|---|-------------------------|-------------------------|
| | | Type | Amount Rated | Amount Outstanding (Rs. crore) | Date & Rating | | | | | | Date & Rating in FY2018 | Date & Rating in FY2017 | Date & Rating in FY2016 |
| | | | | | Mar-19 | Feb-19 | Dec-18 | Dec-18 | Nov-18 | Apr-18 | | | |
| (Rs. crore) | | | | | | | | | | | | | |
| 1 | Long-term/Short-term borrowing programme for FY2018-FY2019 | Long Term/Short Term | 97,000 | 97,000 | [ICRA] AAA&/A1+ | [ICRA] AAA&/A1+ | [ICRA] AAA&/A1+ | [ICRA]AAA (Stable)/A1+ | [ICRA]AAA (Stable)/A1+ | [ICRA]AAA (Stable)/A1+ | - | - | - |
| 2 | Long-term/Short-term borrowing programme for FY2017-FY2018 | Long Term/Short Term | 84,000 | 84,000 | [ICRA] AAA&/A1+ | [ICRA] AAA&/A1+ | [ICRA] AAA&/A1+ | [ICRA]AAA (Stable)/A1+ | [ICRA]AAA (Stable)/A1+ | [ICRA]AAA (Stable)/A1+ | [ICRA]AAA (Stable)/A1+ | - | - |
| 3 | Long-term/Short-term borrowing programme for FY2016-FY2017 | Short Term/Short Term | 92,000 | 92,000 | [ICRA] AAA&/A1+ | [ICRA] AAA&/A1+ | [ICRA] AAA&/A1+ | [ICRA]AAA (Stable)/A1+ | [ICRA]AAA (Stable)/A1+ | [ICRA]AAA (Stable)/A1+ | [ICRA]AAA (Stable)/A1+ | [ICRA]AAA (Stable)/A1+ | - |
| 4 | Long-term/Short-term borrowing programme prior FY2016-FY2017 | Long Term/Short Term | 1,58,505 | 1,58,505 | [ICRA] AAA&/A1+ | [ICRA] AAA&/A1+ | [ICRA] AAA&/A1+ | [ICRA]AAA (Stable)/A1+ | [ICRA]AAA (Stable)/A1+ | [ICRA]AAA (Stable)/A1+ | [ICRA]AAA (Stable)/A1+ | [ICRA]AAA (Stable)/A1+ | [ICRA]AAA (Stable)/A1+ |
| 5 | Fixed deposit programme | Medium Term | - | - | MAAA & | MAAA & | MAAA & | MAAA (Stable) | MAAA (Stable) | MAAA (Stable) | MAAA (Stable) | MAAA (Stable) | MAAA (Stable) |

** Long-term/short-term borrowing programmes include bonds, commercial papers, bank lines and other instruments
& Under Rating Watch with Developing Implications
Source: ICRA research

Complexity level of the rated instrument

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in.

Annexure-1: Instrument details

| ISIN NO. | Instrument Name | Issue Date | Coupon Rate | Principal Redemption Date | Principal Amount (Amount in Rs) | Current rating and outlook |
|--------------|-----------------|------------|---|---------------------------|---------------------------------|----------------------------|
| INE134E08693 | NCD | 30-Dec-02 | 8.10% | 30-Dec-22 | 750 | [ICRA] AAA & |
| INE134E08925 | NCD | 31-May-06 | 8.85% | 31-May-21 | 600 | [ICRA] AAA & |
| INE134E08BO5 | NCD | 7-Aug-09 | 8.60% | 7-Aug-19 | 866.5 | [ICRA] AAA & |
| INE134E08BP2 | NCD | 7-Aug-09 | 8.60% | 7-Aug-24 | 866.5 | [ICRA] AAA & |
| INE134E08BT4 | NCD | 15-Oct-09 | 8.80% | 15-Oct-19 | 1216.6 | [ICRA] AAA & |
| INE134E08CK1 | NCD | 20-Nov-09 | 1YINCMTBMK+ 179 bps (floating rate) | 20-Nov-19 | 925 | [ICRA] AAA & |
| INE134E08CM7 | NCD | 15-Dec-09 | 8.50% | 15-Dec-19 | 351 | [ICRA] AAA & |
| INE134E08CN5 | NCD | 15-Dec-09 | 8.50% | 15-Dec-24 | 351 | [ICRA] AAA & |
| INE134E08CO3 | NCD | 15-Jan-10 | 8.70% | 15-Jan-20 | 845.4 | [ICRA] AAA & |
| INE134E08CP0 | NCD | 15-Jan-10 | 8.80% | 15-Jan-25 | 1172.6 | [ICRA] AAA & |
| INE134E08CR6 | NCD | 15-Mar-10 | 8.90% | 15-Mar-20 | 184 | [ICRA] AAA & |
| INE134E08CS4 | NCD | 15-Mar-10 | 8.90% | 15-Mar-25 | 184 | [ICRA] AAA & |
| INE134E08CU0 | NCD | 30-Mar-10 | 8.95% | 30-Mar-20 | 492 | [ICRA] AAA & |
| INE134E08CV8 | NCD | 30-Mar-10 | 8.95% | 30-Mar-25 | 492 | [ICRA] AAA & |
| INE134E08CX4 | NCD | 14-May-10 | 8.70% | 14-May-20 | 1337.5 | [ICRA] AAA & |
| INE134E08CY2 | NCD | 14-May-10 | 8.70% | 14-May-25 | 1337.5 | [ICRA] AAA & |
| INE134E08CZ9 | NCD | 15-Jun-10 | 8.65% | 15-Jun-20 | 500 | [ICRA] AAA & |
| INE134E08DA0 | NCD | 15-Jun-10 | 8.75% | 15-Jun-25 | 1532 | [ICRA] AAA & |
| INE134E08DB8 | NCD | 15-Jun-10 | 8.85% | 15-Jun-30 | 633 | [ICRA] AAA & |
| INE134E08DE2 | NCD | 4-Aug-10 | 8.70% | 15-Jul-20 | 1424 | [ICRA] AAA & |
| INE134E08DG7 | NCD | 15-Nov-10 | 8.78% | 15-Nov-20 | 1549 | [ICRA] AAA & |
| INE134E08DH5 | NCD | 15-Dec-10 | 9.05% | 15-Dec-20 | 192.7 | [ICRA] AAA & |
| INE134E08DI3 | NCD | 15-Dec-10 | 9.05% | 15-Dec-25 | 192.7 | [ICRA] AAA & |
| INE134E08DJ1 | NCD | 15-Dec-10 | 9.05% | 15-Dec-30 | 192.7 | [ICRA] AAA & |
| INE134E08DL7 | NCD | 14-Jan-11 | 8.99% | 15-Jan-21 | 1219 | [ICRA] AAA & |
| INE134E08DM5 | NCD | 15-Apr-11 | 9.18% | 15-Apr-21 | 1000 | [ICRA] AAA & |
| INE134E08DN3 | NCD | 9-Jun-11 | 9.70% | 9-Jun-21 | 1693.2 | [ICRA] AAA & |
| INE134E08DQ6 | NCD | 29-Jun-11 | 9.61% | 29-Jun-21 | 2084.7 | [ICRA] AAA & |
| INE134E08DR4 | NCD | 1-Aug-11 | 9.36% | 1-Aug-21 | 2589.4 | [ICRA] AAA & |
| INE134E08DS2 | NCD | 1-Aug-11 | 9.46% | 1-Aug-26 | 1105 | [ICRA] AAA & |
| INE134E08DU8 | NCD | 1-Sep-11 | 9.45% | 1-Sep-26 | 2568 | [ICRA] AAA & |
| INE134E07117 | NCD | 15-Oct-11 | 7.51% | 15-Oct-21 | 205.23 | [ICRA] AAA & |
| INE134E07125 | NCD | 15-Oct-11 | 7.75% | 15-Oct-26 | 217.99 | [ICRA] AAA & |
| INE134E07133 | NCD | 25-Nov-11 | 8.09% | 25-Nov-21 | 334.31 | [ICRA] AAA & |
| INE134E07141 | NCD | 25-Nov-11 | 8.16% | 25-Nov-26 | 209.34 | [ICRA] AAA & |
| INE134E08EA8 | NCD | 15-Dec-11 | 9.70% | 15-Dec-18 | 2060 | [ICRA] AAA & |
| INE134E08EG5 | NCD | 6-Mar-12 | 9.30% | 15-Apr-20 | 79.5 | [ICRA] AAA & |
| INE134E08EH3 | NCD | 6-Mar-12 | 9.26% | 15-Apr-23 | 736 | [ICRA] AAA & |
| INE134E08EL5 | NCD | 20-Mar-12 | 9.42% | 20-Mar-20 | 650.8 | [ICRA] AAA & |
| INE134E08EO9 | NCD | 28-Mar-12 | 9.48% | 15-Apr-22 | 184.7 | [ICRA] AAA & |
| INE134E08EU6 | NCD | 29-Jun-12 | 9.39% | 29-Jun-22 | 2695.2 | [ICRA] AAA & |

| ISIN NO. | Instrument Name | Issue Date | Coupon Rate | Principal Redemption Date | Principal Amount (Amount in Rs) | Current rating and outlook |
|--------------|-----------------|------------|-------------|---------------------------|---------------------------------|----------------------------|
| INE134E08EX0 | NCD | 21-Aug-12 | 9.29% | 21-Aug-22 | 640 | [ICRA] AAA & |
| INE134E07299 | NCD | 22-Nov-12 | 7.21% | 22-Nov-22 | 255 | [ICRA] AAA & |
| INE134E07307 | NCD | 22-Nov-12 | 7.38% | 22-Nov-27 | 25 | [ICRA] AAA & |
| INE134E07315 | NCD | 29-Nov-12 | 7.22% | 29-Nov-22 | 30 | [ICRA] AAA & |
| INE134E07323 | NCD | 29-Nov-12 | 7.38% | 29-Nov-27 | 100 | [ICRA] AAA & |
| INE134E08FE7 | NCD | 8-Feb-13 | 8.72% | 8-Feb-19 | 324 | [ICRA] AAA & |
| INE134E08FG2 | NCD | 20-Feb-13 | 8.82% | 20-Feb-20 | 733 | [ICRA] AAA & |
| INE134E08FI8 | NCD | 4-Mar-13 | 8.86% | 4-Mar-20 | 54.3 | [ICRA] AAA & |
| INE134E08FJ6 | NCD | 4-Mar-13 | 8.84% | 4-Mar-23 | 1310 | [ICRA] AAA & |
| INE134E08FL2 | NCD | 11-Mar-13 | 9.00% | 11-Mar-28 | 1370 | [ICRA] AAA & |
| INE134E08FN8 | NCD | 18-Mar-13 | 8.90% | 18-Mar-23 | 403 | [ICRA] AAA & |
| INE134E08FO6 | NCD | 18-Mar-13 | 8.90% | 18-Mar-28 | 403 | [ICRA] AAA & |
| INE134E08FP3 | NCD | 18-Mar-13 | 8.87% | 18-Mar-23 | 70 | [ICRA] AAA & |
| INE134E08FQ1 | NCD | 25-Mar-13 | 8.94% | 25-Mar-28 | 2807 | [ICRA] AAA & |
| INE134E08FT5 | NCD | 14-Jun-13 | 8.19% | 14-Jun-23 | 800 | [ICRA] AAA & |
| INE134E07372 | NCD | 30-Aug-13 | 8.01% | 30-Aug-23 | 113 | [ICRA] AAA & |
| INE134E07380 | NCD | 30-Aug-13 | 8.46% | 30-Aug-28 | 1011.1 | [ICRA] AAA & |
| INE134E08FW9 | NCD | 13-Jan-14 | 9.65% | 13-Jan-24 | 1000 | [ICRA] AAA & |
| INE134E07489 | NCD | 31-Jan-14 | 9.70% | 31-Jan-19 | 270 | [ICRA] AAA & |
| INE134E07497 | NCD | 31-Jan-14 | 9.70% | 31-Jan-20 | 270 | [ICRA] AAA & |
| INE134E07505 | NCD | 31-Jan-14 | 9.70% | 31-Jan-21 | 270 | [ICRA] AAA & |
| INE134E07513 | NCD | 3-Mar-14 | 9.69% | 2-Mar-19 | 2240 | [ICRA] AAA & |
| INE134E08FX7 | NCD | 21-Feb-14 | 9.70% | 21-Feb-24 | 2000 | [ICRA] AAA & |
| INE134E08FZ2 | NCD | 7-Jul-14 | 9.15% | 7-Jul-19 | 100 | [ICRA] AAA & |
| INE134E08GA3 | NCD | 7-Jul-14 | 9.20% | 7-Jul-21 | 700 | [ICRA] AAA & |
| INE134E08GD7 | NCD | 19-Aug-14 | 9.37% | 19-Aug-24 | 855 | [ICRA] AAA & |
| INE134E08GF2 | NCD | 27-Aug-14 | 9.39% | 27-Aug-19 | 460 | [ICRA] AAA & |
| INE134E08GG0 | NCD | 27-Aug-14 | 9.39% | 27-Aug-24 | 460 | [ICRA] AAA & |
| INE134E08GH8 | NCD | 27-Aug-14 | 9.39% | 27-Aug-29 | 460 | [ICRA] AAA & |
| INE134E08GJ4 | NCD | 17-Sep-14 | 9.32% | 17-Sep-19 | 1591 | [ICRA] AAA & |
| INE134E08GK2 | NCD | 8-Oct-14 | 8.98% | 8-Oct-24 | 961 | [ICRA] AAA & |
| INE134E08GL0 | NCD | 8-Oct-14 | 8.98% | 8-Oct-24 | 950 | [ICRA] AAA & |
| INE134E08GN6 | NCD | 21-Oct-14 | 8.96% | 21-Oct-19 | 1100 | [ICRA] AAA & |
| INE134E08GO4 | NCD | 7-Nov-14 | 8.76% | 7-Nov-19 | 1000 | [ICRA] AAA & |
| INE134E08GQ9 | NCD | 28-Nov-14 | 8.65% | 28-Nov-19 | 836 | [ICRA] AAA & |
| INE134E08GR7 | NCD | 28-Nov-14 | 8.66% | 27-Nov-21 | 200 | [ICRA] AAA & |
| INE134E08GS5 | NCD | 9-Dec-14 | 8.52% | 9-Dec-19 | 1220 | [ICRA] AAA & |
| INE134E08GT3 | NCD | 9-Dec-14 | 8.55% | 9-Dec-21 | 1200 | [ICRA] AAA & |
| INE134E08GU1 | NCD | 9-Dec-14 | 8.48% | 9-Dec-24 | 1000 | [ICRA] AAA & |
| INE134E08GV9 | NCD | 29-Dec-14 | 8.65% | 28-Dec-24 | 2826 | [ICRA] AAA & |
| INE134E08GW7 | NCD | 5-Jan-15 | 8.65% | 4-Jan-25 | 5000 | [ICRA] AAA & |
| INE134E08GX5 | NCD | 26-Feb-15 | 8.36% | 26-Feb-20 | 4440 | [ICRA] AAA & |
| INE134E08GY3 | NCD | 10-Mar-15 | 8.20% | 10-Mar-25 | 1600 | [ICRA] AAA & |
| INE134E08HC7 | NCD | 19-Mar-15 | 8.42% | 18-Apr-20 | 200 | [ICRA] AAA & |
| INE134E08HD5 | NCD | 19-Mar-15 | 8.39% | 19-Apr-25 | 925 | [ICRA] AAA & |

| ISIN NO. | Instrument Name | Issue Date | Coupon Rate | Principal Redemption Date | Principal Amount (Amount in Rs) | Current rating and outlook |
|--------------|-----------------|------------|-------------|---------------------------|---------------------------------|----------------------------|
| INE134E08HF0 | NCD | 27-Mar-15 | 8.38% | 27-Apr-20 | 1350 | [ICRA] AAA & |
| INE134E08HG8 | NCD | 27-Mar-15 | 8.41% | 27-Mar-25 | 5000 | [ICRA] AAA & |
| INE134E08HO2 | NCD | 29-Jun-15 | 8.50% | 29-Jun-19 | 1500 | [ICRA] AAA & |
| INE134E07521 | NCD | 17-Jul-15 | 7.16% | 17-Jul-25 | 300 | [ICRA] AAA & |
| INE134E08HP9 | NCD | 24-Jul-15 | 8.53% | 24-Jul-20 | 2700 | [ICRA] AAA & |
| INE134E08HQ7 | NCD | 10-Aug-15 | 8.45% | 10-Aug-20 | 1000 | [ICRA] AAA & |
| INE134E08HV7 | NCD | 4-Sep-15 | 8.36% | 4-Sep-20 | 1250 | [ICRA] AAA & |
| INE134E08HW5 | NCD | 18-Sep-15 | 8.46% | 18-Sep-20 | 1000 | [ICRA] AAA & |
| INE134E08HX3 | NCD | 18-Sep-15 | 8.40% | 18-Sep-25 | 1000 | [ICRA] AAA & |
| INE134E08IA9 | NCD | 28-Jan-16 | 8.12% | 28-Feb-19 | 700 | [ICRA] AAA & |
| INE134E08IC5 | NCD | 13-Apr-16 | 7.85% | 15-Apr-19 | 2928 | [ICRA] AAA & |
| INE134E08ID3 | NCD | 27-Apr-16 | 8.05% | 27-Apr-21 | 300 | [ICRA] AAA & |
| INE134E08IE1 | NCD | 2-May-16 | 8.03% | 2-May-26 | 1000 | [ICRA] AAA & |
| INE134E08IF8 | NCD | 13-May-16 | 7.95% | 13-May-19 | 1915 | [ICRA] AAA & |
| INE134E08IG6 | NCD | 31-May-16 | 8.04% | 30-May-20 | 100 | [ICRA] AAA & |
| INE134E08IH4 | NCD | 16-Aug-16 | 7.50% | 16-Aug-21 | 2660 | [ICRA] AAA & |
| INE134E08II2 | NCD | 16-Aug-16 | 7.63% | 14-Aug-26 | 1675 | [ICRA] AAA & |
| INE134E08IJ0 | NCD | 16-Sep-16 | 7.47% | 16-Sep-21 | 2260 | [ICRA] AAA & |
| INE134E08IK8 | NCD | 16-Sep-16 | 7.56% | 16-Sep-26 | 210 | [ICRA] AAA & |
| INE134E08IL6 | NCD | 26-Sep-16 | 7.55% | 25-Sep-26 | 4000 | [ICRA] AAA & |
| INE134E08IM4 | NCD | 30-Sep-16 | 7.40% | 30-Sep-21 | 1830 | [ICRA] AAA & |
| INE134E08IN2 | NCD | 22-Dec-16 | 7.27% | 22-Dec-21 | 1101 | [ICRA] AAA & |
| INE134E08IO0 | NCD | 5-Jan-17 | 7.23% | 5-Jan-27 | 2635 | [ICRA] AAA & |
| INE134E08IP7 | NCD | 11-Jan-17 | 7.10% | 11-Jan-27 | 200 | [ICRA] AAA & |
| INE134E08IQ5 | NCD | 17-Jan-17 | 6.83% | 15-Apr-20 | 2000 | [ICRA] AAA & |
| INE134E08IR3 | NCD | 20-Jan-17 | 7.18% | 20-Jan-27 | 1335 | [ICRA] AAA & |
| INE134E08IS1 | NCD | 15-Feb-17 | 7.05% | 15-May-20 | 2551 | [ICRA] AAA & |
| INE134E08IT9 | NCD | 20-Feb-17 | 7.60% | 20-Feb-27 | 1465 | [ICRA] AAA & |
| INE134E08IW3 | NCD | 17-Mar-17 | 7.50% | 17-Sep-20 | 2435 | [ICRA] AAA & |
| INE134E08IX1 | NCD | 22-Mar-17 | 7.75% | 22-Mar-27 | 2000 | [ICRA] AAA & |
| INE134E08IY9 | NCD | 27-Mar-17 | 7.42% | 26-Jun-20 | 3605 | [ICRA] AAA & |
| INE134E08IZ6 | NCD | 5-May-17 | 7.46% | 5-Jun-20 | 1180 | [ICRA] AAA & |
| INE134E08JA7 | NCD | 30-May-17 | 7.30% | 30-Jun-20 | 1560 | [ICRA] AAA & |
| INE134E08JB5 | NCD | 12-Jun-17 | 7.28% | 10-Jun-22 | 1950 | [ICRA] AAA & |
| INE134E08JC3 | NCD | 12-Jun-17 | 7.44% | 11-Jun-27 | 1540 | [ICRA] AAA & |
| INE134E08JD1 | NCD | 8-Aug-17 | 7.10% | 8-Aug-22 | 3395 | [ICRA] AAA & |
| INE134E08JE9 | NCD | 8-Aug-17 | 7.30% | 7-Aug-27 | 1500 | [ICRA] AAA & |
| INE134E08JF6 | NCD | 22-Nov-17 | 7.35% | 22-Nov-22 | 800 | [ICRA] AAA & |
| INE134E08JG4 | NCD | 22-Nov-17 | 7.65% | 22-Nov-27 | 2001 | [ICRA] AAA & |
| INE134E08JH2 | NCD | 15-Dec-17 | 7.62% | 15-Dec-27 | 5000 | [ICRA] AAA & |
| INE134E08JI0 | NCD | 30-Jan-18 | 7.74% | 29-Jan-28 | 850 | [ICRA] AAA & |
| INE134E08JJ8 | NCD | 12-Feb-18 | 7.73% | 12-Mar-21 | 505 | [ICRA] AAA & |
| INE134E08JK6 | NCD | 12-Feb-18 | 7.73% | 5-Apr-21 | 1325 | [ICRA] AAA & |
| INE134E08JL4 | NCD | 8-Mar-18 | 7.80% | 7-Jun-19 | 3300 | [ICRA] AAA & |
| INE134E08JM2 | NCD | 15-Mar-18 | 7.75% | 15-Apr-21 | 600 | [ICRA] AAA & |

| ISIN NO. | Instrument Name | Issue Date | Coupon Rate | Principal Redemption Date | Principal Amount (Amount in Rs) | Current rating and outlook |
|--------------|-----------------|------------|-------------|---------------------------|---------------------------------|----------------------------|
| INE134E08JN0 | NCD | 20-Mar-18 | 7.53% | 20-Jan-20 | 1500 | [ICRA] AAA & |
| INE134E08JO8 | NCD | 20-Mar-18 | 7.99% | 20-Dec-22 | 1295 | [ICRA] AAA & |
| INE134E08JP5 | NCD | 3-Apr-18 | 7.85% | 3-Apr-28 | 3855 | [ICRA] AAA & |
| INE134E08JQ3 | NCD | 10-Oct-18 | 8.95% | 10-Oct-28 | 3000 | [ICRA] AAA & |
| INE134E08JR1 | NCD | 19-Nov-18 | 8.67% | 19-Nov-28 | 1007.4 | [ICRA] AAA & |
| INE134E08JS9 | NCD | 19-Nov-18 | 8.64% | 19-Nov-33 | 528.4 | [ICRA] AAA & |
| INE134E07075 | NCD | 31-Mar-11 | 8.30% | 31-Mar-21 | 49.95 | [ICRA] AAA & |
| INE134E07083 | NCD | 31-Mar-11 | 8.30% | 31-Mar-21 | 109.11 | [ICRA] AAA & |
| INE134E07091 | NCD | 31-Mar-11 | 8.50% | 31-Mar-26 | 5.27 | [ICRA] AAA & |
| INE134E07109 | NCD | 31-Mar-11 | 8.50% | 31-Mar-26 | 19.33 | [ICRA] AAA & |
| INE134E07158 | NCD | 21-Nov-11 | 8.50% | 21-Nov-21 | 21.85 | [ICRA] AAA & |
| INE134E07166 | NCD | 21-Nov-11 | 8.50% | 21-Nov-21 | 36.34 | [ICRA] AAA & |
| INE134E07174 | NCD | 21-Nov-11 | 8.75% | 21-Nov-26 | 2.86 | [ICRA] AAA & |
| INE134E07182 | NCD | 21-Nov-11 | 8.75% | 21-Nov-26 | 7.77 | [ICRA] AAA & |
| INE134E07216 | NCD | 30-Mar-12 | 8.43% | 30-Mar-22 | 7.39 | [ICRA] AAA & |
| INE134E07224 | NCD | 30-Mar-12 | 8.43% | 30-Mar-22 | 15.47 | [ICRA] AAA & |
| INE134E07232 | NCD | 30-Mar-12 | 8.72% | 30-Mar-27 | 0.87 | [ICRA] AAA & |
| INE134E07240 | NCD | 30-Mar-12 | 8.72% | 30-Mar-27 | 2.4 | [ICRA] AAA & |
| INE134E07190 | NCD | 1-Feb-12 | 8.20% | 1-Feb-22 | 2752.55 | [ICRA] AAA & |
| INE134E07208 | NCD | 1-Feb-12 | 8.30% | 1-Feb-27 | 1280.58 | [ICRA] AAA & |
| INE134E07331 | NCD | 4-Jan-13 | 7.19% | 4-Jan-23 | 189.57 | [ICRA] AAA & |
| INE134E07331 | NCD | 4-Jan-13 | 7.69% | 4-Jan-23 | 153.18 | [ICRA] AAA & |
| INE134E07349 | NCD | 4-Jan-13 | 7.36% | 4-Jan-28 | 155.23 | [ICRA] AAA & |
| INE134E07349 | NCD | 4-Jan-13 | 7.86% | 4-Jan-28 | 201.77 | [ICRA] AAA & |
| INE134E07356 | NCD | 28-Mar-13 | 6.88% | 28-Mar-23 | 50.93 | [ICRA] AAA & |
| INE134E07356 | NCD | 28-Mar-13 | 7.38% | 28-Mar-23 | 45.23 | [ICRA] AAA & |
| INE134E07364 | NCD | 28-Mar-13 | 7.04% | 28-Mar-23 | 7.78 | [ICRA] AAA & |
| INE134E07364 | NCD | 28-Mar-13 | 7.54% | 28-Mar-23 | 61.42 | [ICRA] AAA & |
| INE134E07414 | NCD | 16-Nov-13 | 8.18% | 16-Nov-23 | 325.08 | [ICRA] AAA & |
| INE134E07422 | NCD | 16-Nov-13 | 8.43% | 16-Nov-23 | 335.47 | [ICRA] AAA & |
| INE134E07430 | NCD | 16-Nov-13 | 8.54% | 16-Nov-23 | 932.7 | [ICRA] AAA & |
| INE134E07448 | NCD | 16-Nov-13 | 8.79% | 16-Nov-28 | 353.32 | [ICRA] AAA & |
| INE134E07455 | NCD | 16-Nov-13 | 8.67% | 16-Nov-33 | 1067.38 | [ICRA] AAA & |
| INE134E07463 | NCD | 16-Nov-13 | 8.92% | 16-Nov-33 | 861.96 | [ICRA] AAA & |
| INE134E07539 | NCD | 17-Oct-15 | 7.11% | 17-Oct-25 | 75.1 | [ICRA] AAA & |
| INE134E07547 | NCD | 17-Oct-15 | 7.36% | 17-Oct-25 | 79.35 | [ICRA] AAA & |
| INE134E07554 | NCD | 17-Oct-15 | 7.27% | 17-Oct-30 | 131.33 | [ICRA] AAA & |
| INE134E07562 | NCD | 17-Oct-15 | 7.52% | 17-Oct-30 | 45.18 | [ICRA] AAA & |
| INE134E07570 | NCD | 17-Oct-15 | 7.35% | 17-Oct-35 | 213.57 | [ICRA] AAA & |
| INE134E07588 | NCD | 17-Oct-15 | 7.60% | 17-Oct-35 | 155.48 | [ICRA] AAA & |
| INE134E07596 | NCD | 31-Jul-17 | 5.25% | 31-Jul-20 | 18.26 | [ICRA] AAA & |
| INE134E07604 | NCD | 31-Aug-17 | 5.25% | 31-Aug-20 | 13.89 | [ICRA] AAA & |
| INE134E07612 | NCD | 30-Sep-17 | 5.25% | 30-Sep-20 | 20.52 | [ICRA] AAA & |
| INE134E07620 | NCD | 31-Oct-17 | 5.25% | 31-Oct-20 | 20.5 | [ICRA] AAA & |
| INE134E07638 | NCD | 30-Nov-17 | 5.25% | 30-Nov-20 | 33.55 | [ICRA] AAA & |

| ISIN NO. | Instrument Name | Issue Date | Coupon Rate | Principal Redemption Date | Principal Amount (Amount in Rs) | Current rating and outlook |
|----------------------------|-----------------|------------|-------------|---------------------------|---------------------------------|----------------------------|
| INE134E07646 | NCD | 31-Dec-17 | 5.25% | 31-Dec-20 | 33.76 | [ICRA] AAA & |
| INE134E07653 | NCD | 31-Jan-18 | 5.25% | 31-Jan-21 | 25.93 | [ICRA] AAA & |
| INE134E07661 | NCD | 28-Feb-18 | 5.25% | 28-Feb-21 | 37.95 | [ICRA] AAA & |
| INE134E07679 | NCD | 31-Mar-18 | 5.25% | 31-Mar-21 | 87.79 | [ICRA] AAA & |
| INE134E07687 | NCD | 30-Apr-18 | 5.75% | 30-Apr-23 | 6.54 | [ICRA] AAA & |
| INE134E07695 | NCD | 31-May-18 | 5.75% | 31-May-23 | 7.04 | [ICRA] AAA & |
| INE134E07703 | NCD | 30-Jun-18 | 5.75% | 30-Jun-23 | 10.11 | [ICRA] AAA & |
| INE134E07711 | NCD | 31-Jul-18 | 5.75% | 31-Jul-23 | 14.32 | [ICRA] AAA & |
| INE134E07729 | NCD | 31-Aug-18 | 5.75% | 31-Aug-23 | 15.95 | [ICRA] AAA & |
| INE134E07737 | NCD | 30-Sep-18 | 5.75% | 30-Sep-23 | 26.03 | [ICRA] AAA & |
| INE134E07745 | NCD | 31-Oct-18 | 5.75% | 31-Oct-23 | 32.95 | [ICRA] AAA & |
| INE134E07752 | NCD | 30-Nov-18 | 5.75% | 30-Nov-23 | 15.07 | [ICRA] AAA & |
| Borrowing Programme FY2019 | NA | NA | NA | NA | 82,000.00 | [ICRA] AAA &/[ICRA] A1+ |
| Fixed Deposit Programme | NA | NA | NA | NA | | MAAA & |

&Under Rating Watch with Developing Implications

Source: Power Finance Corporation Ltd.

ANALYST CONTACTS

Karthik Srinivasan

+91-22-6114 3444

karthiks@icraindia.com

Manushree Saggar

+91-124-4545316

manushrees@icraindia.com

Deepak Narang

+91-124-4545442

deepak.narang@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91-22-6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

Helpline for business queries:

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited

Corporate Office

Building No. 8, 2nd Floor, Tower A; DLF Cyber City, Phase II; Gurgaon 122 002

Tel: +91 124 4545300

Email: info@icraindia.com

Website: www.icra.in

Registered Office

1105, Kailash Building, 11th Floor; 26 Kasturba Gandhi Marg; New Delhi 110001

Tel: +91 11 23357940-50

Branches

Mumbai + (91 22) 24331046/53/62/74/86/87

Chennai + (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294,

Kolkata + (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008,

Bangalore + (91 80) 2559 7401/4049

Ahmedabad+ (91 79) 2658 4924/5049/2008

Hyderabad + (91 40) 2373 5061/7251

Pune + (91 20) 2556 0194/ 6606 9999

© Copyright, 2019 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

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