



Certificate on financial indebtedness along with material covenants as at the agreed cut-off date

Dated: 12th November, 2024

To,

The Board of Directors
NTPC Green Energy Limited
NTPC Bhawan, Core -7,
SCOPE Complex 7 Institutional Area,
Lodhi Road, New Delhi,
Delhi, India, 110003

Sub: Proposed initial public offering of equity shares of face value of ₹ 10 each (the "Equity Shares") of NTPC Green Energy Limited (the "Company" and such offer, the "Issue")

Dear Sir/Madam,

We, **P R Mehra & Co**, Chartered Accountants, are statutory auditors of the Company, have been informed that the Company proposes to file the Red Herring Prospectus (the "**RHP**") and Prospectus ("**Prospectus**") with respect to the Issue, with the Registrar of Companies, Delhi and Haryana at New Delhi ("**RoC**") and subsequently with the Securities and Exchange Board of India ("**SEBI**"), BSE Limited and National Stock Exchange of India Limited (collectively, the "**Stock Exchanges**") in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**") and applicable laws, and any other documents or materials to be issued in relation to the Issue (collectively with the RHP and Prospectus, the "**Issue Documents**").

We have been requested by the Company to verify and confirm the loans, advances and any working capital facilities made by the Company or taken by the Company and to provide a certificate in respect of consolidated financial indebtedness of the Company. In this regard, we have reviewed the audited restated consolidated financial statements of the Company for the six-months period ended September 30, 2024, and as at the years ended on March 31, 2024 and March 31, 2023 (the "**Restated Consolidated Financial Statements**") and seen the trial balance of the company as at September 30, 2024.

We, have reviewed the minutes of the meetings of the Board of Directors of the Company, minutes of annual general meetings and extra-ordinary general meetings of the Company, minutes of the meetings of various committees of the Board of Directors, notices, books of accounts, relevant statutory registers, Restated Consolidated Financial Statements return of charge filed by the Company with Registrar of Companies, Delhi and Haryana at New Delhi ("**RoC**"), relevant forms and documents filed with the relevant RoC and other documents and accounts presented to us, bank statements, loan documentation, relevant records, ledger entries and registers of the Company; loan and bank ledger extracts from Company's financial reporting systems, relevant statutory registers and the books of accounts as prepared and provided by the management of the Company and certificate obtained from statutory auditor of subsidiaries, trial balance as on September 30, 2024 and have made enquiries with the officials of the Company and other relevant documents presented to us.

Regarding financial indebtedness along with material covenants, we have relied upon the certificate given by the statutory auditors of the subsidiaries while incorporating their information in the certificate. Based on our



examination, as per information and explanation given to us and certificate received from the statutory auditors of subsidiaries, we hereby are of the opinion that the following details in connection with the material covenants as included in the loan documentation and the loans and advances made by the Company till September 30, 2024 are true, complete and correct.

On the basis of the examination carried out by us and the information, explanations and representations provided to us by the management of the Company and certificate received from the statutory auditors of subsidiaries, we hereby certify that the particulars of statement of consolidated financial indebtedness of the loan facilities as mentioned in the **Annexure I** as on September 30, 2024. Further, we confirm that the loan facilities as mentioned in Annexure I are being utilised for the purpose for which they were raised.

The principal terms of the loans and assets charged as security by the Company and its Subsidiaries are stated in **Annexure II**.

Except as stated in **Annexure III**, the Company and its Subsidiaries has not provided any guarantees for the repayment of any loans availed by other entities.

Except as stated under **Annexure IV**, we confirm that neither the promoter or director of the Company is interested in any loans or advances availed by the Company and its Subsidiaries.

Except as stated under **Annexure V**, we confirm that the Company has not provided any loans or advances to any of the Promoters, Directors, KMPs and SMPs.

Except as stated under **Annexure VI**, we confirm that the Company has not received any loans or advances from any of the Promoters, Directors, KMPs and SMPs as on the cut-off date.

The brief summary of the Company's aggregate sanctioned and outstanding borrowings on a consolidated basis for the financial years ended March 31, 2024 and March 31, 2023 and the six months period ended September 30, 2024 are stated in **Annexure VII**.

Based on the information provided by the management, we are of the opinion that there are no unsecured loans which can be recalled by lenders at any time.

We confirm that the information in this certificate is true and correct and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context.

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 issued by ICAI.

We have conducted our examination in accordance with the applicable guidance note issued by the ICAI which requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI and accordingly, we confirm that we have complied with such Code of Ethics issued by the ICAI.

This certificate may be relied upon by the Company, the Book Running Lead Managers, and the legal counsel appointed by the Company and the Book Running Lead Managers in relation to the Issue and to assist the BRLMs in conducting and documenting their investigation of the affairs of the Company in connection with the Issue. We hereby consent to extracts of, or reference to, this certificate being used in the Issue Documents. We also consent to the submission of this certificate as may be necessary, to any regulatory authority and/or for the records to be maintained by the Book Running Lead Managers in connection with the Issue and in accordance with applicable law.

We confirm that on receipt of any communication from Company of any changes in the information, we will immediately communicate any changes in writing in the above information to the Book Running Lead Managers until the date when the Equity Shares allotted and transferred in the Issue commence trading on the relevant stock exchanges. In the absence of any such communication from us, Book Running Lead Managers and the legal



advisors, each to the Company and the Book Running Lead Managers, can assume that there is no change to the above information.

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the Issue Documents.

Yours faithfully

For P R Mehra & Co

Chartered Accountants

Firm Registration Number: 000051N

Ashok Malhotra

Ashok Malhotra

Partner

Membership No.: 082648

Place: New Delhi

UDIN: 24082648BK9ELG1228



CC:

IDBI Capital Markets & Securities Limited

6th Floor, IDBI Tower,
WTC Complex,
Cuffe Parade, Mumbai – 400 005
Maharashtra, India

HDFC Bank Limited

Investment Banking Group
Unit No. 701, 702 and 702-A
7th floor, Tower 2 and 3,
One International Centre, Senapati Bapat Marg,
Prabhadevi, Mumbai – 400013,
Maharashtra, India

IIFL Securities Limited

24th Floor, One Lodha Place
Senapati Bapat Marg
Lower Parel (W)
Mumbai 400 013
Maharashtra, India

Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)

801 - 804, Wing A,
Building No 3, Inspire BKC,
G Block Bandra Kurla Complex,
Bandra East Mumbai – 400 051
Maharashtra, India

Legal Counsels:

Legal Counsel to the Company as to Indian Law

J. Sagar Associates
One Lodha Place, 27th Floor
Senapati Bapat Marg, Lower Parel
Mumbai 400 013,
Maharashtra, India

Legal Counsel to the Book Running Lead Managers as to Indian Law

Trilegal

One World Centre,
10th Floor, Tower 2A and 2B
Senapati Bapat Marg
Lower Parel, Mumbai 400 013
Maharashtra, India

International Legal Counsel to the Book Running Lead Managers

Dentons US LLP

100 Crescent Court, Suite 900
Dallas, Texas 75201



Annexure I

Brief details of the aggregate term borrowings availed by our Company and its subsidiaries and outstanding as of September 30, 2024 are outlined in the table below:

Category of borrowing	Sanctioned amount	Principal amount outstanding as on September 30, 2024 (in ₹ million)
Borrowings of our Company		
Term loan facilities		
Secured (A1)	-	-
Unsecured (A2)	90,000.00	78,528.10
Total term loan facilities (A=A1+A2)	90,000.00	78,528.10
External Commercial Borrowings (ECBs) (B)	-	-
Debentures (C)	-	-
Total borrowings (A+B+C)	90,000.00	78,528.10
Borrowings of our Subsidiary		
NTPC Renewable Energy Limited		
Term loan facilities		
Secured (A1)	39,620.00	25,320.35
Unsecured (A2)	95,000.00	66,726.51
Total term loan facilities (A=A1+A2)	1,34,620.00	92,046.86
External Commercial Borrowings (ECBs)		
Secured (B1)	-	-
Unsecured (B2)	8,866.50*	-
External Commercial Borrowings (ECBs) (B=B1+B2)	8,866.50	-
Debentures (C)	-	-
Total borrowings (A+B+C)	1,43,486.50	92,046.86
Green Valley Renewable Energy Limited		
Term loan facilities (A)	-	-
External Commercial Borrowings (ECBs) (B)	-	-
Debentures (C)	-	-
Total borrowings (A+B+C)	-	-

Note: the above computation does not include interest accrued but not due, and interest accrued and due, if any

*The ECB Loan includes a loan of subsidiary of 15,000 JPY (in millions) which is converted to INR at 1 JPY = 0.5911 INR (RBI Reference Rate as on September 30, 2024)



Annexure II

Principal terms of the borrowings availed by our Company and subsidiaries.

The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by our Company and its subsidiaries.

1. **Interest:** The secured rupee term loan from banks carries floating rates of interest ranging from 8.20% to 8.25%. And the unsecured rupee term loan from banks carries floating rates of interest ranging from 7.59% to 8.25%. For ECBs availed by our Company, the interest rate is Tonar plus 0.60%
2. **Tenor:** The tenor of the secured rupee term loans typically ranges between ranges from 15 to 20 years. The tenor of our unsecured rupee term loans typically ranges from 5 to 15 years. And the tenor of the ECBs is 15 years, however, as of the date of disclosure, the company hasn't drawn from the facility.
3. **Security:** The loans are secured on first pari-passu basis on all existing and future movable and immovable assets excluding current assets pertaining to six projects viz, Bhainsara 320MW, Chattargarh 150MW, GUVNL 200MW, GUVNL 150MW, SECI Hybrid Tr-IV-350MW & Shajapur U-1 & 2 of the subsidiary company.
4. **Repayment:** The secured rupee term loans and working capital facilities are repayable in equal quarterly instalments/half yearly/annual after completion of two years moratorium period. And the unsecured rupee terms loans and ECB are repayable in equal half yearly instalments after completion of 6 Months of moratorium period.
5. **Prepayment:** The Company has the option to prepay the lenders. Some of the loans may be subject to payment of prepayment charges at such rate as may be stipulated by the lenders. Further, some loans may be prepaid without any prepayment charges subject to the fulfilment of conditions, including by providing prior notice of up to 30-60 days to the lender.
6. **Prepayment Penalty:** Certain facilities carry a pre-payment penalty which may be levied at the discretion of the lenders on the pre-paid amount. The pre-payment penalty payable, where stipulated, ranges from 1.00% to 2.00% under certain circumstances on the principal amount of the loan prepaid.
7. **Restrictive Covenants:** Several financing arrangements contain various restrictive conditions and covenants, which restricts initiation of certain corporate actions by our Company. In this regard, the Company is required to take the prior approval of the concerned lender before carrying out such activities, including for:
 - a. effecting any amalgamation, merger, reconstruction, takeover, consolidation or buyback;
 - b. utilising proceeds of the facilities towards purposes other than as stipulated in the loan agreements;
 - c. winding-up/liquidating or agree/authorize to settle any litigation having an adverse effect;
 - d. changing the management structure of our Company;
 - e. making any alteration in the Memorandum of Association or Articles of Association;
 - f. undertaking or permitting any reorganization, amalgamation, reconstruction, takeover, substantial change of ownership or shareholding or any other scheme of compromise or arrangement effecting its present constitution;
 - g. affecting any change in our nature of business;
 - h. changing the practice with regard to remuneration of directors;
 - i. refraining from selling or disposing of any of its assets which may be required for carrying on its operations;
 - j. sell, assign, mortgage or otherwise dispose of any of the fixed assets charged to the lender;
 - k. the company is required to maintain total liability to net worth ranging from 3:1 to 4:1 and ratio of EBITDA to interest expense shall not be less than 1.75:1 at any time;
 - l. obtain ratings from external agencies and maintain the AAA or equivalent ratings.



- m.* promoter is required to maintain 51% equity in our company.
- n.* submitting the end use certificate on half-yearly basis certifying the end-use of funds; and
- o.* submitting the copies of annual report and audited financial statements within 180 days of after close of financial year.

Please note that the abovementioned list is indicative and there may be additional restrictive covenants and conditions where we may be required to take prior approval of respective lender under the various borrowing arrangements entered into.

8. Events of Default: In terms of the Company's borrowing arrangement for the loans availed by it, the occurrence of any of the following, among others, constitute events of default:

- a.* non- payment or default of any amount including the principal, interest or other charges due by the Company to the lender;
- b.* proceedings against the Company under bankruptcy or insolvency law;
- c.* breach of covenants and/or conditions and/or provisions as specified in the loan agreements;
- d.* effecting any change in our nature of business which threatens to cease the operations;
- e.* breach of any representation, warranty, declaration, covenant or undertaking furnished by the company under the loan agreements;
- f.* if it is or becomes unlawful for the borrower or the guarantor to perform any of its obligations under the loan agreement or guarantee agreement or for the lender to maintain or fund the loan;
- g.* undertaking any corporate actions or steps for winding up, dissolution, administration or reorganization (other than in connection with the solvent winding up or reorganization), which may prejudicially affect the rights of lender;
- h.* if the claims of the lender under the agreement rank at least pari passu with all other present and future except for obligations mandated by law;
- i.* existence of any distress, attachment, execution, receipt of a garnishee order or other process or enforcement of any of the securities;
- j.* the company or guarantor applies to a court or other authority for the appointment of a liquidator, official receiver, trustee or any analogous person charged with administering all or any part of the assets;
- k.* any order being made or a resolution being passed for the winding up of the company (except for the purpose of amalgamation or reconstruction with the prior approval of the lender);
- l.* misrepresentation of the material facts to the lender;
- m.* occurrence of any cross-default with respect to any of the Company's material agreements and other indebtedness; and
- n.* occurrence or otherwise of any circumstances/event which would or is likely to prejudicially or adversely affect in any manner capacity of the company to repay the loan.

Please note that the abovementioned list is indicative and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by the company.

9. Consequences of occurrence of events of default: In terms of the borrowing arrangements for the loans availed by the company, the following, among others, are the consequences of occurrence of events of default, our lenders may:

- a.* accelerate the repayment of the loan;
- b.* re-price the loan;
- c.* suspend or cancel any disbursement;
- d.* declare the amount outstanding as immediately due and payable or payable on demand;
- e.* recover the entire dues of the loan under the respective agreements;
- f.* settle the indebtedness owed to lender by liquidating the deposits and adjusting against the loan;
- g.* exercise any other right or remedies as available under applicable laws;
- h.* enforce and realise the guarantees furnished; and
- i.* reimbursement of losses and expenses incurred by the lender.



Annexure III

We confirm that as per the information provided by the management and review of audit report, the Company and its Subsidiaries has not provided any guarantees for the repayment of any loans availed by other entities.



Annexure IV

We confirm that as per the information provided by the management and review of audit report, neither the promoter nor any director of the Company has interest in the entities from which the Company or its Subsidiaries have availed any loans or advances.



Annexure V

We confirm that as per the information provided by the management and review of audit reports, no loans or advances were provided by the Company to any of the directors, promoters, KMPs or SMPs.



Annexure VI

We confirm that as per the information provided by the management and review of audit reports, no loans or advances were provided by the promoters, directors, KMPs and SMPs to the Company



Annexure VII

Name of Lender	Date of sanction of loan	Type of loan	Financial Year ended March 31, 2024				Financial Year ended March 31, 2023				Financial Year ended March 31, 2022*					
			Date of Renewal	Opening Balance as at April 1, 2023	Closing Balance as at March 31, 2024	Amount repaid during financial year ended March 31, 2024	New loans sanctioned during financial year ended March 31, 2024	Date of Renewal	Opening Balance as at April 1, 2022	Closing Balance as at March 31, 2023	Amount repaid during Financial Year ended March 31, 2023	New loans sanctioned during the Financial Year ended March 31, 2023	Date of Renewal	Opening Balance as at April 1, 2021	Closing Balance as at March 31, 2022	Amount repaid during Financial Year ended March 31, 2022
Union Bank of India	19 September 2022	Secured	273.41	2,960.08	0.00	0.00	0.00	0.00	0.00	8,250.00		N.A.	N.A.	N.A.	N.A.	N.A.
Indian Overseas Bank	12 October 2022	Secured	0.00	1,301.60	0.00	0.00	0.00	0.00	0.00	4,000.00		N.A.	N.A.	N.A.	N.A.	N.A.
UCO Bank	29 December 2021	Secured	1,230.00	4,942.67	0.00	0.00	400.00	1,230.00	0.00	0.00		N.A.	N.A.	N.A.	N.A.	N.A.
Central Bank of India	05 July 2023	Secured	0.00	6,989.08	0.00	0.00	0.00	0.00	0.00	0.00		N.A.	N.A.	N.A.	N.A.	N.A.



Name of Lender	Date of sanction of loan	Type of loan	Financial Year ended March 31, 2024					Financial Year ended March 31, 2023					Financial Year ended March 31, 2022*				
			Date of Renewal	Opening Balance as at April 1, 2023	Closing Balance as at March 31, 2024	Amount repaid during financial year ended March 31, 2024	New loans sanctioned during financial year ended March 31, 2024	Date of Renewal	Opening Balance as at April 1, 2022	Closing Balance as at March 31, 2023	Amount repaid during financial year ended March 31, 2023	New loans sanctioned during financial year ended March 31, 2023	Date of Renewal	Opening Balance as at April 1, 2021	Closing Balance as at March 31, 2022	Amount repaid during financial year ended March 31, 2022	New loans sanctioned during the Financial Year ended March 31, 2022
Union Bank of India	19 September 2022	Unsecured	2,125.00	4,999.98	0.00	0.00	0.00	0.00	0.00	5,000.00	N.A.	N.A.	N.A.	N.A.	N.A.		
Federal Bank	22 February 2023	Unsecured	0.00	6,757.97	0.00	0.00	0.00	0.00	0.00	10,000.00	N.A.	N.A.	N.A.	N.A.	N.A.		
Punjab National Bank	18 October 2023	Unsecured	0.00	16,709.47	0.00	20,000.00	0.00	0.00	0.00	0.00	N.A.	N.A.	N.A.	N.A.	N.A.		
HDFC Bank	03 January 2024	Unsecured	0.00	1,675.00	0.00	20,000.00	0.00	0.00	0.00	0.00	N.A.	N.A.	N.A.	N.A.	N.A.		
Axis Bank	28 March 2023	Unsecured	20,000.00	19,310.34	689.66	0.00	0.00	20,000.00	0.00	20,000.00	N.A.	N.A.	N.A.	N.A.	N.A.		



Name of Lender	Date of sanction of loan	Type of loan	Financial Year ended March 31, 2024					Financial Year ended March 31, 2023					Financial Year ended March 31, 2022*				
			Date of Renewal	Opening Balance as at April 1, 2023	Closing Balance as at March 31, 2024	Amount repaid during financial year ended March 31, 2024	New loans sanctioned during financial year ended March 31, 2024	Date of Renewal	Opening Balance as at April 1, 2022	Closing Balance as at March 31, 2023	Amount repaid during Financial Year ended March 31, 2023	New loans sanctioned during the Financial Year ended March 31, 2023	Date of Renewal	Opening Balance as at April 1, 2021	Closing Balance as at March 31, 2022	Amount repaid during Financial Year ended March 31, 2022	New loans sanctioned during the Financial Year ended March 31, 2022
Union Bank of India	28 March 2023	Unsecured		10,550.00	43,183.28	1,551.72	0.00		0.00	10,550.00	0.00	0.00	45,000.00		N.A.	N.A.	N.A.
Bank of India	29 March 2023	Unsecured		20,000.00	19,137.93	862.07	0.00		0.00	20,000.00	0.00	0.00	25,000.00		N.A.	N.A.	N.A.

*Based on our restated consolidated financial information for the Fiscal year 2024 and Fiscal year 2023. In Fiscal 2023, our restated consolidated financial information is from April 7, 2022, our Company's date of incorporation, and includes only 31 days of operation from 1st March 2023, after the renewable energy assets of NTPC Limited and the 100% shareholding in NTPC Renewable Energy Limited were transferred from NTPC Limited to our Company

