

IMPORTANT NOTICE

THIS OFFERING CIRCULAR IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QIBs (AS DEFINED BELOW) UNDER RULE 144A (AS DEFINED BELOW) OR (2) NON-U.S. PERSONS (AS DEFINED IN REGULATION S (AS DEFINED BELOW)), PURCHASING THE NOTES OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN RELIANCE ON REGULATION S. NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE U.S.

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached Offering Circular following this page, and you are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of this Offering Circular. In accessing this Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF THE NOTES FOR SALE IN THE U.S. OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”) OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND THE NOTES MAY NOT BE OFFERED OR SOLD WITHIN THE U.S. EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. ANY INVESTMENT DECISION SHOULD BE MADE ON THE BASIS OF THE TERMS AND CONDITIONS OF THE NOTES AND THE INFORMATION CONTAINED IN THE OFFERING CIRCULAR. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORIZED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN.

Confirmation of your Representation: In order to be eligible to view the Offering Circular or make an investment decision with respect to the Notes, investors must be either (1) qualified institutional buyers (“**QIBs**”) (within the meaning of Rule 144A under the Securities Act (“**Rule 144A**”)) or (2) non-U.S. persons eligible to purchase the securities outside of the U.S. in an offshore transaction in reliance on Regulation S under the Securities Act (“**Regulation S**”). By accepting the electronic mail and accessing the Offering Circular, you shall be deemed to have represented to us (1) that you and any customers you represent are either (a) QIBs or (b) non-U.S. persons eligible to purchase the Notes outside the U.S. in an offshore transaction in reliance on Regulation S under the Securities Act and that the electronic mail address that you gave us and to which this electronic mail has been delivered is not located in the U.S. and (2) that you consent to the delivery of the Offering Circular by electronic transmission.

You are reminded that this Offering Circular has been delivered to you on the basis that you are a person into whose possession this Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver this Offering Circular, electronically or otherwise, to any other person. If you have gained access to this transmission contrary to the foregoing restrictions, you are not allowed to purchase any of the securities in this Offering Circular.

The materials relating to any offering of Notes under the Programme to which this Offering Circular relates do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that such offering be made by a licensed broker or dealer and the underwriters or any affiliate of the underwriters is a licensed broker or dealer in that jurisdiction, such offering shall be deemed to be made by the underwriters or such affiliate on behalf of the Issuer in such jurisdiction.

This Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Arrangers or the Dealers (each as defined in this Offering Circular), the Trustee, the Agents (both as defined below) or any person who controls any of them, any of their respective directors, officers, employees, representatives, advisers, agents or affiliate accepts any liability or responsibility whatsoever in respect of any discrepancies between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from any of the Arrangers or the Dealers.

If you purchase any of the Notes, you will be deemed to have acknowledged, represented and agreed that you are a person who meets the Eligibility Requirements (as defined below).

In accordance with applicable provisions of Indian regulations, only an investor that is: (i) a person resident outside India; or (ii) a branch outside India of an entity whose lending business is regulated by the Reserve Bank of India (“**RBI**”); or (iii) a financial institution (as defined under the Foreign Exchange Management (International Financial Services Centre) Regulations, 2015 (as amended)) or a branch of a financial institution (as defined under the Foreign Exchange Management (International Financial Services Centre) Regulations, 2015 (as amended)) set up in the International Financial Services Centre (“**IFSC**”) is permitted to subscribe, acquire, own or sell the Notes (“**Eligibility Requirements**”). The proceeds of the Notes will not be used for purposes which are prohibited under the ECB Guidelines (as defined below).

In relation to any issuance of Notes, the Offering Circular or any other material relating to such Notes has not been and will not be circulated or distributed to: (i) any prospective investor who does not meet the Eligibility Requirements; or (ii) any person who is otherwise prohibited from investing in such Notes under any applicable law.

This Offering Circular has not been and will not be filed, registered, produced, published or made available to all as an offer document (whether as a prospectus or a statement in lieu of a prospectus (as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended) in respect of a public offer, information memorandum or placement memorandum or general information document or key information document or private placement offer cum application letter or any other offering material in respect of any private placement in accordance with the Companies Act, 2013, or the rules framed thereunder, each as amended (the “**Companies Act**”) or any other applicable Indian laws) with the Registrar of Companies in India (“**RoC**”) or the Securities and Exchange Board of India (“**SEBI**”) or the RBI or any Indian stock exchange or any other statutory or regulatory body of like nature in India or the International Financial Services Centres Authority, save and except for any information from any part of this Offering Circular which is mandatorily required to be disclosed or filed in India under any applicable Indian laws including, but not limited to, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015, as amended, and under the listing agreement with any Indian stock exchange pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 or the International Financial Services Centres Authority (Listing) Regulations, 2024, as amended, or pursuant to the sanction of any regulatory and adjudicatory body in India or the International Financial Services Centres Authority. This Offering Circular has not been and will not be reviewed or approved by any statutory or regulatory authority in India, including, but not limited to SEBI, the RoC, the RBI, the International Financial Services Centres Authority, any Indian stock exchange or any other body of like nature in India. This Offering

Circular and the Notes are not and should not be construed as an advertisement, invitation, offer or sale of any securities whether to the public or by way of private placement to any person resident in India. The Notes have not been and will not be, offered or sold, directly or indirectly, in India or to, or for the account or benefit of, any person resident in India.

Actions that you may not take: If you receive this document by electronic mail, you should not reply by electronic mail to this document, and you may not purchase any securities by doing so. Any reply by electronic mail communications, including those you generate by using the “Reply” function on your electronic mail software, will be ignored or rejected.

You are responsible for protecting against viruses and other destructive items. Your use of this electronic mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

The Rupee Denominated Notes (as defined below) may not be offered or sold, directly or indirectly, in India or to, or for the account or benefit of, any resident of India.

National Bank for Financing Infrastructure and Development

NATIONAL BANK FOR FINANCING INFRASTRUCTURE AND DEVELOPMENT

(established in the Republic of India under The National Bank for Financing Infrastructure and Development Act, 2021)

U.S.\$4,000,000,000

GLOBAL MEDIUM TERM NOTE PROGRAMME

Under the Global Medium Term Note Programme (the “**Programme**”, as amended, supplemented or restated) described in this Offering Circular, National Bank for Financing Infrastructure and Development (the “**Issuer**”) may from time to time issue notes (the “**Notes**”) in bearer and/or registered form (respectively, “**Bearer Notes**” and “**Registered Notes**”) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed U.S.\$4,000,000,000 (or its equivalent in other currencies calculated as described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under “**Summary of the Programme**” and any additional Dealer appointed under the Programme from time to time by the Issuer (each a “**Dealer**” and together the “**Dealers**”), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the “**relevant Dealer**” shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe to such Notes.

Application has been made to the Global Securities Market (“**GSM**”) segment of the India International Exchange IFSC Limited (“**India INX**”) for the Programme and any subsequent Notes to be admitted for trading on the India INX. The India INX has not approved or verified the contents of listing particulars and this Offering Circular. Application has been made to the NSE IFSC Limited (“**NSE IX**”) for the Programme and any subsequent Notes to be admitted to trading on the Debt Securities Market (“**DSM**”) of the NSE IX. The NSE IX has not approved or verified the contents of the listing particulars and this Offering Circular.

The Programme provides that Notes may be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes.

The Issuer may agree with any Dealer and the Trustee (as defined herein) that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event (in the case of Notes intended to be listed on the GSM of the India INX and/or DSM of NSE IX) a supplementary Offering Circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

Notes to be listed on GSM of the India INX and/or DSM of NSE IX will be accepted for clearance through Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream**”) and/or The Depository Trust Company (“**DTC**”).

Each Tranche of Bearer Notes of each series (a “**Series**”) will initially be represented by either a temporary bearer global note (a “**Temporary Bearer Global Note**”) or a permanent bearer global note (a “**Permanent Bearer Global Note**”) and, together with a Temporary Bearer Global Note, the “**Bearer Global Notes**”, and each a “**Bearer Global Note**”) as indicated in the applicable pricing supplement (“**Pricing Supplement**”), which, in either case, will be delivered on or prior to the original issue date of the Tranche to a common depository (the “**Common Depository**”) for Euroclear and Clearstream.

On and after the date (the “**Exchange Date**”) which, for each Tranche in respect of which a Temporary Bearer Global Note is issued, is 40 days after the Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Bearer Global Note of the same Series or (ii) definitive Bearer Notes of the same Series. The applicable Pricing Supplement will specify that a Permanent Bearer Global Note will be exchangeable for definitive Bearer Notes in certain limited circumstances.

Registered Notes of each Tranche sold in an “offshore transaction” within the meaning of Regulation S (“**Regulation S**”) under the United States Securities Act of 1933, as amended (the “**Securities Act**”), outside the United States (“**U.S.**”), will be offered and sold only to non-U.S. persons and will initially be represented by a global note in registered form, without receipts or coupons (a “**Regulation S Global Note**”), which will be delivered on or prior to the original issue date of the Tranche to the Common Depository for Euroclear and Clearstream, and registered in the name of a nominee of the Common Depository or deposited with a custodian for, and registered in the name of, a nominee of Euroclear and Clearstream.

Registered Notes of each Tranche may only be offered and sold in the U.S. to qualified institutional buyers (“**QIBs**”) (within the meaning of Rule 144A under the Securities Act (“**Rule 144A**”)) in transactions exempt from registration in reliance on Rule 144A or any other applicable exemption. The Registered Notes of each Tranche sold to QIBs will be represented by a global note in registered form, without receipts or interest coupons (a “**Rule 144A Global Note**”) and, together with a Regulation S Global Note, the “**Registered Global Notes**”, and each a “**Registered Global Note**”), which will be deposited with a custodian for, and registered in the name of, a nominee of DTC.

The Notes have not been and will not be registered under the Securities Act or any U.S. state securities laws and may not be offered or sold in the U.S. unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the U.S. and any other jurisdiction. See “*Form of the Notes*” for a description of the manner in which Notes will be issued. Registered Notes are subject to certain restrictions on transfer. See “*Subscription and Sale and Transfer and Selling Restrictions*”.

This Offering Circular has not been and will not be filed, registered, produced, published or made available to all as an offer document (whether as a prospectus or a statement in lieu of a prospectus (as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended) in respect of a public offer, information memorandum or placement memorandum or general information document or key information document or private placement offer cum application letter or any other offering material in respect of any private placement in accordance with the Companies Act or any other applicable Indian laws) with the RoC or the SEBI or the RBI or any Indian stock exchange or any other statutory or regulatory body of like nature in India or the International Financial Services Centres Authority, save and except for any information from any part of this Offering Circular which is mandatorily required to be disclosed or filed in India under any applicable Indian laws including, but not limited to, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015, as amended, and under the listing agreement with any Indian stock exchange pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 or the International Financial Services Centres Authority (Listing) Regulations, 2024, as amended (“**IFSCA Listing Regulations**”), or pursuant to the sanction of any regulatory and adjudicatory body in India or the International Financial Services Centres Authority. This Offering Circular has not been and will not be reviewed or approved by any statutory or regulatory authority in India, including, but not limited to SEBI, the RoC, the RBI, the International Financial Services Centres Authority, any Indian stock exchange or any other body of like nature in India. This Offering Circular and the Notes are not and should not be construed as an advertisement, invitation, offer or sale of any securities whether to the public or by way of private placement to any person resident in India. The Notes have not been and will not be, offered or sold, directly or indirectly, in India or to, or for the account or benefit of, any person resident in India.

Investing in Notes issued under the Programme involves certain risks and may not be suitable for all investors. Investors should have sufficient knowledge and experience in financial and business matters to evaluate the information contained in this Offering Circular and in the applicable Pricing Supplement and the merits and risks of investing in a particular issue of Notes in the context of their financial position and particular circumstances. Investors should also have the financial capacity to bear the risks associated with an investment in Notes. Investors should not purchase Notes unless they understand and are able to bear risks associated with Notes. Prospective investors should have regard to the factors described under the section headed “Risk Factors” in this Offering Circular.

The Programme is rated BBB by S&P Global Ratings, BBB- by Fitch Ratings Inc. and BBB+ by CareEdge Global. Where a Tranche of the Notes is rated by any of the credit rating agencies, such rating will be disclosed in the Pricing Supplement. Such ratings of the Programme do not constitute a recommendation to buy, sell or hold the Notes as may be issued under the Programme and may be subject to revision or withdrawal at any time by any such rating organisation. Each such rating should be evaluated independently of any other rating of the Programme.

Joint Arrangers and Dealers

Citi

HSBC

Standard Chartered Bank

The date of this Offering Circular is September 17, 2026

The Issuer accepts responsibility for the information contained in this Offering Circular. Having taken all reasonable care to ensure that such is the case, the information contained in this Offering Circular is, to the best of the Issuer's knowledge, in accordance with the facts and contains no omission likely to affect its import. The Issuer, having made all reasonable inquiries, confirms that this Offering Circular contains or incorporates all information which is material in the context of the Programme and the Notes, that the information contained or incorporated in this Offering Circular is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Offering Circular are honestly held and that there are no other facts the omission of which would make this Offering Circular or any of such information or the expression of any such opinions or intentions misleading. The Issuer accepts responsibility accordingly.

Each Tranche of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" (the "**Terms and Conditions of the Notes**" or the "**Conditions**") as amended and/or supplemented by the Pricing Supplement specific to such Tranche. This Offering Circular must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes, must be read and construed together with the relevant Pricing Supplement.

No person is or has been authorized by the Issuer to give any information or to make any representation other than those contained in this Offering Circular or any other information supplied in connection with the Programme or the Notes and, if given or made by any other person, such information or representations must not be relied upon as having been authorized by the Issuer, any of the Arrangers (as defined herein), the Dealers, the Trustee or the Agents (as defined in "*Terms and Conditions of the Notes*") or any of their respective affiliates, directors, employees, agents, representatives, officers or advisers or any person who controls any of them.

This Offering Circular is highly confidential and has been prepared by the Issuer solely for use in connection with the Programme and the proposed offering of the Notes under the Programme as described herein. The Issuer has not authorized its use for any other purpose. This Offering Circular may not be copied or reproduced in whole or in part. It may be distributed only, and its contents may be disclosed only, to the prospective investors to whom it is provided. By accepting delivery of this Offering Circular, each investor agrees to these restrictions.

Neither the Arrangers, the Dealers, the Trustee nor the Agents nor any of their respective affiliates, directors, employees, agents, representatives, officers or advisers or any person who controls any of them have independently verified the information contained herein or incorporated by reference and can give no assurance that this information is accurate, truthful or complete. To the fullest extent permitted by law, neither the Arrangers nor any Dealers, or any director, officer, employee, agent or affiliate of any such persons make any representation, warranty or undertaking, express or implied, or accepts any responsibility, with respect to the accuracy, completeness or sufficiency of any of the information contained or incorporated in this Offering Circular or any other information provided by the Issuer in connection with the Programme, and nothing contained or incorporated in this Offering Circular is, or shall be relied upon as, a promise, representation or warranty by the Arrangers, the Dealers or any director, officer, employee, agent or affiliate of any such persons. To the fullest extent permitted by law, neither the Arrangers nor the Dealers, nor any director, officer, employee, agent or affiliate of any such persons, accept any responsibility for the contents of this Offering Circular or for any other statement made or purported to be made by any of the Arrangers, the Dealers, or any director, officer, employee, agent or affiliate of any such person or on its behalf in connection with the Issuer or the issue and offering of the Notes. Each Arranger and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above), which it might otherwise have in respect of this Offering Circular or any such statement.

Copies of each Pricing Supplement will be made available from the corporate office of the Issuer and the specified office of the Principal Paying Agent (as defined herein).

Certain information under the heading “*Book-Entry Clearance Systems*” has been extracted from information provided by the clearing systems referred to therein. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by the relevant clearing systems, no facts have been omitted which would render the reproduced information inaccurate or misleading.

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “*Documents Incorporated by Reference*”). This Offering Circular shall be read and construed on the basis that such documents are incorporated and form part of this Offering Circular.

Neither this Offering Circular, any Pricing Supplement, nor any other information supplied or incorporated by reference in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer, any of the Arrangers, the Dealers, the Trustee or the Agents, or any of their respective affiliates, directors, employees, agents, representatives, officers or advisers or any person who controls any of them, that any recipient of this Offering Circular or any other information supplied in connection with the Programme or any Notes should purchase any of the Notes. Each potential investor contemplating purchasing Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Issuer. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Offering Circular and its purchase of Notes should be based upon such investigation with its own tax, legal and business advisers as it deems necessary. Neither this Offering Circular nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer, any of the Arrangers, the Dealers, the Trustee or the Agents or any of their respective affiliates, directors, employees, agents, representatives, officers or advisers or any person who controls any of them to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Offering Circular nor any Pricing Supplement nor the offering, sale or delivery of any Notes shall in any circumstances create any implication that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since the date thereof or, if later, the date upon which this Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. Neither the Arrangers, the Dealers, the Trustee nor the Agents nor any of their respective affiliates, directors, employees, agents, representatives, officers or advisers or any person who controls any of them expressly undertake to review the financial condition nor affairs of the Issuer during the life of the Programme or to advise any investor in the Notes of any information coming to their attention. Investors should review, *inter alia*, the most recently published documents incorporated by reference into this Offering Circular when deciding whether or not to purchase any Notes.

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Arrangers, the Dealers, the Trustee and the Agents or any of their respective affiliates, directors, employees, agents, representatives, officers or advisers or any person who controls any of them do not represent that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, any of the Arrangers or the Dealers or the Trustee or the Agents or any of their respective affiliates, directors, employees, agents, representatives, officers

or advisers or any person who controls any of them which would permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the U.S., the European Economic Area, the United Kingdom, India, Singapore, Japan, Hong Kong, the United Arab Emirates (excluding the Dubai International Financial Center) and the Dubai International Financial Center. See “*Subscription and Sale and Transfer and Selling Restrictions*”.

None of the Issuer, the Arrangers, the Dealers, the Trustee, the Agents and any of their respective affiliates, directors, employees, agents, representatives, officers or advisers or any person who controls any of them makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

If a jurisdiction requires that an offering be made by a licensed broker or dealer and a Dealer or any affiliate thereof is a licensed broker or dealer in that jurisdiction, the offering shall be determined to be made by such Dealer or such affiliate on behalf of the Issuer in such jurisdiction.

IMPORTANT – EEA RETAIL INVESTORS – If the Pricing Supplement in respect of any Notes includes a legend entitled “Prohibition of Sales to EEA Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the “**Prospectus Regulation**”). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT – UK RETAIL INVESTORS – If the Pricing Supplement in respect of any Notes includes a legend entitled “Prohibition of Sales to UK Retail Investors”, the Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”) nor (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024. Consequently, no disclosure document required by the FCA Product Disclosure Sourcebook (“**DISC**”) for offering, selling or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

MiFID II product governance/target market – The Pricing Supplement may include a legend entitled “MiFID II product governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or

recommending the Notes (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither of the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MiFIR product governance/target market – The Pricing Supplement in respect of any Notes may include a legend entitled “UK MiFIR Product Governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the “**SFA**”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

For a description of other restrictions, see “*Subscription and Sale and Transfer and Selling Restrictions*”.

Important Notice to Prospective Investors

Prospective investors should be aware that certain intermediaries in the context of certain offerings of Notes pursuant to this Programme (each such offering a “**CMI Offering**”), including certain Dealers, may be “capital market intermediaries” (“**CMIs**”) subject to Paragraph 21 of the SFC Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the “**SFC Code**”). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as “overall coordinators” (together, the “**OCs**”) for a CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an association (“**Association**”) with the Issuer, the CMI or the relevant group company. Prospective investors associated with the Issuer or any CMI (including its group companies) should specifically disclose this when placing an order for the relevant Notes and should

disclose, at the same time, if such orders may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to the relevant CMI Offering, such order is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are *bona fide*, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). A rebate may be offered by the Issuer to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of the relevant CMI Offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate. Details of any such rebate will be set out in the applicable Pricing Supplement or otherwise notified to prospective investors. If a prospective investor is an asset management arm affiliated with any relevant Dealer, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the relevant Dealer or its group company has more than 50 per cent. interest, in which case it will be classified as a “proprietary order” and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such “proprietary order” may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a “proprietary order”. If a prospective investor is otherwise affiliated with any relevant Dealer, such that its order may be considered to be a “proprietary order” (pursuant to the SFC Code), such prospective investor should indicate to the relevant Dealer when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a “proprietary order”. Where prospective investors disclose such information but do not disclose that such “proprietary order” may negatively impact the price discovery process in relation to the relevant CMI Offering, such “proprietary order” is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the relevant Dealers and/or any other third parties as may be required by the SFC Code, including to the Issuer, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. Failure to provide such information may result in that order being rejected.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of Notes of the Series of which such Tranche forms a part at a level higher than that which might otherwise prevail for a limited period after the issue date of the relevant Tranche of Notes. However, there is no assurance that the Stabilisation Manager(s) (or persons acting on behalf of a Stabilisation Manager) will undertake stabilisation action. Any stabilising action, if commenced, may be discontinued at any time, and must be brought to an end after a limited period. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

In connection with the offering of any Series of Notes, each Dealer is acting or will act for the Issuer in connection with the offering and no one else and will not be responsible to anyone other than the Issuer for providing the protections afforded to clients of that Dealer nor for providing advice in relation to any such offering.

This Offering Circular does not describe all of the risk and investment considerations (including those relating to each investor's particular circumstances) of an investment in Notes of a particular issue. Each potential purchaser of Notes should refer to and consider carefully the relevant Pricing Supplement for each particular issue of Notes, which may describe additional risk and investment considerations associated with such Notes. The risk and investment considerations identified in this Offering Circular and any applicable Pricing Supplement are provided as general information only. Investors should consult their own financial, legal and tax advisers as to the risks and investment considerations arising from an investment in an issue of Notes and should possess the appropriate resources to analyse such investment and the suitability of such investment in their particular circumstances. Each person receiving this Offering Circular acknowledges that such person has not relied on the Arrangers, the Dealers or any director, officer, employee, agent or affiliate of any such persons in connection with its investigation of the accuracy of such information or its investment decision. In making an investment decision, investors must rely on their own examination of the Issuer and the terms of the Notes being offered, including the merits and risks involved. The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission or any other securities commission or other regulatory authority in the U.S., nor have the foregoing authorities approved this Offering Circular or confirmed the accuracy or determined the adequacy of the information contained in this Offering Circular. Any representation to the contrary is unlawful.

U.S. INFORMATION

This Offering Circular is being delivered on a confidential basis in the U.S. to a limited number of QIBs for informational use solely in connection with the consideration of the purchase of certain Notes issued under the Programme. Its use for any other purpose in the U.S. is not authorised. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the U.S. or its possessions or to U.S. persons, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 (the “**Code**”), as amended and the Treasury regulations promulgated thereunder.

Registered Notes may be offered or sold within the U.S. only to QIBs in transactions exempt from registration under the Securities Act in reliance on Rule 144A or any other applicable exemption. Each U.S. purchaser of Registered Notes is hereby notified that the offer and sale of any Registered Notes to it may be made in reliance upon the exemption from the registration requirements of Section 5 of the Securities Act provided by Rule 144A.

Each purchaser or holder of Notes represented by a Rule 144A Global Note or any Notes issued in registered form in exchange or substitution therefor (together “**Legended Notes**”) will be deemed, by its acceptance or purchase of any such Legended Notes, to have made certain representations and agreements intended to restrict the resale or other transfer of such Notes as set out in “*Subscription and Sale and Transfer and Selling Restrictions*”. Unless otherwise stated, terms used in this paragraph have the meanings given to them in “*Form of the Notes*”.

The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities

approved this Offering Circular or confirmed the accuracy or determined the adequacy of the information contained in this Offering Circular. Any representation to the contrary is unlawful.

AVAILABLE INFORMATION

To permit compliance with Rule 144A in connection with any resales or other transfers of Notes that are “restricted securities” within the meaning of the Securities Act, the Issuer will furnish, upon the request of a holder of such Notes or any beneficial interest therein, to such holder or to a prospective purchaser designated by him, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, any of the Notes remain outstanding as “restricted securities” within the meaning of Rule 144(a)(3) of the Securities Act. The Issuer is neither a reporting company under Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended, (the “**Exchange Act**”) nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

This Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore (the “**MAS**”). Accordingly, this Offering Circular and any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Notes may not be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “**SFA**”)) pursuant to Section 274 of the SFA, or (ii) to an accredited investor (as defined in section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

For a description of these and certain further restrictions on offers and sales of the Notes and distribution of this Offering Circular, see “*Subscription and Sale and Transfer and Selling Restrictions*”.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

The Issuer is a statutory corporation constituted and established under The National Bank for Financing Infrastructure and Development Act, 2021, as amended from time to time (the “**NABFID Act**”), under the laws of India.

All of the officers and directors named herein reside outside the U.S. and all or a substantial portion of the assets of the Issuer and of such officers and directors are located outside the U.S. As a result, it may not be possible for investors to effect service of process outside India upon the Issuer or such persons, or to enforce judgments against them obtained in courts outside India predicated upon civil liabilities of the Issuer or such directors and officers under laws other than Indian law, including any judgment predicated upon U.S. federal securities laws.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. The statutory basis for recognition, enforcement and execution of foreign judgments is found in Section 13, 14 and 44A of the (Indian) Code of Civil Procedure, 1908, as amended from time to time (“**Civil Code**”) in India. Under Section 13 of the Civil Code, a foreign judgment is conclusive as to any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title, except: (a) where the judgment has not been pronounced by a court of competent jurisdiction; (b) where the judgment has not been given on the merits of the case; (c) where the judgment appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognise the laws of India in cases where such law is applicable; (d) where the proceedings in which the judgment was obtained were opposed to natural justice; (e) where the judgment has been obtained by fraud; or (f) where the judgment sustains a claim founded on a breach of any law in force in India.

Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court within the meaning of that section in any country or territory outside India which the Government of India has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. A superior court with reference to any such territory would mean such courts as are specified in the aforesaid notification. However, Section 44A of the Civil Code is applicable only to monetary decrees not being in the same nature of amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties and is not applicable to arbitration awards, even if such awards are enforceable as a decree or judgment. Furthermore, the execution of the foreign decree under Section 44A of the Civil Code is also subject to the exceptions under Section 13 of the Civil Code, as mentioned above.

A foreign judgment which is conclusive under section 13 of the Civil Code may be enforced either by (i) a fresh suit upon the judgment; or (ii) instituting execution proceedings. Under Section 14 of the Civil Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction unless the contrary appears on record, but such presumption may be displaced by proving want of jurisdiction.

While the United Kingdom, Singapore, Hong Kong and United Arab Emirates, amongst others, have each been declared by the Government of India as reciprocating territories for the purposes of Section 44A of the Civil Code, the United States has not been so declared.

Accordingly, a judgment of a court in a jurisdiction which is not a reciprocating territory, including that of a court in the United States, may be enforced only by a new suit upon the judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action was brought in India. Further, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy in India.

A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the Foreign Exchange Management Act, 1999 and the rules and regulations thereunder, each as amended, to execute such a judgment and repatriate outside India any amount recovered pursuant to the execution of such foreign judgment and such amount may be subject to income tax in accordance with applicable laws in India. Any judgment in a foreign currency would be converted into Rupees on the date of the judgment and not on the date of the payment, which could also increase risks relating to foreign exchange.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Unless otherwise indicated, the financial information presented in this Offering Circular relating to the Issuer has been derived from the special purpose audited financial statements of the Issuer as on and for the financial year ended March 31, 2024, the audited financial statements of the Issuer as on and for each of the financial years ended March 31, 2025 and 2026, and the reviewed condensed interim unaudited financial statements of the Issuer as on and for the three months ended June 30, 2025 and 2026 (the “**Financial Statements**”).

The Issuer maintains its financial books and records and prepares its financial statements in Rupees in accordance with generally accepted accounting principles in the Republic of India (“**Indian GAAP**”), as applicable to banks and All India Financial Institutions (“**AIFIs**”), which differ in certain important respects from generally accepted accounting principles in the United States of America (“**U.S. GAAP**”). For a discussion of the principal differences between Indian GAAP and U.S. GAAP as they relate to the Issuer, see “*Summary of Significant Differences between Indian GAAP and U.S. GAAP*”. Unless otherwise stated, all financial data contained herein relating to the Issuer is stated on a non-consolidated basis.

CERTAIN DEFINITIONS

Capitalised terms which are used but not defined in any particular section of this Offering Circular will have the meaning attributed to them in the “*Terms and Conditions of the Notes*” or any other section of this Offering Circular.

In this Offering Circular, unless otherwise specified, all references to India are to the Republic of India and all references to the Government are to the Government of India (“**GoI**”). All references to fiscal or fiscal year are to the year starting from April 1 and ending March 31.

All references in this document to “**Euro**” and “**€**” refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended and to “**Rupee**”, “**Rupees**”, “**INR**” and “**₹**” refer to Indian Rupees. In addition, references to “**Renminbi**”, “**RMB**” and “**CNY**” are to the lawful currency of the People’s Republic of China (the “**PRC**”), references to “**Sterling**” and “**£**” refer to Pounds Sterling and to “**U.S. Dollars**”, “**U.S.\$**” and “**\$**” refer to United States Dollars.

Unless otherwise specified, where financial information in relation to the Issuer has been translated into U.S. dollars, it has been so translated, for convenience only, for financial information as on March 31, 2024, at the rate of ₹83.3739 per U.S.\$1.00, as on March 31, 2025, at the rate of ₹85.5814 per U.S.\$1.00, as on March 31, 2026, at the rate of ₹94.6543 per U.S.\$1.00 and as on June 30, 2026, at the rate of ₹94.5975 per U.S.\$1.00 (being the rates published by the RBI as on the respective dates). Any discrepancies in any table between totals and sums of the amounts listed are due to rounding. No representation is made that the Rupee or U.S. dollar amounts referred to herein could have been or could be converted into U.S. dollars or Rupee, as the case may be, at any particular rate, or at all.

All references to the “**ECB Guidelines**” in this Offering Circular shall mean the guidelines issued by the RBI from time to time in relation to external commercial borrowings, including without limitation, the Foreign Exchange Management Act, 1999, and the rules and regulations issued thereunder, including the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018 read together with the Foreign Exchange Management (Borrowing and Lending) (First Amendment) Regulations, 2026, read together with the Master Direction on Reporting under Foreign Exchange Management Act, 1999, dated January 1, 2016 issued by the RBI and any other applicable regulations, notifications, circulars or guidelines issued by the RBI or any other Indian governmental agency in respect of external commercial borrowings, in each case, as amended, updated, modified, superseded, replaced or substituted from time to time.

References to “crores” and “lakhs” in the Issuer’s financial statements are to the following:

One lac or lakh	100,000	(one hundred thousand)
One crore.	10,000,000	(ten million)
Ten crores	100,000,000	(one hundred million)
One hundred crores	1,000,000,000	(one thousand million or one billion)

INDUSTRY AND MARKET DATA

Certain industry and market share data in this Offering Circular are derived from the report titled “Catalysing Infrastructure Investment & Innovation: Towards Viksit Bharat 2047” (the “**ICRA Report**”) prepared by ICRA Limited (“**ICRA**”). Certain other information regarding market position, growth rates and other industry data pertaining to the Issuer’s business contained in this Offering Circular consists of estimates by the Issuer based on data reports compiled by professional organisations and analysts, on data from other external sources and on

the Issuer's knowledge of its markets. This data is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. In many cases, there is no readily available external information (whether from trade associations, government bodies or other organisations) to validate market-related analyses and estimates, so the Issuer relies on internally developed estimates. While the Issuer has compiled, extracted and reproduced market or other industry data from external sources, including third parties or industry or general publications, neither the Issuer, the Arrangers, the Dealers, the Trustee nor the Agents nor any of their respective affiliates, directors, employees, agents, representatives, officers or advisers or any person who controls any of them has independently verified that data and neither the Issuer, the Arrangers, the Dealers, the Trustee nor the Agents makes any representation regarding the accuracy of such data. Similarly, while the Issuer believes its internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither the Issuer, the Arrangers, the Dealers, the Trustee nor the Agents nor any of their respective affiliates, directors, employees, agents, representatives, officers or advisers or any person who controls any of them can assure potential investors as to their accuracy.

FORWARD-LOOKING STATEMENTS

This Offering Circular includes statements which contain words or phrases such as “will”, “would”, “aim”, “aimed”, “will likely result”, “is likely”, “are likely”, “believe”, “expect”, “expected to”, “will continue”, “will achieve”, “anticipate”, “estimate”, “estimating”, “intend”, “plan”, “contemplate”, “seek to”, “seeking to”, “trying to”, “target”, “propose to”, “future”, “objective”, “goal”, “project”, “should”, “can”, “could”, “may”, “will pursue”, “in management's judgment” and similar expressions or variations of such expressions, that are “forward-looking statements”. Actual results may differ materially from those suggested by the forward-looking statements due to certain risks or uncertainties associated with management's expectations with respect to, but not limited to, the actual growth in demand for banking and other financial products and services, the management's ability to successfully implement its strategy, future levels of impaired loans, the Issuer's growth and expansion, the adequacy of the Issuer's allowance for credit and investment losses, technological changes, investment income, the Issuer's ability to market new products, cash flow projections, the outcome of any legal or regulatory proceedings the Issuer is or may become a party to, the future impact of new accounting standards, management's ability to implement its dividend policy, the impact of Indian banking regulations on it, the Issuer's ability to roll over its short-term funding sources and the Issuer's exposure to market risks. By their nature, certain of the market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on net interest income and net income could materially differ from those that have been estimated.

In addition, other factors that could cause actual results to differ materially from those estimated by the forward-looking statements contained in this Offering Circular include, but are not limited to, the impact of any outbreak of contagious diseases, general economic and political conditions in India, southeast Asia, and the other countries which have an impact on the Issuer's business activities or investments, political or financial instability in India or any other country caused by any factor including any terrorist attacks in India, the United States or elsewhere or any other acts of terrorism worldwide, any anti-terrorist or other attacks by the United States, a United States-led coalition or any other country, any military conflict worldwide (including the ongoing military conflicts between Russia and Ukraine and in the Middle East), the monetary and interest rate policies of India, political or financial instability in India or any other country caused by tensions between India and Pakistan related to the Kashmir region or military armament or social unrest in any part of India, inflation, deflation, unanticipated turbulence in interest rates, changes in the value of the Rupee, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets, changes in domestic and foreign laws, regulations and taxes, changes in competition and the pricing environment in India and regional or general

changes in asset valuations. For a further discussion on the factors that could cause actual results to differ, see the discussion under “*Risk Factors*” contained in this Offering Circular.

Any forward-looking statements contained in this Offering Circular speak only as on the date of this Offering Circular. Without prejudice to any requirements under applicable laws and regulations, the Issuer expressly disclaims any obligation or undertaking to disseminate after the date of this Offering Circular any updates or revisions to any forward-looking statements contained herein to reflect any change in expectations thereof or any change in events, conditions or circumstances on which any such forward-looking statement is based.

TABLE OF CONTENTS

	Page
DOCUMENTS INCORPORATED BY REFERENCE.....	1
GENERAL DESCRIPTION OF THE PROGRAMME	2
SUMMARY OF THE PROGRAMME	4
FORM OF THE NOTES	10
FORM OF PRICING SUPPLEMENT	14
TERMS AND CONDITIONS OF THE NOTES	33
USE OF PROCEEDS.....	88
RISK FACTORS	89
CAPITALISATION OF THE ISSUER	126
SELECTED FINANCIAL INFORMATION	127
MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	131
DESCRIPTION OF THE ISSUER	165
RISK MANAGEMENT	176
MANAGEMENT, COMMITTEES AND EMPLOYEES.....	179
INDUSTRY OVERVIEW	198
SUPERVISION AND REGULATION.....	251
TAXATION.....	269
BOOK-ENTRY CLEARANCE SYSTEMS.....	287
SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS.....	292
GENERAL INFORMATION	306
SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND U.S. GAAP	310
INDEX TO FINANCIAL STATEMENTS OF NATIONAL BANK FOR FINANCING INFRASTRUCTURE AND DEVELOPMENT	F-1

DOCUMENTS INCORPORATED BY REFERENCE

The most recently published audited annual financial statements of the Issuer and the most recently published reviewed interim financial results of the Issuer (see “*General Information*” for a description of the financial statements and financial results currently published by the Issuer) published from time to time after the date hereof shall be deemed to be incorporated in, and form part of, this Offering Circular.

Any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular.

The Issuer will provide, without charge, to each person to whom a copy of this Offering Circular has been delivered, upon the request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference unless such documents have been modified or superseded as specified above. Requests for such documents should be directed to the Issuer at its office set out at the end of this Offering Circular. In addition, such documents will be available free of charge from the principal office of the paying agent in London (which for the time being is Citibank, N.A., London Branch) (the “**Principal Paying Agent**”) for the Notes listed on the GSM of the India INX and/or DSM of NSE IX.

If the terms of the Programme are modified or amended in a manner which would make this Offering Circular, as so modified or amended, inaccurate or misleading, to an extent which is material in the context of the Programme, a new offering circular will be prepared.

All future financials that are contemplated to be incorporated by reference into the Offering Circular will be made available on the website of the Issuer at <https://nabfid.org/>.

GENERAL DESCRIPTION OF THE PROGRAMME

Under the Programme, the Issuer may from time to time issue Notes denominated in any currency, subject as set out herein. A summary of the terms and conditions of the Programme and the Notes appears below. The applicable terms of any Notes will be agreed between the Issuer and the relevant Dealer prior to the issue of the Notes and will be set out in the Terms and Conditions of the Notes endorsed on, attached to, or incorporated by reference into, the Notes, as modified and supplemented by the applicable Pricing Supplement attached to, or endorsed on, such Notes, as more fully described under “*Form of the Notes*”.

This Offering Circular and any supplement will only be valid for listing Notes on the GSM of the India INX and/or DSM of NSE IX in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Notes previously or simultaneously issued under the Programme, does not exceed U.S.\$4,000,000,000 or its equivalent in other currencies. For the purpose of calculating the U.S. dollar equivalent of the aggregate nominal amount of Notes issued under the Programme from time to time:

- (a) the U.S. dollar equivalent of Notes denominated in another Specified Currency (as specified in the applicable Pricing Supplement in relation to the relevant Notes, described under “*Form of the Notes*”) shall be determined, at the discretion of the Issuer, either as of the date on which agreement is reached for the issue of Notes or on the preceding day on which commercial banks and foreign exchange markets are open for business in London, in each case on the basis of the spot rate for the sale of the U.S. dollar against the purchase of such Specified Currency in the London foreign exchange market quoted by any leading international bank selected by the Issuer on the relevant day of calculation;
- (b) the U.S. dollar equivalent of Dual Currency Notes, Index Linked Notes and Partly Paid Notes (each as specified in the applicable Pricing Supplement in relation to the relevant Notes, described under “*Form of the Notes*”) shall be calculated in the manner specified above by reference to the original nominal amount on issue of such Notes (in the case of Partly Paid Notes regardless of the subscription price paid); and
- (c) the U.S. dollar equivalent of Zero Coupon Notes (as specified in the applicable Pricing Supplement in relation to the relevant Notes, described under “*Form of the Notes*”) and other Notes issued at a discount or a premium shall be calculated in the manner specified above by reference to the nominal amount of those Notes.

In accordance with applicable provisions of Indian regulations, only an investor that is: (i) a person resident outside India; or (ii) a branch outside India of an entity whose lending business is regulated by the RBI; or (iii) a financial institution (as defined under the Foreign Exchange Management (International Financial Services Centre) Regulations, 2015 (as amended)) or a branch of a financial institution (as defined under the Foreign Exchange Management (International Financial Services Centre) Regulations, 2015 (as amended)) set up in IFSC is permitted to subscribe, acquire, own or sell the Notes and are not otherwise prohibited under any applicable law or regulation from subscribing, acquiring, owning or selling the Notes. The proceeds of the Notes will not be used for purposes which are prohibited under the ECB Guidelines.

The offering of the Notes will be made entirely outside India. This Offering Circular may not be distributed, directly or indirectly, in India or to residents of India and the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in India or to, or for the account or benefit of, any resident of India in accordance with the ECB Guidelines.

This Offering Circular has not been and will not be filed, registered, produced, published or made available to all as an offer document (whether as a prospectus or a statement in lieu of a prospectus (as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended) in respect of a public offer, information memorandum or placement memorandum or general

information document or key information document or private placement offer cum application letter or any other offering material in respect of any private placement in accordance with the Companies Act or any other applicable Indian laws) with the RoC or the SEBI or the RBI or any Indian stock exchange or any other statutory or regulatory body of like nature in India or the International Financial Services Centres Authority, save and except for any information from any part of this Offering Circular which is mandatorily required to be disclosed or filed in India under any applicable Indian laws including, but not limited to, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015, as amended, and under the listing agreement with any Indian stock exchange pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 or the International Financial Services Centres Authority (Listing) Regulations, 2024, as amended, or pursuant to the sanction of any regulatory and adjudicatory body in India or the International Financial Services Centres Authority. This Offering Circular has not been and will not be reviewed or approved by any statutory or regulatory authority in India, including, but not limited to SEBI, the RoC, the RBI, the International Financial Services Centres Authority, any Indian stock exchange or any other body of like nature in India. This Offering Circular and the Notes are not and should not be construed as an advertisement, invitation, offer or sale of any securities whether to the public or by way of private placement to any person resident in India. The Notes have not been and will not be, offered or sold, directly or indirectly, in India or to, or for the account or benefit of, any person resident in India. Each purchaser of the Notes will be deemed to represent that it is neither located in India nor a resident of India and that it is not purchasing for, or for the account or benefit of, any such person, and understands that the Notes may not be offered, sold, pledged or otherwise transferred to any person located in India, to any resident of India or to, or for the account of, such persons, unless determined otherwise in compliance with applicable law.

Any Rupee Denominated Notes issued under the Programme will be done so by the Issuer in accordance with the ECB Guidelines.

SUMMARY OF THE PROGRAMME

The following summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Pricing Supplement. Words and expressions defined in “*Form of the Notes*” and “*Terms and Conditions of the Notes*” or elsewhere in the Offering Circular shall have the same meanings in this summary.

Issuer	National Bank for Financing Infrastructure and Development
Legal Entity Identifier (LEI)	335800DZC1C6XS7LTW40.
Risk Factors	There are certain factors that may affect the Issuer’s ability to fulfil its obligations under Notes issued under the Programme. These are set out under “ <i>Risk Factors</i> ” below. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme and these are set out under “ <i>Risk Factors</i> ” and include certain risks relating to the structure of a particular Series of Notes and certain market risks.
Description	Global Medium Term Note Programme.
ECB Guidelines	The Foreign Exchange Management Act, 1999, and the rules and regulations issued thereunder, including the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, read together with the Foreign Exchange Management (Borrowing and Lending) (First Amendment) Regulations, 2026, and the Master Direction – Reporting under Foreign Exchange Management Act, 1999 dated 1 January 2016 issued by the RBI, and any other applicable regulations, notifications, circulars or guidelines issued by the RBI or any other Indian governmental agency in respect of external commercial borrowings, in each case as amended, updated, modified, superseded, replaced or substituted from time to time.
NABFID Act	The National Bank for Financing Infrastructure and Development Act, 2021 read with the National Bank for Financing Infrastructure and Development General Regulations, 2022 and the National Bank for Financing Infrastructure and Development General Rules, 2022 as amended, updated, modified, superseded, replaced or substituted from time to time.
Arrangers	Citigroup Global Markets Limited, The Hongkong and Shanghai Banking Corporation Limited and Standard Chartered Bank.
Dealers	Citigroup Global Markets Limited, The Hongkong and Shanghai Banking Corporation Limited and Standard Chartered Bank and any other Dealers appointed from time to time by the Issuer either generally in respect of the Programme or in relation to a particular Tranche of Notes in accordance with the Programme Agreement (as defined under “ <i>Subscription and Sale and Transfer and Selling Restrictions</i> ”).
Trustee	Citicorp International Limited
Registrar	Citicorp International Limited.

Principal Transfer Agent and Calculation Agent	Citibank, N.A., London Branch.
Certain Restrictions	Each issue of Notes in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see “ <i>Subscription and Sale and Transfer and Selling Restrictions</i> ”) including the following restrictions applicable at the date of this Offering Circular.
Programme Size	U.S.\$4,000,000,000 (or its equivalent in other currencies calculated as described under “ <i>General Description of the Programme</i> ”) in aggregate nominal amount of Notes outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Method of Issue	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis. The Notes will be issued in series (each, a “ Series ”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest). Each Series may be issued in tranches (each, a “ Tranche ”) on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment date of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the Pricing Supplement.
Currencies	Subject to any applicable legal or regulatory restrictions, any currency agreed between the Issuer and the relevant Dealer.
RBI AIFI Directions	Reserve Bank of India (All India Financial Institutions – Prudential Norms on Capital Adequacy) Directions, 2025 dated 28 November 2025, Reserve Bank of India (All India Financial Institutions - Resource Raising Norms) Directions, 2025 dated 28 November 2025, and any other regulations, rules, directions, guidelines and notifications issued by RBI to All India Financial Institutions, as amended, updated, modified, superseded, replaced or substituted from time to time.
Maturities	Such maturities as may be agreed between the Issuer and the relevant Dealer and indicated in the applicable Pricing Supplement, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
Issue Price	Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes	The Notes may be in bearer and/or registered form. Bearer Notes will be in bearer form and will on issue be represented by either a Temporary Bearer Global Note (a “ Temporary Bearer Global Note ”) or a permanent bearer global note (a “ Permanent Bearer Global Note ”) which, in either

case, will be delivered on or prior to the original issue date of the Tranche to a Common Depositary for Euroclear and Clearstream. Temporary Bearer Global Notes will be exchangeable either for (i) interests in a Permanent Bearer Global Note, or (ii) Definitive Bearer Notes as indicated in the applicable Pricing Supplement. Permanent Bearer Global Notes will be exchangeable, in whole but not in part, for Definitive Bearer Notes upon either (a) not less than 60 days' written notice from Euroclear and/or Clearstream (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) to the Principal Paying Agent as described therein or (b) only upon the occurrence of an Exchange Event as described under "*Form of the Notes*". Registered Global Notes will either (x) be deposited with a custodian for, and registered in the name of, a nominee of DTC or (y) be deposited with the Common Depositary for Euroclear and Clearstream, and registered in the name of a nominee for the Common Depositary. Interests in a Registered Global Note will be exchangeable, in whole but not in part, for Definitive Registered Notes only upon the occurrence of an Exchange Event as described under "*Form of the Notes*". Registered Notes will not be exchangeable for Bearer Notes and *vice versa*. Notes issued in reliance of Rule 144A must be issued in registered form (i.e., as Registered Notes).

Fixed Rate Notes

Fixed interest will be payable at such rate or rates in arrear and on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.

Floating Rate Notes

Floating Rate Notes will bear interest at a rate determined:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions or the 2021 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as of the Issue Date of the first Tranche of the Notes of the relevant Series);
- (ii) by reference to EURIBOR, HIBOR, CNH HIBOR, SOFR Benchmark, SONIA Benchmark (or such other benchmark as may be specified in the applicable Pricing Supplement) as adjusted for any applicable margin; or
- (iii) on such other basis as may be agreed between the Issuer, the Calculation Agent (as defined in the Terms and Conditions of the Notes) and the relevant Dealer.

Interest periods will be specified in the applicable Pricing Supplement.

Index Linked Notes

Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the Issuer and the relevant Dealer may agree and as may be specified in the applicable Pricing Supplement.

Other provisions in Floating Rate Notes and Index Linked Interest Notes	Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both. Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.
Dual Currency Notes	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer may agree and as may be specified in the applicable Pricing Supplement.
Partly Paid Notes	The Issuer may issue Notes in respect of which the issue price is paid in separate instalments in such amounts and on such dates as the Issuer and the relevant Dealer may agree and as may be specified in the applicable Pricing Supplement.
Instalment Notes	The Issuer may issue Notes which may be redeemed in separate instalments in such amounts and on such dates as the Issuer and the relevant Dealer may agree and as may be specified in the applicable Pricing Supplement.
Zero Coupon Notes	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.
Other Notes	The Issuer may agree with any Dealer and the Trustee that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes, in which event the relevant provisions will be included in the applicable Pricing Supplement.
Change in Control	A “Change in Control” occurs when (i) where the Issuer is not merged into or acquired by another Person, the Government of India ceases to own, directly or indirectly, more than 50 per cent. of the voting rights of the issued share capital of the Issuer; or (ii) where the Issuer is acquired by another Person, the Government of India ceases to own, directly or indirectly, more than 50 per cent. of the voting rights of the issued share capital of such Person, or such Person ceases to own, directly or indirectly, more than 50 per cent. of the voting rights of the issued share capital of the Issuer; or (iii) any Person (other than a Person in which the Government of India owns, directly or indirectly, more than 50 per cent. of the voting rights of its share capital) acquires Control of the Issuer; or (iv) the Issuer consolidates with or merges into, or sells or transfers all or substantially all of its assets to, any other Person, unless the transaction does not result in the Government of India losing Control over the Issuer or the successor entity.

Redemption	The applicable Pricing Supplement will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than (i) in specified instalments, if applicable, (ii) for taxation reasons, (iii) following a Change in Control (as defined in Condition 8.5 (<i>Redemption upon Change in Control</i>)) or following an Event of Default (as defined in Condition 11 (<i>Events of Default and Enforcement</i>))) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as set forth in the Terms and Conditions or as may be agreed between the Issuer and the relevant Dealer. The applicable Pricing Supplement may provide that Notes may be redeemable in separate instalments in such amounts and on such dates as are indicated in the applicable Pricing Supplement.
Denomination of Notes	Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer, save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.
Taxation	All payments of principal and interest in respect of the Notes, Receipts and Coupons by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will (subject to certain customary exceptions as described in Condition 9.1 (<i>Payment without Withholding</i>)) pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction. See Condition 9 (<i>Taxation</i>).
Negative Pledge	The terms of the Notes will contain a negative pledge provision as further described in Condition 4 (<i>Negative Pledge</i>).
Cross Default	The terms of the Notes will contain a cross default provision as further described in Condition 11.1 (<i>Events of Default</i>).
Status of the Notes	The Notes will constitute direct, unconditional, unsubordinated and, subject to the provisions of Condition 4 (<i>Negative Pledge</i>), unsecured obligations of the Issuer and rank <i>pari passu</i> among themselves and (save for certain obligations required to be preferred by law) equally with all other unsubordinated and unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.
Listing	Application has been made to the GSM segment of India INX and/or to the DSM segment of NSE IX for the Programme and for Notes issued from time to time thereunder to be admitted for listing and trading on India INX and/or NSE IX, as specified in the applicable Pricing Supplement.

		The listing of the Notes shall be in compliance with the IFSCA Listing Regulations. The Programme provides that Notes may be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes. The applicable Pricing Supplement will state whether or not the relevant Notes are to be listed and, if so, on which stock exchange(s).
	Use of Proceeds	The net proceeds of each issue of Notes will be utilised by the Issuer in accordance with the NABFID Act, the ECB Guidelines, the RBI AIFI Directions, and any other applicable laws, notifications and regulatory guidelines (see “<i>General Information</i>”).
	Rating	The rating of certain Series of Notes to be issued under the Programme may be specified in the applicable Pricing Supplement.
	Governing Law	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and construed in accordance with, English law.
	Clearing System	Euroclear, Clearstream, DTC and/or any other clearing system, as specified in the applicable Pricing Supplement (see “<i>Form of the Notes</i>”).
	Selling Restrictions	There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area (including the Netherlands), the United Kingdom, Japan, India, Hong Kong, Singapore, the Dubai International Financial Center and the United Arab Emirates (excluding the Dubai International Financial Center) and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes (see “<i>Subscription and Sale and Transfer and Selling Restrictions</i>”).
	United States Selling Restrictions	Regulation S, Category 1/2. TEFRA C or D, or TEFRA not applicable, as specified in the applicable Pricing Supplement.

FORM OF THE NOTES

The Notes of each Series will be in either bearer form, with or without interest coupons (“**Coupons**”) attached, or registered form, without Coupons attached. Bearer Notes will be issued only outside the U.S. to non-U.S. persons in reliance on Regulation S, and Registered Notes will be issued both outside the U.S. to non-U.S. persons in reliance on the exemption from registration provided by Regulation S and within the United States in reliance on Rule 144A or otherwise in a private transaction that is exempt from the registration requirements of the Securities Act.

Notes to be listed on the India INX and/or NSE IX will be accepted for clearance through Euroclear and/or Clearstream and/or DTC and/or any other clearing system as specified in the applicable Pricing Supplement.

Bearer Notes

Each Tranche of Bearer Notes will initially be represented by either a temporary bearer global note (a “**Temporary Bearer Global Note**”) or a permanent bearer global note (a “**Permanent Bearer Global Note**”) and, together with a Temporary Bearer Global Note, the “**Bearer Global Notes**”, and each a “**Bearer Global Note**”) as indicated in the applicable Pricing Supplement, which, in either case, will be delivered on or prior to the original issue date of the Tranche to a common depository (the “**Common Depository**”) for Euroclear and Clearstream. While any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Bearer Notes due prior to the Exchange Date (as defined below) will be made against presentation of the Temporary Bearer Global Note only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in the Temporary Bearer Global Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date (the “**Exchange Date**”) which, for each Tranche in respect of which a Temporary Bearer Global Note is issued, is 40 days after the date on which the Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note may be exchangeable (free of charge) in whole or in part for, upon a request as described therein either for (i) interests in a Permanent Bearer Global Note of the same Series or (ii) definitive Notes (“**Definitive Bearer Notes**”) of the same Series with, where applicable, receipts, Coupons and/or Talons attached (as indicated in the applicable Pricing Supplement and subject, in the case of Definitive Bearer Notes, to such notice period as is specified in the applicable Pricing Supplement), in each case against certification of beneficial ownership as described above, unless such certification has already been given, provided that purchasers in the United States and certain U.S. persons will not be able to receive Definitive Bearer Notes. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for Definitive Bearer Notes is improperly withheld or refused.

If Definitive Bearer Notes and, where applicable, Receipts, Coupons and/or Talons have already been issued in exchange for all the Notes represented for the time being by the Permanent Bearer Global Note, then the Temporary Bearer Global Notes may only be exchanged for Definitive Bearer Notes and, where applicable, Receipts, Coupons and/or Talons pursuant to the Terms thereof.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream against presentation or surrender (as the case may be) of the Permanent Bearer Global Note without any requirement for certification.

The applicable Pricing Supplement will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for Definitive Bearer Notes with, where applicable, Receipts, Coupons and/or Talons attached upon the occurrence of an Exchange Event.

For these purposes, “**Exchange Event**” means that the Issuer has been notified that both Euroclear and Clearstream have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no alternative clearing system satisfactory to the Trustee is available. The Issuer will promptly give notice to the Noteholders in accordance with Condition 15 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) may give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The following legend will appear on all Bearer Notes (other than Temporary Bearer Global Notes or Bearer Notes issued in compliance with TEFRA C) which have an original maturity of more than one year and on all Receipts, Coupons and Talons relating to such Notes:

“ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.”

The sections of the Internal Revenue Code referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any losses on Bearer Notes, Receipts, Coupons or Talons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, receipts or interest coupons.

Notes which are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream, as the case may be.

Each person (other than Euroclear or Clearstream) who is for the time being shown in the records of Euroclear or Clearstream as the holder of a particular nominal amount of the Notes represented by the Temporary Bearer Global Note or the Permanent Bearer Global Note, as the case may be (in which regard any certificate or other document issued by Euroclear or Clearstream as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes, save in the case of manifest error), shall be treated by the Issuer, the Trustee, the Principal Paying Agent and any other Paying Agent as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal and interest on such nominal amount of such Notes, the right to which shall be vested, as against the Issuer solely in the bearer of such Temporary Bearer Global Note or the Permanent Bearer Global Note, as the case may be, in accordance with and subject to the terms of the Trust Deed and such Temporary Bearer Global Note or the Permanent Bearer Global Note, as the case may be.

Registered Notes

The Registered Notes of each Tranche offered and sold in reliance on Regulation S, which will be sold outside the United States, will initially be represented by a global note in registered form without receipts or coupons (a “**Regulation S Global Note**”).

The Registered Notes of each Tranche offered and sold in the United States may only be offered and sold in private transactions to “qualified institutional buyers” within the meaning of Rule 144A (“**QIBs**”). The Registered Notes of each Tranche sold to QIBs will be represented by a global note in registered form without

receipts or coupons (a “**Rule 144A Global Note**” and, together with a Regulation S Global Note, the “**Registered Global Notes**”, and each a “**Registered Global Note**”).

Registered Global Notes will either (i) be deposited with a custodian for, and registered in the name of a nominee of, DTC, or (ii) be deposited with the Common Depositary for Euroclear and Clearstream, and registered in the name of a nominee for a Common Depositary for Euroclear and Clearstream, as specified in the applicable Pricing Supplement. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form (“**Definitive Registered Notes**”).

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the register (the “**Register**”) as the registered holder of the Registered Global Notes. None of the Issuer, any Paying Agent, the Trustee or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 7.4 (*Payments in respect of Registered Notes*)) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for Definitive Registered Notes without Receipts, Coupons or Talons attached only upon the occurrence of an Exchange Event. For these purposes, “**Exchange Event**” means that (i) in the case of such Registered Global Note registered in the name of a nominee for DTC, either DTC has notified the Issuer that it is unwilling or unable to continue to act as depository for the Notes and no alternative clearing system satisfactory to the Trustee is available or DTC has ceased to constitute a clearing agency registered under the Exchange Act and no alternative clearing system is available, or (ii) in the case of such Registered Global Note registered in the name of a nominee for a Common Depositary for Euroclear and Clearstream, the Issuer has been notified that both Euroclear and Clearstream have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no alternative clearing system satisfactory to the Trustee is available. The Issuer will promptly give notice to Noteholders in accordance with Condition 15 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, DTC, Euroclear and/or Clearstream, as the case may be (acting on the instructions of any holder of an interest in such Registered Global Note), may give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

A Registered Global Note is not a document of title. Entitlements are determined by entry in the Register and only the duly registered holder from time to time is entitled to payment in respect of such Registered Global Note.

Transfer of Interests

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of DTC, Euroclear and Clearstream, in each case to the extent applicable. Registered Notes are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions, see “*Subscription and Sale and Transfer and Selling Restrictions - Transfer Restrictions*”.

General

Pursuant to the Agency Agreement (as defined under “*Terms and Conditions of the Notes*”), the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, at a point after the Issue Date of the further Tranche the Notes of such further Tranche shall be assigned a common code and ISIN and, where applicable, a CUSIP and CINS number which are different from the common code, ISIN, CUSIP and CINS assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream and/or DTC shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement or otherwise selected by the Issuer and approved by the Trustee and the Principal Paying Agent.

No Noteholder, Receiptholder or Couponholder (as defined below) shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable period and the failure shall be continuing.

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event a new Offering Circular or a supplement to this Offering Circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

FORM OF PRICING SUPPLEMENT

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Notes issued under the Programme.

[Date]

National Bank for Financing Infrastructure and Development
Issue of
Aggregate Nominal Amount of Tranche Title of Notes under the
U.S.\$4,000,000,000 Global Medium Term Note Programme

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated September 17, 2026 [and the supplements to it dated [●] and [●]] (the “**Offering Circular**”). This Pricing Supplement constitutes the final terms of the Notes and must be read in conjunction with such Offering Circular.

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Offering Circular dated [original date]. This Pricing Supplement constitutes the final terms of the Notes and must be read in conjunction with the Offering Circular dated [current date] [and the supplement[s] to it dated [●] [and [●]]] (the “**Offering Circular**”), save in respect of the Conditions which are extracted from the Offering Circular dated [original date] and are attached hereto.]

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS] – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a “**retail investor**” means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.¹

[PROHIBITION OF SALES TO UK RETAIL INVESTORS] – The Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); nor (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024. Consequently, no disclosure document required by the FCA Product Disclosure Sourcebook (“**DISC**”) for offering, selling or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.²

¹ Include if item 39 (Prohibition of Sales to EEA Retail Investors) is stated to be applicable.

² Include if item 40 (Prohibition of Sales to UK Retail Investors) is stated to be applicable.

[MiFID II product governance/Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, “**MiFID II**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[‘s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[‘s/s’] target market assessment) and determining appropriate distribution channels.

UK MiFIR product governance/Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**UK MiFIR**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the manufacturer[‘s/s’] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[‘s/s’] target market assessment) and determining appropriate distribution channels.]

[Singapore SFA Product Classification – In connection with Section 309B of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “**SFA**”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are prescribed capital markets products (as defined in the CMP Regulations 2018) and are Excluded Investment Products (as defined in the Monetary Authority of Singapore (the “**MAS**”) Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products).^{3]}

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Pricing Supplement.]

- | | | |
|---|--|--|
| 1 | Issuer: | National Bank for Financing Infrastructure and Development |
| 2 | (a) Series Number: | [●] |
| | (b) Tranche Number: | [●] |
| | (c) Date of which the Notes will be consolidated and form a single Series: | [The Notes will be consolidated and form a single Series with [identify earlier Tranches] on the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [●] below, which is expected to occur on or about [date]]/[Not Applicable] |

³ For any Notes to be offered to investors in Singapore to persons other than accredited investors and institutional investors, Issuer to provide the product classification notification pursuant to Section 309B of the SFA prior to the launch of the offer.

- 3 Specified Currency or Currencies: [●]
(In case of a denomination in INR, the below is to be included)
 [The lawful currency of India (Indian Rupees or INR), provided that all payments in respect of the Notes will be made in United States Dollars (USD).]
- 4 Aggregate Nominal Amount:
- (a) Series Number: [●]
- (b) Tranche Number: [●]
- 5 (a) Issue Price: [●]
(In case of a denomination in INR, the below is to be included)
 [The Issue Price will be payable in U.S.\$ and will be based on the Aggregate Nominal Amount (in INR) divided by the conversion rate reported by the Financial Benchmark India Limited and displayed on <http://www.fbil.org.in/>(or any successor page) at approximately [1:30] p.m., Mumbai, on [date].]
- (b) Net proceeds: [●]
- (c) Private Bank Rebate/Selling Commission: [●]
- 6 (a) Specified Denominations: *(in the case of Registered Notes, this means the minimum integral amount in which transfers can be made)* [Authorized Denomination]/[●]
(N.B. Notes must have a minimum denomination of €100,000 or equivalent)
(N.B. Where Bearer Notes with multiple denominations above [€100,000] or equivalent are being issued, the following sample wording should be followed; however, appropriate amendments should be made for different currencies:
[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000].)
(N.B. If an issue of Notes is: (i) NOT admitted to trading on an European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Regulation, the [€100,000] minimum denomination is not required.)
(In the case of Registered Notes, this means the minimum integral amount in which transfers can be made) (In case of a denomination in INR, the below is to be included)
[INR[●] and integral multiples thereof.]

- (b) Calculation Amount: [●]
(If only one Specified Denomination, insert the Specified Denomination.
If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)
- 7 (a) Issue Date: [●]
 (b) Interest Commencement Date: [specify/Issue Date/Not Applicable] *(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*
- 8 Maturity Date: [Fixed rate – specify date/Floating rate – Interest Payment Date falling in or nearest to [specify month and year]]⁴
- 9 Interest Basis: [[●] per cent. Fixed Rate]
 [[●] month [EURIBOR/SOFR Benchmark/SONIA Benchmark/HIBOR/CNH HIBOR/specify other reference rate] +/-[●] per cent. Floating Rate]
 [Zero Coupon]
 [Index Linked Interest]
 [Dual Currency Interest]
 [specify other]
 (further particulars specified below)
- 10 Redemption/Payment Basis: [Redemption at par]
 [Index Linked Redemption]
 [Dual Currency Redemption]
 [Partly Paid]
 [Instalment]
 [specify other]
- 11 Change of Interest Basis or Redemption/Payment Basis: [Applicable/Not Applicable]
(If applicable, specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis)
(N.B. Conditions related to the maturity, redemption, put/call and similar features of Notes qualifying as regulatory capital will be subject to the guidelines issued by the RBI from time to time.)
- 12 Put/Call Options: [Investor Put]
 [Issuer Call]
 [(further particulars specified below)]

⁴ Note that for Renminbi-denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification it will be necessary to use the second option here.

(N.B. Conditions related to the maturity, redemption, put/call and similar features of Notes qualifying as regulatory capital will be subject to the guidelines issued by the RBI from time to time.)

- | | | |
|----|--|---|
| 13 | (a) Date of Board approval for issuance of Notes obtained: | [●] [and[●], respectively]/[None required]
<i>(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)</i> |
| | (b) Date of regulatory approval/consent for issuance of Notes obtained: | [●]/[None required]
<i>(N.B. Only relevant where regulatory (or similar) approval or consent is required for the particular tranche of Notes)</i> |
| 14 | Listing: | [GSM Segment of the India INX/DSM Segment of NSE IX/specify other/None]
<i>(N.B. Consider disclosure requirements under the EU Prospectus Regulation applicable to securities admitted to an EU regulated market)</i> |
| 15 | Method of distribution: | [Syndicated/Non-syndicated] |
| 16 | Fixed Rate Note Provisions: | [Applicable/Not Applicable]
<i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i> |
| | (a) Rate(s) of Interest: | [●] per cent. per annum payable in arrear on each Interest Payment Date |
| | (b) Interest Payment Date(s): | [●] in each year ⁵ up to and including the Maturity Date <i>(Amend appropriately in the case of irregular coupons)</i> [, subject to adjustment, for [payment business day purposes only/both interest accrual and payment business day purposes], in accordance with the [state business day convention]] |
| | (c) Fixed Coupon Amount(s):
<i>(Applicable to Notes in definitive form)</i> | [●] per Calculation Amount ⁶ |
| | (d) Broken Amount(s): <i>(Applicable to Notes in definitive form)</i> | [[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]]/[Not Applicable] |

⁵ Note that for certain Renminbi-denominated Fixed Rate Notes, the Interest Payment Dates are subject to modification and the following words should be added: “provided that if any Interest Payment Date falls on a day which is not a Business Day, the Interest Payment Date will be the next succeeding Business Day unless it would thereby fall in the next calendar month in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day. For these purposes, “Business Day” means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and currency deposits) in Hong Kong [and [●]]”.

⁶ For Renminbi-denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification the following alternative wording is appropriate: “Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, CNY0.005 for Renminbi denominated Fixed Rate Notes being rounded upwards”.

- (e) Day Count Fraction: [30/360/Actual/Actual (ICMA)/Actual/360/Actual/365 (Fixed) ⁷ / [specify other]]
[, [adjusted/unadjusted] for interest accrual purposes]
- (f) Determination Date: [[•] in each year]/[Not Applicable] (*Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon*)
- 17 Floating Rate Note Provisions: [Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
- (a) Specified Period(s)/Specified Interest Payment Dates: [•], subject to adjustment[, for interest accrual purposes only,] in accordance with the Business Day Convention set out in (b) below]/[not subject to any adjustment, as the Business Day Convention in (b) below is specified to be not applicable]
- (b) Business Day Convention: [Adjusted] / [Not Adjusted]
(*If Not Adjusted, delete the remaining subparagraphs of this paragraph*)
[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention /specify other]
- (c) Additional Business Center(s): [Not Applicable / give details]
For the avoidance of doubt, “business day” for these Notes shall include the following:
(a) [give details as per above if applicable]; and
(b) [New York City] / [Hong Kong] / [Singapore] / [London] / [TARGET Business Day (being any day on which T2 is open for the settlement of payments in euro)].]
- (d) Manner in which the Rates of Interest and Interest Amount are to be determined: [ISDA Determination/Screen Rate Determination specify other]
- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent): [•]
- (f) Screen Rate Determination: [•]
- (i) Reference Rate: [EURIBOR/SONIA Benchmark/SOFR Benchmark /HIBOR/CNH HIBOR/specify other Reference Rate]
[•]

⁷ Applicable to Renminbi-denominated Fixed Rate Notes.

- (ii) Interest Determination Date(s): (Second day on which the T2 (being the real time gross settlement system operated by the Eurosystem, or any successor system) is open prior to the start of each Interest Period if EURIBOR)
- (iii) Relevant Screen Page: [●]
(In the case of EURIBOR, if not Reuters EURIBOR01, ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- (g) SOFR: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) SOFR Benchmark: [Compounded Daily SOFR/SOFR Index/Term SOFR/specify other]
- (ii) Compounded Daily SOFR: [SOFR Lookback/Not Applicable/specify other] (Only applicable in the case of Compounded Daily SOFR)
- (iii) Lookback Days: [Not Applicable/[●] U.S. Government Securities Business Day(s)] /specify other
(Only applicable in the case of Compounded Daily SOFR (SOFR Lookback). Note that Interest Determination Date should fall at least 5 U.S. Government Securities Business Days prior to the Interest Payment Date unless otherwise agreed with the Calculation Agent.)
- (iv) SOFR Observation Shift Days: [5/specify other larger number] U.S. Government Securities Business Days
- (v) SOFR Index_{Start}: [Not Applicable/[●] U.S. Government Securities Business Day(s)]
(Only applicable in the case of SOFR Index)
- (vi) SOFR Index_{End}: [Not Applicable/[●] U.S. Government Securities Business Day(s)]
(Only applicable in the case of SOFR Index)
- (vii) Term SOFR Rate: [Not Applicable/[●] Month Term SOFR/specify other]
(Only applicable in the case of Term SOFR) (If not applicable, delete the remaining subparagraphs of this paragraph)
- (viii) Interest Determination Date: [In accordance with the Condition 6.2(b)(iii)/specify others]
- (ix) Reference Time: [In accordance with Condition 6.2(b)(iii)(C)/specify other]
- (x) Term SOFR Conventions: [●]
(Include any Term SOFR Conventions recommended by the ARRC or otherwise used by the market generally regarding the determination of the Term SOFR Rate)

- (h) SONIA: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) SONIA Benchmark: [Compounded Daily SONIA/specify other]
- (ii) SONIA Observation Method: [SONIA Observation Lag/SONIA Observation Shift/Not Applicable/specify other]
(Only applicable where the Reference Rate is Compounded Daily SONIA)
- (iii) SONIA Observation Period (“x”): [5/specify other larger number] London Business Days]
- (i) ISDA Determination:
- (i) Floating Rate Option: [●]
- (ii) Designated Maturity: [●]
- (iii) Reset Date: [As set out in the Conditions]/[●]
- (iv) ISDA Definitions: [2006/2021]
- (j) Margin(s): [+/-][●] per cent. per annum
- (k) Minimum Rate of Interest: [As set out in the Conditions]/[[●] per cent. per annum]
- (l) Maximum Rate of Interest: [●] per cent. per annum
- (m) Day Count Fraction: [Actual/Actual (ISDA)] [Actual/Actual]
[Actual/365 (Fixed)]
[Actual/365 (Sterling)]
[Actual/360]
[30/360]
[360/360]
[Bond Basis]
[30E/360]
[Eurobond Basis]
[30E/360 (ISDA)]
[Other]
[, [adjusted/unadjusted] for interest accrual purposes only]
(See Condition 6 for alternatives)
- (n) Rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [●]
- (o) Fallback provisions: [Benchmark Discontinuation (General)/Benchmark Discontinuation (ARRC)/Benchmark Discontinuation (SOFR)/specify other if different from those set out in the Conditions)]

- 18 Zero Coupon Note Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Accrual Yield: [●] per cent. per annum
 - (b) Reference Price: [●]
 - (c) Any other formula/basis of determining amount payable for Zero Coupon Notes: [●]
 - (d) Day Count Fraction in relation to Early Redemption Amounts and late payment: [30/360]
[Actual/360]
[Actual/365]
[specify other]
- 19 Index Linked Interest Note Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) (If not applicable, delete the remaining subparagraphs of this paragraph): [give or annex details]
 - (b) Calculation Agent: Citibank, N.A., London Branch
 - (c) Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Principal Paying Agent): [●]
 - (d) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: [N.B. need to include a description of market disruption or settlement disruption events and adjustment provisions]
 - (e) Specified Period(s)/Specified Interest Payment Dates: [●]
 - (f) Business Day Convention: [Adjusted] / [Not Adjusted]
(If Not Adjusted, delete the remaining subparagraphs of this paragraph)
[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/specify other]
 - (g) Additional Business Center(s): [Not Applicable / give details]
For the avoidance of doubt, “business day” for these Notes shall include the following:
 - (a) [give details as per above if applicable]; and
 - (b) [New York City] / [Hong Kong] / [Singapore] / [London] / [TARGET Business

Day (being any day on which T2 is open for the settlement of payments in euro)].]

- (h) Minimum Rate of Interest: [●] per cent. per annum
- (i) Maximum Rate of Interest: [●] per cent. per annum
- (j) Day Count Fraction: [Actual/Actual (ISDA)]
[Actual/Actual]
[Actual/365 (Fixed)]
[Actual/365 (Sterling)]
[Actual/360]
[30/360]
[360/360]
[Bond Basis]
[30E/360]
[Eurobond Basis]
[30E/360 (ISDA)]
[Other]
(See Condition 6 for alternatives)
- 20 Dual Currency Interest Note Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
 - (a) Rate of Exchange/method of calculating Rate of Exchange: [give or annex details]
 - (b) Party, if any, responsible for calculating the principal and/or interest due (if not the Principal Paying Agent): [●]
 - (c) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: *[need to include a description of market disruption or settlement disruption events and adjustment provisions]*
 - (d) Person at whose option Specified Currency(ies) is/are payable: [●]

PROVISIONS RELATING TO REDEMPTION

- 21 Notice periods for Condition *[Redemption and Purchase –Redemption for taxation reasons]*: Minimum period: [30] days
Maximum period: [60] days
- 22 Issuer Call: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
 - (a) Optional Redemption Date(s): [●]
 - (b) Optional Redemption Amount and such amount(s): [[●] per Calculation Amount/specify other/see Appendix]

	(c)	If redeemable in part:	
	(i)	Minimum Redemption Amount:	[●]
	(ii)	Maximum Redemption Amount:	[●]
	(d)	Notice period (if other than as set out in the Conditions):	Minimum period: [15] days Maximum period: [30] days <i>(N.B. When setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of five clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent or the Trustee)</i>
23		Investor Put:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
	(a)	Optional Redemption Date(s):	[●]
	(b)	Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s):	[[●] per Calculation Amount/specify other/see Appendix]
	(c)	Notice period (if other than as set out in the Conditions):	[●] <i>(N.B. When setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent or the Trustee)</i>
24		Change of Control Put:	[Applicable as per Condition 8.5]
25		Final Redemption Amount:	[●] per Calculation Amount/specify other/see Appendix <i>(In case of a denomination in INR, the below is to be included)</i> [The Final Redemption Amount per Calculation Amount will be payable in U.S.\$ and determined by the Calculation Agent, on the Rate Fixing Date in respect of the Maturity Date, as follows: Calculation Amount divided by the Reference Rate <i>Where:</i>

“Calculation Agent” means Citibank N.A., London Branch.

“Reference Rate” means the rate used on each Rate Fixing Date which will be the USD/INR spot rate, expressed as the amount of Indian Rupees per one United States Dollar, for settlement in two Fixing Business Days, reported by the Financial Benchmark India Limited, which is displayed on <http://www.fbil.org.in/> (or any successor page) at approximately 1:30 p.m., Mumbai time, on each Rate Fixing Date. If a Price Source Disruption Event occurs on the Scheduled Rate Fixing Date, then the Reference Rate for such Rate Fixing Date shall be determined by the Calculation Agent in accordance with the Fallback Provisions set out below.

“Rate Fixing Date” means the Scheduled Rate Fixing Date, subject to a Valuation Postponement.

“Scheduled Rate Fixing Date” means the date which is two Fixing Business Days prior to the Interest Payment Date or the Maturity Date or such other date on which an amount in respect of the Notes is due and payable. If the Scheduled Rate Fixing Date is an Unscheduled Holiday, the Rate Fixing Date shall be the next relevant Fixing Business Day, subject to the Deferral Period for an Unscheduled Holiday set out below.

“Unscheduled Holiday” means a day that is not a Fixing Business Day and the market was not aware of such fact (by means of a public announcement or by reference to other publicly available information) until a time later than 9:00 a.m. local time in Mumbai, two Fixing Business Days prior to the relevant Rate Fixing Date.

Adjustments to the Interest Payment Date and Maturity Date:

If a Scheduled Rate Fixing Date is adjusted for an Unscheduled Holiday or if Valuation Postponement applies, then the Interest Payment Date or Maturity Date relating to such Scheduled Rate Fixing Date shall be two Payment Business Days after the date on which the Reference Rate for such Interest Payment Date or Maturity Date is determined. If any Interest Payment Date or Maturity Date is adjusted in accordance with the preceding sentence, then such adjustment (and the corresponding payment obligations to be made on such dates) shall apply only to such Interest Payment Date or the Maturity Date, as applicable, and no further

adjustment shall apply to the amount of interest payable.

Fallback Provisions:

“**Price Source Disruption Event**” means it becomes impossible to obtain the Reference Rate on a Rate Fixing Date.

Applicable Price Source Disruption Fallbacks:

In the event of a Price Source Disruption Event, the Calculation Agent shall apply each of the following Price Source Disruption Fallbacks for the determination of the Reference Rate, in the following order, until the Reference Rate can be determined:

- Valuation Postponement (As defined below)
- Fallback Reference Price SFEMC INR Indicative Survey Rate (INR02)
- Fallback Survey (As defined below)
- Valuation Postponement
- Calculation Agent
- Determination of
- Reference Rate

“**Cumulative Events**” has the following meaning:

Notwithstanding anything to the contrary, in no event shall the total number of consecutive calendar days during which either (i) valuation is deferred due to an Unscheduled Holiday, or (ii) a Valuation Postponement shall occur (or any combination of (i) and (ii)), exceed 14 consecutive calendar days in the aggregate.

Accordingly, (x) if, upon the lapse of any such 14 calendar day period, an Unscheduled Holiday shall have occurred or be continuing on the day following such period that otherwise would have been a Fixing Business Day, then such day shall be deemed to be a Rate Fixing Date, and (y) if, upon the lapse of any such 14 calendar day period, a Price Source Disruption Event shall have occurred or be continuing on the day following such period on which the Reference Rate otherwise would be determined, then Valuation Postponement shall not apply and the Reference Rate shall be determined in accordance with the next Price Source Disruption Fallback.

“**Valuation Postponement**” means that the Reference Rate will be determined on the Fixing Business Day first succeeding the day on which the Price Source Disruption Event ceases to exist, unless the Price Source Disruption Event continues to exist (measured

from the date that, but for the occurrence of the Price Source Disruption Event, would have been the Rate Fixing Date) for a consecutive number of calendar days equal to the Maximum Days of Postponement. In such event, the Reference Rate will be determined on the next Fixing Business Day after the Maximum Days of Postponement (which will, subject to the provisions relating to Fallback Survey Valuation Postponement, be deemed to be the applicable Rate Fixing Date) in accordance with the next applicable Price Source Disruption Fallback.

Maximum Days of Postponement means 14 calendar days.

“SFEMC INR Indicative Survey” means a methodology, dated as of December 1, 2004 as amended from time to time, for a centralised industry-wide survey of financial institutions that are active participants in the Indian Rupee/U.S. Dollar markets for the purpose of determining the SFEMC INR Indicative Survey Rate (INR02).

“SFEMC INR Indicative Survey Rate (INR02)” means that the Reference Rate for a given Rate Fixing Date will be the Indian Rupee/U.S. Dollar Specified Rate for U.S. Dollars, expressed as the amount of Indian Rupees per one U.S. Dollar, for settlement in two Fixing Business Days, as published on the web site of the Singapore Foreign Exchange Market Committee (SFEMC) at approximately 3:30 p.m. (Singapore time), or as soon thereafter as practicable, on such date. The Reference Rate shall be calculated by SFEMC (or a service provider SFEMC may select in its sole discretion) pursuant to the SFEMC INR Indicative Survey (as defined below) for the purpose of determining the SFEMC INR Indicative Survey Rate.

“Fallback Survey Valuation Postponement” means that, in the event that the Fallback Reference Price is not available on or before the third Fixing Business Day (or the day that would have been a Fixing Business Day but for an Unscheduled Holiday) succeeding the end of either (i) a Valuation Postponement for a Price Source Disruption Event, a Deferral Period for an Unscheduled Holiday, or Cumulative Events, as applicable, then the Reference Rate will be determined in accordance with the next Applicable Price Source Disruption Fallback on such day (which will be deemed to be the applicable Rate Fixing Date). For the avoidance of doubt, Cumulative

Events, if applicable, do not preclude postponement of valuation in accordance with this provision.

“Payment Business Day” means any day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London, New York and Mumbai.

“Fixing Business Day” means any day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in Mumbai.

Deferral Period for an Unscheduled Holiday:

In the event that the Scheduled Rate Fixing Date is postponed due to the occurrence of an Unscheduled Holiday, and if the Rate Fixing Date has not occurred on or before the 14th calendar day after the Scheduled Rate Fixing Date (any such period being a Deferral Period), then the next day after the Deferral Period that would have been a Fixing Business Day but for the Unscheduled Holiday shall be deemed to be the Rate Fixing Date.]

- 26 Early Redemption Amount payable on redemption for taxation or (where applicable) regulatory reasons or on event of default: [●] per Calculation Amount/specify other/see Appendix
(In case of a denomination in INR, the below is to be included)

[The Final Redemption Amount as determined in accordance with item 25 above; provided that, for purposes of such determination, the Scheduled Rate Fixing Date shall be the date that is two Fixing Business Days prior to the date upon which the Notes become due and payable.]

- 27 Form of Notes:

[Bearer Notes:

[Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Notes [on 60 days’ notice given at any time/only upon an Exchange Event]]

[Temporary Bearer Global Note exchangeable for Definitive Notes on [●] days’ notice]

[Permanent Bearer Global Note exchangeable for Definitive Notes [on 60 days’ notice given at any time/only upon an Exchange Event]]

(Ensure that this is consistent with the wording in the “Form of the Notes” section in the Offering Circular and the Notes themselves. N.B. The exchange upon notice option should not be expressed to be applicable

if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: “[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000].” Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.)]

[Regulation S Notes: [Registered Global Note (U.S.\$[●] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream]]]

[Rule 144A Global Note (U.S.\$[●] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream]]
(specify nominal amounts)]

(Ensure that this is consistent with the language in the “Form of the Notes” section in the Offering Circular and the Notes themselves)

- | | | |
|----|--|--|
| 28 | Applicable Financial Center(s) or other special provisions relating to Payment Date(s): | <p>[New York/London/Hong Kong/Singapore/give details]</p> <p><i>(Note that this item relates to the place of payment and not Interest Period end dates to which paragraphs 17(d) and 19(g) relate)</i></p> |
| 29 | Talons for future Coupons to be attached to Definitive Notes in bearer form (and dates on which such Talons mature): | <p>[Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]</p> |
| 30 | Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: | <p>[Not Applicable/give details]</p> <p><i>(N.B. a new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues)</i></p> |
| 31 | Details relating to Instalment Notes: | |
| | (a) Instalment Amount(s): | [Not Applicable/give details] |
| | (b) Instalment Date(s): | [Not Applicable/give details] |
| 32 | Redenomination: | <p>[Applicable/Not applicable]</p> <p><i>(If Redenomination is applicable, specify the applicable Day Count Fraction and any provisions necessary to deal with floating rate interest calculation (including alternative reference rates))</i></p> |
| 33 | Other terms or special conditions: | [Not Applicable/give details] |

DISTRIBUTION

- 34 Method of Distribution: [Syndicated/Non-syndicated]
- 35 (a) If syndicated, names of Managers: [Not Applicable/*give names*]
- (b) Stabilisation Manager(s) (if any): [Not Applicable/*give name(s)*]
- 36 If non-syndicated, name of relevant Dealer: [Not Applicable/*give name(s)*]
- 37 Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: [TEFRA D/TEFRA C/TEFRA not applicable]
- 38 Additional selling restrictions: [Not Applicable/*give details*]
- 39 U.S. Selling Restrictions: [Regulation S [Category 1/Category 2]]/[Rule 144A]
- 40 Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]
(If the Notes may constitute “packaged” products and no key information document (which is required by Regulation (EU) No 1286/2014 for offering or selling the Notes or otherwise making them available to retail investors in the EEA) will be prepared, “Applicable” should be specified.)
- 41 Prohibition of Sales to UK Retail Investors: [Applicable/Not Applicable]
(If the Notes may constitute “consumer composite investment” and no disclosure document (which is required by the FCA Product Disclosure Sourcebook for offering or selling the Notes or otherwise making them available to retail investors in the UK) will be prepared, “Applicable” should be specified.)

HONG KONG SFC CODE OF CONDUCT

- 42 (a) Rebates: [A rebate of [●] bps is being offered by the [Issuer] to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of this offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate.]/[Not Applicable]
- (b) Contact email addresses of the Overall Coordinators where underlying investor information in relation to omnibus orders should be sent: [Include relevant contact email addresses of the Overall Coordinators where the underlying investor information should be sent – OCs to provide]/[Not Applicable]

- (c) Marketing and Investor Targeting [if different from the Programme OC]
Strategy:

OPERATIONAL INFORMATION

- 43 Any clearing system(s) other than Euroclear and Clearstream or DTC and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
- 44 Delivery: Delivery [against/free of] payment
- 45 Additional Paying Agent(s) (if any): [●]
- 46 ISIN: [●]
- 47 Common Code: (insert here any other codes such as CUSIP and CIN codes) [●]
- 48 CFI: [●]
- 49 FISN: [●]

GENERAL

- 50 The aggregate principal amount of Notes issued has been translated into U.S. dollars at the rate of [●], producing a sum of (for Notes not denominated in [U.S. dollars]): [Not Applicable/U.S.\$]
- 51 [Ratings: The Notes to be issued have been rated: [Fitch: [●]] [Moody's: [●]] [S&P: [●]] [Other: [●]]
(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)]

[LISTING APPLICATION

This Pricing Supplement comprises the final terms required to list the issue of Notes described herein pursuant to the U.S.\$4,000,000,000 Global Medium Term Note Programme of National Bank for Financing Infrastructure and Development.]

[USE OF PROCEEDS

Give details if different from the “Use of Proceeds” section in the Offering Circular.]

[STABILISATION

In connection with this issue, [insert name of Stabilisation Manager(s)] (the “**Stabilisation Manager(s)**”) (or persons acting on behalf of any Stabilisation Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager(s) (or persons acting on behalf of a Stabilisation Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the

allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager) in accordance with all applicable laws and rules.]

RESPONSIBILITY

[The Global Securities Market (the “**GSM**”) of the India International Exchange IFSC Limited (the “**India INX**”) and/or the Debt Securities Market (the “**DSM**”) of the NSE IFSC Limited (the “**NSE IX**”) assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this Pricing Supplement. The admission of the Notes to the GSM of the India INX and/or DSM of NSE IX is not to be taken as an indication of the merits of the Issuer, the Programme or the Notes.]

The Issuer accepts responsibility for the information contained in this Pricing Supplement. Signed on behalf of the Issuer:

By _____
Duly authorised

TERMS AND CONDITIONS OF THE NOTES

The following, subject to alteration and except for the paragraphs in italics, are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Pricing Supplement in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Pricing Supplement (or the relevant provisions thereof) will be endorsed upon, or attached to, each global Note and definitive Note. Reference should be made to “Form of the Notes” for a description of the content of Pricing Supplements which will specify which of such terms are to apply in relation to the relevant Notes.

The issuance of, and the Conditions in relation to, the Notes are subject to applicable laws including the Foreign Exchange Management Act, 1999, as amended from time to time (“FEMA”) and rules, regulations, circulars, and guidelines issued by the Reserve Bank of India (“RBI”) in force from time to time including the ECB Guidelines (as defined below) and any approval which may be required in respect of such issuance of the Notes.

For any redemption, repurchase or repayment of the Notes prior to the expiry of the Minimum Average Maturity Period, including, but not limited to, as a result of an Issuer Tax Call, Issuer Call, Investor Put or an Event of Default (each as defined in the Conditions), the Issuer is required to obtain the prior approval of the RBI, in accordance with the ECB Guidelines, for effecting a redemption, repurchase or repayment of the Notes prior to the expiry of the Minimum Average Maturity Period, and such approval may not be forthcoming. Any other changes to the Maturity Date specified in the applicable Pricing Supplement (which is in breach of the Minimum Average Maturity Period stipulated under the ECB Guidelines) will require a prior approval of the AD Bank.

The Notes will, when issued, be issued overseas in accordance with the FEMA, and the rules and regulations issued thereunder including Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, read together with the Foreign Exchange Management (Borrowing and Lending) (First Amendment) Regulations, 2026 and the Master Direction – Reporting under Foreign Exchange Management Act, 1999 dated 1 January 2016 issued by the RBI and any other applicable regulations, notifications, circulars or guidelines issued by the RBI or any other Indian governmental agency in respect of external commercial borrowings, in each case, as amended, updated, modified, superseded, replaced or substituted from time to time (collectively referred to as the “ECB Guidelines”).

This Note is one of a Series (as defined below) of Notes issued by National Bank for Financing Infrastructure and Development (the “**Issuer**”) as specified in the applicable Pricing Supplement, and constituted by a Trust Deed dated September 17, 2026 (as modified and/or supplemented and/or restated from time to time, the “**Trust Deed**”) made between the Issuer and Citicorp International Limited (the “**Trustee**” which expression shall include any successor as Trustee and any other person for the time being the trustee or trustees under the Trust Deed).

References herein to the Notes shall be references to the Notes of this Series and shall mean:

- (i) in relation to any Notes represented by a global Note (a Global Note), units of each Specified Denomination in the Specified Currency;
- (ii) definitive Bearer Notes issued in exchange (or part exchange) for a Global Note; and
- (iii) any Global Note.

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an Agency Agreement dated September 17, 2026 (as amended and/or supplemented and/or restated from time to time, the “**Agency Agreement**”) made between the Issuer, the Trustee, Citibank, N.A., London Branch as principal paying agent (the “**Principal Paying Agent**”, which expression shall include any successor principal paying agent, together with any other Paying Agent, the “**Paying Agents**”, which expression shall, unless the context otherwise requires, include any successors in their capacity as such and any substitute or any additional paying agents appointed in accordance with the Agency Agreement), as transfer agent (the “**Transfer Agent**”, which expression shall include any successor or any additional transfer agents appointed in accordance with the Agency Agreement) and (where appointed) as initial calculation agent (the “**Calculation Agent**”, which expression include any successor or any additional calculation agents appointed in accordance with the Agency Agreement or a calculation agency agreement) and Citicorp International Limited as registrar (the “**Registrar**”, which expression shall include any successor registrar). References herein to the “**Agents**” are to the Principal Paying Agent, the Paying Agents, the Transfer Agent, the Calculation Agent and the Registrar, and any reference to an “**Agent**” is to any of them.

Interest bearing definitive Bearer Notes (unless otherwise indicated in the applicable Pricing Supplement) have interest coupons (the “**Coupons**”) and, in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (“**Talons**”) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Bearer Notes repayable in instalments have receipts (“**Receipts**”) for the payment of the instalments of principal (other than the final instalment) attached on issue. Definitive Registered Notes do not have Receipts, Coupons or Talons attached on issue.

The Pricing Supplement for this Note (or the relevant provisions thereof) is attached to or endorsed on this Note and supplements these Terms and Conditions (“**Conditions**”) and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purposes of this Note. References to the “**applicable Pricing Supplement**” are to the Pricing Supplement (or the relevant provisions thereof) attached to or endorsed on this Note.

Any reference to “**Noteholders**” or “**holders**” in relation to any Notes shall mean the holders of the Notes and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to “**Receiptholders**” shall mean the holders of the Receipts and any reference herein to “**Couponholders**” shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons. The Trustee acts for the benefit of the Noteholders, the Receiptholders and the Couponholders, in accordance with the provisions of the Trust Deed.

As used herein, “**Tranche**” means Notes which are identical in all respects (including as to listing and admission to trading) and “**Series**” means a Tranche of Notes together with any further Tranche or Tranches of Notes which (i) are expressed to be consolidated and form a single series and (ii) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

Copies of the Trust Deed, the Agency Agreement and the Pricing Supplements are available (i) for inspection by the Noteholders (as defined herein) at all reasonable times during normal business hours (being between 9:00 a.m. and 3:00 p.m., Monday to Friday (other than public holidays)) at the principal place of business of the Trustee (being as at the Issue Date at 40/F Champion Tower, Three Garden Road, Central, Hong Kong) and at the specified office of the Principal Paying Agent and (ii) electronically to a requesting Noteholder, in each case following prior written request and proof of holding and identity to the satisfaction of the Trustee or, as the case may be, the Principal Paying Agent, save that, if this Note is an unlisted Note of any Series, the applicable Pricing Supplement will only be obtainable by a Noteholder holding one or more unlisted Notes of that Series and such Noteholder must produce evidence satisfactory to the Trustee or the Principal Paying Agent, as the

case may be, as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, and are bound by, all the provisions of the Trust Deed and the applicable Pricing Supplement and are deemed to have notice of those provisions of the Agency Agreement which are applicable to them. The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed.

Words and expressions defined in the Trust Deed and the Agency Agreement or used in the applicable Pricing Supplement shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the Agency Agreement, the Trust Deed will prevail and, in the event of inconsistency between the Trust Deed or the Agency Agreement and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

1 FORM, DENOMINATION AND TITLE

The Notes may be in bearer form (“**Bearer Notes**”) and/or in registered form (“**Registered Notes**”) and, in the case of definitive Notes, will be serially numbered, in the currency (the “**Specified Currency**”) and the denominations (the “**Specified Denomination(s)**”) specified in the applicable Pricing Supplement. Save as provided in Condition 2 (*Exchange and Transfers of Registered Notes*), Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination. Registered Notes may not be exchanged to Bearer Notes and vice versa. Notes sold in reliance of Rule 144A must be issued as Registered Notes.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, a Dual Currency Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Pricing Supplement and as per the applicable laws including but not limited to the ECB Guidelines.

This Note may also be an Index Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Pricing Supplement.

Each Tranche of Bearer Notes will be initially represented by a temporary global Note without Receipts, Coupons or Talons (each, a “**Temporary Global Note**”) which will be delivered to a common depository for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream**”). On or after the date which is 40 days after the Issue Date, beneficial interests in a Temporary Global Note will be exchangeable upon a request as described therein either for interests in a permanent global Note without Receipts, Coupons or Talons (each, a “**Permanent Global Note**”) or for definitive Bearer Notes (as indicated in the applicable Pricing Supplement and subject, in the case of definitive Bearer Notes, to such notice period as is specified in the applicable Pricing Supplement), in each case against certification to the effect that the beneficial owner of interests in such Temporary Global Note is not a U.S. person or a person who has purchased for resale to any U.S. person, as required by U.S. Treasury regulations. The applicable Pricing Supplement will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, receipts, interest coupons and talons attached upon the occurrence of an “**Exchange Event**”. For these purposes, Exchange Event means that the Issuer has been notified that both Euroclear and Clearstream have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no alternative clearing system satisfactory to the Trustee is available. The Issuer will promptly give notice to the Noteholders in accordance with Condition 15 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream (acting on the instructions of any holder of an interest in such Permanent Global Note) may give notice to the Principal Paying Agent requesting exchange. Any such exchange following an Exchange Event shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

Bearer Notes in definitive form are issued with Coupons and (if applicable) Receipts and Talons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Conditions are not applicable.

Unless otherwise provided with respect to a particular series of Registered Notes, Registered Notes of each Tranche sold outside the United States in reliance on Regulation S (“**Regulation S**”) under the United States Securities Act of 1933, as amended, (the “**Securities Act**”) will, unless otherwise specified in the applicable Pricing Supplement, be represented by a permanent global Registered Note, without Receipts, Coupons or Talons, (each, a “**Regulation S Global Note**”), deposited with a custodian for, and registered in the name of a nominee of, The Depository Trust Company (“**DTC**”) for the accounts of Euroclear and Clearstream. Notes in definitive registered form (“**Definitive Registered Notes**”) issued in exchange for Regulation S Global Notes or otherwise sold or transferred in reliance on Regulation S under the Securities Act, together with the Regulation S Global Notes, are referred to herein as “**Regulation S Notes**”.

Registered Notes of each Tranche sold in private transactions in reliance upon Rule 144A under the Securities Act (“**Rule 144A**”) to qualified institutional buyers within the meaning of Rule 144A (“**QIBs**”) will, unless otherwise specified in the applicable Pricing Supplement, be represented by a permanent global Registered Note, without Receipts, Coupons or Talons (each, a “**Restricted Global Note**” and, together with any Regulation S Global Note, the “**Registered Global Notes**”) deposited with a custodian for, and registered in the name of a nominee of, DTC. Notes in definitive form issued in exchange for Restricted Global Notes or otherwise sold or transferred in accordance with the requirements of Rule 144A, together with the Restricted Global Notes, are referred to herein as “**Restricted Notes**”.

Restricted Notes shall bear a legend specifying certain restrictions on transfer (each, a “**Legend**”), such Notes being referred to herein as “**Legended Notes**”. Upon the transfer, exchange or replacement of Legended Notes, or upon specific request for removal of a Legend, the Registrar shall (save as provided in Condition 2.4 (*Exchanges and transfers of Registered Notes generally*)) deliver only Legended Notes or refuse to remove such Legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

Subject as otherwise provided in Condition 2 (*Exchange and Transfers of Registered Notes*), Definitive Registered Notes may be exchanged or transferred in whole or in part in the Specified Denominations for one or more Definitive Registered Notes of like aggregate nominal amount.

Each Definitive Registered Note will be numbered serially with an identifying number which will be recorded in the register (the “**Register**”) which the Issuer shall procure to be kept by the Registrar.

Notes are issued in the Specified Denomination(s) set out in the applicable Pricing Supplement which, in the case of Registered Notes sold other than pursuant to Regulation S, shall be the Authorized Denomination (as defined below) and, in the case of Notes having a maturity of 183 days or less, the Specified Denomination shall be at least U.S.\$500,000 (or the equivalent in any other currency or currencies).

“**Authorized Denomination**” means, in the case of Restricted Notes, U.S.\$100,000 (or its equivalent rounded upwards as specified in the applicable Pricing Supplement) and higher integral multiples of U.S.\$10,000, or the higher denomination or denominations specified in the applicable Pricing Supplement.

Any minimum Authorized Denomination required by any law or directive or regulatory authority in respect of the currency of issue of any Note shall be such as applied on or prior to the date of issue of such Note.

Subject as set out below, title to Bearer Notes, Receipts and Coupons will pass by delivery. Title to Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The

Issuer, the Trustee, the Principal Paying Agent, any Paying Agent, the Registrar and any Transfer Agent may (except as ordered by a court of competent jurisdiction or as otherwise required by law) deem and treat the bearer of any Bearer Note, Receipt or Coupon and any person in whose name a Registered Note is registered as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Bearer Notes is represented by a bearer Global Note held by a common depository on behalf of Euroclear and/or Clearstream or for so long as DTC or its nominee is the registered holder of a Registered Global Note, each person (other than Euroclear, Clearstream or, as the case may be, DTC) who is for the time being shown in the records of Euroclear, Clearstream or, as the case may be, DTC as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear, Clearstream or, as the case may be, DTC as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Trustee, any Paying Agent, the Registrar and any Transfer Agent as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer, the Trustee, any Paying Agent, the Registrar and any Transfer Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions “**Noteholder**” and “**holder of Notes**” and related expressions shall be construed accordingly.

For so long as DTC or its nominee is the registered owner or holder of a Rule 144A Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Rule 144A Global Note for all purposes except to the extent that in accordance with DTC’s published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream and DTC, as the case may be. References to Euroclear, Clearstream and/or DTC shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement or as may otherwise be selected by the Issuer and approved by the Trustee and the Principal Paying Agent.

2 EXCHANGE AND TRANSFERS OF REGISTERED NOTES

2.1 Transfers of interests in Registered Global Notes

Transfers of beneficial interests in Registered Global Notes will be effected by DTC, Euroclear or Clearstream, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable and exchangeable for Notes in definitive form or for a beneficial interest in another Registered Global Note only in the Specified Denomination(s) (or an integral multiple thereof) set out in the applicable Pricing Supplement and only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement. Transfers of a Registered Global Note registered in the name of a nominee for DTC shall be limited to transfers of such Registered Global Note, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor’s nominee.

2.2 Transfers of Registered Notes in definitive form

Subject as provided in Conditions 2.3 (*Transfers of interests in Legended Notes*), 2.4 (*Exchanges and transfers of Registered Notes generally*) and 2.5 (*Registration of transfer upon partial redemption*) below, upon the terms and subject to the conditions set forth in the Trust Deed and the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the Authorized Denominations set out in the applicable Pricing Supplement as Specified Denominations). In order to effect any such transfer (i) the holder or holders must (a) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorized in writing and (b) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent and (ii) the Registrar or, as the case may be, the relevant Transfer Agent must be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer, the Trustee and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 4 to the Agency Agreement). Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within seven business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent by uninsured mail to the transferor.

2.3 Transfers of interests in Legended Notes

Transfers of Legended Notes or beneficial interests therein may be made:

- (a) to a transferee who takes delivery of such interest through a Regulation S Note, upon receipt by the Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S; or
- (b) to a transferee who takes delivery of such interest through a Legended Note, where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or
- (c) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any state of the United States, and in each case, in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

Upon the transfer, exchange or replacement of Legended Notes, or upon specific request for removal of the Legend, the Registrar shall deliver only Legended Notes or refuse to remove the Legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

2.4 Exchanges and transfers of Registered Notes generally

Holders of Definitive Registered Notes may exchange such Definitive Registered Notes for interests in a Registered Global Note of the same type at any time.

Exchanges or transfers by a holder of a Definitive Registered Note for an interest in, or to a person who takes delivery of such Note through, a Registered Global Note will be made no later than 60 days after the receipt by the Registrar or, as the case may be, the relevant Transfer Agent of the Definitive Registered Note to be so exchanged or transferred and, if applicable, upon receipt by the Registrar of a written certification from the transferor.

2.5 Registration of transfer upon partial redemption

In the event of a partial redemption of Notes under Condition 8.3 (*Redemption at the option of the Issuer (Issuer Call)*), the Issuer shall not be required:

- (a) to register the transfer of Registered Notes (or parts of Registered Notes) during the period beginning on the 15th day before the date of the partial redemption and ending on the date on which notice is given specifying the serial numbers of Notes called (in whole or in part) for redemption (both inclusive); or
- (b) to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

2.6 Closed Periods

No Noteholder may require the transfer of a Registered Note to be registered during the period of 15 days ending on the due date for any payment of principal or interest or payment on that Note.

2.7 Costs of exchange or registration

Registration of transfers will be effected without charge by or on behalf of the Issuer, the Registrar or the relevant Transfer Agent, but upon payment (or the giving of such indemnity and/or security and/or pre-funding as the Registrar or the relevant Transfer Agent may require) in respect of any tax or other governmental charges which may be imposed in relation to it provided that the Issuer shall not be responsible for any documentary stamp tax payable on the transfer of Notes effected in the Republic of India (“**India**”) unless the Issuer is the counterparty directly liable for that documentary stamp tax.

2.8 Definitions

In these Conditions, the following expressions shall have the following meanings:

“**Legended Note**” means Registered Notes (whether in definitive form or represented by a Registered Global Note) sold in private transactions to QIBs in accordance with the requirements of Rule 144A which bear a legend specifying certain restrictions on transfer (a “**Legend**”);

“**QIB**” means a qualified institutional buyer within the meaning of Rule 144A; “**Regulation S**” means Regulation S under the Securities Act;

“**Regulation S Global Note**” means a Registered Global Note representing Notes sold outside the United States in reliance on Regulation S;

“**Rule 144A**” means Rule 144A under the Securities Act;

“**Rule 144A Global Note**” means a Registered Global Note representing Notes sold in the United States or to QIBs; and

“**Securities Act**” means the United States Securities Act of 1933, as amended.

3 STATUS

The Notes and any relative Receipts and Coupons, are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4 (*Negative Pledge*)) unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsubordinated and unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

4 NEGATIVE PLEDGE

So long as any of the Notes remain outstanding (as defined in the Trust Deed), the Issuer will not create or have outstanding any mortgage, charge, lien, pledge or other security interest (each a “**Security Interest**”) upon, or with respect to, any part of the present or future business, undertaking, assets or revenues (including any uncalled capital) of the Issuer to secure any Relevant Indebtedness (as defined below), unless the Issuer, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

- (i) all amounts payable by it under the Notes and the Trust Deed (in respect of the Notes) are secured by the Security Interest equally and rateably with the Relevant Indebtedness to the satisfaction of the Trustee in its absolute discretion; or
- (ii) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided either (i) as the Trustee in its absolute discretion deems not materially less beneficial to the interests of the holders of the Notes or (ii) as is approved by an Extraordinary Resolution (which is defined in the Trust Deed) of the holders of the Notes.

For the purposes of these Conditions, “**Relevant Indebtedness**” means (i) any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities which by their terms (a) are payable in a currency other than Rupees and (b) which are for the time being quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market outside India.

5 [RESERVED]

6 INTEREST

All interest payable on the Notes shall be at the prevailing market conditions and subject to applicable laws including but not limited to the ECB Guidelines

6.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the nominal amount paid up) from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Pricing Supplement, amount to the Broken Amount so specified.

As used in these Conditions, “**Fixed Interest Period**” means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Pricing Supplement, interest shall be calculated by applying the Rate of Interest to:

- (a) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (b) in the case of Fixed Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Each Fixed Rate Note shall have an interest rate at the prevailing market conditions and shall be in accordance with Indian regulatory requirements (including but not limited to the ECB Guidelines)

“Day Count Fraction” means, in respect of the calculation of an amount of interest in accordance with this Condition 6.1 (*Interest on Fixed Rate Notes*):

- (a) if **“Actual/Actual (ICMA)”** is specified in the applicable Pricing Supplement:
 - (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **“Accrual Period”**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; or
 - (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
 - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; or
- (b) if **“30/360”** is specified in the applicable Pricing Supplement, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In these Conditions:

“Determination Period” means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or

the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

“**Sub-unit**” means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

6.2 Interest on Floating Rate Notes and Index Linked Interest Notes

(a) Interest Payment Dates

Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Pricing Supplement; or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, each date (each such date, together with each Specified Interest Payment Date, an “**Interest Payment Date**”) which falls the number of months or other period specified as the Specified Period in the applicable Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In these Conditions, “**Interest Period**” means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

(b) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes and Index Linked Interest Notes will be determined in the manner specified in the applicable Pricing Supplement. The Rate of Interest shall be at prevailing market conditions and in accordance with Indian regulatory requirements (including the ECB Guidelines, as may be applicable).

(i) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any). For the purposes of this sub-paragraph (i), “**ISDA Rate**” for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent under an interest rate swap transaction if the Principal Paying Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating (i) where “2006 ISDA Definitions” are specified in the applicable Pricing Supplement, the 2006 ISDA Definitions or (ii) where “2021 ISDA Definitions” are specified in the applicable Pricing Supplement, the 2021 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as of the Issue Date of the first Tranche of the Notes (the “**ISDA Definitions**”) and under which:

- (A) the Floating Rate Option is as specified in the applicable Pricing Supplement;
 - (B) the Designated Maturity is a period specified in the applicable Pricing Supplement;
- and

- (C) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the Euro-zone inter-bank offered rate (“**EURIBOR**”), on the Hong Kong inter-bank offered rate (“**HIBOR**”) or the CNH Hong Kong interbank offered rate (“**CNH HIBOR**”), the first day of that Interest Period or (ii) in any other case, as specified in the applicable Pricing Supplement.

For the purposes of this sub-paragraph (i), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**” and “**Reset Date**” have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Pricing Supplement, the Minimum Rate of Interest shall be deemed to be zero.

- (ii) *Screen Rate Determination for Floating Rate Notes where the Reference Rate is not specified as SOFR Benchmark or SONIA Benchmark*

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined where the Reference Rate is EURIBOR, HIBOR or CNH HIBOR, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation; or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (as specified in the applicable Pricing Supplement) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11.00 a.m. (Brussels time, in the case of EURIBOR, or Hong Kong time, in the case of HIBOR) or as at 11.15 a.m. (Hong Kong time, in the case of CNH HIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), all as determined by the Principal Paying Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Pricing Supplement as being other than EURIBOR, SOFR Benchmark, SONIA Benchmark, HIBOR or CNH HIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Pricing Supplement.

- (iii) *Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as being SOFR Benchmark*

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined where the Reference Rate is SOFR Benchmark, the Rate of Interest for each Interest Period will, subject as provided below, be equal to the relevant SOFR Benchmark plus or minus the Margin (if any) in accordance with Condition 6.2(c) (*Minimum and/or Maximum Rate of Interest*), all as determined by the Calculation Agent on the relevant Interest Determination Date.

The “**SOFR Benchmark**” will be determined based on Compounded Daily SOFR, SOFR Index or Term SOFR, as follows (subject to Condition 6.7 (*Benchmark Discontinuation*)):

- (A) If Compounded Daily SOFR (“**Compounded Daily SOFR**”) is specified in the applicable Pricing Supplement as the manner in which the SOFR Benchmark will be determined, the SOFR Benchmark for each Interest Period shall be equal to the compounded average of daily SOFR reference rates for each day during the relevant Interest Period.

Compounded Daily SOFR shall be calculated by the Calculation Agent in accordance with the SOFR Lookback formula below:

$$\left(\prod_{i=1}^{d_0} \left(1 \pm \frac{\text{SOFR}_{i-\text{xUSBD}} \times n_i}{360} \right) - 1 \right) \times \frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

“**d**” means the number of calendar days in the relevant Interest Period;

“**d₀**” means the number of U.S. Government Securities Business Days in the relevant Interest Period;

“**i**” means a series of whole numbers ascending from one to d₀, representing each relevant U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant Interest Period (each a “**U.S. Government Securities Business Day(i)**”);

“**Interest Determination Date**” means, with respect to a Rate of Interest and Interest Period, the date specified as such hereon or, if none is so specified, where SOFR Benchmark is specified in the applicable Pricing Supplement as the Reference Rate to determine Compounded Daily SOFR, the fifth U.S. Government Securities Business Day prior to the last day of each Interest Period;

“**Lookback Days**” means five U.S. Government Securities Business Days (or such other larger number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement);

“**n_i**”, for any U.S. Government Securities Business Day(i), means the number of calendar days from (and including) such U.S. Government Securities Business Day(i) up to (but excluding) the following U.S. Government Securities Business Day(i); and

“**SOFR_{i-xUSBD}**”, for any U.S. Government Securities Business Day(i) in the relevant Interest Period, is equal to the SOFR reference rate for the U.S. Government Securities Business Day falling the number of Lookback Days prior to that U.S. Government Securities Business Day(i).

The following defined terms shall have the meanings set out below for purpose of this Condition 6.2(b)(iii):

“**Bloomberg Screen SOFRRATE Page**” means the Bloomberg screen designated “SOFRRATE” or any successor page or service;

“**Reuters Page USDSOFR=**” means the Reuters page designated “USDSOFR=” or any successor page or service;

“**SOFR**” means, in respect of a U.S. Government Securities Business Day, the reference rate determined by the Calculation Agent in accordance with the following provision:

- (a) the Secured Overnight Financing Rate published at the SOFR Determination Time as such reference rate is reported on the Bloomberg Screen SOFRRATE Page; the Secured Overnight Financing Rate published at the SOFR Determination Time as such reference rate is reported on the Reuters Page USDSOFR=; or the Secured Overnight Financing Rate published at the SOFR Determination Time on the SOFR Administrator’s Website;
- (b) if the reference rate specified in (a) above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have not occurred, the SOFR reference rate shall be the reference rate published on the SOFR Administrator’s Website for the first preceding U.S. Government Securities Business Day for which SOFR was published on the SOFR Administrator’s Website; or
- (c) if the reference rate specified in (a) above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred, the provisions set forth in Condition 6.7 (*Benchmark Discontinuation*) shall apply as specified in the applicable Pricing Supplement;

“**SOFR Determination Time**” means approximately 3:00 p.m. (New York City time) on the immediately following U.S. Government Securities Business Day; and

“**U.S. Government Securities Business Day**” means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

- (B) If SOFR Index (“**SOFR Index**”) is specified as applicable in the applicable Pricing Supplement, the SOFR Benchmark for each Interest Period shall be equal to the compounded average of daily SOFR reference rates for each day during the relevant SOFR Observation Period as calculated by the Calculation Agent as follows:

$$\left(\frac{SOFR\ Index_{End}}{SOFR\ Index_{Start}} - 1 \right) \times \left(\frac{360}{d_c} \right)$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

“**SOFR Index**” means, in respect of a U.S. Government Securities Business Day, the SOFR Index value as published on the SOFR Administrator’s Website at the SOFR Index Determination Time on such U.S. Government Securities Business Day, provided that:

- (a) if the value specified above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have not occurred, the “SOFR Index” shall be calculated on any Interest Determination Date with respect to an Interest Period, in accordance with the Compounded Daily SOFR formula described above in Condition 6.2(b)(iii)(A); or
- (b) if the value specified above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred, the provisions set forth in Condition 6.7 (*Benchmark Discontinuation*) shall apply as specified in the applicable Pricing Supplement;

“**SOFR Index_{End}**” means, in respect of an Interest Period, the SOFR Index value on the date that is the number of SOFR Observation Shift Days prior to the Interest Period Date for such Interest Period (or in the final Interest Period, the Maturity Date);

“**SOFR Index_{Start}**” means, in respect of an Interest Period, the SOFR Index value on the date that is the number of SOFR Observation Shift Days prior to the first day of such Interest Period;

“**SOFR Index Determination Time**” means, in respect of a U.S. Government Securities Business Day, approximately 3:00 p.m. (New York City time) on such U.S. Government Securities Business Day;

“**SOFR Observation Period**” means, in respect of an Interest Period, the period from (and including) the date falling the number of SOFR Observation Shift Days prior to the first day of such Interest Period to (but excluding) the date falling the number of SOFR Observation Shift Days prior to the Interest Period Date for such Interest Period;

“**SOFR Observation Shift Days**” means five U.S. Government Securities Business Days (or such other larger number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement); and

“**d_c**” means the number of calendar days in the applicable SOFR Observation Period.

The following defined terms shall have the meanings set out below for purpose of this Condition 6.2(b)(iii)(B):

“Interest Determination Date” means, with respect to a Rate of Interest and Interest Period, the date specified as such hereon or, if none is so specified, where SOFR Benchmark is specified hereon as the Reference Rate or where SOFR Index is specified as applicable hereon, the fifth U.S. Government Securities Business Day prior to the last day of each Interest Period;

“SOFR Administrator’s Website” means the website of the Federal Reserve Bank of New York, or any successor source;

“SOFR Benchmark Replacement Date” means the Benchmark Replacement Date with respect to the then-current SOFR Benchmark; and

“SOFR Benchmark Transition Event” means the occurrence of a Benchmark Event with respect to the then-current SOFR Benchmark.

- (C) If Term SOFR (**“Term SOFR”**) is specified as applicable hereon, the SOFR Benchmark for each Interest Period shall be equal to the Term SOFR Rate as specified in the applicable Pricing Supplement that is published by the Term SOFR Administrator on the TERM SOFR Administrator’s Website at the Reference Time on the Interest Determination Date in question as determined by the Calculation Agent after giving effect to the Term SOFR Conventions.

The following defined terms shall have the meanings set out below for purpose of this Condition 6.2(b)(iii)(C):

“Interest Determination Date” means, with respect to a Rate of Interest and Interest Period, the date specified as such hereon or, if none is so specified, where SOFR Benchmark is specified hereon as the Reference Rate and where Term SOFR is specified as applicable hereon, the fifth U.S. Government Securities Business Day prior to the start of each Interest Period;

“Reference Time” with respect to any determination of Term SOFR means (i) if the benchmark is Term SOFR, the time as specified in the applicable Pricing Supplement, and (ii) if the Issuer or its designee determines, in accordance with Condition 6.7 (*Benchmark Discontinuation*), that a Benchmark Transition Event or Benchmark Event (as applicable) and its related Benchmark Replacement Date have occurred, the time as agreed between the Issuer and the Calculation Agent after giving effect to the Benchmark Replacement Conforming Changes in accordance with Condition 6.7 (*Benchmark Discontinuation*);

“Relevant Governmental Body” means the Federal Reserve and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve and/or the Federal Reserve Bank of New York or any successor thereto;

“Term SOFR” means the forward-looking term rate for the applicable period based on SOFR that has been selected or recommended by the Relevant Governmental Body and published by the Term SOFR Administrator;

“Term SOFR Administrator” means the CME Group or any other entity designated by the Relevant Governmental Body as the administrator of Term SOFR (or any successor administrator);

“Term SOFR Conventions” means any determination, decision, or election with respect to any technical, administrative, or operational matter (including with respect to the manner and timing of the publication of Term SOFR Rate, or changes to the definition of “Interest Period”, timing and frequency of determining the Term SOFR Rate with respect to each Interest Period and making payments of interest, rounding of amounts or tenors, and other administrative matters) as set out in the applicable Pricing Supplement which reflect the use of the Term SOFR Rate as the SOFR Benchmark in a manner substantially consistent with market practice; and

“Term SOFR Rate” means, in respect of an Interest Period, the Term SOFR Rate as published on the Term SOFR Administrator’s Website at the Reference Time on the relevant Interest Determination Date, provided that:

- (a) if the value specified above does not appear and a Benchmark Transition Event or Benchmark Event (as applicable) and its related Benchmark Replacement Date have not occurred, the “Term SOFR Rate” shall be calculated on any Interest Determination Date (for this purpose, such term as defined in Condition 6.2(b)(iii)(B)) with respect to an Interest Period, in accordance with the SOFR Index formula described above in Condition 6.2(b)(iii)(B); or
- (b) if the value specified above does not appear and a Benchmark Transition Event or Benchmark Event (as applicable) and its related Benchmark Replacement Date have occurred, the provisions set forth in Condition 6.7 (*Benchmark Discontinuation*) shall apply as specified in the applicable Pricing Supplement.

For the avoidance of doubt, if any of the foregoing provisions concerning the calculation of the Rate of Interest and interest payments during the Interest Period are inconsistent with any of the Term SOFR Conventions (as set out in the applicable Pricing Supplement), then the relevant Term SOFR Conventions (as set out in the applicable Pricing Supplement) will apply. Furthermore, if the Issuer or its designee determines, in accordance with Condition 6.7 (*Benchmark Discontinuation*), that a Benchmark Transition Event or Benchmark Event (as applicable) and its related Benchmark Replacement Date have occurred with respect to Term SOFR at any time when any of the Notes are outstanding, then the foregoing provisions concerning the calculation of the Rate of Interest and interest payments will be modified in accordance with the relevant benchmark transition provisions set out in Condition 6.7 (*Benchmark Discontinuation*).

Absent manifest error, the Calculation Agent’s determination of the Rate of Interest above for an Interest Period for the Notes will be binding and conclusive on the Issuer, the Noteholders, the Trustee and the other Agents and shall not be liable to the Issuer, any Noteholder, the Trustee, any other Agent or any other person as a result of such determination. Neither the Trustee nor any other Agent shall have any obligation or duty to confirm, verify or perform any such calculation or make such determination, or to procure any of the aforesaid to be done.

- (iv) *Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as being SONIA Benchmark*

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined where the Reference Rate is SONIA Benchmark, the Rate of Interest for each Interest Period will, subject as provided below, be equal to the relevant SONIA Benchmark.

The “**SONIA Benchmark**” will be determined based on Compounded Daily SONIA (subject to Condition 6.7 (*Benchmark Discontinuation*)) where “**Compounded Daily SONIA**” means, with respect to an Interest Period, the rate of return of a daily compound interest investment (with the daily Sterling Overnight Index Average (“**SONIA**”) rate as reference rate for the calculation of interest) and will be calculated by the Calculation Agent on the Interest Determination Date, as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left(\prod_{i=1}^{d_0} \left(1 + \frac{SONIA_i \times n_i}{365} \right) - 1 \right) \times \frac{365}{d}$$

where “**Applicable Period**” means, in relation to an Interest Period:

- (1) where “SONIA Observation Lag” is specified as the SONIA Observation Method in the applicable Pricing Supplement, such Interest Period; or
- (2) where “SONIA Observation Shift” is specified as the SONIA Observation Method in the applicable Pricing Supplement, the SONIA Observation Period relating to such Interest Period;

“**d**” means the number of calendar days in the relevant Applicable Period;

“**d₀**” means, for the relevant Applicable Period, the number of London Business Days in such Applicable Period;

“**i**” means, for the relevant Applicable Period, a series of whole numbers from one to d₀, each representing the relevant London Business Day in chronological order from (and including) the first London Business Day in such Applicable Period (each a “**London Business Day “i”**”);

“**Interest Determination Date**” means, with respect to a Rate of Interest and Interest Period, the date specified as such hereon or, if none is so specified, where SONIA Benchmark is specified in the applicable Pricing Supplement as the Reference Rate, the fifth London Business Day (or as otherwise specified in the applicable Pricing Supplement, which shall not be later than the fifth London Business Day) prior to the last day of each Interest Period;

“**London Business Day**” or “**LBD**” means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

“**n_i**”, for any London Business Day “**i**”, means the number of calendar days from and including such London Business Day “**i**” up to but excluding the following London Business Day;

“**SONIA_i**” means, in respect of any London Business Day “i” in the Applicable Period, the SONIA Reference Rate for the SONIA Determination Date in relation to such London Business Day “i”;

“**SONIA Determination Date**” means, in respect of any London Business Day “i”:

- (1) where “SONIA Observation Lag” is specified as the SONIA Observation Method in the applicable Pricing Supplement, the London Business Day falling “x” London Business Days prior to such London Business Day “i”; and
- (2) otherwise, such London Business Day “i”;

“**SONIA Observation Period**” means, for the relevant Interest Period, the period from (and including) the date falling “x” London Business Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on (but excluding) the date falling “x” London Business Days prior to the Interest Payment Date at the end of such Interest Period (or the date falling “x” London Business Days prior to such earlier date, if any, on which the Notes become due and payable);

“**SONIA Reference Rate**” means, in respect of any London Business Day, a reference rate equal to the daily SONIA rate for such London Business Day as provided by the administrator of SONIA to authorized distributors and as then published on the Relevant Screen Page on the next following London Business Day or, if the Relevant Screen Page is unavailable, as otherwise published by such authorized distributors on such London Business Day or, if SONIA cannot be obtained from such authorized distributors, as published on the Bank of England’s Website at www.bankofengland.co.uk/boeapps/database/ (or such other page or website as may replace such page for the purposes of publishing the SONIA reference rate); and

“**x**” means five London Business Days (or such other larger number of London Business Days as specified in the applicable Pricing Supplement).

If, subject to Condition 6.7 (*Benchmark Discontinuation*), in respect of any London Business Day in the relevant Applicable Period, the SONIA Reference Rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorized distributors, such SONIA reference rate shall be:

the Bank of England’s Bank Rate (the “**Bank Rate**”) prevailing at 5.00 p.m. (or, if earlier, close of business) on the relevant London Business Day; plus

- (i) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous five days on which a SONIA Reference Rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate, or
- (ii) if such Bank Rate is not available, the SONIA reference rate published on the Relevant Screen Page (or as otherwise provided in the relevant definition thereof) for the first preceding London Business Day on which the SONIA reference rate was published on the Relevant Screen Page (or as otherwise provided in the relevant definition thereof), and

in each case, SONIA_i shall be interpreted accordingly.

Notwithstanding the paragraph above, and without prejudice to Condition 6.7.1 (*Benchmark Discontinuation (General)*), in the event the Bank of England publishes guidance as to: (aa) how the SONIA Reference Rate is to be determined; or (bb) any rate that is to replace the SONIA Reference Rate, the Calculation Agent shall, to the extent that it is practicable, follow such guidance in order to determine the SONIA rate for the purpose of the relevant Series of Notes for so long as the SONIA Reference Rate is not available or has not been published by the authorized distributors, provided that nothing in this paragraph shall apply if following such guidance would have the effect of imposing more onerous obligations upon the Calculation Agent or exposing the Calculation Agent to any additional duties, responsibilities or liabilities, or decreasing or amending the protections or rights or exculpatory provisions, of the Calculation Agent.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 6.2(b)(iv) (*Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as being SONIA Benchmark*) by the Calculation Agent, subject to Condition 6.7 (*Benchmark Discontinuation*), the Rate of Interest shall be:

- (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest (as specified in the applicable Pricing Supplement) relating to the relevant Interest Period in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period); or
- (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period).

If the relevant Series of Notes become due and payable in accordance with Condition 11 (*Events of Default and Enforcement*), the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Pricing Supplement, be deemed to be the date on which such Notes became due and payable (with corresponding adjustments being deemed to be made to the Compounded Daily SONIA formula) and the Rate of Interest on such Notes shall, for so long as any such Notes remains outstanding, be that determined on such date.

(c) *Minimum and/or Maximum Rate of Interest*

If the applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 6.2(b) (*Rate of Interest*) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Pricing Supplement specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in

accordance with the provisions of Condition 6.2(b) (*Rate of Interest*) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

The Rate of Interest shall be at the prevailing market conditions and shall be in compliance with the Indian regulatory requirements including but not limited to the ECB Guidelines and the RBI guidelines and directions which are applicable on All India Financial Institutions (AIFIs) (“**RBI AIFI Directions**”).

(d) Determination of Rate of Interest and Calculation of Interest Amounts

The Calculation Agent, in the case of Floating Rate Notes and Index Linked Interest Notes, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Index Linked Interest Notes, the Calculation Agent will notify the Principal Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same. If required to be calculated by it, the Calculation Agent shall cause the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Trustee, the Issuer, each of the Paying Agents, the Noteholders and, if the Notes are listed on a stock exchange and the rules of such stock exchange or other relevant authority so require, such stock exchange or other relevant authority as soon as practicable after calculating the same.

The Calculation Agent will calculate the amount of interest (the “**Interest Amount**”) payable on the Floating Rate Notes or Index Linked Interest Notes for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes or Index Linked Interest Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (B) in the case of Floating Rate Notes or Index Linked Interest Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note or an Index Linked Interest Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

Each Floating Rate Note or Index Linked Interest Note shall be at the prevailing market conditions and shall be in accordance with Indian regulatory requirements (including but not limited to the ECB Guidelines, as maybe applicable).

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest in accordance with this Condition 6.2 (*Interest on Floating Rate Notes and Index Linked Notes*):

- (i) if “**Actual/Actual (ISDA)**” or “**Actual/Actual**” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual

number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

- (ii) if “**Actual/365 (Fixed)**” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365;
- (iii) if “**Actual/365 (Sterling)**” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if “**Actual/360**” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 360;
- (v) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] \pm [30 \times (M_2 - M_1)] \pm (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Interest Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D₁ will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (vi) if “**30E/360**” or “**Eurobond Basis**” is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] \pm [30 \times (M_2 - M_1)] \pm (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Interest Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case **D₁** will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case **D₂** will be 30; and

- (vii) if “**30E/360 (ISDA)**” is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] \pm [30 \times (M_2 - M_1)] \pm (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Interest Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case **D₁** will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case **D₂** will be 30.

(e) Notification of Rate of Interest and Interest Amounts

The Principal Paying Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and the Trustee and notice thereof to be published in accordance with Condition 15 (*Notices*) as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 15 (*Notices*). For the purposes of this Condition 6.2(e) (*Notification of Rate of Interest and Interest Amounts*), the expression “**London Business Day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London.

(f) Determination or Calculation by an independent adviser

If for any reason at any relevant time the Principal Paying Agent or, as the case may be, the Calculation Agent defaults in its obligation to determine the Rate of Interest or the Principal

Paying Agent defaults in its obligation to calculate any Interest Amount in accordance with Condition 6.2(b)(i) (*ISDA Determination for Floating Rate Notes*) or Condition 6.2(b)(ii) (*Screen Rate Determination for Floating Rate Notes*) above or as otherwise specified in the applicable Pricing Supplement, as the case may be, and in each case in accordance with Condition 6.2(d) (*Determination of Rate of Interest and Calculation of Interest Amounts*) above, the Issuer shall appoint an independent adviser to determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition 6 (*Interest*), but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Pricing Supplement), it shall deem fair and reasonable in all the circumstances or, as the case may be, such independent adviser shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Principal Paying Agent or the Calculation Agent, as applicable.

(g) Certificates to be Final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6 (*Interest*), whether by the Principal Paying Agent or, if applicable, the Calculation Agent or an independent adviser, shall (in the absence of willful default, fraud or manifest error) be binding on the Issuer, the Trustee, the Principal Paying Agent, the Registrar, the Calculation Agent (if applicable), the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence of willful default and fraud) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Principal Paying Agent or, if applicable, the Calculation Agent or such independent adviser in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

6.3 Interest on Dual Currency Interest Notes

The rate or amount of interest payable in respect of Dual Currency Interest Notes shall be determined in the manner specified in the applicable Pricing Supplement.

Each Dual Currency Interest Note shall be at the prevailing market conditions and shall be in accordance with Indian regulatory requirements (including but not limited to the ECB Guidelines).

6.4 Interest on Partly Paid Notes

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Pricing Supplement.

Each Partly Paid Note shall have an interest rate at the prevailing market conditions and shall be in accordance with Indian regulatory requirements (including but not limited to the ECB Guidelines).

6.5 Accrual of Interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) as provided in the Trust Deed.

6.6 Definitions

In these Conditions, if a Business Day Convention is specified in the applicable Pricing Supplement and (x) if there is no numerically corresponding day on the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in any case where Specified Periods are specified in accordance with Condition 6.2(a) (*Interest Payment Dates*) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, “**Business Day**” means a day which is both:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in any Additional Business Centre (other than T2) specified in the applicable Pricing Supplement;
- (b) if T2 is specified as an Additional Business Centre in the applicable Pricing Supplement, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System (“T2”) is open or in relation to any sum payable in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks in Hong Kong are generally open for business and settlement of Renminbi payments in Hong Kong; and
- (c) either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal finance center of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (ii) in relation to any sum payable in euro, a day on which T2 or any successor system is open.

6.7 Benchmark Discontinuation

6.7.1 Benchmark Discontinuation (General)

Where the applicable Pricing Supplement specifies this Condition 6.7.1 (*Benchmark Discontinuation (General)*) as applicable:

- (A) *Independent Adviser*

If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, the Issuer shall use its reasonable endeavors to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 6.7.1(B) (*Successor Rate or Alternative Rate*)) and, in either case, an Adjustment Spread and any Benchmark Amendments (in accordance with Condition 6.7.1(D) (*Benchmark Adjustments*)). In making such determination, the Independent Adviser appointed pursuant to this Condition 6.7 (*Benchmark Discontinuation*) shall act in good faith and in a commercially reasonable manner as an expert. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Trustee, the Paying Agents, the Noteholders, the Receiptholders or the Couponholders for any determination made by it pursuant to this Condition 6.7 (*Benchmark Discontinuation*).

If (x) the Issuer is unable to appoint an Independent Adviser; or (y) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 6.7.1(A) (*Independent Adviser*) prior to the date falling 10 Business Days before the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period shall be substituted in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 6.7.1(A) (*Independent Adviser*).

(B) *Successor Rate or Alternative Rate*

If the Independent Adviser determines that:

- (x) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 6.7 (*Benchmark Discontinuation*)); or
- (y) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 6.7 (*Benchmark Discontinuation*)).

(C) *Adjustment Spread*

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Independent Adviser is unable to determine the quantum of, or a formula or

methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Rate (as applicable) will apply without an Adjustment Spread.

(D) *Benchmark Adjustments*

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 6.7 (*Benchmark Discontinuation*) and the Independent Adviser, determines (x) that amendments to these Conditions, the Trust Deed and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the “**Benchmark Amendments**”) and (y) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 6.7.1(E) (*Notices, etc.*), without any requirement for the consent or approval of Noteholders, vary these Conditions, the Trust Deed and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee and the Agents of a certificate signed by an authorized officer of the Issuer pursuant to Condition 6.7.1(E) (*Notices, etc.*), the Trustee and the Agents shall (at the request of the Issuer and at the expense of the Issuer), without any requirement for the consent or approval of the Noteholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed or document supplemental to or amending the Trust Deed and/or the Agency Agreement) (and the Trustee and the Agents shall not be liable to the Issuer, any Noteholder or any other person for any consequences thereof), provided that the Trustee and the Agents shall not be obliged so to concur if in the opinion of the Trustee or the relevant Agent, as applicable, doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee or that Agent in these Conditions, the Trust Deed and/or the Agency Agreement (including, for the avoidance of doubt, any supplemental trust deed or supplemental agency agreement) in any way.

In connection with any such variation in accordance with this Condition 6.7.1(D) (*Benchmark Adjustments*), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

Notwithstanding any other provision of this Condition 6.7 (*Benchmark Discontinuation*), none of the Trustee or the Agents is obliged to concur with the Issuer or the Independent Adviser in respect of any changes or amendments as contemplated under this Condition 6.7 (*Benchmark Discontinuation*) to which, in the sole opinion of the Trustee or that Agent, as the case may be, would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee or that Agent, as the case may be, in the Trust Deed, the Agency Agreement and/or these Conditions, as the case may be.

Notwithstanding any other provision of this Condition 6.7 (*Benchmark Discontinuation*), if following the determination of any Successor Rate, Alternative Rate, Adjustment Spread or Benchmark Amendments (if any), in the Calculation Agent’s opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 6.7 (*Benchmark Discontinuation*), the Calculation Agent shall notify the Issuer thereof as soon as reasonably practicable and the

Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction or is otherwise unable to make such calculation or determination, it shall notify the Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and shall not incur any liability to the Issuer, the Noteholders or any other person for not doing so.

(E) *Notices, etc.*

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 6.7 (*Benchmark Discontinuation*) will be notified promptly (in any event at least 10 business days before the relevant Interest Determination Date) by the Issuer to the Trustee and the Agents and, in accordance with Condition 15 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Trustee and the Agents of the same, the Issuer shall deliver to the Trustee and the Agents a certificate in English signed by an authorized officer of the Issuer:

- (x) confirming (1) that a Benchmark Event has occurred, (2) the Successor Rate or, as the case may be, the Alternative Rate, (3) the applicable Adjustment Spread and (4) the specific terms of any Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 6.7 (*Benchmark Discontinuation*); and
- (y) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread.

Each of the Trustee and the Agents shall be entitled to rely conclusively on such certificate (without liability to any person) as sufficient evidence thereof and none of them shall be liable to the Issuer, the Noteholders, the Couponholders or any other person for so doing. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Trustee's or the relevant Agent's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Agents and the Noteholders.

(F) *Survival of Original Reference Rate*

Without prejudice to the obligations of the Issuer under Conditions 6.7.1(A) (*Independent Adviser*), 6.7.1(B) (*Successor Rate or Alternative Rate*), 6.7.1(C) (*Adjustment Spread*) and 6.7.1(D) (*Benchmark Adjustments*), the Original Reference Rate and the fallback provisions provided for in Condition 6.2 will continue to apply unless and until each of the Trustee and the Calculation Agent has been notified of the occurrence of the Benchmark Event, and any Adjustment Spread and Benchmark Amendments, in accordance with Condition 6.7.1(E) (*Notices, etc.*).

(G) *Definitions*

As used in this Condition 6.7.1 (*Benchmark Discontinuation (General)*):

“Adjustment Spread” means either (a) a spread (which may be positive, negative or zero) or (b) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (A) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (B) (if no such recommendation has been made, or in the case of an Alternative Rate) the Independent Adviser determines, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or
- (C) (if the Independent Adviser determines that no such spread is customarily applied) the Independent Adviser determines is recognized or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be);

“Alternative Rate” means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with Condition 6.7.1(B) (*Successor Rate or Alternative Rate*) is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the same Specified Currency as the Notes;

“Benchmark Amendments” has the meaning given to it in Condition 6.7.1(D) (*Benchmark Adjustments*);

“Benchmark Event” means:

- (A) the Original Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist; or
- (B) the making of a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (C) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or
- (D) the making of a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes; or
- (E) it has become unlawful for any Paying Agent, the Calculation Agent, the Issuer or any other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate; or
- (F) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is or will be (or is or will

be deemed by such supervisor to be) no longer representative of its relevant underlying market,

provided that (1) in the case of sub-paragraphs (B), (C) and (D), the Benchmark Event shall occur on the date of the cessation of publication of the Original Reference Rate, the discontinuation of the Original Reference Rate, or the prohibition of use of the Original Reference Rate, as the case may be, and (2) in the case of sub-paragraph (F), the Benchmark Event shall occur on the date with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement and, in each case of (1) and (2), not the date of the relevant public statement.

For the avoidance of doubt, none of the Trustee or the Agents shall have any responsibility for monitoring or determining whether or not a Benchmark Event has occurred or may occur.

“Independent Adviser” means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by (and at the expense of) the Issuer under Condition 6.7.1(A) (*Independent Adviser*);

“Original Reference Rate” means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes;

“Relevant Nominating Body” means, in respect of a benchmark or screen rate (as applicable):

- (A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof; and

“Successor Rate” means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

6.7.2 Benchmark Discontinuation (ARRC)

This Condition 6.7.2 (*Benchmark Discontinuation (ARRC)*) shall only apply to U.S. dollar-denominated Notes where so specified in the applicable Pricing Supplement.

Where the Pricing Supplement specifies this Condition 6.7.2 (*Benchmark Discontinuation (ARRC)*) as applicable:

- (A) *Benchmark Replacement*

If the Issuer or its designee determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of the Benchmark on any date, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of such determination on such date and all determinations on all subsequent dates.

(B) Benchmark Replacement Conforming Changes

In connection with the implementation of a Benchmark Replacement, the Issuer or its designee will have the right to make Benchmark Replacement Conforming Changes from time to time, and the Issuer shall deliver to the Trustee and the Agents a certificate signed by an authorized officer of the Issuer:

- (i) confirming that (1) a Benchmark Event has occurred and (2) the Benchmark Replacement, in each case as determined in accordance with the provisions of this Condition 6.7.2 (*Benchmark Discontinuation (ARRC)*); and
- (ii) certifying that the Benchmark Replacement Conforming Changes are necessary to ensure the proper operation of such Benchmark Replacement.

For the avoidance of doubt, the Trustee and the Agents shall, at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required to give effect to this Condition 6.7.2(B) (*Benchmark Replacement Conforming Changes*), provided that the Trustee and the Agents shall not be obliged so to concur if in the opinion of the Trustee or the relevant Agent, as applicable, doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee or that Agent in these Conditions, the Trust Deed and/or the Agency Agreement (including, for the avoidance of doubt, any supplemental trust deed or supplemental agency agreement) in any way. Noteholders' consent shall not be required in connection with the effecting of any such changes, including the execution of any documents or any steps by the Agents (if required). Further, none of the Trustee, the Calculation Agent, the Paying Agents, the Registrars or the Transfer Agents shall be responsible or liable for any determinations, decisions or elections made by the Issuer or its designee with respect to any Benchmark Replacement or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard.

(C) Decisions and Determinations

Any determination, decision or election of Benchmark Replacement Conforming Changes that may be made by the Issuer or its designee pursuant to this Condition 6.7.2 (*Benchmark Discontinuation (ARRC)*), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error, may be made in the Issuer or its designee's sole discretion, and, notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from any other party.

(D) Definitions

As used in this Condition 6.7.2 (*Benchmark Discontinuation (ARRC)*):

“**Benchmark**” means, initially, EURIBOR; provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to EURIBOR or the then-current Benchmark, then “**Benchmark**” means the applicable Benchmark Replacement;

“**Benchmark Replacement**” means the Interpolated Benchmark; provided that if the Issuer or its designee cannot determine the Interpolated Benchmark as of the Benchmark Replacement Date, then “**Benchmark Replacement**” means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

- (i) the sum of:
 - (x) Term SOFR; and
 - (y) the Benchmark Replacement Adjustment;
- (ii) the sum of:
 - (x) Compounded SOFR; and
 - (y) the Benchmark Replacement Adjustment;
- (iii) the sum of:
 - (x) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark for the applicable Corresponding Tenor; and
 - (y) the Benchmark Replacement Adjustment;
- (iv) the sum of:
 - (x) the ISDA Fallback Rate; and
 - (y) the Benchmark Replacement Adjustment;
- (v) the sum of:
 - (x) the alternate rate of interest that has been selected by the Issuer or its designee as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar denominated Floating Rate Notes at such time; and
 - (y) the Benchmark Replacement Adjustment;

“**Benchmark Replacement Adjustment**” means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

- (i) the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment; or

- (iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer or its designee giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar- denominated Floating Rate Notes at such time;

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Interest Period” or “Interest Period”, timing and frequency of determining rates and making payments of interest, changes to the definition of “Corresponding Tenor” solely when such tenor is longer than the Interest Period and other administrative matters) that the Issuer or its designee decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or its designee determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer or its designee determines is reasonably necessary);

“Benchmark Replacement Date” means the earliest to occur of the following events with respect to the then-current Benchmark:

- (i) in the case of sub-clauses (i) or (ii) of the definition of “Benchmark Transition Event,” the later of:
 - (x) the date of the public statement or publication of information referenced therein; and
 - (y) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark; or
- (ii) in the case of sub-clause (iii) of the definition of “Benchmark Transition Event”, the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

“Benchmark Transition Event” means the occurrence of one or more of the following events with respect to the then-current Benchmark:

- (i) a public statement or publication of information by or on behalf of the administrator of the Benchmark announcing that such administrator has ceased or will cease to provide the Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark;
- (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark, the central bank for the currency of the Benchmark, an insolvency official with jurisdiction over the administrator for the Benchmark, a resolution authority with jurisdiction over the administrator for the Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the

Benchmark has ceased or will cease to provide the Benchmark permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark; or

- (iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

“Compounded SOFR” means the compounded average of SOFRs for the applicable Corresponding Tenor, with the rate, or methodology for this rate, and conventions for this rate (which will be compounded in arrears with a lookback and/or suspension period as a mechanism to determine the interest amount payable prior to the end of each Interest Period) being established by the Issuer or its designee in accordance with:

- (i) the rate, or methodology for this rate, and conventions for this rate selected or recommended by the Relevant Governmental Body for determining compounded SOFR; provided that:
- (ii) if, and to the extent that, the Issuer or its designee determines that Compounded SOFR cannot be determined in accordance with sub-clause (i) of this definition of “Compounded SOFR”, then the rate, or methodology for this rate, and conventions for this rate that have been selected by the Issuer or its designee giving due consideration to any industry-accepted market practice for U.S. dollar denominated Floating Rate Notes at such time.

Notwithstanding the foregoing, Compounded SOFR will include such lookback and/or suspension period as specified in the applicable Pricing Supplement as a mechanism to determine the interest amount payable prior to the end of each Interest Period or Interest Period;

“Corresponding Tenor”, with respect to a Benchmark Replacement, means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Benchmark;

“designee” means a designee as selected and separately appointed by the Issuer in writing;

“Federal Reserve Bank of New York’s Website” means the website of the Federal Reserve Bank of New York at <http://www.newyorkfed.org> or any successor source;

“Interpolated Benchmark”, with respect to the Benchmark, means the rate determined for the Corresponding Tenor by interpolating on a linear basis between:

- (i) the Benchmark for the longest period (for which the Benchmark is available) that is shorter than the Corresponding Tenor; and
- (ii) the Benchmark for the shortest period (for which the Benchmark is available) that is longer than the Corresponding Tenor;

“ISDA Definitions” means (i) where “2006 ISDA Definitions” are specified in the applicable Pricing Supplement, the 2006 ISDA Definitions or (ii) where “2021 ISDA Definitions” are specified in the applicable Pricing Supplement, the 2021 ISDA Definitions, each published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

“ISDA Fallback Adjustment” means the spread adjustment, (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark for the applicable tenor;

“ISDA Fallback Rate” means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

“Reference Time”, with respect to any determination of the Benchmark, means the time determined by the Issuer or its designee in accordance with the Benchmark Replacement Conforming Changes;

“Relevant Governmental Body” means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto;

“SOFR”, with respect to any day, means the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark, (or a successor administrator) on the Federal Reserve Bank of New York’s Website;

“Term SOFR” means the forward-looking term rate for the applicable Corresponding Tenor based on SOFR that has been selected or recommended by the Relevant Governmental Body; and

“Unadjusted Benchmark Replacement” means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

6.7.3 Benchmark Discontinuation (SOFR)

This Condition 6.7.3 (*Benchmark Discontinuation (SOFR)*) shall only apply to U.S. dollar-denominated Notes where so specified in the applicable Pricing Supplement.

The following provisions shall apply if Benchmark Discontinuation (SOFR) is specified as applicable in the applicable Pricing Supplement:

(A) Benchmark Replacement

If the Issuer or its designee determines on or prior to the relevant Reference Time that a Benchmark Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates.

(B) Benchmark Replacement Conforming Changes

In connection with the implementation of a Benchmark Replacement, the Issuer or its designee will have the right to make Benchmark Replacement Conforming Changes from time to time, and the Issuer shall deliver to the Trustee and the Agents a certificate signed by an authorized officer of the Issuer:

- (i) confirming that (1) a Benchmark Event has occurred and (2) the Benchmark Replacement, in each case as determined in accordance with the provisions of this Condition 6.7.3 (*Benchmark Discontinuation (SOFR)*); and

- (ii) certifying that the Benchmark Replacement Conforming Changes are necessary to ensure the proper operation of such Benchmark Replacement.

For the avoidance of doubt, the Trustee and any of the Agents shall, upon receipt of such certificate and (subject to the immediately succeeding paragraph) at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required to give effect to this Condition 6.7.3(B) (*Benchmark Replacement Conforming Changes*), provided that the Trustee and the Agents shall not be obliged so to concur if in the opinion of the Trustee or the relevant Agent doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee, or as the case may be, the relevant Agent in these Conditions or the Agency Agreement (including, for the avoidance of doubt, any supplemental agency agreement) in any way. Noteholders' consent shall not be required in connection with effecting any such changes, including the execution of any documents or any steps to be taken by the Trustee or any of the Agents (if required). Further, none of the Trustee, the Calculation Agent, the Paying Agents, the Registrars or the Transfer Agents shall be responsible or liable to the Issuer, the Noteholders, the Couponholders or any other person for any determinations, decisions or elections made by the Issuer or its designee with respect to any Benchmark Replacement or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard. No such determination, decision or election shall be binding on the Trustee and the Agents and none of the Trustee and the Agents shall be obliged to concur in any consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required to give effect to this Condition 6.7.3 (*Benchmark Discontinuation (SOFR)*) if in the opinion of the Trustee or the relevant Agent (as the case may be) it would impose more onerous obligations upon the Trustee or, as the case may be, the relevant Agent or expose the Trustee or, as the case may be, the relevant Agent to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee or, as the case may be, the relevant Agent in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) or the Agency Agreement (including, for the avoidance of doubt, any supplemental agency agreement) (as the case may be) or if they impact the operational feasibility of the Agents in any way.

(C) *Decisions and Determinations*

Any determination, decision or election that may be made by the Issuer or its designee pursuant to this Condition 6.7.3 (*Benchmark Discontinuation (SOFR)*), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection (i) will be conclusive and binding absent manifest error, (ii) will be made in the sole discretion of the Issuer or its designee, as applicable, and (iii) notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the holders of the Notes or any other party.

(D) *Definitions*

The following defined terms shall have the meanings set out below for purpose of this Condition 6.7.3 (*Benchmark Discontinuation (SOFR)*):

"Benchmark" means, initially, the relevant SOFR Benchmark specified in the applicable Pricing Supplement; provided that if the Issuer or its designee determines on or prior to

the Reference Time that a Benchmark Event and its related Benchmark Replacement Date have occurred with respect to the relevant SOFR Benchmark (including any daily published component used in the calculation thereof) or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement;

“**Benchmark Event**” means the occurrence of one or more of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

- (i) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

“**Benchmark Replacement**” means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

- (i) the sum of:
 - (a) the alternate reference rate that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark (including any daily published component used in the calculation thereof); and
 - (b) the Benchmark Replacement Adjustment;
- (ii) the sum of:
 - (a) the ISDA Fallback Rate; and
 - (b) the Benchmark Replacement Adjustment; or
- (iii) the sum of:
 - (a) the alternate reference rate that has been selected by the Issuer or its designee as the replacement for the then-current Benchmark (including any daily published component used in the calculation thereof) giving due

consideration to any industry-accepted reference rate as a replacement for the then-current Benchmark (including any daily published component used in the calculation thereof) for U.S. dollar- denominated Floating Rate Notes at such time; and

- (b) the Benchmark Replacement Adjustment;

“Benchmark Replacement Adjustment” means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

- (i) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or
- (iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer or its designee giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark (including any daily published component used in the calculation thereof) with the applicable Unadjusted Benchmark Replacement for U.S. dollar- denominated Floating Rate Notes at such time;

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) the Issuer or its designee decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or its designee determine that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer or its designee determines is reasonably necessary);

“Benchmark Replacement Date” means the earliest to occur of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

- (i) in the case of sub-paragraph (i) or (ii) of the definition of “Benchmark Event”, the later of:
 - (a) the date of the public statement or publication of information referenced therein; and
 - (b) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or
- (ii) in the case of sub-paragraph (iii) of the definition of “Benchmark Event”, the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

“**designee**” means a designee as selected and separately appointed by the Issuer in writing;

“**ISDA Definitions**” means (i) where “2006 ISDA Definitions” are specified in the applicable Pricing Supplement, the 2006 ISDA Definitions or (ii) where “2021 ISDA Definitions” are specified in the applicable Pricing Supplement, the 2021 ISDA Interest Rate Derivatives Definitions, each published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

“**ISDA Fallback Adjustment**” means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

“**ISDA Fallback Rate**” means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark (including any daily published component used in the calculation thereof) for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

“**Reference Time**” with respect to any determination of the Benchmark means (1) if the Benchmark is the SOFR Benchmark, the SOFR Determination Time (where Compounded Daily SOFR is specified as applicable in the applicable Pricing Supplement) or SOFR Index Determination Time (where SOFR Index is specified as applicable in the applicable Pricing Supplement), or (2) if the Benchmark is not the SOFR Benchmark, the time determined by the Issuer or its designee after giving effect to the Benchmark Replacement Conforming Changes;

“**Relevant Governmental Body**” means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and

“**Unadjusted Benchmark Replacement**” means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

7 PAYMENTS

7.1 Method of payment

Subject as provided below:

- (a) payments in a Specified Currency other than euro and Renminbi will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial center of the country of such Specified Currency (which, if the Specified Currency is New Zealand dollars, shall be Auckland and Wellington);
- (b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee; and

- (c) payments in Renminbi will be made by transfer to a Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 9 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “**Code**”) or otherwise imposed pursuant to sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 9 (*Taxation*)) any law implementing an intergovernmental approach thereto.

7.2 Presentation of definitive Bearer Notes, Receipts and Coupons

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in Condition 7.1 (*Method of payment*) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America and its possessions).

Payments of Instalment Amounts (if any) in respect of definitive Bearer Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 7.1 (*Method of payment*) above against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in Condition 7.1 (*Method of payment*) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Bearer Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Bearer Note to which it appertains. Receipts presented without the definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive bearer form (other than Dual Currency Notes, Index Linked Notes or Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 9.2 (*Interpretation*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 10 (*Prescription*)) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Dual Currency Note, Index Linked Note or Long Maturity Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any)

relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A “**Long Maturity Note**” is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.

7.3 Payments in respect of Bearer Global Notes

Payments of principal and interest (if any) in respect of Bearer Notes represented by any Global Note in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes or otherwise in the manner specified in the relevant Global Note against presentation or surrender of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent to which it was presented.

7.4 Payments in respect of Registered Notes

Payments of principal (other than instalments of principal (if any) prior to the final instalment) in respect of Registered Notes (whether in definitive or global form) will be made in the manner specified in Condition 7.1 (*Method of payment*) to the persons in whose name such Registered Notes are registered (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream are, and, in respect of Rule 144A Global Notes, DTC is open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the business day (being for this purpose a day on which banks are open for business in the city where the Registrar is located) immediately prior to the relevant payment date against presentation and surrender (or, in the case of part payment only of any sum due, endorsement) of such Registered Notes at the specified office of the Registrar.

Payments of interest due on a Registered Note (whether in definitive or global form) and payments of instalments of principal (if any) due on a Registered Note (other than the final instalment) will be made in the manner specified in Condition 7.1 (*Method of payment*) to the person in whose name such Note is registered (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream are, and, in respect of Rule 144A Global Notes, DTC is open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the 15th day (whether or not such 15th day is a business day (being for this purpose a day on which banks are open for business in the city where the Registrar is located) (the “**Record Date**”)) prior to such due date.

If payment in respect of any Registered Notes is required by credit or transfer as referred to in Condition 7.1(a), application for such payment must be made by the holder to the Registrar not later than the relevant Record Date.

All amounts payable to DTC or its nominee as registered holder of a Registered Global Note in respect of Notes denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Principal Paying Agent to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for payment in such Specified Currency or conversion into U.S. dollars in accordance with the provisions of the Agency Agreement.

None of the Issuer, the Trustee or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

7.5 General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear, Clearstream or DTC as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear, Clearstream or DTC, as the case may be, for his share of each payment so made by the Issuer in respect of such Global Note.

Notwithstanding the foregoing provisions of this Condition 7 (*Payments*), if any amount of principal and/or interest in respect of any Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

7.6 Payment Day

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, “**Payment Day**” means any day which (subject to Condition 10 (*Prescription*)) is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits):
 - (i) in the case of Notes in definitive form only, the relevant place of presentation; and
 - (ii) in each Additional Financial Centre (other than T2) specified in the applicable Pricing Supplement;
- (b) if T2 is specified as an Additional Financial Centre in the applicable Pricing Supplement, a day on which T2 or any successor system is open;
- (c) either (i) in relation to any sum payable in a Specified Currency other than euro and Renminbi, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial center of the country of the relevant Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland),
 - (ii) in relation to any sum payable in euro, a day on which T2 or any successor system is open or

- (iii) in relation to any sum payable in Renminbi, a day on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong; and
- (d) in the case of any payment in respect of a Registered Global Note denominated in a Specified Currency other than U.S. dollars and registered in the name of DTC or its nominee and in respect of which an accountholder of DTC (with an interest in such Registered Global Note) has elected to receive any part of such payment in U.S. dollars, a day on which commercial banks are not authorized or required by law or regulation to be closed in New York City.

7.7 Interpretation of principal and interest

Any reference in these Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 9 (*Taxation*) or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes;
- (e) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (f) in relation to Zero Coupon Notes, the Amortized Face Amount (as defined in Condition 8.6 (*Early Redemption Amounts*)); and
- (g) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 9 (*Taxation*) or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

8 REDEMPTION AND PURCHASE

8.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Pricing Supplement in the relevant Specified Currency on the Maturity Date.

8.2 Redemption for tax reasons (Issuer Tax Call)

Subject to Condition 8.6 (*Early Redemption Amounts*), the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is neither a Floating Rate Note nor an Index Linked Interest Note) or on any Interest Payment Date (if this Note is either a Floating Rate Note or an Index Linked Interest Note), on giving not less than 30 nor more than 60 days' notice to the Trustee and the Principal Paying Agent and, in accordance with Condition 15 (*Notices*), the Noteholders (which notice shall be irrevocable), if the Issuer satisfies the Trustee (in its absolute discretion) immediately before the giving of such notice that:

- (a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 9 (*Taxation*) as a result of any

change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 9 (*Taxation*)) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes for such Series; and

(b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which, the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition 8 (*Redemption and Purchase*), the Issuer shall deliver to the Trustee to make available at its specified office to the Noteholders a certificate signed by an authorized officer of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognized standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment, and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders, the Receiptholders and the Couponholders.

As used in this Condition 8 (*Redemption and Purchase*), “**authorized officer of the Issuer**” shall mean a person (a) who is duly authorized by the Committee for Resource Raising of the Issuer or (b) who is a constituted attorney of the Issuer, in each case, which the Issuer has notified in writing to the Trustee and the Agents in accordance with the Agency Agreement.

Notes redeemed pursuant to this Condition 8.2 (*Redemption for tax reasons (Issuer Tax Call)*) will be redeemed at their Early Redemption Amount referred to in Condition 8.6 (*Early Redemption Amounts*) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

ECB Guidelines require the Issuer to obtain the prior approval of the RBI, before effecting such a redemption prior to the expiry of the Minimum Average Maturity Period stipulated under the ECB Guidelines and such approval may not be forthcoming.

8.3 Redemption at the option of the Issuer (Issuer Call)

If Issuer Call is specified in the applicable Pricing Supplement, the Issuer may, having given:

- (a) not less than 15 nor more than 30 days’ notice to the Noteholders in accordance with Condition 15 (*Notices*); and
- (b) not less than seven days before the giving of the notice referred to in (a) above, notice to the Trustee and the Principal Paying Agent,

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and/or not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Pricing Supplement. In the case of a partial redemption of Notes, the Notes to be redeemed (“**Redeemed Notes**”) will (i) in the case of Redeemed Notes be selected individually by lot, not more than 30 days prior to the date fixed for redemption and (ii) in the case of Redeemed Notes represented by a Global Note, be selected in accordance with the rules of Euroclear and/or Clearstream and/or, as

the case may be, DTC. In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 15 (Notices) not less than 15 days prior to the date fixed for redemption.

Any early redemption of the Notes prior to the expiry of the Minimum Average Maturity Period stipulated under the ECB Guidelines will require the prior approval of the RBI in accordance with the ECB Guidelines and such approval may not be forthcoming. An early redemption of Notes (including for an exercise of the Issuer Call) prior to the Minimum Average Maturity Period stipulated under the ECB Guidelines will require prior approval of the RBI in accordance with the ECB Guidelines.

8.4 Redemption at the option of the Noteholders (Investor Put)

(a) If Investor Put is specified in the applicable Pricing Supplement

If Investor Put is specified in the applicable Pricing Supplement, upon the holder of any Note giving to the Issuer in accordance with Condition 15 (Notices) not less than 30 nor more than 60 days' notice (which notice shall be irrevocable) the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Pricing Supplement, such Note on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date.

(b) Put Option Exercise Procedures

To exercise the right to require redemption of a Note, the holder of such Note must deliver a duly signed and completed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent, Transfer Agent or the Registrar (a "Put Notice") accompanied by, if the Note is in definitive form, the definitive Note, to the specified office of any Paying Agent, in the case of Bearer Notes, or of any Transfer Agent or the Registrar in the case of Registered Notes, at any time within the notice period during normal business hours of such Paying Agent, Transfer Agent or the Registrar. In the Put Notice the holder must specify a bank account to which payment is to be made under this Condition 8 (Redemption and Purchase).

Any early redemption of the Notes prior to the expiry of the Minimum Average Maturity Period stipulated under the ECB Guidelines will require the prior approval of the RBI in accordance with the ECB Guidelines and such approval may not be forthcoming. An early redemption of Notes (including for an exercise of the Investor Put) prior to the expiry of the Minimum Average Maturity Period stipulated under the ECB Guidelines will require prior approval of the RBI in terms of the ECB Guidelines.

The ECB Guidelines provide that in the event there are changes in the terms and conditions of the Notes, then the Issuer is required to report to the AD Bank through 'Revised Form ECB 1' for reporting any change in previously reported parameters and/or as an intimation of any other information previously reported in 'Form ECB 1', within seven calendar days from the end of the month in which such changes were given effect. Additionally, the Issuer is required to report the receipt of ECB proceeds and debt servicing in 'Form ECB 2', within seven calendar days from the end of the month in which the proceeds were received or debt servicing was taken. Any event or transaction that alters the outstanding borrowing under an LRN shall be reported in 'Form ECB 2'.

8.5 Redemption upon Change in Control

Within 15 days following any Change in Control, the Issuer will give notice to the Noteholders, the Trustee and the Principal Paying Agent in accordance with Condition 15 (Notices) stating that a Change in Control has occurred.

Following the occurrence of a Change in Control, each Noteholder will have the right to require the Issuer to redeem any of the Notes held by such Noteholder at their principal amount outstanding together with interest (including additional amounts pursuant to Condition 9 (*Taxation*) if any) accrued to (but excluding) the date of redemption.

To exercise the right to require redemption of any Notes, the holder of the Notes must deliver such Notes at the specified office of any Paying Agent, in the case of Bearer Notes, or of any Transfer Agent or the Registrar, in the case of Registered Notes, on any business day (being, in relation to any place, a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in that place) at the place of such specified office falling within the notice period, accompanied by a duly signed and completed notice of exercise in the form (for the time being current and which may, if this Note is held in a clearing system, be any form acceptable to the clearing system delivered in a manner acceptable to the clearing system) obtainable from any specified office of any Paying Agent, Transfer Agent or the Registrar (a **“Put Notice”**) and in which the holder must specify a bank account to which payment is to be made under this paragraph accompanied by such Notes or evidence satisfactory to the relevant Paying Agent, Transfer Agent or the Registrar, as the case may be, that such Notes will, following the delivery of the Put Notice, be held to its order or under its control.

Subject to the receipt of RBI approvals, the Issuer is obliged to redeem any such Notes on the first business day in the place where such redemption notice is deposited falling 30 days after such deposit.

A Put Notice given by a holder of any Note shall be irrevocable and no Note deposited with a Paying Agent, Transfer Agent or the Registrar pursuant to this Condition 8.5 (*Redemption upon Change in Control*) may be withdrawn without the prior written consent of the Issuer.

The right of any Noteholder to require the Issuer to redeem any Note upon a Change in Control is not conditional upon a Change in Control notice having been given by the Issuer, but will, if such Redemption upon Change in Control notice is given by the Issuer, be exercised by such Noteholder within 45 days of the giving of such notice.

For the purposes of this Condition 8.5 (*Redemption upon Change in Control*):

“Change in Control” occurs when:

- (a) where the Issuer is not merged into another Person or acquired by another Person, the Government of India ceases to own, directly or indirectly, more than 50 per cent. of the voting rights of the issued share capital of the Issuer; or
- (b) where the Issuer is acquired by another Person, the Government of India ceases to own, directly or indirectly, more than 50 per cent. of the voting rights of the issued share capital of such Person; or such Person ceases to own, directly or indirectly, more than 50 per cent. of the voting rights of the issued share capital of the Issuer; or
- (c) any Person (other than the Person in whom the Government of India owns, directly or indirectly, more than 50 per cent. of the voting rights of its share capital) acquires Control of the Issuer; or
- (d) the Issuer consolidates with or merges into or sells or transfers all or substantially all of its assets to any other Person, unless the consolidation, merger, sale or transfer will not result in the Government of India losing Control over the Issuer or the successor entity.

For the purposes of this Condition 8.5:

“Control” means (a) the ownership or control of more than 50 per cent. of the voting rights of the issued share capital of the Issuer or (b) the right to appoint and/or remove all or the majority of the members of the Issuer's board of directors or other governing body, whether obtained directly or indirectly, and

whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise; and

“**Persons**” includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organization, trust, state or agency of a state (in each case whether or not being a separate legal entity) but does not include the Issuer's board of directors or any other governing board and does not include the Issuer's wholly owned direct or indirect subsidiaries.

The Issuer will obtain the prior approval of the RBI or the AD Bank, if required, in line with ECB Guidelines before providing notice for or effecting such a redemption prior to the expiry of the Minimum Average Maturity Period; however, such approval may not be forthcoming.

8.6 Redemption Notices

If more than one notice of redemption is given (being a notice given by either the Issuer or a Noteholder pursuant to this Condition 8 (*Redemption and Purchase*)), the first in time shall prevail.

Neither the Trustee nor the Agents shall be responsible for determining or verifying whether a Note is to be accepted for redemption under this Condition 8 (*Redemption and Purchase*) or have any duty to verify the accuracy, content, completeness, validity and/or genuineness of any certificates, confirmations or documents in relation to or in connection with any redemption or the exercise of any right of redemption and will not be responsible or liable to Noteholders or any other person for any loss or liability arising from any failure by them to do so. Neither the Trustee nor the Agents shall be under any duty to determine, calculate or verify the redemption amount payable under these Conditions, and none of them will be responsible or liable to any Noteholder or any other person for any loss or liability arising from any failure by them to do so.

8.7 Early Redemption Amounts

For the purpose of Conditions 8.2 (*Redemption for tax reasons (Issuer Tax Call)*) and 8.4 (*Redemption at the option of the Noteholders (Investor Put)*) above and Condition 11 (*Events of Default and Enforcement*),

- (a) each Note (other than a Zero Coupon Note) will be redeemed at its Early Redemption Amount; and
- (b) each Zero Coupon Note will be redeemed, at an amount (the “**Amortized Face Amount**”) calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

“**RP**” means the Reference Price;

“**AY**” means the Accrual Yield expressed as a decimal; and

“**y**” is the Day Count Fraction specified in the applicable Pricing Supplement which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due

and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365),

or on such other calculation basis as may be specified in the applicable Pricing Supplement. Neither the Trustee nor the Agents shall be responsible for calculating or verifying any calculations of any amounts payable under these Conditions.

8.8 Instalments

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 8.6 (*Early Redemption Amounts*) above.

8.9 Partly Paid Notes

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition 8 (*Redemption and Purchase*) and the applicable Pricing Supplement.

8.10 Purchases

The Issuer may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer surrendered to any Paying Agent and/or the Registrar for cancellation.

8.11 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 8.10 (*Purchases*) above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent (which shall notify the Registrar of such cancelled Notes in the case of Registered Notes) and may not be reissued or resold.

8.12 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Conditions 8.1 (*Redemption at maturity*), 8.2 (*Redemption for tax reasons (Issuer Tax Call)*), 8.3 (*Redemption at the option of the Issuer (Issuer Call)*) or 8.4 (*Redemption of at the option of the Noteholders (Investor Put)*) above or upon its becoming due and repayable as provided in Condition 11 (*Events of Default and Enforcement*) is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 8.7(b) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) five days after the date on which the full amount of the monies payable in respect of such Zero Coupon Note has been received by the Trustee or the Principal Paying Agent and notice to that effect has been given to the Noteholders in accordance with Condition 15 (*Notices*).

9 TAXATION

9.1 Payment without withholding

All payments of principal and interest in respect of the Notes, Receipts and Coupons by or on behalf of the Issuer will be made free and clear of, and without set-off or counterclaim and without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction (the “**Additional Amounts**”); except that no such Additional Amounts shall be payable with respect to any Note, Receipt or Coupon:

- (a) the holder of which is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note, Receipt or Coupon, the receipt of payments hereunder or the enforcement of its rights; or
- (b) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such 30th day assuming that day to have been a Payment Day (as defined in Condition 7.6 (*Payment Day*)); or
- (c) presented for payment by or on behalf of a holder of such Note, Receipt or Coupon who, at the time of such presentation, is able to avoid such withholding or deduction by making a declaration of non-residence or other similar claim for exemption and does not make such declaration or claim; or
- (d) where such withholding or deduction is required pursuant to an agreement described in section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “**Code**”) or otherwise imposed pursuant to sections 1471 through 1474 of the Code, any regulations or agreements thereunder or any official interpretations thereof.

Neither the Trustee nor any Agent shall be responsible for paying any taxes, duties, assessments, governmental charges, withholding or other payment referred to in this Condition 9 (*Taxation*) or for determining whether such amounts are payable or the amount thereof, and none of them shall be responsible or liable for any failure by the Issuer, any Noteholder or any other person to pay such taxes, duties, assessments, governmental charges, withholding or other payment in any jurisdiction or to provide any notice or information that would permit, enable or facilitate the payment of any principal, premium (if any) or other amount under or in respect of the Notes without deduction or withholding for or on account of any taxes, duties, assessments, governmental charges, withholding or other payment imposed by or in any jurisdiction.

9.2 Interpretation

As used herein:

- (a) “**Tax Jurisdiction**” means India or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivisions or any authority thereof or therein having power to tax to which payments made by the Issuer of principal and interest on the Notes become generally subject; and
- (b) “**Relevant Date**” means the date on which such payment first becomes due, except that, if the full amount of the monies payable has not been duly received by the Trustee or the Principal

Paying Agent or, as the case may be, the Registrar on or prior to such due date, it means the date on which, the full amount of such monies having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 15 (*Notices*).

Any interest / coupon payments made by the Issuer are required to be in line with the prevailing market conditions as per the terms of the ECB Guidelines.

10 PRESCRIPTION

The Notes, Receipts and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 9.2 (*Interpretation*)) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 10 (*Prescription*) or Condition 7 (*Payments*) or any Talon which would be void pursuant to Condition 7 (*Payments*).

11 EVENTS OF DEFAULT AND ENFORCEMENT

11.1 Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction), give notice in writing to the Issuer that each Note is, and each Note shall thereupon immediately become due and repayable at its Early Redemption Amount, together with accrued and unpaid interest as provided in the Trust Deed if any of the following events (each an “**Event of Default**”) shall occur and is continuing:

- (a) if there is a failure to pay any principal or interest due in respect of the Notes or any of them provided, however, that a failure to pay will not constitute an Event of Default if such failure to pay was caused by an administrative or technical error and full payment is made within seven days (in the case of principal) or 14 days (in the case of interest) following the date such payment is due; or
- (b) if the Issuer fails to perform or observe any of its other obligations under the Conditions or the Trust Deed and (except in any case where, in the opinion of the Trustee, the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days next following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or
- (c) if (i) any other present or future Indebtedness for Borrowed Money of the Issuer becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the Issuer or (ii) any such Indebtedness for Borrowed Money is not paid when due or, as the case may be, within any applicable grace period, or (iii) the Issuer fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any Indebtedness for Borrowed Money other than, in relation to this subparagraph (iii) only, in circumstances where the Issuer is (A) contesting in good faith in appropriate proceedings the fact that any such amount is due or (B) prohibited from making payment of any such amount by the order of a court having appropriate jurisdiction, provided that the aggregate amount outstanding of the relevant Indebtedness for Borrowed Money or amounts payable under the guarantees and/or indemnities in respect of one or more events mentioned above in this Condition 11.1(c) exceeds U.S.\$75,000,000 or its equivalent in other currencies; or

- (d) if any order is made under the National Bank for Financing Infrastructure and Development Act, 2021 by the Government of India for the winding up or liquidation of the Issuer, save for the purposes of reorganization on terms previously approved by an Extraordinary Resolution; or
- (e) if the Issuer ceases or threatens to cease to carry on the whole or a substantial part of its business, save for the purposes of reorganization on terms previously approved by an Extraordinary Resolution or (excluding, for the avoidance of doubt) any amalgamation, reorganization or restructuring whilst solvent and in the ordinary course of business, or the Issuer stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due; or
- (f) if the Issuer (or its directors) makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors); or
- (g) if any governmental authority or agency condemns, seizes, compulsorily purchases or expropriates all or any material part of the assets or shares of the Issuer without fair compensation, unless, and for so long as such compulsory purchase or expropriation is being contested in good faith and by appropriate proceedings; or
- (h) a moratorium is agreed or declared by the Issuer in respect of any Indebtedness for Borrowed Money (including any obligations arising under guarantees) of the Issuer; or
- (i) if any event occurs, which, under the laws of India, has or may have an analogous effect to any of the events referred to in Conditions 11.1(d) to 11.1(h) inclusive.

For the purposes of this Condition 11, “**Indebtedness for Borrowed Money**” means (i) any indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities or (ii) any borrowed money or (iii) any liability under or in respect of any acceptance or acceptance credit.

11.2 Enforcement

The Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer as it may think fit to enforce the provisions of the Trust Deed, the Notes, the Receipts and the Coupons, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed, the Notes, the Receipts or the Coupons unless (i) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by the holders of at least one-fifth in nominal amount of the Notes then outstanding and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

No Noteholder, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

12 REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced subject to applicable laws, regulations and relevant stock exchange regulations at the specified office of the Principal Paying Agent (in the case of Bearer Notes, Receipts, Coupons and Talons) or of the Registrar (in the case of Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require.

Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

13 PRINCIPAL PAYING AGENT, REGISTRAR, EXCHANGE AGENT, PAYING AND TRANSFER AGENTS

The names of the initial Principal Paying Agent, the other initial Paying Agents, the initial Registrar and the other initial Transfer Agents and their initial specified offices are set out below.

The Issuer is, with the prior written approval of the Trustee, entitled to vary or terminate the appointment of any Paying Agent, the exchange agent, Registrar or Transfer Agent and/or appoint additional or other Paying Agents, exchange agents or Transfer Agents, provided that:

- (a) so long as the Notes are listed on any stock exchange, there will at all times be a Paying Agent and, if appropriate, a Registrar and Transfer Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange;
- (b) there will at all times be a Registrar and a Transfer Agent;
- (c) so long as any Registered Global Notes payable in a Specified Currency other than U.S. dollars are held through DTC or its nominee, there will at all times be an exchange agent which the Issuer shall appoint and shall be a reputable financial institution with experience of performing the role of such exchange agent; and
- (d) there will at all times be a Principal Paying Agent.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the second paragraph of Condition 7 (*Payments*). Notice of any variation, termination, appointment or change in Paying Agents will be given promptly to the Noteholders in accordance with Condition 15 (*Notices*).

In acting under the Agency Agreement or (in the case of an exchange agent) the relevant appointment agreement, the Principal Paying Agent, the exchange agent, the Registrar, the Paying Agents and the Transfer Agents act solely as agents of the Issuer and, in certain limited circumstances, of the Trustee and do not assume any obligation or trust for or with any Noteholders.

14 EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 10 (*Prescription*).

15 NOTICES

Notices to holders of Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an overseas address) by air mail to them at their respective addresses as recorded in the Register and will be deemed to have been validly given on the fourth day after the date of such mailing.

All notices regarding the Bearer Notes will be deemed to be validly given if published in a leading daily newspaper of general circulation in Asia or such other English language daily newspaper with general circulation in Asia as the Trustee may approve. It is expected that such publication will be made in the *Asian Wall Street Journal*. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange (or any other relevant authority) on which the Notes are

for the time being listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If, in the opinion of the Trustee, publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

Until such time as any definitive Notes are issued, there may, so long as any global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream or DTC, be substituted for such publication in such newspaper(s) or such delivery by mail the delivery of the relevant notice to Euroclear and/or Clearstream or DTC for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange and the rules of that stock exchange (or any other relevant authority) so require, such notice will be published by the Issuer directly in a daily newspaper of general circulation in the place or places required by the rules of that stock exchange (or any other relevant authority). Any such notice shall be deemed to have been given to the holders of the Notes on the first day after the day on which the said notice was given to Euroclear and/or Clearstream or DTC.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent. Whilst any of the Notes are represented by a global Note, such notice may be given by any holder of a Note to the Principal Paying Agent through Euroclear and/or Clearstream or DTC, as the case may be, in such manner as the Principal Paying Agent and Euroclear and/or Clearstream or DTC, as the case may be, may approve for this purpose.

Receiptholders and Couponholders will be deemed for all purposes to have notice of the contents of any notice given to Noteholders in accordance with this Condition 15 (*Notices*).

16 MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Issuer if required in writing by Noteholders holding not less than 10.00 per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50.00 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts, the Coupons or the Trust Deed (including, *inter alia*, modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, the Receipts or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. The Trust Deed provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority consisting of not less than three-fourths of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding or (iii) consent given by way of electronic consent through the relevant clearing system(s) (or in a form satisfactory to the Trustee) by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed by the Noteholders will be binding on all the Noteholders, whether or not they are present at any meeting and whether or not they voted on the resolution, and on all Receiptholders and Couponholders.

The Trustee may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to any modification (except such modifications in respect of which an increased quorum is required as mentioned above) of, or to the waiver or authorization of any breach or proposed breach of, any of the provisions of the Notes or the Trust Deed, or determine, without any such consent as aforesaid, that any Event of Default or Potential Event of Default shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders to do so or may agree, without any such consent as aforesaid, to any modification which is, in the opinion of the Trustee, of a formal, minor or technical nature or to correct a manifest error or to comply with any mandatory provisions of applicable law, provided that prior written approval of the RBI or the designated Authorized Dealer Bank (as the case may be) is obtained for such modification (if applicable). Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 15 (*Notices*) as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorization, determination or substitution), the Trustee shall have regard to the general interests of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders, Receiptholders or Couponholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders, Receiptholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder, Receiptholder or Couponholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders, Receiptholders or Couponholders except to the extent already provided for in Condition 9 (*Taxation*) and/or any undertaking or covenant given in addition to, or in substitution for, Condition 9 (*Taxation*) pursuant to the Trust Deed.

The Trustee may, without the consent of the Noteholders, agree with the Issuer to the substitution in place of the Issuer (or of any previous substitute under this Condition 16 (*Meetings of Noteholders, Modification, Waiver and Substitution*)) as the principal debtor under the Notes, the Receipts, the Coupons and the Trust Deed of an entity owned or controlled by the Issuer, subject to (a) the Notes being unconditionally and irrevocably guaranteed by the Issuer, (b) the Trustee being satisfied, in its absolute discretion, that the interests of the Noteholders will not be materially prejudiced by the substitution and (c) certain other conditions set out in the Trust Deed being complied with (which includes, reporting the AD Bank through 'Revised Form ECB 1' for reporting any change in previously reported parameters and/or as an intimation of any other information previously reported in 'Form ECB 1', within seven calendar days from the end of the month in which such changes was given effect).

Any such modification, waiver, authorization, determination or substitution shall be binding on the Noteholders, the Receiptholders and the Couponholders and, unless the Trustee otherwise agrees, any such modification or substitution shall be promptly notified to Noteholders by the Issuer in accordance with Condition 15 (*Notices*).

17 INDEMNIFICATION OF THE TRUSTEE AND TRUSTEE CONTRACTING WITH THE ISSUER

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured to its satisfaction.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders, Receiptholders or Couponholders and

(c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

The Trustee may rely conclusively without liability to Noteholders, the Issuer or any other person on any report, information, confirmation or certificate from or any opinion or advice of any accountants, auditors, lawyers, valuers, auctioneers, surveyors, brokers, financial advisers, financial institution or any other expert, whether or not obtained by or addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely conclusively on any such report, information, confirmation, certificate, opinion or advice, in which case such report, information, confirmation, certificate, opinion or advice shall be binding on the Issuer and the Noteholders.

None of the Trustee or any of the Agents shall be responsible for the performance by the Issuer and/or any other person appointed by the Issuer in relation to the Notes of the duties and obligations on its part expressed in respect of the same and, unless it has express written notice from the Issuer to the contrary, the Trustee and each Agent shall be entitled to assume that the same are being duly performed. None of the Trustee or any of the Agents shall be under any obligation to monitor compliance with the provisions of the Trust Deed, the Agency Agreement or these Conditions or whether an Event of Default or a Potential Event of Default has occurred, and none of them shall be liable to the Noteholders or any other person for not doing so.

None of the Trustee or any Agent shall be liable to any Noteholder or any other person for any action taken by the Trustee or such Agent in accordance with the instructions, direction or request of the Noteholders. The Trustee shall be entitled to rely on any instructions, direction, request or resolution of Noteholders given by holders of the requisite principal amount of Notes outstanding or passed at a meeting of Noteholders convened and held in accordance with the Trust Deed or by way of written resolution or Electronic Consent.

Each Noteholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, and the Trustee shall not at any time have any responsibility or liability for the same and each Noteholder shall not rely on the Trustee in respect thereof.

Repatriation of proceeds outside India by the Issuer under an indemnity clause may require the prior approval of the RBI in accordance with the extant applicable laws and regulations of India, including the rules and regulations framed under the FEMA.

18 FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date on which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Notes.

19 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

20 GOVERNING LAW AND SUBMISSION TO JURISDICTION

20.1 Governing law

The Trust Deed, the Agency Agreement, the Notes, the Receipts and the Coupons and any non-contractual obligations arising out of or in connection with any of the foregoing are governed by, and shall be construed in accordance with, English law.

20.2 Submission to jurisdiction

- (a) Subject to Condition 20.2(c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Trust Deed, the Notes, the Receipts and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes, the Receipts and/or the Coupons (a “**Dispute**”) and all Disputes will be submitted to the exclusive jurisdiction of the English courts.
- (b) For the purposes of this Condition 20.2 (*Submission to jurisdiction*), the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (c) This Condition 20.2(c) is for the benefit of the Trustee, the Noteholders, the Receiptholders and the Couponholders only. To the extent allowed by law, the Trustee, the Noteholders, the Receiptholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

20.3 Appointment of Process Agent

The Issuer irrevocably appoints Elemental CoSec Ltd. at its office at 27 Old Gloucester Street, London, WC1N 3AX as its agent for service of process in any proceedings before the English courts in relation to any Dispute, and agrees that, in the event of Elemental CoSec Ltd. being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

20.4 Waiver of immunity

The Issuer irrevocably and unconditionally with respect to any Dispute (i) waives any right to claim sovereign or other immunity from jurisdiction, recognition or enforcement and any similar argument in any jurisdiction, (ii) submits to the jurisdiction of the English courts and the courts of any other jurisdiction in relation to the recognition of any judgment or order of the English courts or the courts of any competent jurisdiction in relation to any Dispute and (iii) consents to the giving of any relief (whether by way of injunction, attachment, specific performance or other relief) or the issue of any related process, in any jurisdiction, whether before or after final judgment, including without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any Dispute.

USE OF PROCEEDS

The net proceeds of each issue of Notes will be utilised by the Issuer in accordance with the NABFID Act, the ECB Guidelines, the RBI AIFI Directions, and any other applicable laws, notifications and regulatory guidelines (see “*General Information*”).

RISK FACTORS

This Offering Circular contains forward-looking statements that involve risks and uncertainties. Each investor should carefully consider the following risk factors as well as the other information contained in this Offering Circular prior to making an investment in the Notes. In making an investment decision, each investor must rely on its own examination of the Issuer and the terms of the offering of the Notes, including the merits and risks involved. The risks described below are not the only ones that may affect the Notes. Additional risks not currently known to the Issuer or factors that the Issuer currently deems immaterial may also adversely affect the Issuer's business, financial condition, results of operations and prospects.

Risks relating to the business of the Issuer

Lending activities expose the Issuer to credit risk, including the risk of borrower default.

Any lending activity is subject to credit risk arising from the possibility of defaults by borrowers and other counterparties. Credit risk is the risk that a borrower or counterparty will be unable or unwilling to fulfil a commitment it has entered into and that any pledged collateral does not fully cover the lender's claims. As on March 31, 2026, the Issuer's total credit exposure stood at ₹1,168.97 billion, comprising loans and advances of ₹1,027.12 billion, investments in bonds of ₹126.35 billion, and non-fund exposure of ₹15.50 billion. Investments in equity stood at ₹0.77 billion as on March 31, 2026. As on March 31, 2026 and June 30, 2026 respectively, 5.31 per cent. and 5.64 per cent. of the Issuer's total loans outstanding comprised unsecured loans and 94.69 per cent. and 94.36 per cent. of the outstanding loans were classified as secured. Changes in economic conditions and the level of systemic risk in the financial system may result in deterioration in the cash flow potential of the underlying assets and the value of collateral held against which the Issuer has lent, thereby increasing the risk of loss in the event of borrower default.

The Issuer's total credit exposure has grown very rapidly in recent periods. As on March 31, 2026 and June 30, 2026 respectively, total credit exposure grew by 95.35 per cent. and 99.43 per cent. on a year-on-year basis and by 46.39 per cent. and 9.66 per cent. on a quarter-on-quarter basis to reach ₹1,168.97 billion and ₹1,281.85 billion as on March 31, 2026 and June 30, 2026 respectively. A loan portfolio of this scale and growth trajectory carries inherent credit risk that may not yet have fully crystallized, as many of the Issuer's exposures are relatively recent and may not have been tested through a complete credit cycle. While the Issuer has followed prudent credit risk assessment process, as the portfolio grows and exposures season, there can be no assurance that asset quality will remain unimpaired.

The Issuer commenced commercial operations on December 29, 2022 and accordingly its loan portfolio has a limited operating history relative to the typical tenor and credit cycle of infrastructure assets. Infrastructure projects financed by the Issuer generally have long gestation periods and repayment horizons extending to 15 years or beyond, meaning that the credit performance of the Issuer's portfolio may not become fully apparent for several years after origination. The Issuer's lending portfolio (including bonds) grew from ₹593.65 billion as on March 31, 2025 to ₹1,153.47 billion as on March 31, 2026, representing year-on-year growth of 94.30 per cent. Given the speed and scale of this portfolio build-up, a significant proportion of the Issuer's exposures are at an early stage of their contractual life and have not yet been exposed to a prolonged economic downturn, a tightening of monetary policy over an extended period, material adverse movements in commodity or input prices, or other macroeconomic stress events that typically characterize a full credit cycle. While the Issuer's asset quality has remained standard to date, with nil Gross Non-Performing Assets ("NPAs") and nil Net NPAs as on March 31, 2026, this record has been achieved during a period of relatively favorable macroeconomic conditions and sustained government-led infrastructure spending. There can be no assurance that the Issuer's current asset quality will be sustained as the portfolio seasons and is subjected to less benign economic conditions. Credit impairments or losses could materialize as borrower exposures mature and are tested through

a complete credit cycle, which could materially and adversely affect the Issuer's business, financial condition, results of operations and the trading price of the Notes.

Since the Issuer provides finance exclusively to the infrastructure sector, there are no separate reportable business segments. This means that the Issuer's entire loan portfolio is concentrated in a single sector, exposing it to risks specific to infrastructure financing, including construction and completion risk, cost overruns, revenue shortfalls, regulatory and environmental delays, changes in government policy relating to infrastructure development and any deterioration in macroeconomic conditions affecting the viability of infrastructure projects. A deterioration in any of these factors could have a disproportionately adverse impact on the quality of the Issuer's loan portfolio compared to that of a more diversified financial institution.

The Issuer's portfolio is predominantly project finance in nature, which carries asset quality risks distinct from those associated with general corporate lending. Infrastructure projects in the early stages of implementation are exposed to construction and completion risks that, if they materialize, could impair the ability of the relevant borrower to service its debt obligations. As on June 30, 2026, the Issuer had 41 project finance accounts, with an aggregate outstanding balance of ₹248.89 billion, that were under implementation. Of these, four accounts with an aggregate outstanding of ₹17.89 billion had a resolution process involving an extension of the original or extended Date of Commencement of Commercial Operations ("**DCCO**") invoked and under implementation. Whilst these accounts are not currently classified as non-performing, DCCO extensions are an early indicator of project stress and may, depending on their resolution, lead to further asset quality deterioration.

The Issuer has established a systematic credit evaluation process to monitor the performance of its asset portfolio on an ongoing basis, with a view to detecting material developments and evaluating changes in the sectors in which it has substantial exposure. The Issuer also undertakes periodic reviews of its entire asset portfolio to assess portfolio health, identify potential areas requiring action and devise appropriate strategies in response. Despite these measures, there can be no assurance that repayment defaults will not occur or that the Issuer's financial results and/or operations will not be adversely affected as a result. In performing its credit assessment, the Issuer relies on information furnished by or on behalf of its borrowers, including financial information. The Issuer may also rely on representations and undertakings given by borrowers as to the accuracy and completeness of such information, as well as on the verification of such information by third-party agencies to which such functions have been outsourced. If any such information proves to be materially misleading, this may increase the risk of default and could adversely affect the Issuer's financial condition, results of operations and/or business.

As on June 30, 2026, none of the Issuer's advances were classified as non-performing or restructured, and accordingly no additional provisions were required to be made towards that purpose. Both Gross NPAs and Net NPAs stood at nil as on June 30, 2026 and in line with regulatory requirements, standard asset provisioning of ₹1.53 billion was made in the profit and loss account for the year ended June 30, 2026. There can be no assurance, however, that the Issuer will be able to maintain its current nil NPA position as its loan portfolio continues to grow and season. Although the Issuer has taken steps to strengthen its credit appraisal systems and credit risk monitoring and management systems, there is no assurance that such efforts will continue to be successful, that NPA levels will not increase or that the overall quality of its loan portfolio will not deteriorate in the future.

Borrowers may default on their obligations for a variety of reasons, including as a result of bankruptcy, lack of liquidity, regulatory or government intervention or an inability to adapt to changes in the prevailing macroeconomic environment or other factors affecting their financial position. Additionally, some borrowers may intentionally default on their repayment obligations. Prevailing economic conditions may adversely affect borrowers to varying degrees, which may in turn limit the Issuer's ability to recover amounts due and reduce the predictability of its cash flows. Increasing credit losses arising from the financial difficulties of borrowers could adversely affect the Issuer's business, financial condition, results of operations and cash flows. Any

resulting increase in delinquency levels may adversely affect the Issuer's financial performance and the trading price of the Notes. Furthermore, any failure to recover the expected value of collateral provided to the Issuer could expose the Issuer to losses and could materially and adversely affect the Issuer's business.

If there is a significant increase in the amount of loans classified as NPAs in the future, the Issuer's asset quality may deteriorate, its provisioning for probable losses may increase materially and its business, future financial performance and the trading price of the Notes could be adversely affected. The Issuer's ability to identify, monitor and recover against stressed or defaulting borrowers in the infrastructure sector may be constrained by factors outside its control, including the limited availability of secondary market purchasers for stressed infrastructure assets, the complexity and length of insolvency and enforcement proceedings in India and the value of project assets in a distressed scenario.

The Issuer has contingent liabilities.

As on June 30, 2026, the Issuer had contingent liabilities of ₹24.47 billion on account of guarantees/ letter of credits. If the Issuer's contingent liabilities materialize, this may have an adverse effect on the Issuer's future financial performance and the trading price of Notes.

The Issuer's business depends solely on the performance of the infrastructure sector.

Infrastructure financing is the Issuer's sole business activity and carries inherent risks, given that such loans are typically long-term in nature and rely on project-generated receivables for repayment.

Risk is at its highest during the construction phase, prior to the DCCO. Key risks during this period include: (i) technical risks, such as those relating to design and construction; (ii) construction risks arising from faulty workmanship, substandard materials and execution delays; (iii) financial risks arising from inadequate financing structures or ineffective hedging arrangements; (iv) force majeure risk, including events such as wars or natural disasters; (v) regulatory risks arising from changes in the regulatory framework or adverse regulatory decisions; and (vi) environmental risks, being the adverse environmental impacts of a project that may directly affect its viability. Even after DCCO is achieved, operational risks remain, including operating and maintenance costs exceeding initial estimates and the overestimation of project cash flows. The Issuer evaluates each project it finances through a robust credit appraisal process conducted by experienced professionals. However, this process cannot eliminate the risk of credit impairments, which could adversely affect the Issuer's financial condition, results of operations and/or business.

The Issuer's business and growth prospects depend significantly on the demand for infrastructure financing in India. Adverse changes in the general level of infrastructure spending in India would affect demand for the Issuer's products and services and could reduce the size of the Issuer's loan portfolio.

Infrastructure projects are frequently interdependent, with the viability and revenue-generating capacity of one project being contingent upon the completion and operation of related infrastructure. As a result, delays, cost overruns or failures affecting one project may adversely affect the financial performance of other projects to which it is linked, increasing the credit risk of the Issuer's portfolio. The successful completion of an infrastructure project may therefore depend on the timely delivery of complementary infrastructure, effective coordination among multiple public and private stakeholders and the absence of material delays in related projects.

Infrastructure projects typically have long development, construction and operational lifecycles, often requiring the participation of multiple financial intermediaries at different stages, including through refinancing, loan transfers and project takeovers. Historically, the Indian infrastructure sector has been predominantly dependent on banks and non-banking financial companies ("NBFCs") for its financing requirements, in part due to the limited depth of India's long-term debt capital markets for infrastructure. The significant increase in NPAs in the Indian banking sector over the past decade, together with the debt default by a systemically important NBFC

engaged in infrastructure finance, materially reduced the willingness and capacity of these financial intermediaries to extend credit to the infrastructure sector.

The Issuer's business requires specialized expertise in infrastructure finance. The infrastructure sector is characterized by features that present distinct financing challenges, including natural monopoly characteristics high sunk costs and long gestation periods, which contribute to asset-liability mismatches for lenders; non-tradability of output, limited pricing flexibility, and the potential for negative externalities. In addition, infrastructure projects in India are subject to risks arising from delays in obtaining regulatory approvals and environmental clearances, land acquisition difficulties and breaches of concession or project agreements, each of which may result in cost overruns and impair the ability of borrowers to service their debt obligations. If the Issuer is unable to manage these inherent challenges effectively, the Issuer's business and financial performance may be materially and adversely affected.

Concentration risk arising from exposure to the infrastructure sector.

Pursuant to the NABFID Act, the Issuer is required to support the development of long-term non-recourse infrastructure financing in India. The purposes and objectives of the Issuer are laid down under Section 4 of the NABFID Act and comprise both developmental objectives and financial objectives. The Issuer's essential statutory functions under Section 17 of the NABFID Act include lending to, and investing in, infrastructure projects located in India (or partly in India and partly outside India), extending loans and advances to companies, statutory corporations, trusts and other financial institutions funding infrastructure, taking over or refinancing existing loans extended by banks, non-banking financial companies and other financial institutions for infrastructure projects, and facilitating the development of a deep and liquid bond and derivatives market for infrastructure financing in India. The Issuer's loan portfolio is concentrated among companies and financial institutions involved in infrastructure financing, with outstanding balance of ₹1,092.59 billion as on June 30, 2026. The Issuer's loan portfolio is spread across various infrastructure sub-sectors, including roads, railways, solar power generation, power transmission, urban infrastructure and other infrastructure sub-sectors, with larger concentration in energy and transportation sectors. However, the Issuer's performance may be adversely affected if any of these sub-sectors experience adverse conditions.

The Issuer's concentration in particular sub-sectors exposes it to sub-sector-specific risks. In the energy and power sector, borrowers may be adversely affected by tariff determination and revisions, the availability, pricing, enforceability and continued effectiveness of power purchase agreements and other offtake arrangements, offtake credit quality and payment delays, and the availability and cost of fuel supply. In the transportation and roads sector, borrowers may be adversely affected by traffic and toll-revenue volumes falling short of projections and by changes to, disputes under or termination of concession arrangements with the relevant concessioning authorities. Across sub-sectors, borrowers are also exposed to changes in government policies and to delays in land acquisition and in obtaining environmental and other clearances and approvals, each of which may increase project costs, delay project completion and impair the ability of borrowers to perform their obligations to the Issuer.

Various factors relating to infrastructure sub-sectors could also affect the Issuer's operations, including changes in government policies, market dynamics and sector-specific credit risks. Suitable portfolio diversification remains a key objective of the Issuer and the Issuer has formulated sub-sector level concentration risk limits. Nevertheless, any adverse trends in these sub-sectors may affect the ability of borrowers to perform their obligations under their financing agreements with the Issuer and increase the level of impaired assets in the Issuer's portfolio, adversely affecting the Issuer's business, financial performance and operations.

The infrastructure sector has become increasingly reliant on government-led infrastructure investment, with government capital expenditure amounting to approximately U.S.\$133 billion in fiscal year 2025, equivalent to approximately 3.4 per cent. of India's gross domestic product for fiscal year 2025. While this represents an increase from approximately U.S.\$120 billion in fiscal year 2024, any reduction in, or delay to, government

infrastructure spending could materially and adversely affect infrastructure development activity and, consequently, demand for the Issuer's financing products and services.

The Issuer faces significant competition in the market for infrastructure financing.

The Issuer operates in a competitive market for infrastructure financing, and the successful implementation of its growth strategy depends on its ability to compete effectively. The Issuer's principal competitors include infrastructure debt funds, NBFCs, other financial institutions, multilateral institutions and commercial banks, both Indian and foreign.

The Issuer faces a number of structural competitive disadvantages relative to its competitors. As a non-deposit-taking institution, the Issuer does not have access to low-cost retail deposits, which may make the Issuer less price-competitive than certain of its competitors. The Issuer's funding costs are therefore generally higher than those of commercial banks and its ability to compete effectively in corporate lending will depend, to some extent, on its ability to secure low-cost sources of funding in the future. The Issuer also has limited distribution capabilities compared to other Indian banks given the absence of a branch network. In addition, having commenced operations in 2021, the Issuer does not yet have a large established client base.

Pursuant to the NABFID Act, certain measures have been put in place to support the Issuer's funding position. The Issuer has received an initial grant of ₹50 billion to assist in reducing its cost of funds. Under the NABFID Act, the Central Government may also extend guarantees to the Issuer in respect of borrowings from multilateral institutions, sovereign wealth funds and other foreign institutions at concessional rates, facilitating access to low-cost funding. In addition, the Central Government may provide support for hedging costs in connection with any foreign currency borrowings made by the Issuer. There can be no assurance that such support will be available on terms favorable to the Issuer, or at all, in the future.

Many of the Issuer's competitors may have superior financial, technical and marketing resources and may offer a wider range of financial products and services. Competition in this market has also increased as a result of liberalization measures affecting the Indian banking sector, including the entry of an increasing number of private sector banks and NBFCs, the deregulation of interest rates and broader banking-sector reforms. These measures have increased the number of participants able to provide infrastructure and corporate financing and have intensified the competition faced by the Issuer in the market for infrastructure lending, and the Issuer expects competition to intensify further in the future. If the Issuer is unable to manage its business and compete effectively with its current or future competitors, its competitive position and profitability could be adversely affected.

The Issuer is subject to a highly regulated and changing regulatory environment.

The Issuer's business and operations are subject to extensive regulation and supervision by the RBI and other regulatory authorities in India. The regulatory framework governing the Issuer's operations is subject to change from time to time, and any such changes may impose additional compliance obligations, restrict the Issuer's business activities or require changes to its operational and financial practices. In particular, the RBI has, amongst other directions applicable to AIFIs, issued the Reserve Bank of India (All India Financial Institutions – Classification, Valuation, and Operation of Investment Portfolio) Directions, 2025, the Reserve Bank of India (All India Financial Institutions – Resource Raising Norms) Directions, 2025, the Reserve Bank of India (All India Financial Institutions – Income Recognition, Asset Classification and Provisioning) Directions, 2025, the Reserve Bank of India (All India Financial Institutions – Credit Facilities) Directions, 2025 and the Reserve Bank of India (All India Financial Institutions – Prudential Norms on Capital Adequacy) Directions, 2025, each dated November 28, 2025. These directions, as may be updated or amended from time to time, are applicable to the five AIFIs, namely, the Export-Import Bank of India (EXIM Bank), the National Bank for Agriculture and Rural Development (NABARD), the National Housing Bank (NHB), the Small Industries Development Bank of India (SIDBI) and the Issuer, with effect from November 28, 2025. These directions require the Issuer

to comply with certain additional requirements in respect of its operations, including in relation to the classification, valuation and operation of its investment portfolio, resource raising norms, type of lending, provisioning norms, asset classification and capital adequacy standards. Compliance by the Issuer with these additional requirements may necessitate changes to the Issuer's existing policies, systems and processes and may result in increased compliance costs, cost to capital, constraints on the Issuer's ability to raise resources or deploy capital and limitations on the Issuer's operational flexibility. Furthermore, the RBI and other regulatory authorities may, from time to time, introduce new regulations or amend existing regulations applicable to the Issuer, including with respect to prudential norms, asset classification, provisioning requirements, corporate governance standards, risk management frameworks, anti-money laundering and know-your-customer requirements and other matters. Any failure by the Issuer to comply with applicable regulatory requirements could result in penalties, restrictions on the Issuer's activities, reputational harm or other adverse consequences. There can be no assurance that the Issuer will be able to comply with all future regulatory changes in a timely and cost-effective manner or that such changes will not have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects. For further details, see "*Supervision and Regulation*".

The Issuer may be subject to litigation and regulatory inspections by the RBI.

The Issuer may from time to time be involved in litigations, legal proceedings, including proceedings arising in the ordinary course of its business, and may be subject to inspections, examinations, investigations, enquiries or other supervisory or regulatory action by the RBI and other regulatory, governmental or statutory authorities. The outcome of any such litigation or regulatory inspection, investigation, enquiry or other supervisory action may be uncertain. Any adverse judgment, order, finding, direction, penalty or sanction, or any requirement to undertake remediation or incur additional compliance costs, could adversely affect the Issuer's business, financial condition, results of operations, cash flows, prospects, reputation and ability to meet its obligations under the Notes. Even where such proceedings or actions are not resolved adversely, they may require significant management attention and expense. For further details, see "*General Information – Litigation*" and "*Legal Proceedings*".

The Issuer is reliant on the debt capital markets and commercial borrowings for its funding needs.

As the Issuer's business grows, it will increasingly rely on the debt capital markets and commercial borrowings as primary sources of funding. The Issuer's continued growth will depend on its ability to access funds at competitive rates, which will in turn depend on a number of factors, including its ability to maintain its credit ratings. Any downgrade in the Issuer's credit ratings could increase its borrowing costs and adversely affect its access to the debt capital markets and other sources of funding and could in turn adversely affect its interest margins, business, results of operations and financial condition.

The Issuer's business depends, and will continue to depend, on its ability to access a variety of sources of capital. To the extent the Issuer's funding requirements exceed its available resources, the Issuer may be required to raise additional debt. Additional debt financing could increase the Issuer's interest costs and require it to comply with further restrictive covenants in its financing agreements. The Issuer's ability to obtain financing on favorable terms, if at all, will depend on a number of factors, including its profitability and cash flows, asset quality, prevailing market interest rates, the Issuer's operating history and prevailing macroeconomic and other conditions. There can be no assurance that the Issuer will be able to raise financing on acceptable terms, in a timely manner, or at all. Any failure by the Issuer to raise financing on acceptable terms could adversely affect its business, financial condition and operations.

The Issuer is exposed to liquidity risk and asset-liability mismatches arising from the long-term nature of its infrastructure financing activities.

Liquidity risk is the risk that the Issuer may not be able to generate sufficient cash flows at a reasonable cost to meet its expected and unexpected payment obligations as they fall due. As a non-deposit-taking institution, the Issuer does not have access to a stable, low-cost retail deposit base and is therefore more directly exposed to

fluctuations in debt capital markets than a conventional commercial bank. The Issuer's liquidity position is consequently dependent on its continued ability to access the debt capital markets and other funding sources in a timely and cost-effective manner.

The long-term, non-recourse nature of infrastructure project finance creates an inherent structural asset-liability mismatch. The Issuer's loan assets typically have long tenors, often extending to 15 years or beyond, reflecting the capital-intensive and long-gestation nature of infrastructure projects, and exposing the Issuer to risks arising from economic cycles. The Issuer's funding liabilities, whilst being extended in tenor through the issuance of long-term debt instruments including under this Programme, may nonetheless be of shorter duration than the underlying loan assets they fund. This mismatch means that the Issuer may be required to refinance its liabilities at intervals during the life of a loan, exposing it to the risk that refinancing may only be available at a higher cost or, in adverse market conditions, may not be available at all.

Liquidity risk may be further exacerbated by the conduct of the Issuer's borrowers. If borrowers prepay financing facilities extended by the Issuer ahead of scheduled maturity, the Issuer may face unexpected liquidity surpluses that must be redeployed at potentially less favorable rates. Conversely, if borrowers are unable or unwilling to meet their repayment obligations on time, the Issuer's expected cash inflows may be delayed or reduced, adversely affecting its ability to service its own liabilities as they fall due. Given the project finance nature of the Issuer's portfolio, where cash flows are typically project-generated and may be subject to construction, operational and regulatory delays, the risk of cash flow shortfalls at the borrower level is a material consideration.

Liquidity risk also encompasses the risk of an unexpected increase in the cost of funding assets arising from unanticipated funding requirements, as well as the risk of being unable to liquidate an investment or asset in a timely manner at a reasonable price. In stressed market conditions, secondary market liquidity for infrastructure loan assets or bonds may be limited, constraining the Issuer's ability to raise liquidity through asset disposals or loan transfers.

Asset liability mismatch may also arise if borrowers pre-pay or are unable to repay any of the financing facilities the Issuer grants to them. The Issuer has adopted an asset-liability management policy and has deployed monitoring tools to identify and manage liquidity risk on an ongoing basis. However, there can be no assurance that these measures will be fully effective in all market conditions or that the Issuer's liquidity position will not be adversely affected by the development of an asset-liability mismatch. Any adverse impact on the Issuer's liquidity position could affect its ability to service its debt obligations, increase its borrowing costs and have a consequential adverse impact on its profitability, business, financial condition and results of operations.

The Issuer is entirely state-owned, is subject to government control and relies upon the Government for capital support.

The Issuer is wholly-owned by the Government and the interests of the Government may differ from those of Noteholders. There can be no assurance that the Government's policies and decisions regarding the Issuer will not negatively affect Noteholders and/or the value of the Notes. The Issuer has been mandated to support the development of long-term non-recourse infrastructure financing in India, including by providing financial assistance to eligible infrastructure projects, refinancing loans extended by commercial banks, non-banking financial companies and other financial institutions in respect of infrastructure projects and facilitating the development of a deep and liquid bond and derivatives market for infrastructure financing in India. Moreover, although the Issuer has not experienced pressure from the Government to date to conduct transactions on more favorable terms with Indian state-owned or state-controlled entities or to deviate from its credit and lending policies and procedures, there can be no assurance that the Issuer will not be directed or come under pressure to engage in activities with a lower profit margin than it might otherwise undertake, or to provide financing to certain companies or entities on favorable or otherwise non-commercial terms. Any such strategies or actions may not necessarily be the same as those pursued independently. Furthermore, the Issuer's credit rating is

dependent on the rating of the Indian sovereign and any change in the sovereign credit rating is likely to directly affect the Issuer's credit rating and cost of borrowing.

The Notes are not obligations of, and are not guaranteed by, the Republic of India. Although the Government owns 100% of the Issuer's share capital, the Government is not providing any guarantee in respect of the Notes and is under no obligation to ensure that the Issuer fulfils its obligations under the Notes or otherwise remains solvent. Accordingly, investors should not rely on Government ownership of the Issuer as an assurance that the Issuer will be able to perform its obligations under the Notes.

Under Section 5(3) of the NABFID Act, the Central Government shall, at all times, hold at least 26 per cent. of the shares of the Issuer. Accordingly, although the NABFID Act permits the Central Government to divest up to 74 per cent. of its shares in the Issuer, the Central Government's shareholding cannot be reduced below this 26 per cent. minimum. The NABFID Act also provides that the Issuer's share capital may only be subscribed to by the Central Government, multilateral institutions, sovereign wealth funds, pension funds, insurers, financial institutions, banks and any such institution as may be prescribed. While the Issuer believes that it has a good relationship with the Government, there can be no assurance that Government support will continue in the future in the same manner or at all. Any reduction in Government support could adversely affect the Issuer's business, future financial performance and the trading price of the Notes.

A reduction in the Central Government's shareholding in the Issuer could adversely affect the Issuer's regulatory status, credit profile and access to funding.

As on the date of this Offering Circular, the Central Government holds 100.0 per cent. of the paid-up share capital of the Issuer. Under Section 5(3) of the NABFID Act, the Central Government is required at all times to hold at least 26.0 per cent. of the shares of the Issuer. Accordingly, the NABFID Act permits the Central Government to divest up to 74.0 per cent. of its shareholding in the Issuer, which could reduce the Central Government's minimum retained interest to 26.0 per cent. There can be no assurance as to whether, when or in what manner the Central Government may exercise its divestment powers and any such divestment, whether in whole or in part, could have material consequences for the Issuer.

The Issuer's status as a wholly government owned AIFI is central to its credit profile and regulatory standing. The Issuer's credit ratings, which are closely linked to its sovereign ownership and the implicit support of the Central Government, may be adversely affected by any reduction in government ownership, which could in turn increase the Issuer's cost of funds and limit its access to international capital markets. A deterioration in the Issuer's credit ratings could also trigger adverse consequences under its existing borrowing arrangements, including any applicable rating-linked covenants or pricing mechanisms.

Furthermore, the introduction of private shareholders into the Issuer's ownership structure could alter the Issuer's governance framework and corporate decision-making processes and may affect the Issuer's long-term strategic direction and its commitment to its core mandate of financing infrastructure development in India. There can be no assurance that the interests of any new shareholders would be aligned with those of the Noteholders.

Any of the foregoing consequences arising from a reduction in the Central Government's shareholding could materially and adversely affect the Issuer's business, financial condition, results of operations, credit ratings and ability to meet its obligations under the Notes.

The Issuer's business is vulnerable to volatility in interest rates and foreign exchange rates.

Over the last several years, the Government and the RBI have substantially deregulated interest rates in India. As a result, interest rates are now primarily determined by the market, which has increased the interest rate risk exposure of all banks and financial institutions, including the Issuer. The Issuer's results of operations are largely dependent upon the level of its net interest margins. Interest rates are sensitive to factors beyond the

Issuer's control, including the RBI's monetary policies and domestic and international economic and political conditions, among other factors. Interest rate movements could compress the margins earned on the Issuer's interest-earning assets and could adversely affect the Issuer's business, future financial performance and the trading price of the Notes.

The Issuer's loan assets are predominantly denominated in Indian Rupees. The Issuer has commenced foreign currency borrowing and as on June 30, 2026, the Issuer had outstanding external commercial borrowings of U.S.\$125.06 million. The issuance of Notes under this Programme will significantly increase the Issuer's foreign currency liabilities and, correspondingly, its exposure to foreign exchange risk arising from the currency mismatch between its foreign currency borrowings and its predominantly Rupee-denominated asset base.

The Issuer has put in place cross-currency swap arrangements to hedge a portion of its foreign currency borrowing obligations. However, these hedging arrangements may not fully cover the Issuer's foreign currency exposure at all times and there can be no assurance that the Issuer's hedging strategy will be adequate or fully effective as the scale of its foreign currency borrowings increases under this Programme. The Issuer's experience in managing foreign currency liabilities at the scale contemplated by this Programme remains limited and its hedging infrastructure and risk management capabilities in respect of foreign exchange risk are still developing. These measures may not adequately protect the Issuer's business, financial condition and results of operations from the effect of exchange rate fluctuations or may limit any benefit that the Issuer might otherwise receive from favorable movements in exchange rates.

Any material depreciation of the Indian Rupee against the currencies in which the Issuer's foreign currency borrowings are denominated including the currency of the Notes could increase the Issuer's cost of servicing such borrowings and, to the extent that such risk is not fully hedged, could adversely affect the Issuer's business, financial condition, results of operations and cash flows. Whilst the Issuer believes that its overall financial profile, capitalisation levels and pricing policy provide a degree of risk mitigation in respect of its foreign currency exposure, there can be no assurance that these factors will be sufficient to offset the effects of adverse exchange rate movements.

A downgrade of the Issuer's credit ratings could adversely affect the market value of the Notes and the Issuer's access to funding.

There can be no assurance that the Issuer's credit ratings will not be downgraded in the future. A downgrade may occur as a result of a number of factors, including a deterioration in the Issuer's financial condition or asset quality, adverse changes in the operating environment for infrastructure financing in India or a downgrade of the Indian sovereign credit rating to which the Issuer's credit ratings are closely linked. Credit rating agencies may also revise their methodologies, criteria or outlooks in ways that could adversely affect the Issuer's ratings independently of any change in the Issuer's financial position.

A downgrade in the Issuer's credit ratings, or the perception that such a downgrade may occur, could have a number of adverse consequences. For Noteholders, a downgrade may result in a decline in the market value of the Notes and may adversely affect the liquidity of the Notes in the secondary market. For the Issuer, a downgrade could increase its cost of borrowing, restrict its access to the debt capital markets and other sources of funding and adversely affect its interest margins, business, results of operations and financial condition. Any such consequences could, in turn, further adversely affect the Issuer's ability to implement its growth strategy and the trading price of the Notes.

The outbreak, or threatened outbreak, of any severe communicable disease or other serious public health concern could have a material adverse effect on the Issuer's business.

The outbreak, or threatened or continued outbreak, of any severe communicable disease such as Severe Acute Respiratory Syndrome (SARS), Middle East Respiratory Syndrome-Coronavirus, avian influenza, H1N1, COVID-19, or any other similar disease could materially and adversely affect overall business sentiment and

the operating environment, particularly where such an outbreak proves difficult to contain. Such events may result in widespread reductions in consumption, industrial production and business activity and could significantly disrupt the global economy and financial markets.

The COVID-19 pandemic, which began in 2020, demonstrated the significant and wide-ranging impact that a public health crisis can have on financial institutions and the broader global economy and serves as an illustration of the vulnerabilities to which global economic systems remain exposed.

Any future outbreak of a severe communicable disease or other serious public health concern could lead to a reduction in demand for the Issuer's products and services and adversely affect the quality of its loan portfolio and increase the level of non-performing assets. Any resulting deterioration in the quality of the Issuer's assets or any material adverse changes in the Indian economy or to the extent the Issuer has foreign currency exposures, the economies of countries in which such exposures arise, could materially and adversely affect the Issuer's business, financial condition, results of operations, prospects, liquidity and capital position.

Ongoing geopolitical conflicts could adversely affect the Issuer's business, financial condition and results of operations.

The global geopolitical landscape remains highly volatile, with multiple ongoing and escalating conflicts posing risks to the stability of international financial markets, global supply chains and commodity prices. In particular, the ongoing military conflict between Russia and Ukraine, the conflict in Israel and the Palestinian Territories and the escalating tensions between Iran and the United States have contributed to significant market disruptions, including volatility in commodity and energy prices, instability in financial markets, supply chain interruptions, political and social instability and an increase in cyberattacks and espionage. The length, impact and outcome of these conflicts remain highly unpredictable and any further escalation or expansion of hostilities could exacerbate such disruptions.

The military conflict between Russia and Ukraine, which commenced in February 2022, has led to a substantial expansion of sanctions programmes imposed by the United States, the European Union, the United Kingdom, Canada, Switzerland, Japan and other countries against Russia, Belarus and certain regions of Ukraine. These sanctions include, among others, the removal of major Russian financial institutions from the SWIFT financial messaging system, blocking sanctions against Russian and Belarusian individuals, the freezing of Russia's foreign currency reserves, the expansion of sectoral sanctions and export and trade restrictions, limitations on investments and access to capital markets and bans on various Russian imports. In retaliation, the Russian authorities have imposed significant currency control measures and restrictions on transacting with non-Russian parties. The situation continues to evolve, and additional sanctions, export controls or other measures may be imposed against Russia, Belarus or other countries and territories.

The conflict in Israel and the Palestinian Territories has intensified significantly since October 2023, resulting in a major humanitarian crisis and heightened geopolitical tensions across the broader Middle East region. The conflict has contributed to disruptions in global shipping routes, particularly through the Red Sea and the Suez Canal, increased volatility in energy prices and elevated risk premia in global commodity markets. The potential for further escalation, including the involvement of additional state and non-state actors in the region, poses risks to global trade flows, energy security and financial market stability.

Armed conflict in the Middle East involving the United States, Israel and Iran, which commenced in February 2026, has materially heightened risks to global energy supply. Iran's strategic position along key oil transit routes, including the Strait of Hormuz, through which approximately one-fifth of global crude oil and liquefied natural gas shipments pass, has been a focal point of the conflict, with significant disruption to commercial shipping and global energy markets during hostilities.

While a Memorandum of Understanding between the United States and Iran was signed in June 2026 establishing a ceasefire framework and providing for the reopening of the Strait of Hormuz, the ceasefire

remains fragile and the underlying disputes, including over Iranian authority over the Strait, nuclear issues and sanctions, remain unresolved. Non-compliance with, or collapse of, the ceasefire framework may result in significant disruptions to global oil supply, sharp increases in energy prices and broader adverse effects on the global economy and financial markets. The situation remains fluid and rapidly evolving and the risks described herein may materialize or intensify with little or no warning.

The Issuer's business must be conducted in compliance with applicable economic and trade sanctions laws and regulations, including those administered and enforced by the U.S. Department of the Treasury's Office of Foreign Assets Control, the U.S. Department of State, the U.S. Department of Commerce, the United Nations Security Council, the RBI and other relevant governmental authorities. The evolving geopolitical environment has resulted in an increasingly complex and fast-changing international sanctions landscape and the Issuer will be required to comply with any existing and additional measures imposed in connection with these and other geopolitical conflicts.

As on the date of this Offering Circular, the Issuer has minimal direct exposure to the countries and regions most directly affected by the aforementioned conflicts, including Russia, Ukraine, Belarus, Iran and the Middle East region. The Issuer continuously reviews and monitors its contractual relationships with counterparties to establish whether any are the target of applicable sanctions. In the event that the Issuer identifies a counterparty that is the target of applicable sanctions, the Issuer would immediately undertake a legal analysis and proceed as required by the applicable regulatory authorities.

Notwithstanding the Issuer's minimal direct exposure, the indirect effects of these geopolitical conflicts on the global economy and financial markets including through increased commodity price volatility, supply chain disruptions, inflationary pressures, tightening of global financial conditions and reduced investor confidence could adversely affect the Issuer's borrowers, counterparties and the broader Indian economy. Furthermore, even if an entity is not formally subject to sanctions, counterparties and business partners of such an entity may decide to re-evaluate or discontinue their relationships with it for reputational or other reasons. Any further escalation or prolongation of these conflicts, or the emergence of new geopolitical tensions, could materially and adversely affect the Issuer's business, financial condition and results of operations.

The Issuer's risk management policies and procedures may leave the Issuer exposed to unidentified or unanticipated risks, which could negatively affect its business or result in losses.

The Issuer's hedging strategies and other risk management techniques may not be fully effective in mitigating its risk exposure in all market environments or against all types of risk, including risks that are unidentified or unanticipated. The long-term, non-recourse nature of infrastructure project finance, which is the primary focus of the Issuer's business, presents distinctive risk management challenges, including the assessment of risks over extended financing horizons, the evaluation of complex project structures and the monitoring of borrowers across multiple infrastructure sub-sectors over the life of a financing.

Some methods of managing risk are based on observed historical market behavior. As a result, these methods may not predict future risk exposures, which could be significantly greater than historical measures would suggest. Other risk management methods depend on an evaluation of information regarding markets, borrowers and counterparties, or other matters. This information may not in all cases be accurate, complete, up-to-date or properly evaluated. Management of operational, legal or regulatory risk requires, among other things, policies and procedures to record and verify properly a large number of transactions and events. Although the Issuer has established these policies and procedures, there can be no assurance that they will adequately control, or protect the Issuer against, all operational, credit, liquidity, market and other risks.

The Issuer's success depends on its ability to attract and retain key management and qualified personnel.

The Issuer operates in the specialized and niche market of infrastructure development financing, in which the ability to attract and retain quality talent is particularly important to the successful achievement of its growth plans. The Issuer is dependent on its senior management, Board of Directors and other key personnel for the implementation of its strategy. Having commenced operations only in 2021, the Issuer faces the additional challenge of establishing itself as an employer of choice in a competitive market for experienced professionals and identifying candidates with the specific expertise relevant to its mandate may prove difficult given the specialized nature of its activities.

The Issuer's continued success will depend on its ability to retain, motivate and, where necessary, attract qualified and experienced personnel. Whilst the Issuer believes that it is able to offer market-competitive compensation and has effective personnel recruitment, training and incentive programmes in place, there can be no assurance that the Issuer will not face constraints in human resources in the future. If the Issuer loses the services of any of its existing key personnel without timely and suitable replacements or is unable to attract and retain new personnel with the requisite experience, the Issuer's business, financial condition, results of operations and prospects may be materially and adversely affected.

The Issuer is exposed to cybersecurity risks and other information technology risks that could disrupt its operations, result in financial losses or damage its reputation.

The Issuer's operations are increasingly dependent on the integrity, reliability and security of its information technology systems and infrastructure including those used for transaction processing, loan management, financial reporting and communications. As a financial institution operating in an environment of increasingly sophisticated and frequent cybersecurity threats, the Issuer faces a broad range of risks to the security and continuity of its information and technology systems.

Threats to the Issuer's information technology systems may arise from a variety of sources, including external malicious actors (such as criminal organizations, state-sponsored actors and hackers), insider threats, human error and system failures. Such threats include, but are not limited to, ransomware and malware attacks, distributed denial of service attacks, phishing and social engineering attacks, unauthorized access to or theft of confidential data, defacement of the Issuer's website or digital presence and failures of hardware or software systems. Any such event could result in the corruption, destruction, theft or unauthorized disclosure of sensitive data, including proprietary financial information, borrower and counterparty data and personal data of employees and other individuals.

The Issuer also relies on third-party technology vendors, service providers and outsourced functions for certain elements of its operations, including cloud computing services, data processing and network infrastructure. Any cybersecurity incident or operational failure affecting a third-party provider could have a direct adverse effect on the Issuer's systems and operations, notwithstanding that the incident originates outside the Issuer. The Issuer's ability to monitor and control the cybersecurity posture of its third-party providers is inherently limited and the failure of any critical third-party system could disrupt the Issuer's operations.

Notwithstanding the Issuer's investment in cybersecurity frameworks, controls and monitoring capabilities, there can be no assurance that these measures will be fully effective against all present and future cybersecurity threats, many of which are continuously evolving in sophistication and scale. The Issuer's defences may prove insufficient to prevent or contain a significant cybersecurity incident and the Issuer may not be able to detect such an incident in a timely manner. A failure or breach of the Issuer's cybersecurity systems could result in significant disruption to its operations, financial losses (including losses arising from fraud or theft), regulatory investigations and sanctions, notification and remediation costs and reputational damage.

The regulatory framework governing cybersecurity and data protection obligations applicable to financial institutions in India continues to evolve. The RBI has issued directions and guidelines governing cybersecurity risk management for AIFIs and other regulated entities, which impose requirements in relation to cybersecurity governance, incident reporting, business continuity planning and technology risk management. Any failure by the Issuer to comply with these or future requirements, whether as a result of a cybersecurity incident or otherwise, could result in regulatory action, financial penalties or increased regulatory scrutiny.

Any significant cybersecurity incident or information technology failure could materially and adversely affect the Issuer's business, financial condition, results of operations, reputation and ability to meet its obligations under the Notes.

The Issuer's financial statements are prepared in accordance with Indian GAAP, which differs in significant respects from U.S. GAAP.

The Issuer maintains its books of account and prepares its financial statements in accordance with Indian GAAP, as applicable to AIFIs, which differs in certain significant respects from U.S. GAAP. For a discussion of certain principal differences between Indian GAAP and U.S. GAAP as they relate to the Issuer, see "*Summary of Significant Differences between Indian GAAP and U.S. GAAP*". The Issuer has not prepared any quantitative reconciliation of its financial statements to U.S. GAAP and has not otherwise identified or quantified the impact of the differences between Indian GAAP or U.S. GAAP on its reported financial position, results of operations or cash flows. Accordingly, there can be no assurance that the Issuer's financial condition, results of operations and cash flows, if presented in accordance with U.S. GAAP, would not be materially different from those presented in accordance with Indian GAAP. In particular, differences between Indian GAAP and U.S. GAAP may exist in relation to, among other things, the recognition and measurement of financial instruments, the classification and measurement of investments, the recognition of revenue, the accounting for employee benefits, the treatment of leases, the consolidation of entities and the presentation and disclosure of financial statements. Potential investors should consult their own professional advisers for an understanding of the differences between Indian GAAP and U.S. GAAP and how such differences might affect the financial information contained in this Offering Circular.

The Issuer's quarterly financial statements comprise unaudited financial information, which has been subjected to limited review by the Issuer's Statutory Auditor.

This Offering Circular includes reviewed condensed interim unaudited financial statements, along with the limited review report dated July 29, 2026, thereto, for the three months ended June 30, 2026. As the financial results prepared by the Issuer have been subject only to a limited review, and as laid down in Accounting Standard 25 "Interim Financial Reporting" issued by Institute of Chartered Accountants of India ("ICAI"), any reliance by prospective investors on such financial results, should, accordingly, be limited.

A review is limited primarily to inquiries of the Issuer's personnel and analytical procedures applied to financial data and thus provides lesser assurance than an audit. The review provides that an audit has not been performed, and accordingly, an express audit opinion has not been prescribed.

Any financial results published by the Issuer in the future may not be consistent with its past performance. Accordingly, prospective investors should rely on their own independent examination of the Issuer's financial position and results of operations, and should not place undue reliance on, or base their investment decision solely on, the financial results or any other unaudited financial information included in this Offering Circular. Prospective investors should read such information in conjunction with the Issuer's audited financial statements included elsewhere in this Offering Circular.

The special purpose audited financial statements of the Issuer for the financial year ended March 31, 2024 are not the Issuer's statutory financial statements, were prepared solely for inclusion in this Offering Circular and were audited by an auditor other than the Issuer's erstwhile statutory auditor.

This Offering Circular includes special purpose audited financial statements of the Issuer as on and for the financial year ended March 31, 2024, together with the independent auditor's report of C N K & Associates LLP ("CNK") dated September 16, 2026 thereon. These special purpose financial statements were prepared by the Issuer's management solely for the purpose of including the Issuer's financial information for the financial year ended March 31, 2024 in this Offering Circular, given that the erstwhile statutory auditor for the financial year ending March 31, 2024 was not CNK, and are not the Issuer's statutory financial statements for the financial year ended March 31, 2024. Accordingly, other regulatory disclosures (including ratios) required under the NABFID Act and circulars and notifications issued by the RBI which are applicable to the Issuer's statutory financial statements have not been made in these special purpose financial statements.

The Issuer's statutory financial statements for the financial year ended March 31, 2024 were previously audited by J Singh & Associates, Chartered Accountants, who issued an unmodified opinion dated April 16, 2024. Save for certain reclassifications between line items made to improve comparability with the Issuer's audited financial statements for the financial years ended March 31, 2025 and 2026, the special purpose audited financial statements for the financial year ended March 31, 2024 are substantively consistent with those previously audited statutory financial statements for the financial year ended March 31, 2024 and the reclassifications did not change the Issuer's total assets, total liabilities or net profit for the financial year ended March 31, 2024 in any material respect. CNK's report on the special purpose financial statements does not, however, constitute a reissuance, modification or replacement of J Singh & Associates' statutory audit report. It must be noted for the sake of clarity that the corresponding comparative figures for the financial year ended March 31, 2023 presented in the special purpose financial statements have not been audited or reviewed by CNK.

CNK's report on the special purpose financial statements is addressed solely to the Issuer's Board of Directors for the purpose of inclusion of the Issuer's financial information in this Offering Circular and should not be relied upon for any other purpose or by any person other than the addressees of that report. Prospective investors should not place undue reliance on the special purpose financial statements as a substitute for the Issuer's statutory financial statements for the financial year ended March 31, 2024 and should read the special purpose financial statements together with the accompanying notes and the related auditor's report in their entirety.

Risks relating to India

The volatility of the Rupee may adversely affect the Issuer's business.

The Rupee has historically experienced volatility against the U.S. dollar and other major currencies. Continued depreciation or volatility in the Rupee's value may adversely affect the Issuer's business, prospects, financial condition, results of operations and cash flows, including by increasing the cost of foreign currency-denominated liabilities, affecting the financial condition of borrowers with foreign currency exposures, affecting asset quality and market sentiment, and reducing the value of INR-denominated returns when translated into U.S. dollars or other foreign currencies.

Based on the RBI's Monetary Policy Report – April 2026, the foreign exchange market remained volatile during 2025-26 (October – March), driven by shifting US policies, tariff-related uncertainty and sharp escalation in geopolitical tensions. The US dollar index witnessed a sustained decline till January, slipping to a multi-year low, weighed down by growing US growth and fiscal sustainability concerns, and uncertainty about the duration of the US Federal Reserve's rate-cutting cycle. With the onset of Middle East conflict at end-February, the US dollar rose sharply, reflecting the rise in safe haven demand. Emerging market (EM) currencies broadly strengthened on weakening US dollar and improved global risk appetite until January 2026, but fell thereafter amidst rising global risk-off sentiments. The Indian rupee (INR) exhibited two-way movements with a depreciating bias on the back of persistent FPI outflows, elevated corporate dollar demand and rise in global risk-off sentiments in 2025-26 (October – March). Overall, the INR depreciated by 6.2 per cent. against the US dollar in 2025-26 (October – March).

Based on the RBI's Financial Stability Report dated June 2026, the Rupee remained under sustained depreciation pressure in the months preceding that report, driven by elevated trade uncertainty, weakening capital inflows and deteriorating investor sentiment. While this pressure predated the Middle East conflict, the outbreak of the conflict amplified both depreciation pressure and volatility, with importer hedging demand sharply outweighing exporter supply. As on June 19, 2026, India's foreign exchange reserves stood at U.S.\$672.6 billion, covering more than 10 months of merchandise imports and approximately 90.6 per cent of outstanding external debt. To curb excessive volatility arising from onshore-offshore basis trades, the RBI introduced measures aimed at curbing excessive volatility arising from onshore-offshore basis trades. While measures taken by the RBI and the Government of India, together with a moderation in crude oil prices, have since eased pressure on the Rupee, renewed volatility could arise if energy prices increase due to geopolitical tensions, disruptions to global supply chains or constraints on global energy supply.

Going ahead, volatility in global financial markets, slower global trade and demand, and any strengthening of the U.S. dollar may exert further downward pressure on the Rupee. This may be exacerbated by risk aversion towards emerging market assets and higher international crude oil prices due to sanctions and geopolitical tensions. Any such depreciation or volatility in, the Rupee could increase the Issuer's funding costs and may adversely affect the Issuer's business, prospects, financial condition, results of operations and cash flows.

Domestic inflation may cause a rise in lending rates, which could have an adverse impact on the Issuer.

Domestic inflation in India may rise from time to time due to factors beyond the Issuer's control, including food and fuel prices, wage costs, imported inflation, exchange rate movements, geopolitical events and global trade frictions.

Based on the RBI's Monetary Policy Report – April 2026, headline inflation in India increased from historical low levels seen in October 2025 but remained below the target thereafter. Contribution of imported inflation, however, has been rising and imported input cost pressures have accentuated in March 2026. The impact of conflict-driven spikes in global energy prices is also likely through multiple channels. The surge in global crude oil prices since the West Asia conflict, exacerbated by significant supply disruptions, have tilted risks to inflation on the upside and growth on the downside.

Based on the RBI's Monetary Policy Statement dated June 5, 2026, headline CPI inflation rose to 3.4 per cent. in March 2026 and 3.5 per cent. in April 2026, primarily reflecting higher food inflation, while core inflation (excluding food and fuel) remained steady at 3.7 per cent. (or approximately 2.1 to 2.2 per cent. excluding precious metals). Since May 2026, retail fuel prices have risen cumulatively by 7.4 per cent. for petrol and 8.4 per cent. for diesel. This increase is estimated to have a direct impact of approximately 36 basis points on headline inflation, with further second-round effects expected in subsequent months. The Monetary Policy Committee has projected CPI inflation of 5.1 per cent. for the financial year 2026-27, with quarterly projections of 4.2 per cent., 5.1 per cent., 5.9 per cent. and 5.4 per cent. for the first through fourth quarters, respectively, reflecting upside risks from global supply chain disruptions and uncertainty surrounding the south-west monsoon.

Any sustained increase in inflation, or in inflation expectations, may result in higher interest rates, increased funding costs and reduced credit demand, and may adversely affect the Issuer's business, prospects, financial condition, results of operations and cash flows.

Any downgrading of India's credit rating by an international rating agency could have a negative impact on the Issuer's business and the trading price of Notes.

India's sovereign credit ratings are currently investment grade. S&P upgraded India's long-term sovereign credit rating to 'BBB' with a stable outlook in August 2025, while Fitch maintained India at "BBB-" with a stable outlook in August 2025 and Moody's maintained India at "Baa3" with a stable outlook in September 2025.

These ratings reflect India's current investment-grade status. There can be no assurance that these ratings will not be further revised or changed by S&P, Fitch or Moody's or that any of the other global rating agencies will not downgrade India's credit rating. As the Issuer's foreign currency ratings are pegged to India's sovereign ceiling, any adverse revision to India's credit rating for international debt will have a corresponding effect on the Issuer's ratings. Therefore, any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact the Issuer's ability to raise additional financing and the interest rates and other commercial terms at which such financing is available. Any of these developments may materially and adversely affect the Issuer's business, financial condition and results of operations.

The conditions of global market economies may affect the Indian economy, which could have an adverse impact on the Issuer.

The Issuer's business and the Indian financial markets are influenced by regional and global economic, political and market conditions. Developments in other countries, including financial instability, market volatility, trade disputes, geopolitical tensions, changes in monetary policy, sanctions, energy price shocks and other external events, may adversely affect investor sentiment, exchange rates, interest rates, liquidity and capital flows in India.

Trade disputes, including tariff increases or other protectionist measures imposed by major economies, may disrupt global trade flows and supply chains and could adversely affect Indian exporters, market sentiment and the Issuer's business. The global economy is continuing with the heightened uncertainties emanating from fragile geopolitics and supply chain pressures.

In particular, adverse developments in major global economies or financial markets including slower global growth, trade disputes, protectionist measures, geopolitical tensions, commodity price volatility, inflationary pressures, financial stress and changes in monetary policy, could negatively affect investor sentiment, capital flows, exchange rates and interest rates in India could increase volatility in Indian markets and may adversely affect the Issuer's cost of funding, access to capital markets, loan portfolio, credit quality, business, results of operations and financial condition. Any significant disruption in global financial markets may also adversely affect the trading price of the Notes.

The risks to the global economic landscape and factors such as the commodity price spikes amid regional conflicts, persistent inflation and financial stress, prolonged recovery for global market economies, and disruptive fiscal adjustment and debt distress continue to pose downside risks. These factors could impact India's macroeconomic parameters. Any worldwide instability could also negatively impact the Indian economy, including the movement of exchange rates and interest rates in India, which in turn could adversely affect the business and financial performance of the Issuer.

As a result of the COVID-19 pandemic, debt markets and other capital market segments were experiencing heightened uncertainty. Any other global economic developments or the perception that any of them could occur may adversely affect global economic conditions and the stability of global financial markets and may significantly reduce global market liquidity as well as restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could adversely affect the business, financial condition and results of operations of the Issuer.

All of the Issuer's operations and assets are based in India. A slowdown in economic growth in India could cause the Issuer's business to suffer.

India's economy has experienced periods of growth and volatility, supported by domestic demand, infrastructure spending and improving industrial activity. However, weaker investment activity, or adverse macroeconomic conditions could negatively affect project execution, borrower cash flows and repayment capacity, which could adversely affect the Issuer's business, financial condition and results of operations.

A slowdown in the Indian economy, lower industrial activity and infrastructure investment, adverse movements in export demand or volatility in global commodity prices could adversely affect project implementation, cash flows and repayment capacity of Issuer's borrowers and counterparties.

India's economic growth may be affected by a range of domestic and global factors. Household consumption may be impacted by changes in real wage growth, inflation, employment levels, consumer indebtedness and consumer sentiment, while private investment may be affected by prevailing economic conditions, financing costs and business confidence. Although India's relatively large domestic market and comparatively lower dependence on external trade may provide some resilience to adverse external developments, including increases in tariffs, trade restrictions and other protectionist measures imposed by major economies, India may nevertheless be adversely affected by global economic uncertainty, changes in international trade policies, geopolitical tensions and disruptions in global supply chains. Any such developments could adversely affect economic growth, infrastructure investment and the financial condition of the Issuer's borrowers and counterparties and, consequently, adversely affect the Issuer's business, financial condition, results of operations and prospects. A slowdown in economic growth may also result in reduced public and private sector investment in infrastructure projects, lower demand for infrastructure financing and delays in project implementation, which could adversely affect the Issuer's growth prospects and financial performance.

Any such developments could result in increased delinquencies, higher credit costs, lower demand for financing, reduced profitability and adverse effects on Issuer's business, financial condition and results of operations, and could also adversely affect the trading price of the Notes.

Any significant increase in the prices of crude oil and other commodities could adversely affect the Indian economy, which could adversely affect the Issuer's business.

India is a net importer of crude oil and other key commodities. Accordingly, any significant increase in commodity prices could raise input costs, inflation and fiscal pressure, and may adversely affect economic growth, market interest rates and consumer spending in India.

Any increase or volatility in oil prices and the pass-through of such increases to Indian consumers could have a material adverse impact on the Indian economy and on the Indian banking and financial system in particular, including through a rise in inflation and market interest rates and this would create negative consequences for the Issuer's business. Any such developments could adversely affect project execution, borrower cash flows and repayment capacity, and could increase credit risk, reduce demand for financing and adversely affect the Issuer's business, financial condition and results of operations. As one of the world's largest crude oil importers, India remains structurally sensitive to oil price fluctuations.

A rise in crude oil prices is inversely correlated with the equity market. When crude prices increase, stock prices fall, resulting in a decrease in the overall investment portfolio. Changes in global prices of crude and mineral oils as well as trends in domestic consumption of such items impact various aspects of Indian macroeconomic fundamentals, with India being a price taker in the crude oil market.

A significant change in the Government's economic liberalization and deregulation policies could disrupt the Issuer's business.

Due to the liberalization policies of the Government in 1991, the Indian economy has progressed steadily over the years and has made a mark in the global economy. The Government has worked with various sectors of the economy to make them more competitive and productive. The current Government has continued India's economic liberalization and deregulation programs. However, there can be no assurance that these liberalization policies will continue in the future.

India's economic growth has historically been supported by government policies promoting liberalization, deregulation and reforms across sectors. However, there can be no assurance that such policies will continue in the future, or that any further reforms will be implemented at the pace or in the form currently anticipated.

In recent years, the Government has generally pursued a course of economic liberalization and deregulation aimed at accelerating the pace of economic growth and development. This has included liberalizing rules and limits for foreign direct investment in a number of important sectors of the Indian economy, including infrastructure, railways, services, pharmaceuticals and insurance. In addition, the Government has pursued a series of reforms to improve the ease of doing business, reduce regulatory compliance and strengthen India's export ecosystem, including the introduction of the new income tax legislation, decriminalisation of various offenses under the Jan Vishwas (Amendment of Provisions) Act, 2026, increased infrastructure spending and the ever-evolving insolvency law.

Any significant change in the Government's economic liberalization and deregulation policies could adversely affect business and economic conditions in India and could also adversely affect the Issuer's business, its future financial performance and the trading price of Notes.

Downturn in the international commodity price cycle could reverse, which may affect the Indian economy and which in turn could have an adverse impact on the Issuer.

Global commodity prices remain subject to significant volatility as a result of geopolitical tensions, trade restrictions, supply disruptions and changes in global demand. Movements in crude oil, food, fertiliser and other key commodity prices can affect inflation, transportation costs, input costs and overall economic activity in India.

A sustained increase in commodity prices could lead to higher inflation, weaken consumer and business sentiment, increase project costs and put pressure on public and private sector investment. In particular, higher energy and input costs may adversely affect infrastructure development, project execution and the financial condition of borrowers and counterparties in sectors financed by the Issuer.

Any adverse movement in commodity prices, or a prolonged period of volatility, could negatively affect the Indian economy and may, in turn, adversely affect Issuer's business, financial condition, results of operations and the trading price of the Notes.

A significant decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy which could have an adverse impact on the Issuer.

A significant decline in India's foreign exchange reserves could weaken market confidence, increase external vulnerability and put pressure on the Indian rupee, liquidity conditions and interest rates. This may adversely affect the Indian economy and, in turn, Issuer's business, financial condition, results of operations and the trading price of the Notes.

The Issuer is exposed to the risks of the Indian financial system, which in turn may be affected by financial difficulties and other problems faced by certain Indian financial institutions. As an emerging market economy, the Indian financial system faces risks not typically faced in developed countries, including the risk of deposit runs, notwithstanding the existence of a national deposit insurance scheme. Certain Indian financial institutions have experienced difficulties during recent years. Some cooperative banks have also faced serious financial and liquidity crises. The problems faced by individual Indian financial institutions, and any instability in or difficulties faced by the Indian financial system generally, could create an adverse market perception about Indian financial institutions and banks. This in turn could adversely affect the Issuer's business, future financial performance and the price of the Notes.

Investors may have difficulty enforcing foreign judgments in India against the Issuer or its management.

The Issuer was established and incorporated as a statutory corporation under the NABFID Act and is wholly owned by the Government of India. Substantially all of the Issuer's Directors and executive officers are residents of India and a substantial portion of the assets of the Issuer and such persons are located in India. As a result, it may not be possible for investors to effect service of process on the Issuer or such persons in jurisdictions outside of India, or to enforce against them, judgments obtained in courts outside of India predicated upon civil liabilities of the Issuer or such directors and executive officers under laws other than Indian law.

In addition, India is not a party to any multilateral international treaty in relation to the recognition or enforcement of foreign judgments. The manner of recognition and enforcement of foreign judgments in India is dependent on whether the country in which the foreign judgment has been pronounced is a reciprocating territory or not. Recognition and enforcement of foreign judgments is provided for under section 13 and section 44A of the Indian Code of Civil Procedure, 1908, as amended from time to time (the "**Civil Code**"). Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court within the meaning of that section in any country or territory outside India that the Government of India has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, section 44A of the Civil Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty and is not applicable to arbitration awards, even if such awards are enforceable as a decree or judgment and except for any reciprocal arrangement that India has with foreign countries as notified from time to time under section 44(b) of the Arbitration and Conciliation Act, 1996, as amended from time to time. Furthermore, the execution of a foreign decree under Section 44A of the Civil Code is also subject to the exceptions under Section 13 of the Civil Code, as discussed below.

If a judgment of a foreign court is not enforceable under Section 44A of the Civil Code as described above, it may be enforced in India only by a suit filed upon the judgment, subject to Section 13 of the Civil Code, and not by proceedings in execution. The United Kingdom, UAE, Singapore and Hong Kong have been declared by the Government to be a reciprocating territory for the purposes of section 44A of the Civil Code, but the United States has not been so declared as yet. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. A judgment of a court in a jurisdiction that is not a reciprocating territory may be enforced only by a new suit upon the judgment and not by proceedings in execution. Such a suit has to be filed in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. Section 13 of the Code provides that a foreign judgment shall be conclusive as to any matter thereby directly adjudicated upon between the same parties or between the parties under whom they or any of them claim litigating under the same title, except: (i) where it has not been pronounced by a court of competent jurisdiction; (ii) where it has not been given on the merits of the case; (iii) where it appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognise the law of India in cases where such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where it has been obtained by fraud; or (vi) where it sustains a claim founded on a breach of any law in force in India.

Under section 14 of the Civil Code, a court in India shall presume, upon production of any document purporting to be a certified copy of a foreign judgment, that such judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on the record; but such presumption may be displaced by proving want of jurisdiction.

The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India.

Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if it viewed the amount of damages awarded as excessive or inconsistent with Indian public policy, and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the Foreign Exchange Management Act, 1999 (“**FEMA**”), to repatriate outside India any amount recovered pursuant to execution. Any judgment in a foreign currency would be converted into Indian Rupees at the rate of exchange prevalent on the date of the judgment and not as on the date of the payment. The Issuer would not be entitled to immunity based on sovereignty from any legal proceedings in India. The Issuer cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

Payments under the Notes may be subject to RBI guidelines regarding remittances of funds outside India.

Remittance of funds outside India by the Issuer pursuant to indemnity clauses under the Terms and Conditions of the Notes, the Trust Deed or any other agreements in relation to the Notes requires prior RBI approval under the applicable RBI regulations. Any payments by the Issuer with respect to the Notes from India shall be subject to RBI regulations governing the remittance of funds outside India. The Issuer does not have overseas branches and accordingly any such payments will be required to be made from India, subject to applicable RBI regulations. Any approval, if and when required, for the remittance of funds outside India is at the discretion of the RBI and the Issuer can give no assurance that it will be able to obtain such approvals in a timely manner.

Terrorist attacks, civil disturbances and regional conflicts in South Asia and elsewhere may have a material adverse effect on the Issuer’s business and on the market for securities in India.

India has, from time to time, experienced instances of social, religious and civil unrest and hostilities between neighbouring countries. India has also experienced terrorist attacks in some parts of the country. These hostilities, attacks and tensions could lead to political or economic instability in India and a possible adverse effect on the Issuer’s business, its future financial performance and the trading price of the Notes.

South Asia continues to face geopolitical, political, economic and security challenges, including regional tensions, changes in government, civil unrest, terrorism, insurgencies, armed conflicts and the impact of global economic uncertainties, any of which may adversely affect the stability of the region. Even during periods of relative stability, the region has experienced periodic political, social, ethnic and religious tensions, which have, at times, resulted in protests, civil unrest, violence or disruptions. Long-running insurgencies, conflicts and security concerns have also affected certain parts of the region.

Certain countries in the region continue to face political, economic or security challenges, while regional tensions and cross-border disputes may contribute to uncertainty and instability. In addition, competition for regional influence among countries and the involvement of external powers may further exacerbate geopolitical risks.

India has generally maintained political and institutional stability. However, India continues to face certain internal and external security challenges, including insurgencies, terrorism, civil unrest and border-related tensions. Although the frequency of such incidents may vary over time, any escalation in geopolitical tensions, terrorist incidents, armed conflicts, civil unrest or other security-related events in India or the surrounding region could adversely affect investor confidence, economic activity, financial markets and our business, financial condition, results of operations and cash flows.

Further, India has also experienced social unrest in some parts of the country. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy and could have a material adverse effect on the market for securities of Indian companies, including the Notes.

Issuer's ability to raise foreign currency borrowings may be constrained by Indian law.

The Issuer is subject to regulatory approvals and exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit Issuer's financing sources and hence could constrain Issuer's ability to obtain financing in a timely manner and on competitive terms and may adversely impact Issuer's ability to refinance existing indebtedness. Limitations on raising foreign debt may have an adverse effect on Issuer's business, financial condition and results of operations.

Indian laws contain restrictions on the acquisition and transfer of Indian securities by persons resident outside India. The conversion of the Rupee proceeds from such sale into foreign currency and the repatriation of such foreign currency from India could require the RBI's approval. Approvals required from the RBI or any other government authority may not be obtained on terms favorable to a non-Indian resident investor or at all.

Indian laws contain restrictions on the acquisition and transfer of Indian securities by persons resident outside India. For further details, see "*Subscription and Sale and Transfer and Selling Restrictions*". The information therein has been provided for the benefit of investors. However, the information below does not purport to be a complete analysis of the restrictions under Indian laws for the acquisition and/or transfer of securities in an Indian company by a person resident outside India. Each of the Issuer, the Dealers, the Arrangers, the Trustee and the Agents and each of their respective officers, employees, advisers, directors, representatives, agents and affiliates and each person who controls any of them accepts no responsibility or liability for advising any investor on whether such investor is eligible to acquire any Notes issued under the Programme.

Notes denominated in foreign currency or any other currency as may be applicable are subject to selling restrictions and may be transferred only to a limited pool of investors.

Notes denominated in foreign currency or any other currency as may be applicable can only be issued to, and held by, an investor who meets the Eligibility Requirements under the ECB Guidelines, being: (i) a person resident outside India; or (ii) a branch outside India of an entity whose lending business is regulated by RBI; or (iii) a financial institution (as defined under the Foreign Exchange Management (International Financial Services Centre) Regulations, 2015, as amended) or a branch of a financial institution set up in IFSC.

Approval of the RBI or the AD Bank, as the case may be, in accordance with the ECB Guidelines is required for redemption of Notes prior to their stated maturity, including upon an Event of Default.

Under the ECB Guidelines, any redemption of Notes prior to its stated maturity (including upon the acceleration of Notes pursuant to an Event of Default) would require the prior approval of the RBI or a designated authorised dealer bank ("**AD Bank**"), as the case may be. Therefore, any repayment of Notes prior to maturity as a result of early redemption pursuant to the Terms and Conditions of the Notes (including but not limited to a redemption for tax reasons pursuant to Condition 8.2 (*Redemption for tax reasons (Issuer Tax Call)*) or Condition 8.3 (*Redemption at the option of the Issuer (Issuer Call)*) or upon an Event of Default pursuant to Condition 11 (*Events of Default and Enforcement*)) would require the prior approval of the RBI or an AD Bank, as the case may be, under the ECB Guidelines. Compliance with all conditions specified in any such RBI or AD Bank approval will be required. There can be no assurance that such approval would be obtained in a timely manner or at all. In the absence of such an approval, the Issuer may not be able to redeem all or any of the Notes prior to maturity. Further, any conditions specified in any such RBI or AD Bank approval will be required to be complied with fully. Further, any modification or waiver of the Terms and Conditions of the Notes which has the effect of modifying or waiving terms which are not permitted under the automatic route for issue of Notes

under the ECB Guidelines will require prior approval from the RBI or the AD Bank in accordance with the ECB Guidelines, and such approval may not be forthcoming.

The Government of India and the RBI have statutory powers under FEMA that could affect the Issuer's ability to perform its obligations under the Notes.

Under Sections 40 and 41 of FEMA, the Central Government has broad powers to suspend or relax any or all provisions of FEMA for such period and subject to such conditions as it may specify, and to issue directions to the RBI as to policy matters relating to foreign exchange transactions. Separately, the RBI has powers under Section 46 of FEMA to issue directions to authorised persons, and under Section 47 to take measures in emergency situations, including during a foreign exchange crisis or a national emergency. Such emergency measures may include, without limitation, suspension or restriction of the sale of foreign exchange, subjecting foreign exchange transactions to licensing requirements, or requiring the surrender of foreign exchange to the RBI or to authorised dealers. There can be no assurance that the Central Government or the RBI will not exercise such powers in a manner that restricts or prohibits foreign exchange transactions, including the Issuer's ability to purchase foreign exchange, make payments in foreign currency or remit funds outside India. The exercise of any such powers could delay or prevent the Issuer from performing its payment and other obligations under the Notes, and could materially and adversely affect the rights of Noteholders and the value of the Notes.

Any set-off between a person resident in India and a person resident outside India requires the prior approval of the RBI.

Under the FEMA Regulations, any set-off of claims between a person resident in India and a person resident outside India requires the prior approval of the RBI. While the Terms and Conditions of the Notes provide that payments of principal and interest by the Issuer will be made without set-off or counterclaim, any purported set-off involving the Issuer (being a person resident in India) and a Noteholder (being a person resident outside India) would be subject to this regulatory requirement. If any such set-off were to be proposed or attempted without obtaining the requisite RBI approval, it may be ineffective or unenforceable under Indian law. There can be no assurance that any required RBI approval for a set-off would be granted in a timely manner or at all.

Risks relating to the structure of a particular issue of Notes

Various types of Notes may be issued under the Programme. A number of these Notes may have features that contain particular risks for potential investors. Set out below is a description of the most common of such features.

If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This may similarly be true prior to any redemption period.

To the extent that Notes have an optional redemption feature, the Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on such Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed, and may only be able to do so at a significantly lower rate (or through taking on a greater credit risk). Potential investors should consider reinvestment risk in light of other investments available at that time.

If the Issuer has the right to convert the interest rate on any Notes from a fixed rate to a floating rate, or *vice versa*, this may affect the secondary market and the market value of the Notes concerned.

Fixed/Floating Rate Notes are notes which may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this may affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favorable than the then prevailing spreads on comparable floating rate notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than the then prevailing market rates.

Dual Currency Notes and Notes by reference to a Relevant Factor.

The Issuer may issue Notes with principal or interest determined by reference to a formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a “**Relevant Factor**”), subject to the relevant regulatory approvals being obtained. In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies that may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- the market price of such Notes may be volatile;
- they may receive no interest;
- payment/repayment of principal or interest may occur at a different time or in a different currency than expected;
- they may lose all or a substantial portion of their principal;
- a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- if a Relevant Factor is applied to the Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable will likely be magnified; and
- the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of a Relevant Factor should not be viewed as an indication of the future performance of such Relevant Factor during the term of any Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Notes linked to a Relevant Factor and the suitability of such Notes in light of its particular circumstances.

Partly Paid Notes.

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of its investment.

Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates.

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

The value of Fixed Rate Notes may be adversely affected by movements in market interest rates.

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

The regulation and reform of “benchmarks” may adversely affect the value of Notes linked to or referencing such “benchmarks”.

The Programme allows for the issuance of Notes that reference certain interest rates or other types of rates or indices which are deemed to be “benchmarks”, including EURIBOR, SOFR Benchmark, SONIA Benchmark, HIBOR, CNH HIBOR, in particular with respect to certain Floating Rate Notes where the Reference Rate (as defined in the Terms and Conditions of the Notes) may be EURIBOR, SOFR Benchmark, SONIA Benchmark, HIBOR, CNH HIBOR or another such benchmark. The Pricing Supplement for the Notes will specify whether EURIBOR, SOFR Benchmark, SONIA Benchmark, HIBOR, CNH HIBOR or another such benchmark is applicable.

Interest rates and indices which are deemed to be “benchmarks” are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such benchmarks to perform differently from in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a “benchmark”. Regulation (EU) 2016/1011 (the “**Benchmarks Regulation**”) applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. The Benchmarks Regulation does, among other things, (i) require benchmark administrators to be authorized or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognized or endorsed) and (ii) prevent certain uses by EU supervised entities of “benchmarks” of administrators that are not authorized or registered (or, if non-EU based, not deemed equivalent or recognized or endorsed).

The Benchmarks Regulation could have a material impact on any Notes linked to or referencing a “benchmark”, in particular, if the methodology or other terms of the “benchmark” are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the “benchmark”.

More broadly, any of the international, national or other proposals for reforms, or the general increased regulatory scrutiny of “benchmarks”, could increase the costs and risks of administering or otherwise participating in the setting of a “benchmark” and complying with any such regulations or requirements.

Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain “benchmarks”, trigger changes in the rules or methodologies used in certain “benchmarks” or lead to the discontinuance or unavailability of quotes of certain “benchmarks”.

As an example of such benchmark reforms, following an announcement by the FCA on March 5, 2021 (the “**FCA LIBOR Announcement**”), immediately after 31 December 2021 all sterling, euro, Swiss franc and Japanese yen settings, and the 1-week and 2-month U.S. dollar settings, either ceased to be provided by any administrator or became unrepresentative of the relevant underlying market. The FCA LIBOR Announcement also provided that the remaining U.S. dollar settings would similarly either cease to be provided or would become unrepresentative immediately after June 30, 2023.

The elimination of any benchmark, or changes in the manner of administration of any benchmark, could require an adjustment to the terms and conditions, or result in other consequences, in respect of any Notes linked to such benchmark. Such factors may have the following effects on certain benchmarks:

- (i) discouraging market participants from continuing to administer or contribute to the benchmark;

- (ii) trigger changes in the rules or methodologies used in the benchmark; or
- (iii) lead to the disappearance of the benchmark.

Any of the above changes or any other consequential changes as a result of international reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a benchmark.

The Terms and Conditions of the Notes provide for certain fallback arrangements in the event that a Benchmark Event (as defined in the Terms and Conditions of the Notes) occurs, including if an Original Reference Rate (as defined in the Terms and Conditions of the Notes) ceases to be published for a period of at least five business days or ceases to exist, or if it has become unlawful for any Paying Agent, the Calculation Agent, the Issuer or the Fiscal Agent, the Calculation Bank, the Issuer or any other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate. Benchmark Events include (amongst other events) permanent discontinuation of an Original Reference Rate. If a Benchmark Event occurs, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser. The Independent Adviser shall endeavour to determine a Successor Rate or Alternative Rate to be used in place of the Original Reference Rate. The use of any such Successor Rate or Alternative Rate to determine the Rate of Interest is likely to result in Notes initially linked to or referencing the Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would do if the Original Reference Rate were to continue to apply in its current form.

Furthermore, if a Successor Rate or Alternative Rate for the Original Reference Rate is determined by the Independent Adviser, the Terms and Conditions of the Notes provide that the Issuer may vary the Terms and Conditions of the Notes, the Trust Deed and/or the Agency Agreement, as necessary to ensure the proper operation of such Successor Rate or Alternative Rate, without any requirement for consent or approval of the Noteholders.

If a Successor Rate or Alternative Rate is determined by the Independent Adviser, the Terms and Conditions of the Notes also provide that an Adjustment Spread will be determined by the Independent Adviser and applied to such Successor Rate or Alternative Rate.

The Adjustment Spread is (x) the spread, formula or methodology which is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body (which may include a relevant central bank, supervisory authority or group of central banks/supervisory authorities), (y) if no such recommendation has been made, or in the case of an Alternative Rate, the spread, formula or methodology which the Independent Adviser determines, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate or (z) if the Independent Adviser determines that no such spread is customarily applied, the spread, formula or methodology which the Independent Adviser determines and which is recognized or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate, as the case may be.

Accordingly, the application of an Adjustment Spread may result in the Notes performing differently (which may include payment of a lower Rate of Interest) than they would do if the Original Reference Rate were to continue to apply in its current form.

The Issuer may be unable to appoint an Independent Adviser, or the Independent Adviser may not be able to determine a Successor Rate or Alternative Rate in accordance with the Terms and Conditions of the Notes.

Where the Issuer is unable to appoint an Independent Adviser in a timely manner, or the Independent Adviser is unable, to determine a Successor Rate or Alternative Rate before the next Interest Determination Date, the

Rate of Interest for the next succeeding Interest Period will be the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, or, where the Benchmark Event occurs before the first Interest Determination Date, the Rate of Interest will be the initial Rate of Interest.

Applying the initial Rate of Interest, or the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event is likely to result in Notes linked to or referencing the relevant benchmark performing differently (which may include payment of a lower Rate of Interest) than they would do if the relevant benchmark were to continue to apply, or if a Successor Rate or Alternative Rate could be determined.

If the Issuer is unable to appoint an Independent Adviser or, the Independent Adviser fails to determine a Successor Rate or Alternative Rate for the life of the relevant Notes, the initial Rate of Interest, or the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, will continue to apply to maturity. This will result in the floating rate Notes, in effect, becoming Fixed Rate Notes.

Where ISDA Determination is specified as the manner in which the Rate of Interest in respect of Floating Rate Notes is to be determined, the Terms and Conditions of the Notes provide that the Rate of Interest in respect of the Notes shall be determined by reference to the relevant Floating Rate Option in (i) if “2006 ISDA Definitions” is specified in the applicable Pricing Supplement, the 2006 ISDA Definitions and (ii) if “2021 ISDA Definitions” is specified in the applicable Pricing Supplement, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions. If the relevant screen rate or quotations from banks (as applicable) are not available, the operation of these provisions may lead to uncertainty as to the Rate of Interest that would be applicable, and may, adversely affect the value of, and return on, the Floating Rate Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms in making any investment decision with respect to any Notes linked to or referencing a “benchmark”.

Negative benchmark rates would reduce the rate of interest on the Floating Rate Notes.

The interest rate to be borne by Floating Rate Notes is based on a spread over the relevant benchmark, including EURIBOR, SOFR Benchmark, SONIA Benchmark, HIBOR, CNH HIBOR or another benchmark. Changes in the relevant benchmark rate will affect the rate at which Floating Rate Notes accrue interest and the amount of interest payments on Floating Rate Notes.

To the extent that the relevant benchmark rate decreases below 0.00 per cent. for any interest period, the rate at which the Floating Rate Notes accrue interest for such interest period may be reduced by the amount by which such benchmark rate is negative. Any such movements would be limited to a rate of 0.00 per cent. (unless otherwise set out in the relevant Pricing Supplement).

The market continues to develop in relation to risk-free rates (including overnight rates) as reference rates for Floating Rate Notes.

Investors should be aware that the market continues to develop in relation to risk-free rates, as reference rates in the capital markets and their adoption as alternatives to the relevant interbank offered rates.

This relates not only to the substance of the calculation and the development and adoption of market infrastructure for the issuance and trading of bonds referencing such rates, but also how widely such rates and methodologies might be adopted. The market or a significant part thereof may adopt an application of risk-free rates that differs significantly from that set out in the Terms and Conditions of the Notes and used in relation to any that reference risk-free rates issued under the Programme. The Issuer may in the future also issue Notes referencing risk-free rates that differ materially in terms of interest determination when compared with any previous Notes referencing the same risk-free rate issued by it under the Programme. The development of risk-

free rates as interest reference rates for the Eurobond markets and of the market infrastructure for adopting such rates could result in reduced liquidity or increased volatility or could otherwise affect the market price of any Notes issued under the Programme which references any such risk-free rate from time to time. Furthermore, the basis of deriving certain risk-free rates, such as SONIA Benchmark or SOFR Benchmark, may mean that interest on Notes which reference any such risk-free rate would only be capable of being determined after the end of the relevant SONIA Observation Period or SOFR Observation Period, as applicable, and immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes which reference any such risk-free rates to accurately estimate the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which could adversely impact the liquidity of such Notes. Further, if Notes referencing SONIA Benchmark or SOFR Benchmark become due and payable as a result of an event of default under Condition 11 (*Events of Default and Enforcement*), the rate of interest payable for the final Interest Period in respect of such Notes shall only be determined on the date which the Notes become due and payable and shall not be reset thereafter. Investors should consider these matters when making their investment decision with respect to any such Notes.

In addition, the manner of adoption or application of risk-free rates in the Eurobond markets may differ materially compared with the application and adoption of such risk-free rates in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of risk-free rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing such risk-free rates.

Since risk-free rates are relatively new market indices, Notes linked to any such risk-free rate may have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities indexed to any risk-free rate, such as the spread over the index reflected in interest rate provisions, may evolve over time, and trading prices of such Notes may be lower than those of later-issued indexed debt securities as a result. Further, if any risk-free rate to which a series of Notes is linked does not prove to be widely used in securities like the Notes, the trading price of such Notes linked to a risk-free rate may be lower than those of Notes linked to indices that are more widely used. Investors in such Notes may not be able to sell such Notes at all or may not be able to sell such Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk. Daily changes in such rates may also be more volatile than daily changes in other benchmarks or market rates, such that the value on and value of Notes linked to risk-free rates may fluctuate more than floating rate debt securities linked to less volatile rates. There can also be no guarantee that any risk-free rate to which a series of Notes is linked will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in Notes referencing such risk-free rate. If the manner in which such risk-free rate is calculated is changed, that change may result in a reduction of the amount of interest payable on such Notes and the trading prices of such Notes.

Risks relating to the Notes generally

The Notes are unsecured obligations, the repayment of which may be jeopardized in certain circumstances.

The Issuer's obligations under the Notes will constitute unsecured obligations of the Issuer. The ability of the Issuer to pay such obligations will depend upon, among other factors, its liquidity, overall financial strength and ability to generate asset flows, which could be affected by, *inter alia*, the circumstances described in these "Risk Factors".

Because the Notes are unsecured obligations, their repayment may be compromised if:

- the Issuer enters into liquidation, reorganization or other winding-up procedures pursuant to an order of the Government;

- there is a default in payment under the Issuer's future secured indebtedness or other unsecured indebtedness; or
- there is an acceleration of any of the Issuer's indebtedness.

If any of these events occurs, the Issuer's assets may not be sufficient to pay amounts due on any of the Notes.

The Notes may not be a suitable investment for all investors.

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- have access to and/or knowledge of appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments/repayments is different from the potential investor's currency;
- understand thoroughly the terms of the relevant Notes and be familiar with the behavior of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for change in economic conditions, interest rates and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Investors should pay attention to any modifications and waivers.

The conditions of the Notes contain provisions for calling meetings of holders of Notes to consider matters affecting their interest generally. These provisions permit defined majorities to bind all Noteholders including holders of Notes who did not attend and vote at the relevant meeting and holders of the Notes who voted in a manner contrary to the majority. Furthermore, there is a risk that the decision of the majority of holders of the Notes may be adverse to the interests of the individual holder.

The Trustee may request holders of the Notes to provide an indemnity and/or security and/or pre-funding to its satisfaction.

Under certain circumstances, including without limitation giving notice to the Issuer upon an Event of Default and taking enforcement steps pursuant to the terms of the Trust Deed, the Trustee may, at its sole and absolute discretion, request Noteholders to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes steps and/or actions and/or institutes proceedings on behalf of Noteholders. The Trustee will not be obliged to take any such steps and/or actions and/or institute such proceedings if not indemnified and/or secured and/or pre-funded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or

pre-funding can be a lengthy process and may impact on when such steps and/or actions can be taken and/or such proceedings can be instituted. The Trustee may not be able to take steps and/or actions and/or institute such proceedings, notwithstanding the provision of an indemnity and/or security and/or pre-funding to it, in breach of the terms of the Trust Deed and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the Trust Deed, the Agency Agreement and the applicable law, it will be for the Noteholders to take such actions directly.

If the Issuer substitutes the issuing office or unit with another office or unit, the interests of the Noteholders may be materially prejudiced as a result.

The Issuer may elect to substitute the place of the office or unit through which the Issuer originally acted when the Notes were issued provided that certain conditions are met. See *“Terms and Conditions of the Notes – Meetings of Noteholders, Modification, Waiver and Substitution”*. However, there is no assurance that the interests of the Noteholders may not be materially prejudiced as a result of the substitution. A substitution may in certain circumstances, among other things, have undesirable taxation consequences for the Noteholders.

Performance of contractual obligations.

The ability of the Issuer to make payments in respect of the Notes may depend upon the due performance by the other parties to the transaction documents of the obligations thereunder including the performance by the Trustee, the Principal Paying Agent, the Paying Agents, the Transfer Agent, the Registrar and/or the Calculation Agent of their respective obligations. While the non-performance of any relevant parties will not relieve the Issuer of its obligations to make payments in respect of the Notes, the Issuer may not, in such circumstances, be able to fulfil its obligations to the Noteholders and the Couponholders.

The value of the Notes could be adversely affected by a change in English law or Indian law or administrative practice after the date of the issue of the relevant Notes.

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

The ratings of the Programme may be downgraded or withdrawn

The Programme has been assigned a rating of BBB by S&P Global Ratings, BBB- by Fitch Ratings Inc. and BBB+ by CareEdge Global. The ratings represent the opinions of the rating agencies and their assessment of the ability of the Issuer to perform their respective obligations under the Notes and credit risks in determining the likelihood that payments will be made when due under the Notes. A rating is not a recommendation to buy, sell or hold the Notes and may be subject to suspension, reduction or withdrawal at any time. A reduction or withdrawal of the ratings may adversely affect the market price of the Notes and the Issuer’s ability to access the debt capital markets.

The insolvency laws of India and other local insolvency laws may differ from those of another jurisdiction with which the holders of the Notes are familiar.

The Insolvency and Bankruptcy Code, as amended from time to time (“**IBC**”) offers a uniform and comprehensive insolvency legislation encompassing all companies, partnerships and individuals (other than financial firms). Thus, in the event of liquidation of the Issuer, holders of the Notes will not be able to claim as per the general insolvency waterfall provided under the IBC, as the IBC is not applicable to the Issuer and the Government would have the sole ability to determine the ranking of claims of the Issuer in liquidation.

The Issuer is established and incorporated as a statutory corporation in the Republic of India under the NABFID Act, hence, the Issuer cannot be wound up under the Companies Act, 2013 or any other law relating to the winding up of companies. Pursuant to Section 43 of the NABFID Act, the Issuer may be placed in liquidation

only by an order of the Central Government and in such manner as the Central Government may direct. Accordingly, any insolvency or liquidation proceedings in relation to the Issuer would be subject to a special statutory regime and may differ materially from the insolvency laws of jurisdictions with which the holders of the Notes are familiar. Noteholders' rights to receive payments on the Notes are junior to certain tax and other liabilities preferred by law.

If insolvency proceedings are initiated under the IBC against any of the Issuer's borrowers, the Issuer may not have complete control over the recovery of amounts due to it. Under the IBC, upon commencement of the corporate insolvency resolution process, a committee of creditors ("CoC") is constituted by the interim resolution professional, comprising the financial creditors of the borrower, with the voting share of each financial creditor generally being proportionate to the financial debt owed to it. Decisions of the CoC are generally taken by the requisite majority of voting share prescribed under the IBC, with certain matters requiring a higher voting threshold. Thus, there is a possibility of a resolution plan, to which the Issuer has dissented in such vote, still being applicable to the Issuer owing to a majority vote in favour of such a resolution plan. In particular, a resolution plan approved by the adjudicating authority in accordance with the IBC is binding on the creditors of the borrower, including a financial creditor which may have voted against such resolution plan. Further, if any of the Issuer's borrowers go into liquidation, any sale proceeds from the sale of the borrower's assets are to first be applied towards costs of the insolvency resolution and liquidation processes and thereafter distributed in accordance with the liquidation waterfall prescribed under the IBC, including applicable payments to workmen, secured creditors and employees, among other statutory priorities.

Thus, if insolvency or liquidation proceedings are initiated against any of the Issuer's borrowers, the Issuer's claims against such borrower and its ability to recover amounts due to it shall be subject to the provisions of the IBC.

Noteholders' rights to receive payments on the Notes are junior to certain tax and other liabilities preferred by law.

The Notes will be subordinated to certain liabilities preferred by law such as claims of the Government on account of taxes, and certain liabilities incurred in the ordinary course of the Issuer's trading or banking transactions.

In particular, in the event of bankruptcy, liquidation or winding up, the Issuer's assets will be available to pay obligations on the Notes only after all of those liabilities of the Issuer that rank senior to such Notes have been paid. In the event of bankruptcy, liquidation or winding up, there may not be sufficient assets remaining, after paying amounts relating to these proceedings, to pay amounts due on the Notes.

The Notes may have limited liquidity.

The Notes will not be registered under the Securities Act or the securities or blue sky laws of any state of the United States. The Notes are being offered, and may be resold outside of the United States within the meaning of and in compliance with Regulation S under the Securities Act. Consequently, the Notes are subject to restrictions on transfer and resale.

The Notes constitute a new issue of securities for which there is no existing market. Application has been to the GSM segment of India INX and/or to the DSM segment of NSE IX for the Programme and for Notes issued from time to time thereunder to be admitted for listing and trading on India INX and/or NSE IX, as specified in the applicable Pricing Supplement. However, if for any reason the Notes are not listed, the liquidity of the Notes may be negatively impacted. The offer and sale of the Notes is not conditional on obtaining a listing of the Notes on the GSM of the India INX, the DSM of NSE IX or any other exchange. Although the Dealers have advised the Issuer that they currently intend to make a market in the Notes, they are not obligated to do so, and any market-making activity with respect to the Notes, if commenced, may be discontinued at any time without notice in their sole discretion. For a further discussion, see "*Subscription and Sale and Transfer and Selling*

Restrictions". No assurance can be given as to the liquidity of, or the development and continuation of an active trading market for, the Notes. If an active trading market for the Notes does not develop or is not maintained, the market price and liquidity of the Notes may be adversely affected. If such a market were to develop, the Notes could trade at prices that may be higher or lower than the price at which the Notes are issued depending on many factors, including:

- prevailing interest rates;
- the Issuer's results of operations and financial condition;
- political and economic developments in and affecting India;
- the market conditions for similar securities; and
- the financial condition and stability of the Indian financial sector.

Transfers of interests in the Notes will be subject to certain restrictions and interests in Global Notes can only be held through a clearing system.

The Notes have not been and are not expected to be registered: (a) under the Securities Act or any applicable state's or other jurisdiction's securities laws; or (b) with the U.S. Securities and Exchange Commission or any other applicable state's or other jurisdiction's regulatory authorities. The offering of the Notes will be made pursuant to exemptions from the registration requirements of the Securities Act and from other securities laws. Prospective investors may not offer or sell any Notes, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Similar restrictions will apply in other jurisdictions. Accordingly, reoffers, resales, pledges and other transfers of interests in the Notes will be subject to certain transfer restrictions. Each investor is advised to consult its legal advisers in connection with any such reoffer, resale, pledge or other transfer. See "*Subscription and Sale and Transfer and Selling Restrictions*".

Because transfers of interests in the Global Notes can be effected only through book entries at Clearstream and/or Euroclear (as applicable) for the accounts of their respective participants, the liquidity of any secondary market for investments in the Global Notes may be reduced to the extent that some investors are unwilling to invest in notes held in book-entry form in the name of a participant in Clearstream or Euroclear, as applicable. The ability to pledge interests in the Notes may be limited due to the lack of a physical certificate. Beneficial owners of Global Notes may, in certain cases, experience a delay in the receipt of payments of principal or interest since such payments will be forwarded by the paying agent to Clearstream or Euroclear, as applicable, who will then forward payment to their respective participants, who (if not themselves the beneficial owners) will thereafter forward the payments to the beneficial owners of the interests in the Global Notes. In the event of the insolvency of Euroclear, Clearstream or any of their respective participants in whose name interests in the Notes are recorded, the ability of beneficial owners to obtain timely or ultimate payment of principal and interest on the Notes may be impaired.

Noteholders are required to rely on the procedures of the relevant clearing system and its participants while the Notes are cleared through the relevant clearing system.

Notes issued under the Programme will be represented on issue by one or more Global Notes that may be deposited with a common depositary for Euroclear and Clearstream. Except in the circumstances described in each Global Note, investors will not be entitled to receive Notes in definitive form. Each of Euroclear and Clearstream and their respective Direct and Indirect Participants will maintain records of the beneficial interests in each Global Note held through it. While the Notes are represented by a Global Note, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective Participants (as defined below).

While the Notes are represented by Global Notes, the Issuer will discharge its payment obligation under the Notes by making payments through the relevant clearing systems for distribution to their accountholders. A holder of a beneficial interest in a Global Note must rely on the procedures of the relevant clearing system and its Participants to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Note.

Holders of beneficial interests in a Global Note will not have a direct right to vote in respect of the Notes so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

If definitive Notes are issued, holders should be aware that definitive Notes that have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued.

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time, may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

If an investor holds Notes which are not denominated in the investor's home currency, then such an investor will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes.

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (a) the Investor's Currency-equivalent yield on the Notes, (b) the Investor's Currency-equivalent value of the principal payable on the Notes, and (c) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal. An investor may also not be able to convert (at a reasonable exchange rate or at all) amounts received in the

Specified Currency into the Investor's Currency, which could materially adversely affect the market value of the Notes. There may also be tax consequences for investors.

The Issuer's foreign currency borrowing activities are subject to governmental approvals and FEMA regulations.

As a financial institution established under the NABFID Act, the Issuer may raise foreign exchange borrowings for onward lending subject to compliance with the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018 as amended and, where required, prior approval of the Government of India. Under the terms of Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, (the "**FEMA Regulations**") the financial institutions, set up under an Act of the Indian Parliament, may raise foreign exchange borrowings with the prior approval of the Government of India for the purpose of onward lending. However, the requirement in connection with prior approval from the Government is not applicable where the borrowing is by a person authorised as an Authorised Dealer under sub-section (1) of section 10 of the Foreign Exchange Management Act, 1999.

The Issuer has obtained authorization as an Authorised Dealer Category-III ("**AD Cat-III**") from the RBI under Section 10(1) of FEMA (Authorization No. MUM-ADIII-0001-2026, dated June 30, 2026). Pursuant to the AD Cat-III authorization, the Issuer is permitted to undertake only those foreign exchange activities permitted to it by the RBI, inter alia, to raise foreign currency borrowings, including external commercial borrowings and other permitted foreign currency loans, and to undertake related foreign exchange transactions, strictly to the extent incidental to and in furtherance of its permitted functions under the NABFID Act and in compliance with the provisions of FEMA and the rules, regulations and directions issued thereunder. Further, the authorisation under the AD Cat-III license provides that only authorised representative/s of the Issuer shall undertake foreign exchange transactions on its behalf. Additionally, the AD Cat-III may be revoked at any time if the RBI is satisfied that (a) it is in public interest; or (b) the Issuer has failed to comply with any condition of authorisation, or has contravened any of the provisions of FEMA or any rule, regulation, notification, direction or order made thereunder.

The Issuer has sought clarification from the Government of India, Department of Financial Services ("**DFS**"), that no separate approval under the FEMA Regulations is required for the Issuer's foreign currency borrowings in light of its AD Cat-III authorization. As at the date of this Offering Circular, a response from DFS has not been provided. In the event that DFS takes a contrary view and determines that separate governmental approval is required notwithstanding the Issuer's AD Cat-III authorization, the Issuer would be required to obtain such approval prior to drawing down proceeds under the Notes for onward lending. Any delay in, such requirement, or any delay in or failure to obtain, such approval could (i) adversely affect the timing or availability of drawdowns under the Notes, and (ii) restrict or delay access to foreign currency funding and adversely affect the Issuer's funding plans and operations. There can be no assurance that DFS will confirm that no separate approval is required, or that any required approval will be granted in a timely manner or at all.

Risks relating to an Investment in Rupee Denominated Notes

Rupee Denominated Notes are subject to selling restrictions and may be transferred only to a limited pool of investors.

The investor should fulfil the criteria of a 'recognized lender' under the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, as amended from time to time (the "**2018 Regulations**"), i.e., the investor must either be: (i) resident outside India; or (ii) a branch outside India of an entity whose lending business is regulated by the RBI; or (iii) a financial institution (as defined under the Foreign Exchange Management (International Financial Services Centre) Regulations, 2015, as amended from time to time) or a branch of a financial institution set up in an International Financial Services Centre (IFSC), India.

Accordingly, transfers of the Notes may be restricted to persons who qualify as recognized lenders under the 2018 Regulations and who otherwise satisfy applicable Indian law, regulatory and contractual transfer restrictions. As a result, the market for the Notes may be limited, and investors may be unable to sell their Notes to a broad range of purchasers or at all.

Rupee Denominated Notes are subject to exchange rate risks and exchange controls.

India maintains a managed floating exchange rate system under which market forces determine the exchange rate for INR. Under policies framed and issued by the RBI, the RBI may, however, intervene in the market to maintain orderly market conditions and limit sharp fluctuations in the exchange rate. Interventions by the RBI have taken the form of transparent measures and have included clearly delineated periods and amounts involved, as well as the explanations for these actions. RBI's foreign exchange policy objectives include maintaining price stability, promoting and maintaining monetary stability and the convertibility of the INR, protecting its international reserves during times of impending or ongoing exchange crises or national emergencies.

The RBI's interventions in the foreign exchange market have typically taken the form of operations in the spot and forward markets, including the deployment of India's foreign exchange reserves to buy or sell foreign currency in order to curb excessive volatility in the exchange rate. Consistent with its stated policy, the RBI's objective in undertaking such interventions is to maintain orderly market conditions and to contain undue or sharp fluctuations in the exchange rate, rather than to target any particular level or band for the INR. There can be no assurance that any such measures or interventions will be effective in limiting exchange rate volatility, and changes in the RBI's exchange rate management policies, or in the manner or extent of its interventions, could adversely affect the value of the Rupee Denominated Notes.

Rupee Denominated Notes are denominated in INR and payable in foreign currency. This entails risks which are not associated with a similar investment in a foreign currency-denominated security. Such risks include, without limitation, the possibility of significant changes in the exchange rate between INR and the relevant foreign currency if such currency risk is unhedged by an investor or the possibility of imposition or modification of exchange controls by the RBI. Such risks are usually dependent on various economic and political events over which the Issuer does not have any control. Recently, exchange rates have been volatile and such volatility is expected in the near future as well, so the risk pertaining to exchange rate fluctuation persists. However, the recent fluctuations in exchange rates are not indicative in nature. If INR depreciates against the relevant foreign currency the effective yield on the Rupee Denominated Notes will decrease below the interest rate on the global bonds, and the amount payable on maturity may be less than the investment made by the investors. This could result in a total or substantial loss of the investment made by the investor towards the Rupee Denominated Notes. Rates of exchange between the foreign currency and INR may be significantly varied over time. However, historical trends do not necessarily indicate future fluctuations in rates, and should not be relied upon as indicative of future trends. Political, economic or stock exchange developments in India or elsewhere could lead to significant and sudden changes in the exchange rate between INR and the relevant foreign currency.

Furthermore, the overseas investors are eligible to hedge the above-mentioned exchange rate risk only by way of permitted derivative products with: (i) AD Category Banks in India; (ii) the offshore branches or subsidiaries of Indian Banks; or (iii) branches of foreign banks having a presence in India.

INR “Non-convertibility”.

The convertibility of a currency is dependent, *inter alia*, on international and domestic political and economic factors, and on measures taken by governments and central banks. Such measures include, without limitation, imposition of regulatory controls or taxes, issuance of a new currency to replace an existing currency, alteration of the exchange rate or exchange characteristics by revaluation or devaluation of a currency, or imposition of exchange controls with respect to the exchange or transfer of a specified currency that would affect exchange rates and the availability of a specified currency. The taking of any one or more of such measures could

adversely affect the value of the Notes as well as any amount which may be payable upon redemption of the Notes.

Risks relating to the market generally

The Issuer may face certain risks associated with exchange rate fluctuations and any modifications to exchange controls.

The Issuer will pay principal and interest on the Notes in the currency specified (the “**Settlement Currency**”). This presents certain risks relating to currency conversions if an investor’s financial activities are denominated principally in a currency or currency unit other than the Settlement Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Settlement Currency or revaluation of the Investor’s Currency) and the risk that authorities with jurisdiction over the Investor’s Currency may impose or modify exchange controls. An appreciation in the value of the Investor’s Currency relative to the Settlement Currency would decrease:

- the Investor’s Currency-equivalent yield on the Notes;
- the Investor’s Currency-equivalent value of the principal yield payable on the Notes; and
- the Investor’s Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

The market value of the Notes may fluctuate.

Trading prices of the Notes are influenced by numerous factors, including the operating results, business and/or financial conditions of the Issuer, political, economic, financial and any other factors that can affect the capital markets or the business of the Issuer. Adverse economic developments, acts of war and health hazards in countries in which the Issuer has business operations could have a material adverse effect on the Issuer’s operations, operating results, business, financial position and performance. Any such developments may result in large and sudden changes in the volume and price at which the Notes will trade. There can be no assurance that these developments will not occur in the future.

Inflation risk.

Noteholders may suffer erosion on the return of their investments due to inflation. Noteholders would have an anticipated rate of return based on expected inflation rates on the purchase of the Notes. An unexpected increase in inflation could reduce the actual returns of their investments in the Notes.

Legal investment considerations may restrict certain investments.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent:

- the Notes are legal investments for such potential investor;
- the Notes can be used as collateral for various types of borrowings; and
- other restrictions apply to its purchase or pledge of any of the Notes.

Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

Risks relating to Renminbi-denominated Notes

Notes denominated in Renminbi may be issued under the Programme. RMB Notes contain particular risks for potential investors, including:

The Renminbi is not completely freely convertible; there are regulations on remittance of Renminbi into and outside the PRC which may adversely affect the liquidity of Renminbi Notes.

Renminbi is not completely freely convertible at present. The PRC government continues to regulate conversion between the Renminbi and foreign currencies despite the significant reduction over the years by the PRC government of control over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions under current accounts.

However, remittance of Renminbi by foreign investors into the PRC for the purposes of capital account items, such as capital contributions, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into the PRC for settlement of capital account items are developing gradually.

Although starting from October 1, 2016, the Renminbi has been added to the Special Drawing Rights basket created by the International Monetary Fund (the “IMF”), there is no assurance that the PRC government will continue to liberalise control over cross border remittance of Renminbi in the future or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that funds cannot be repatriated outside the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Issuer to source Renminbi to finance its obligations under the Notes.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the Notes and the Issuer’s ability to source Renminbi outside the PRC to service the Notes.

As a result of the restrictions by the PRC government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited.

While the People’s Bank of China (the “PBOC”) has entered into agreements on the clearing of Renminbi business with financial institutions in a number of financial centres and cities (the “RMB Clearing Banks”), including but not limited to Hong Kong (the “Settlement Agreements”), and are in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions, the current size of Renminbi-denominated financial assets outside the PRC is limited.

Renminbi business participating banks do not have direct Renminbi liquidity support from the PBOC. The relevant RMB Clearing Bank only has access to onshore liquidity support from the PBOC for the purpose of squaring open positions of participating banks for limited types of transactions. The relevant RMB Clearing Bank is not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services and the participating banks will need to source Renminbi from outside the PRC to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the settlement agreement will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of the Notes. To the extent that the Issuer is required to source Renminbi in the offshore market to service the Notes, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all.

Investment in the Notes is subject to exchange rate risks.

The value of the Renminbi against the U.S. dollar and other foreign currencies fluctuates and is affected by changes in the PRC and international political and economic conditions and by many other factors. All payments of interest and principal with respect to the Renminbi Notes will be made in Renminbi unless otherwise specified. As a result, the value of these Renminbi payments in U.S. dollar terms may vary with the prevailing exchange rates in the market place. If the value of the Renminbi depreciates against the U.S. dollar or other foreign currencies, the value of the investment in U.S. dollar or other applicable foreign currency terms will decline.

An investment in Renminbi Notes is subject to interest rate risks.

The PRC government has gradually liberalized the regulation of interest rates in recent years. Further liberalization may increase interest rate volatility. The Renminbi Notes may carry a fixed interest rate. Consequently, the trading price of such Renminbi Notes will vary with fluctuations in interest rates. If a holder of Renminbi Notes tries to sell any Renminbi Notes before their maturity, they may receive an offer that is less than the amount invested.

Payments in respect of the Notes will only be made to investors in the manner specified in the Notes.

Investors may be required to provide certification and other information (including Renminbi account information) in order to be allowed to receive payments in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in Hong Kong.

All Renminbi payments to investors in respect of the Renminbi Notes will be made solely (i) for so long as the Renminbi Notes are represented by Global Notes held with a common depositary for Euroclear and Clearstream or any alternative clearing system, by transfer to the Renminbi bank account maintained in Hong Kong in accordance with prevailing Euroclear and Clearstream rules and procedures, or (ii) for so long as the Renminbi Notes are in definitive form, by transfer to the Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations. Other than described in the Conditions, the Issuer cannot be required to make payment by any other means (including in any other currency or in bank notes, by check or draft or by transfer to a bank account in the PRC).

CAPITALISATION OF THE ISSUER

The following table sets forth the capitalisation and indebtedness of the Issuer as on June 30, 2026. This table should be read in conjunction with the Issuer's reviewed condensed interim unaudited financial statements as on June 30, 2026 included elsewhere in this Offering Circular, and the notes presented therein.

Particulars	As on June 30, 2026	
	(₹ in billions)	(U.S.\$ in millions) ⁽¹⁾
Short-Term Debt:		
Short-Term Debt (₹) ⁽²⁾	113.74	1,202.36
Short-Term Debt (Foreign Currency) ⁽³⁾	0.00	0.00
Total Short-Term Debts (a)	113.74	1,202.36
Long-Term Debt:		
Long-Term Debt (₹) ⁽²⁾⁽⁵⁾	1,074.70	11,360.77
Long-Term Debt (Foreign Currency) ⁽³⁾	11.83	125.06
Total Long-Term Debts (b) ⁽⁵⁾	1,086.53	11,485.82
Total Debt (c) = (a+b) ⁽⁴⁾⁽⁵⁾	1,200.27	12,688.18
Capital and Reserves:		
Paid-up Capital	200.00	2,114.22
Reserve Fund	15.99	169.03
Capital Reserve	65.35	690.82
Balance in Profit & Loss Account	71.98	760.91
Cash flow hedge reserve	(0.01)	(0.11)
Total Capital and Reserves (d)	353.31	3,734.88
Total Capitalization = (b) + (d)	1,439.84	15,220.70

Notes:

- (1) For figures as on June 30, 2026, U.S. dollar translations have been made using the exchange rate reported by the Reserve Bank of India on June 30, 2026, which was ₹94.5975 = U.S.\$1.00.
- (2) In case of rupee borrowings, short-term debt relates to debt raised with remaining maturity of up to one year.
- (3) In case of foreign currency borrowings, short-term debt is defined as debt raised with remaining maturity of up to three years.
- (4) As on June 30, 2026, the Issuer's total borrowings amounted to ₹1,200.27 billion (U.S.\$ 12,688.18 million).
- (5) Excluding fair value of hedged bonds ₹6.28 billion.

There has been no significant change to our capitalisation and indebtedness since June 30, 2026.

SELECTED FINANCIAL INFORMATION

The following selected financial information has been derived from the audited financial statements (including the special purpose audited financial statements for the financial year ended March 31, 2024) and unaudited financial statements of the Issuer contained elsewhere in this Offering Circular, and is qualified in its entirety by reference to such financial statements or financial results, including the respective audit/review reports and the related notes thereto (see “Index to Financial Statements of the National Bank for Financing Infrastructure and Development”). The special purpose audited financial statements for the financial year ended March 31, 2024, were prepared by the Issuer’s management specifically for the purpose of inclusion of the financial information of the Issuer in this Offering Circular and comply with the recognition and measurement principles laid down in the Accounting Standards issued by the ICAI, the relevant provisions of the NABFID Act, the guidelines issued by the RBI and other accounting principles generally accepted in India, to the extent relevant for the purpose for which those special purpose audited financial statements were prepared. The special purpose audited financial statements for the financial year ended March 31, 2024 are not the statutory financial statements of the Issuer and are not intended to be used for any statutory purpose other than the purpose described above; accordingly, all other regulatory disclosures (including ratios) required under the NABFID Act and RBI circulars/notifications applicable to statutory financial statements are not disclosed therein. The audited annual financial statements were prepared in accordance with Section 25 of the NABFID Act read with Rule 9 of the National Bank for Financing Infrastructure and Development General Rules, 2022, (“General Rules”) and circulars, guidelines and directions issued by the RBI, in accordance with Indian GAAP, which differs in some respects from U.S. GAAP. The reviewed condensed interim unaudited financial statements of the Issuer for the three months ended June 30, 2026 have been prepared applying recognition and measurement principles laid down in Accounting Standard 25 “Interim Financial Reporting” issued by ICAI, the relevant provisions of the NABFID Act, the relevant prudential norms issued by the RBI in respect of income recognition, asset classification, provisioning and other related matters and other guidelines applicable to AIFIs, consistent with Indian GAAP, which also differs in some respects from U.S. GAAP. See “Index to Financial Statements of the National Bank for Financing Infrastructure and Development” for further information about Indian GAAP. A summary of the differences between the Indian GAAP and U.S. GAAP is contained in this Offering Circular under the heading “Summary of Significant Differences between Indian GAAP and U.S. GAAP”.

Presentation of Financial Information

This Offering Circular contains the special purpose audited financial statements of the Issuer as on and for the financial year ended March 31, 2024, the audited financial statements of the Issuer as on and for the financial years ended March 31, 2025 and 2026, and the reviewed condensed interim unaudited financial statements of the Issuer as on and for the three months ended June 30, 2025 and 2026 (see “Index to Financial Statements of the National Bank for Financing Infrastructure and Development”).

Statutory Auditors of the Issuer

In terms of Section 26 of the NABFID Act, the accounts of the Issuer are required to be audited by auditors qualified to act as auditors under sub-section (1) of Section 141 of the Companies Act, 2013, who shall be appointed by the Issuer in general meeting of the shareholders out of the panel of auditors approved by the RBI for such term and on such remuneration as the RBI may fix. In respect of the financial year ended March 31, 2024, the statutory auditor of the Issuer was J Singh & Associates, Chartered Accountants. In respect of the financial years ended March 31, 2025 and 2026 and the three months ended June 30, 2026, the statutory auditor of the Issuer was C N K & Associates LLP.

The table below presents selected financial information of the Issuer as on and for the financial years ended March 31, 2024, 2025 and 2026, and for the three months ended June 30, 2026:

	As on/for the financial year ended March			As on/for the three months ended June	
	2024	2025	2026	2026	
	(₹ in billion)			(₹ in billion)	(U.S.\$ in million)
Income Statement Data					
Interest Earned	24.96 ⁽¹⁰⁾	49.73	72.57	28.08	296.80
(a) Interest / Discount on Advances / Bills ..	12.76	38.83	53.91	21.28	224.98
(b) Income on Investments	1.19	1.23	7.42	4.29	45.36
(c) Interest on Balances with Reserve Bank of India and Other Inter Bank Funds.....	—	—	—	—	—
(d) Others.....	11.01	9.68	11.24	2.50	26.46
Other Income	1.04	2.35	3.28	0.88	9.35
Total Income	26.00	52.08	75.85	28.96	306.15
Interest Expended	8.05 ⁽¹⁰⁾	27.25	39.89	18.38	194.26
Operating Expenses	0.92	1.91	3.00	1.03	10.89
(a) Employee Cost.....	0.37	0.99	1.51	0.48	5.07
(b) Other Operating Expenses	0.55	0.92	1.49	0.55	5.86
Total Expenditure.....	8.97	29.16	42.89	19.41	205.19
Operating Profit (Profit before Provisions & Contingencies).....	17.03	22.92	32.96	9.55	100.95
Provisions (other than tax) and Contingencies	1.01	1.01	2.59	1.53	16.20
Exceptional Items	—	—	—	—	—
Profit/(Loss) from Ordinary Activities before tax	16.02	21.91	30.37	8.02	84.76
Tax Expense	—	—	—	—	—
Net Profit/(Loss) from Ordinary Activities after tax	16.02	21.91	30.37	8.02	84.76
Extraordinary items (net of tax expense)	—	—	—	—	—
Net Profit / (Loss) for the period.....	16.02	21.91	30.37	8.02	84.76
Paid-up Equity Share Capital (Face Value ₹10 Per Share)	200.00	200.00	200.00	200.00	2,114.22
Reserves Including Grant Received from GoI	84.47	110.05	144.19	153.31	1,620.66
Balance Sheet Data					
Financial Assets					
Cash in Hand and Balances with the Reserve Bank of India	0.00 ⁽⁹⁾	0.00 ⁽⁹⁾	0.00 ⁽⁹⁾	0.00 ⁽⁹⁾	0.00 ⁽⁹⁾
Balances with Banks.....	182.16	201.76	181.88	220.74	2,333.51
Derivative Financial Instruments	1.30	8.14	0.08	6.09	64.35

	As on/for the financial year ended March			As on/for the three months ended June	
	2024	2025	2026	2026	
	(₹ in billion)			(₹ in billion)	(U.S.\$ in million)
Loans	353.42	566.20	1,027.12	1,092.59	11,549.86
Investments.....	1.00	43.20	202.80	251.76	2,661.43
Other Financial Assets.....	12.99	12.21	30.55	32.61	344.74
Non-Financial Assets					
Property, Plant and Equipment	0.10	0.11	0.08	0.07	0.76
Goodwill.....	—	—	—	—	—
Other Intangible Assets.....	0.14	0.10	1.12	1.10	11.67
Current Tax Assets	—	—	—	—	—
Deferred Tax Assets	—	—	—	—	—
Other Non-Financial Assets.....	0.18 ⁽¹⁰⁾	0.38	1.09	1.53	16.17
Total Assets	551.29	832.09	1,444.72	1,606.50	16,982.50
Equity and Liabilities					
Financial Liabilities					
Deposits.....	—	—	—	—	—
Borrowings	55.50	119.35	487.44	517.63	5,471.89
Debt Securities.....	196.69	371.90	564.42	688.92	7,282.66
Derivatives Financial Instruments	—	—	9.76	—	—
Other Financial Liabilities	12.85 ⁽¹⁰⁾	27.74	32.01	38.62	408.21
Non-Financial Liabilities					
Current Tax Liabilities	—	—	—	—	—
Deferred Tax Liabilities.....	—	—	—	—	—
Other Non-Financial Liabilities (incl. provisions)	1.78	3.05	6.91	8.03	84.87
Total Liabilities	266.82	522.05	1,100.53	1,253.19	13,247.62
Shareholders' Fund					
Share Capital	200.00	200.00	200.00	200.00	2,114.22
Reserves and Surplus.....	84.47	110.05	144.19	153.31	1,620.66
Total	284.47	310.05	344.19	353.31	3,734.88
Total Equity and Liabilities	551.29	832.09	1,444.72	1,606.50	16,982.50
Contingent Liabilities	6.66	4.75	15.50	24.47	258.66
Analytical Ratios & Other Disclosures					
(i) Percentage of shares held by Government of India	100.00%	100.00%	100.00%	100.00%	—
(ii) Capital Adequacy Ratio (%) (Basel III) ⁽¹⁾	115.05%	73.93%	44.22%	45.13%	—
(iii) Earnings Per Share (EPS) ⁽²⁾ (Face Value ₹10 Per Share)					

	As on/for the financial year ended March			As on/for the three months ended June	
	2024	2025	2026	2026	
	(₹ in billion)			(₹ in billion)	(U.S.\$ in million)
(a) Basic EPS – Before and After Extraordinary Items	0.80	1.10	1.52	0.40	—
(b) Diluted EPS – Before and After Extraordinary Items	0.80	1.10	1.52	0.40	—
(iv) Return on Assets ⁽³⁾ (%) (Annualised).....	4.81%	3.48%	3.34%	2.21%	—
(v) Net Worth (Including Grant and excl. Intangibles)	284.19	309.67	342.60	351.71	3,717.93
(vi) Debt Equity Ratio ⁽⁴⁾	0.92	1.62	3.19	3.50	—
(vii) Interest Service Coverage Ratio ⁽⁵⁾	3.12	1.85	1.83	1.53	—
(viii) Total Debts to Total Assets ⁽⁶⁾ (%)	47.57%	60.52%	75.64%	76.69%	—
(ix) Operating Margin ⁽⁷⁾ (%).....	65.50%	44.01%	43.45%	32.98%	—
(x) Net Profit Margin ⁽⁸⁾ (%).....	61.59%	42.07%	40.03%	27.69%	—

Notes:

- (1) Capital Adequacy Ratio (%): Total Capital (Tier 1 and Tier 2) / Risk Weighted Assets *100
- (2) EPS: Net Profit/(Loss) after Tax / Weighted Number of Equity Shares
- (3) Return on Assets (%) Net Profit after Tax/ Total Average Assets (Excluding Grant)*100
- (4) Debt Equity Ratio: Total Debt (Excluding Fair Value adj.) / Net Owned Funds
- (5) Interest Coverage Ratio: Earnings Before Interest, Tax and Depreciation / Interest Expenses
- (6) Total Debt to Total Assets (%): Total Debt (Excluding Fair Value adj.)/Total Assets*100
- (7) Operating Margin (%): Operating Profit / Total Income*100
- (8) Net Profit Margin (%): Net Profit after Tax / Total Income*100
- (9) Denotes an amount that is less than ₹1.00 billion.
- (10) Reclassified as per special purpose audited financial statements for the year ended March 31, 2024.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of the Issuer's financial condition and results of operations are based on the Issuer's special purpose audited financial statements and accompanying notes as on and for the financial year ended March 31, 2024, the Issuer's audited financial statements and accompanying notes as on and for each of the years ended March 31, 2025 and 2026 and the condensed interim unaudited interim financial statements of the Issuer as on and for the three months ended June 30, 2025 and 2026, which have been prepared in accordance with Indian GAAP and are included in this Offering Circular. This discussion should be read together with the Issuer's audited financial statements as on and for each of the years ended March 31, 2025 and 2026, which were prepared in accordance with Section 25 of the NABFID Act read with Rule 9 of the General Rules and circulars, guidelines and directions issued by the RBI, in accordance with Indian GAAP, and the Issuer's special purpose audited financial statements as on and for the financial year ended March 31, 2024, which were prepared by the Issuer's management for the sole purpose of inclusion of the financial information of the Issuer in this Offering Circular and comply with the recognition and measurement principles laid down in the Accounting Standards issued by ICAI, the relevant provisions of the NABFID Act, the guidelines issued by the RBI and other accounting principles generally accepted in India, to the extent relevant for that purpose, and are not the statutory financial statements of the Issuer. Both bases of preparation are in accordance with Indian GAAP, which differs in some respects from U.S. GAAP. See also "Summary of Significant Differences Between Indian GAAP and U.S. GAAP." This discussion contains forward-looking statements. There may be future events that the Issuer is unable to accurately predict or control and that may cause the Issuer's actual results to differ materially from the expectations described in the forward-looking statements.

Overview

The Issuer is a statutory corporation established under the NABFID Act. It was set up as a dedicated institution to address the long-term financing needs of India's infrastructure sector. The Issuer commenced commercial operations on December 29, 2022. The Issuer pursues both developmental and financial objectives: its developmental mandate encompasses coordinating with governments, regulators, financial institutions and investors to foster the development of long-term, non-recourse infrastructure financing in India, including the deepening of the domestic bonds and derivatives markets; its financial mandate encompasses lending and investing, directly or indirectly, in infrastructure projects located in India, and seeking to attract private sector and institutional investment, with a view to fostering sustainable economic development.

The Issuer's principal activity is providing long-term financing for infrastructure projects in India, acting as a provider, enabler and catalyst for infrastructure investment. Its financing activities encompass term loans for greenfield and brownfield projects (including project finance), subscriptions to bonds and debentures issued by infrastructure entities, the provision of guarantees and letters of comfort, equity-linked and structured instruments (including through investment trusts), partial credit enhancement facilities and transaction advisory services. Under the NABFID Act, the Issuer is also empowered to take over or refinance existing loans extended by banks, non-banking financial companies and other financial institutions for infrastructure projects.

Basis of Preparation

The Issuer's audited financial statements as on and for each of the years ended March 31, 2025 and 2026 have been prepared in accordance with the generally accepted accounting principles followed in India. The form and manner in which those financial statements have been prepared is in accordance with Section 25 of the NABFID Act read with Rule 9 of the General Rules and circulars, guidelines and directions issued by the RBI, in conformity with accounting principles generally accepted in India including the accounting standards issued by the ICAI. The Issuer's special purpose audited financial statements as on and for the financial year ended March 31, 2024 were prepared by the Issuer's management for the sole purpose of inclusion of the financial information of the Issuer in this Offering Circular, and comply with the recognition and measurement principles laid down

in the Accounting Standards issued by the ICAI, the relevant provisions of the NABFID Act, the guidelines issued by the RBI and other accounting principles generally accepted in India, to the extent relevant for that purpose. Those special purpose audited financial statements are not the statutory financial statements of the Issuer, and other regulatory disclosures (including ratios) required under the NABFID Act and RBI circulars/notifications applicable to statutory financial statements are not disclosed therein. All of the financial statements described above have been prepared under the historical cost convention on an accrual basis unless otherwise stated, and the accounting policies applied by the Issuer are consistent with those used in previous years.

The Issuer's reviewed condensed interim unaudited financial statements for the three months ended June 30, 2025 and 2026 have been prepared applying principles laid down in Accounting Standard 25 "Interim Financial Reporting" issued by ICAI, the relevant provisions of the NABFID Act, the relevant disclosure requirements under the Reserve Bank of India (All India Financial Institutions - Transfer and Distribution of Credit Risk) Directions, 2025, and Reserve Bank of India (All India Financial Institutions - Financial Statements: Presentation and Disclosures) Directions, 2025, dated November 28, 2025, the relevant prudential norms issued by the RBI in respect of income recognition, asset classification, provisioning and other related matters and other guidelines applicable to AIFIs, and any other accounting principle generally accepted in India. The review of the condensed interim unaudited financial statements is 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 ICAI. This standard requires that the auditors plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. This review is limited primarily to inquiries of the Issuer's personnel and analytical procedures applied to financial data and thus provides lesser assurance than an audit.

Factors Affecting the Issuer's Business, Financial Condition, Results of Operations and Prospects

The Issuer's business, financial condition, results of operations and prospects have been, and are expected to be, influenced by numerous factors, including but not limited to those described below and those described under "*Risk Factors*". These are expected to affect the overall growth prospects of the Issuer, including the level of credit disbursed by the Issuer, the value of its asset portfolio and its ability to implement its strategy.

Indian economy

As the Issuer has all of its operations in India, the Issuer's business, results of operations, financial condition and prospects have been, and will continue to be, significantly affected by Indian political and economic factors, including overall economic growth, real sector development, rate of inflation and fluctuations in exchange and interest rates. See "*Risk Factors – Risks relating to the business of the Issuer*" and "*Risk Factors – Risks relating to India*."

Economic Growth

According to the IMF World Economic Outlook ("**WEO**") April 2026, India is currently the sixth largest economy globally in nominal terms (and the third largest globally when adjusted for purchasing power parity) with a nominal gross domestic product ("**GDP**") of approximately U.S.\$3.92 trillion for 2025, and the most populous country in the world with a population of approximately 1.45 billion people. India's slip from fifth to sixth place in dollar terms reflects rupee depreciation against the US dollar and a rebasing of India's GDP series to 2022-23 base year, rather than any underlying loss of economic momentum.

The global economy, institutions, and markets have been adjusting to a landscape marked by greater protectionism and fragmentation, with dim medium-term growth prospects. Since the imposition of higher tariffs by the US, uncertainty about the stability and trajectory of the global economy remains acute. In addition, the escalation of geopolitical tensions in the Middle East, including the US-Israel-Iran conflict and the US administration's naval blockade of the Strait of Hormuz, has raised fears of a significant energy price shock

with potentially far-reaching macroeconomic consequences. According to IMF WEO April 2026, the IMF presented a ‘reference forecast’ for global economic growth in calendar year 2026, assuming the Middle East war will have limited duration, intensity and scope. Based on this assumption, the global economy is projected to grow by 3.1 per cent. in 2026, 0.2 percentage points below the January 2026 forecast. In 2027, the global economy is expected to expand by 3.2 per cent. Global headline inflation is expected to increase to 4.4 per cent. in 2026 and decline to 3.7 per cent. in 2027, with the Middle East conflict tilting risks to inflation on the upside.

According to the IMF WEO April 2026, India’s GDP growth for fiscal year 2025-26 has been revised upward to 7.6 per cent., the same rate projected in India’s second advance estimates, reflecting a better-than-expected performance in the second and third quarters and sustained strong momentum in the fourth quarter. For fiscal year 2026-27, growth is forecast at 6.5 per cent., revised upward from 6.4 per cent. in the IMF’s January 2026 forecast, as the benefits of a reduction in additional US tariffs on Indian goods from 50 per cent. to 10 per cent. outweighed the adverse impact of the ongoing conflicts in the Middle East. Growth is projected to moderate in the medium term as cyclical and temporary factors wane.

Against the backdrop of global headwinds, the Indian economy demonstrated strong resilience during 2025-26, supported by robust domestic demand, proactive policy measures, sustained government capital expenditure, and goods and services tax (“**GST**”) reforms implemented in September 2025 that spurred consumption.

According to the Ministry of Statistics and Programme Implementation, India’s second advance estimates placed the Indian economy’s growth at 7.6 per cent. during fiscal year 2025-26, compared to 6.5 per cent. in fiscal year 2024-25. Growth in the first half of fiscal year 2025-26 registered at 8 per cent., with the second quarter (July-September 2025) recording 8.2 per cent., the strongest quarterly expansion in six quarters, driven by robust private consumption and resilient domestic demand.

The World Bank revised India’s growth forecast for fiscal year 2025-26 upwards to 7.2 per cent. Growth was supported by strong private consumption, investment, GST rate cuts that boosted spending, and benign inflation that preserved real disposable incomes. Looking ahead to fiscal year 2026-27, the reduction in US additional tariffs on Indian goods from 50 per cent. to 10 per cent. is expected to provide some relief to Indian exporters, partially mitigating the drag from the Middle East conflict and elevated energy prices. However, if the conflict is prolonged or energy prices remain elevated, growth for fiscal year 2026-27 could moderate to 6.1-6.2 per cent. under an adverse scenario. India continues to be the world’s fastest-growing major economy.

Infrastructure Development in India

Infrastructure development is the primary focus of the Issuer’s mandate and the principal driver of demand for its products and services. India’s infrastructure sector has seen sustained momentum in recent years, underpinned by significant government capital expenditure and a favorable policy environment. Government capital expenditure on infrastructure amounted to approximately U.S.\$133 billion in fiscal year 2025, equivalent to approximately 3.4 per cent. of India’s GDP, increasing from approximately U.S.\$120 billion in fiscal year 2024. The Government of India has continued to prioritize infrastructure spending as a key driver of economic growth, including through the National Infrastructure Pipeline (“**NIP**”), a flagship initiative comprising infrastructure projects across sectors such as energy, roads, railways, urban development and social infrastructure. The construction sector has remained resilient, with its share in gross valued added (“**GVA**”) reaching its highest level since 2012-13, supported by robust public capital expenditure by both central and state governments. Government expenditure on roads and highways, railways, ports and airports has continued to grow, providing a strong pipeline of infrastructure financing opportunities for the Issuer. The energy sector, including power generation, transmission and distribution as well as renewable energy, represents one of the largest sub-sectors within the NIP and a significant area of focus for the Issuer’s loan portfolio. India’s infrastructure financing requirements over the medium term remain substantial. The NIP estimates total infrastructure investment requirements of approximately ₹111 trillion over the period from fiscal year 2020 to fiscal year 2025, with continued investment expected in subsequent years to support India’s stated objective of

becoming a developed nation by 2047. The Issuer, as the designated national bank for infrastructure financing, is centrally positioned to support this agenda by providing long-term, non-recourse financing to eligible infrastructure projects. Any reduction in, or delay to, government infrastructure spending, or any adverse change in the policy or regulatory framework governing infrastructure development in India, could materially and adversely affect demand for the Issuer's products and services.

Inflation

High inflation rates in the Indian economy have an impact and could continue to impact the Issuer's ability to sustain favorable interest margins, as higher inflation expectations typically result in higher market interest rates and increased funding costs.

The inflation rate based on the Wholesale Price Index (“**WPI**”) remained moderate during fiscal year 2025-26, averaging around 2-4 per cent. for most of the year. However, WPI inflation surged sharply to 8.3 per cent. (provisional) in April 2026, the highest level since October 2022, driven primarily by a 24.71 per cent. spike in fuel and power prices following the escalation of the Middle East conflict and associated supply disruptions in global energy markets. The Manufactured Products category, which carries a 64.23 per cent. weight in the WPI basket, also recorded broad-based price increases. India has also introduced a new WPI series with base year 2022-23, effective June 2026.

India's CPI inflation averaged approximately 4.6 per cent. in fiscal year 2025, before declining sharply during fiscal year 2025-26. Headline CPI inflation fell to a historical low of approximately 0.25 per cent. in October 2025, driven by a decline in food prices, GST rate cuts on goods and services implemented in September 2025 and favorable base effects. For the first 11 months of fiscal year 2025-26, CPI inflation averaged approximately 1.9 per cent., well within the RBI's tolerance band. The CPI series was rebased to 2024 as the new base year, with updated weights reflecting the latest Household Consumption Expenditure Survey, increasing the share of non-food items in the consumer basket. Under the new series, CPI inflation stood at 3.21 per cent. in February 2026, 3.40 per cent. (provisional) in March 2026, and 3.48 per cent. (provisional) in April 2026, rising gradually amid higher food and energy price pressures arising from the Middle East conflict. CPI inflation for May 2026 (provisional) was 3.93 per cent.

Based on the RBI's Monetary Policy Statement dated April 8, 2026, the Monetary Policy Committee noted that headline inflation remained contained and below the 4 per cent. target going into fiscal year 2026-27, but that upside risks to the inflation outlook had increased materially. The RBI flagged that the Middle East conflict has elevated global energy prices and is contributing to rising imported inflation — the rupee traded above ₹93 per US dollar and crude oil remained above U.S.\$100 per barrel at the time of the April 2026 Monetary Policy Committee (“**MPC**”) meeting. Core inflation (excluding precious metals) had averaged just 2.1 per cent. in January and February 2026, indicating that underlying domestic price pressures remained benign before the conflict. However, the RBI noted that elevated energy prices and the possibility of El Niño conditions adding upward pressure on food prices represent the primary upside risks to inflation in fiscal year 2026-27. The RBI projects CPI inflation for fiscal year 2026-27 at 4.6 per cent., up from the average of approximately 1.9 per cent. recorded over the first 11 months of fiscal year 2025-26.

In February 2015, the RBI and the Ministry of Finance had agreed upon the Monetary Policy Framework Agreement, which was conceived as a “modern monetary policy framework to meet the challenge of an increasingly complex economy.” In May 2016, the RBI Act, 1934 was amended to provide a statutory basis for the implementation of the flexible inflation targeting framework. The amended RBI Act also provides for the inflation target to be set by the Government of India, in consultation with the RBI, once in every five years. Accordingly, the Central Government had notified in the Official Gazette, a CPI inflation target of 4 per cent. for the period from August 5, 2016 to March 31, 2021, with an upper tolerance limit of 6 per cent. and a lower tolerance limit of 2 per cent. On March 31, 2021, the Government retained the inflation target at 4 per cent. with tolerance levels of 2 per cent. and 6 per cent. respectively, for the period April 2021 to March 2026. Most

recently, the Government of India has again retained the inflation target at 4 per cent. with the same upper and lower tolerance limits of 6 per cent. and 2 per cent. respectively, for the five-year period from April 1, 2026 to March 31, 2031, reinforcing the flexible inflation targeting framework.

Changes in interest rates

One of the primary factors affecting the Issuer's profitability is the level of, and fluctuations in, interest rates in India as well as global interest rates over time, which in turn influence the interest expense associated with the Issuer's liabilities and the interest income generated by its loan assets. As a non-deposit-taking institution that relies primarily on the debt capital markets and commercial borrowings for its funding, the Issuer's cost of funds is closely linked to prevailing market interest rates. The monetary policy of the RBI has a direct bearing on the Issuer's Rupee cost of funds, and changes in market interest rates affect the pricing of the Issuer's infrastructure loans and the spreads it earns on its portfolio.

Interest rates in India are primarily determined by market forces, which results in increased interest rate risk exposure for all financial institutions, including the Issuer. The Issuer's loan assets are predominantly long-tenor in nature, extending to 15 years or beyond, reflecting the capital-intensive and long-gestation character of infrastructure project finance. This creates an inherent structural asset-liability mismatch, as the Issuer's funding liabilities may be of shorter duration than the underlying loan assets they fund. Changes in interest rates could affect the rates charged on the Issuer's loan assets and the rates paid on its interest-bearing liabilities in different ways. As a result, the Issuer's results of operations could be affected by changes in interest rates and the interest rate mismatch between its assets and liabilities. Further, volatility in interest rates could adversely affect the Issuer's business, its future financial performance and the pricing of the Notes. See also "*Risk Factors – Risks relating to the business of the Issuer – The Issuer is exposed to liquidity risk and asset-liability mismatches arising from the long-term nature of its infrastructure financing activities*".

During the COVID-19 pandemic in 2020, the width of the Liquidity Adjustment Facility ("**LAF**") corridor was widened to 90 basis points (bps) by asymmetric adjustments in the reverse Repo rate vis-à-vis the policy Repo rate. With a view to fully restoring the pre-pandemic liquidity management framework of February 2020 and in view of the gradual return to normalcy in financial markets, the RBI in its Monetary Policy Committee Meeting on April 8, 2022, decided to restore the width of the LAF corridor to its pre-pandemic level. With the introduction of the Standing Deposit Facility at 3.75 per cent. as a floor of the LAF corridor replacing the Fixed Rate Reverse Repo, the policy Repo rate being at 4.00 per cent. and the MSF rate at 4.25 per cent., the width of the LAF corridor was restored to its pre-pandemic configuration of 50 bps.

The MPC changed its stance in April 2022 to focus on withdrawal of accommodation to ensure that inflation remained within the target of 4 per cent. within a band of +/- 2 per cent. going forward, while supporting growth. The MPC raised the policy repo rate by 40 bps to 4.40 per cent. in an off-cycle meeting in May 2022, and cumulatively increased it by 250 bps during 2022-23 to reach 6.50 per cent. The policy repo rate remained at 6.50 per cent. throughout 2023-24, with liquidity conditions tightening in sync with the monetary policy stance. During 2024-25, with headline inflation exhibiting gradual easing, the MPC changed its stance to neutral in October 2024 and began an easing cycle. The MPC reduced the policy repo rate by 25 bps to 6.25 per cent. in February 2025. In April 2025, the MPC reduced the policy repo rate by a further 25 bps to 6.00 per cent. and changed the stance to accommodative. In June 2025, the MPC front-loaded a further 50 bps cut to 5.50 per cent. to stimulate private consumption and investment, reverting the stance to neutral. In both August 2025 and October 2025, the MPC kept the repo rate unchanged at 5.50 per cent. In December 2025, the MPC reduced the policy repo rate by a further 25 bps to 5.25 per cent., maintaining the neutral stance, bringing cumulative reductions in calendar year 2025 to 125 bps. At the same time, the RBI raised its FY26 GDP growth forecast to 7.3 per cent. and reduced its FY26 CPI inflation forecast to 2 per cent., reflecting the historically low inflation environment prevailing at the time. In February 2026, April 2026, and June 2026, the MPC kept the policy repo rate unchanged at 5.25 per cent. and maintained the neutral stance. The pause in the easing cycle reflects the

MPC's assessment of heightened inflation risks arising from the Middle East conflict, which has driven crude oil prices above U.S.\$100 per barrel and contributed to imported inflationary pressures and rupee depreciation. The MPC noted that while CPI inflation remained below the 4 per cent. target at the time of the June 2026 meeting (3.4 per cent. in March 2026 and 3.5 per cent. in April 2026), headline inflation is projected to firm up towards the upper tolerance level by the third quarter of fiscal year 2026-27. The RBI revised its FY27 CPI inflation projection upward to 5.1 per cent. (from 4.6 per cent. projected in April 2026), and revised its FY27 GDP growth projection downward to 6.6 per cent. (from 6.9 per cent. projected in April 2026), to reflect a more cautious outlook given evolving geopolitical conditions.

CPI inflation declined sharply through fiscal year 2025-26, touching an all-time low of approximately 0.25 per cent. in October 2025. This was driven by declining food prices, the GST rate cut on goods and services implemented in September 2025, and favorable base effects, providing the basis for the RBI's continued easing.

In April 2025, the MPC reduced the policy repo rate by 25 bps to 6.0 per cent. and changed the stance from neutral to accommodative to continue supporting growth. In June 2025, the MPC further reduced the policy repo rate by 50 bps to 5.50 per cent., frontloading the rate cut to stimulate private consumption and investment through policy levers to step up the growth momentum. The stance was also changed from accommodative to neutral, recognizing that after a cumulative policy rate cut of 100 bps in quick succession, monetary policy had limited space to support growth further. In both August 2025 and October 2025 meetings, the MPC kept the repo rate unchanged at 5.50 per cent. and maintained the neutral stance.

As on March 31,	Bank Rate	Repo Rate	Reverse Repo
2024	6.75	6.50	3.35
2025	6.50	6.25	3.35
2026	5.50	5.25	3.35

Source: RBI

As a non-deposit-taking All India Financial Institution, the Issuer relies primarily on debt capital market issuances, borrowings from multilateral institutions, and commercial borrowings to fund its infrastructure loan portfolio. The Issuer does not have access to low-cost retail deposits, which means its cost of funds is more directly sensitive to prevailing market interest rates than that of a conventional commercial bank. Both the Issuer's funding costs and loan pricing dynamics are consequently different from commercial banks, due to the nature of its mandate and business model. The monetary policy of the RBI has a direct bearing on the Issuer's Rupee cost of funds. As the Issuer has recently commenced foreign currency borrowing, its interest expense and funding costs are also influenced by global benchmark rates and prevailing spreads in international capital markets. The Issuer uses cross-currency swap arrangements to hedge a portion of its foreign currency borrowing obligations, but these hedging arrangements may not fully cover the Issuer's foreign currency exposure at all times. The Issuer's net interest income is therefore affected by a range of factors, including the general level of domestic and global interest rates, the cost of hedging, the Issuer's ability to price its infrastructure loan assets at spreads that support profitability and the structural asset-liability mismatch inherent in long-tenor infrastructure project finance.

The Issuer's loan assets are predominantly denominated in Indian Rupees. However, following the commencement of its foreign currency borrowings (including under this Programme), the Issuer is exposed to the risk of changes in foreign exchange rates and global interest rate benchmarks affecting the cost of servicing its foreign currency liabilities. Where fixed-rate foreign currency borrowings are entered into, the Issuer seeks to convert these into floating-rate obligations through cross-currency interest rate swaps so that both the lending and borrowing rates are aligned to the same benchmark. Changes in benchmark rates, as well as changes in credit spreads applicable to the Issuer's issuances in international capital markets, will result in changes to the

Issuer's interest expense and could adversely affect its net interest margins. The escalation of geopolitical tensions in the Middle East since early 2026, and the resulting volatility in global energy prices and financial markets, has increased the Issuer's exposure to fluctuations in its cost of foreign currency borrowing. The rupee traded above ₹93 per US dollar at the time of the April 2026 MPC meeting, and elevated crude oil prices have contributed to imported inflationary pressures and rupee depreciation. As per the June 2026 MPC meeting, the US dollar index had appreciated in June 2026, amid shifting rate expectations and changing risk sentiment. The most recent August 2026 MPC meeting further notes that the US dollar appreciated in August 2026, supported by elevated yields, a hawkish Federal Reserve tone, and a relatively buoyant US economy riding on AI driven productivity gains. The Indian economy remains exposed to currency depreciation risk due to trade deficits and volatility in capital flows. These factors may increase the Issuer's cost of hedging its foreign currency obligations and could adversely affect its business, future financial performance and the pricing of the Notes.

Forex Reserves

A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy which could have an adverse impact on the Issuer's business.

According to the RBI's Annual Report 2024-25, India's foreign exchange reserves stand at a robust level of approximately U.S.\$668.3 billion as on March 31, 2025, equivalent to approximately 11 months of merchandise imports. India's foreign exchange reserves subsequently rose to an all-time high of U.S.\$728.49 billion in the week ended February 27, 2026, before declining to approximately U.S.\$681.6 billion as on June 5, 2026, as the RBI intervened in currency markets to stabilize the rupee amid Middle East geopolitical tensions and associated global risk-off sentiment. According to the RBI Bulletin, India's net foreign direct investment during fiscal year 2025 stood at U.S.\$1.0 billion as against approximately U.S.\$10.1 billion in the previous fiscal year, primarily owing to higher repatriation. India's net portfolio investment during fiscal year 2025 stood at U.S.\$3.6 billion as compared to a net portfolio investment of U.S.\$44 billion in the previous year. According to the RBI, foreign portfolio investors turned net sellers in the domestic market.

The ratio of short-term debt (residual maturity) to foreign exchange reserves was approximately 45.4 per cent., as on March 2025. As a percentage of foreign exchange reserves, volatile capital flows, defined to include cumulative portfolio inflows and short-term debt, declined from a high of 94 per cent. in 2013 to 69 per cent. as at end of March 2025 and 66.6 per cent. as at end June 2025.

Sovereign Ratings of India

A change in sovereign ratings of India may affect the Issuer's business, liquidity position and the cost of funds as the Issuer's ratings are on par with the sovereign ratings of the country.

In August 2025, Standard and Poor's ("S&P") raised India's long-term sovereign credit rating to 'BBB' from 'BBB-' with a "stable" outlook based on its buoyant economic growth, against the backdrop of an enhanced monetary policy environment that anchors inflationary expectations. Fitch maintained India at "BBB-" with a stable outlook and Moody's maintained India at "Baa3" with a stable outlook.

In October 2021, Moody's upgraded India's sovereign rating outlook from a "negative" outlook to "stable" outlook while maintaining India's long term issuer ratings at "Baa3."

On June 10, 2022, Fitch Ratings, Inc. ("Fitch") upgraded the outlook on India's long-term foreign currency Issuer Default Rating to "stable" from "negative" and affirmed the rating at "BBB-". This upgrade was due to the rapid economic recovery and easing financial sector weakness, despite near-term headwinds from global commodity price shock.

As the Issuer's foreign currency ratings are pegged to India's sovereign ceiling, any adverse revision to India's credit rating for international debt will have a corresponding effect on the Issuer's ratings. There can be no assurance that India's credit ratings will not be downgraded in the future, which could lead to a downgrade of

the Issuer's ratings and may adversely impact the Issuer's ability to raise additional financing and the interest rates and other commercial terms at which such financing is available.

Global Economy

According to IMF WEO April 2026, global growth is projected at 3.1 per cent. in 2026, a downward revision of 0.2 percentage points relative to the IMF's January 2026 WEO Update, and is expected to reach 3.2 per cent. in 2027. The revision for 2026 largely reflects disruptions from the Middle East conflict, partly offset by carryover from recent strong data and reduced US tariff rates. Absent the conflict, the IMF noted that global growth would have been revised upward to approximately 3.4 per cent. in 2026. Advanced economies are forecast to grow broadly in line with the January 2026 WEO Update, with growth remaining modest. In the United States, growth is projected at 2.3 per cent. in 2026, reflecting easing financial conditions and productivity gains linked to technology adoption, partially offset by the impact of trade policy uncertainty. Growth in the Euro area is expected to be modest in 2026, with Germany projected at 0.8 per cent., France at 0.9 per cent. and Italy at 0.5 per cent., constrained by structural headwinds and elevated energy prices. In Japan, growth is projected at 0.7 per cent. in 2026, weighed down by demographic challenges and demand-side pressures. In the United Kingdom, growth is forecast at 0.8 per cent. in 2026, representing the largest downward revision among G7 economies relative to January 2026 estimates, reflecting the impact of elevated energy prices and weaker external demand.

Emerging market and developing economies are expected to be more adversely affected by the Middle East conflict than advanced economies, with the downward revision to growth of 0.3 percentage points for 2026 relative to the IMF's January 2026 WEO Update. Growth in emerging and developing Asia is expected to remain the strongest among regional groupings, with India projected to remain the fastest-growing major economy. In China, growth is expected at approximately 4.5 per cent. in 2026, consistent with ongoing structural rebalancing. The IMF noted that the impact on commodity-importing emerging market and developing economies with pre-existing fragilities is more pronounced, given the amplifying effects of currency depreciation and rising energy and food prices on domestic inflation and external balances.

Global headline inflation is expected to increase to 4.4 per cent. in 2026 and decline to 3.7 per cent. in 2027, with both years representing upward revisions relative to earlier forecasts, driven primarily by the impact of the Middle East conflict on global energy prices. The IMF noted that under an adverse scenario with larger and more persistent increases in energy prices, global growth could slow further to 2.5 per cent. in 2026 and global inflation could reach 5.4 per cent. Under a more severe scenario involving significant damage to energy infrastructure in the conflict region, global growth could be cut to only approximately 2 per cent. in 2026, while headline inflation could exceed 6 per cent. by 2027.

The Middle East conflict represents a significant and materialized downside risk to the global economic outlook. Further escalation of hostilities or a prolonged conflict affecting energy infrastructure could amplify energy price pressures with far-reaching macroeconomic consequences. Additional downside risks include the persistence of trade policy uncertainty, further escalation of protectionist measures including non-tariff barriers, fiscal vulnerabilities in sovereign borrowers and geopolitical tensions beyond the Middle East. On the upside, stronger-than-expected AI-related investment could translate into durable productivity gains and improved business dynamism, particularly if trade tensions continue to ease. A breakthrough in trade negotiations, or a de-escalation of the Middle East conflict, could also support an upward revision to growth.

Global merchandise trade conditions have deteriorated relative to October 2025 projections, principally on account of the Middle East conflict and its impact on commodity and energy markets, shipping costs and supply chains. The WTO and IMF have noted that elevated tariffs and geopolitical disruptions represent structural headwinds to global trade volume growth in 2026. Trade in 2025 was partly supported by front-loading of US imports ahead of tariff implementation and AI-related capital goods spending, but these temporary tailwinds are expected to fade. For 2026, both the WTO and IMF project a materially slower expansion in world

merchandise trade volumes as the full-year effects of elevated tariffs materialize and the Middle East conflict weighs on activity in a key global trade corridor.

Credit risk and provisioning for impaired loans

Managing the risk that a counterparty to a financial contract with the Issuer will fail to perform according to the terms and conditions of the contract and cause the Issuer to suffer a loss, or “credit risk”, is a key aspect of the Issuer’s financing and investment activities. See “*Risk Management*” for further information.

The Issuer’s advances are classified as “performing” or “non-performing” assets in accordance with the RBI’s All India Financial Institutions Income Recognition, Asset Classification and Provisioning Directions, 2025, which became applicable to the Issuer with effect from November 28, 2025. As on March 31, 2026, none of the Issuer’s advances were classified as non-performing or restructured and accordingly no additional provisions were required to be made towards that purpose. Both Gross NPAs and Net NPAs stood at nil as on March 31, 2026 and, in line with regulatory requirements, standard asset provisioning of ₹2.59 billion was made in the profit and loss account for the year ended March 31, 2026. As on June 30, 2026, the Issuer’s total credit exposure stood at ₹1,281.85 billion, comprising loans and advances of ₹1,092.59 billion, investments in bonds of ₹164.79 billion and non-fund exposure of ₹24.47 billion. The Issuer’s equity stood at ₹0.77 billion as of June 30, 2026.

The Issuer commenced commercial operations on December 29, 2022 and accordingly its loan portfolio has a limited operating history relative to the typical tenor and credit cycle of infrastructure assets. Infrastructure projects financed by the Issuer generally have long gestation periods and repayment horizons extending to 15 years or beyond, meaning that the credit performance of the Issuer’s portfolio may not become fully apparent for several years after origination. The Issuer’s lending portfolio (including bonds) grew from ₹593.65 billion as on March 31, 2025 to ₹1,153.47 billion as on March 31, 2026, representing year-on-year growth of 94.30 per cent. Given the speed and scale of this portfolio build-up, a significant proportion of the Issuer’s exposures are at an early stage of their contractual life and have not yet been exposed to a prolonged economic downturn, a tightening of monetary policy over an extended period, material adverse movements in commodity or input prices, or other macroeconomic stress events that typically characterize a full credit cycle. While the Issuer’s asset quality has remained standard to date, with nil Gross NPAs and nil Net NPAs as on March 31, 2026, this record has been achieved during a period of relatively favorable macroeconomic conditions and sustained government-led infrastructure spending. There can be no assurance that the Issuer’s current asset quality will be sustained as the portfolio seasons and is subjected to less benign economic conditions. Credit impairments or losses could materialize as borrower exposures mature and are tested through a complete credit cycle, which could materially and adversely affect the Issuer’s business, financial condition, results of operations and the trading price of the Notes.

The Issuer has maintained a nil NPA position since it commenced commercial operations in December 2022, reflecting its rigorous credit appraisal process and the relatively recent origination of its loan portfolio. The Issuer’s total credit exposure grew by 95.35 per cent. and 99.43 per cent. on a year-on-year basis and by 46.39 per cent. and 9.66 per cent. on a quarter-on-quarter basis to reach ₹1,168.97 billion and ₹1,281.85 billion as on March 31, 2026 and June 30, 2026 respectively. While the Issuer has maintained nil NPAs to date, there can be no assurance that the Issuer will be able to maintain its current nil NPA position as its loan portfolio continues to grow and season.

Sector Policies and Regulations

The Issuer’s operations are governed by, inter alia, the NABFID Act, which set out the Issuer’s objects, powers, capital structure and governance framework. In addition, the Issuer’s activities are subject to directions, circulars and guidelines issued by the RBI applicable to AIFIs, as well as sector-specific policies of the Government of India relating to infrastructure financing, including circulars, guidelines and notifications issued by the Ministry of Finance, the Department of Economic Affairs and relevant sectoral regulators for the

infrastructure sub-sectors in which the Issuer extends credit. See “Supervision and Regulation” for further information.

Measures to Support the Infrastructure Sector

India’s infrastructure financing landscape has evolved significantly over the past decade, supported by reforms in land acquisition, dispute resolution, and institutional strengthening. Initiatives like NIP, Gati Shakti, and The National Import Database (“**NIDB**”) have laid the foundation for a more coordinated and investor-friendly ecosystem. However, persistent challenges in regulatory consistency, institutional capacity, and data transparency need constant addressing to unlock the full potential of private capital. A forward-looking strategy should focus on simplifying legal frameworks, enhancing digital governance, and fostering collaboration between public and private stakeholders. With sustained policy momentum and targeted reforms, India can position itself as a global leader in infrastructure-led development.

Reforms in land acquisition, dispute resolution, and contract enforcement

Land acquisition has historically been one of the most contentious and delay-prone aspects of infrastructure development in India. The enactment of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act (2013) marked a significant step toward balancing development needs with social justice. More recently, the National Highway Authority of India’s (“**NHAI**”) implemented a 336-day structured timeline for land acquisition, supported by the digital ‘Bhoomi Rashi’ portal. This framework includes weekly monitoring, fixed deadlines for objections, and centralized compensation disbursement, significantly reducing delays and improving transparency. However, implementation challenges persist, particularly in multi-state projects and urban corridors. Recent RBI guidelines for project finance (June 2025) now mandate that land acquisition must be completed for at least 75% of non-public-private partnership (“**PPP**”) projects and 50% of PPP projects before financial closure, aiming to reduce execution risk and improve credit viability.

Dispute resolution remains another critical bottleneck. Infrastructure projects often suffer from prolonged litigation, leading to cost overruns and investor hesitation. The Government has promoted fast-track arbitration, model concession agreements, and independent regulators to streamline resolution. Yet, enforcement of arbitral awards and consistency in judicial interpretation remain areas that need reform.

Contract enforcement reforms are critical to ensuring that infrastructure agreements—especially under PPP models—are resilient and adaptable. Outdated concession agreements have been identified as a major cause of delays and cost overruns. Contract enforcement is further complicated by frequent policy changes, such as retrospective tax amendments or delays in GST reimbursements, which erode investor confidence. To address these issues, policy measures focus on:

- Reducing approval timelines through single window clearances
- Shifting responsibility for regulatory permits from concessionaires to Government agencies in PPPs
- Ensuring consistency in legal frameworks and honoring contractual obligations under force majeure and change-in-law clauses

Institutional frameworks

The NIP, launched in 2019, set out a U.S.\$1.5 trillion investment roadmap across transport, energy and urban development. As on August 2025, 1,139 of 13,984 approved projects were under implementation. The PM Gati Shakti Master Plan integrates 16 central ministries and 36 states/union territories on a digital platform for multimodal connectivity planning. As on October 2024, the platform had mapped over 1,600 data layers and 208 projects worth ₹15.39 trillion. It uses ISRO satellite imagery for real-time tracking of assets, logistics corridors and utility networks.

The National Monetization Pipeline (“**NMP**”) is designed to unlock value from existing public assets. The National Investment and Infrastructure Fund (“**NIIF**”) operates as a collaborative investment platform involving global investors and multilateral institutions. NIDB, established in 2021, provides debt and equity financing for commercially viable infrastructure projects, including those with long gestation periods.

Challenges	Focus Areas
▪ Absence of unified planning and execution across Central and state agencies, resulting in coordination inefficiencies ▪ Limited capacity in urban local bodies and state infrastructure agencies for project preparation and execution ▪ Overlapping mandates between regulators (e.g. NHAI) creating procedural delays	▪ Enhanced inter-agency coordination through integrated planning platforms ▪ Capacity building at sub-national levels for project appraisal and monitoring

Digital platforms and data transparency

PM Gati Shakti and INFRACON (a platform for contractor and consultant registration) have increased transparency in infrastructure project management. GIS mapping, real-time dashboards and AI-based analytics are used for project tracking and risk assessment. SEBI and the Bharat InvIT Association have proposed the establishment of Data Benchmarking Institutes for InvITs to collect and standardize data on financial performance, operational metrics and risk parameters, enabling comparability across InvITs. Digital platforms also provide investor access to project pipelines, concession agreements and performance benchmarks, reducing information asymmetry.

For more information, see "*Infrastructure Development in India*".

Exchange Rates

Exchange rates determine Rupees earned per U.S. dollar of exports (and Rupees paid per U.S. dollar of imports), and influence the relative price competitiveness of India’s exports in the international market. The Issuer’s loan assets are predominantly denominated in Indian Rupees. However, the Issuer has commenced foreign currency borrowing and, as on June 30, 2026, had outstanding external commercial borrowings of U.S.\$125.06 million. The issuance of Notes under this Programme will significantly increase the Issuer’s foreign currency liabilities and, correspondingly, its exposure to foreign exchange risk arising from the currency mismatch between its foreign currency borrowings and its predominantly Rupee-denominated asset base. The Issuer has put in place cross-currency swap arrangements to hedge a portion of its foreign currency borrowing obligations, although these hedging arrangements may not fully cover the Issuer’s foreign currency exposure at all times. Changes in exchange rates can therefore impact the Issuer’s cost of servicing its foreign currency liabilities and its overall financial condition.

Unless otherwise specified, where financial information in relation to the Issuer has been translated into U.S. dollars, it has been so translated, for convenience only, for financial information as on March 31, 2024, at the rate of ₹83.3739 per U.S.\$1.00, as on March 31, 2025, at the rate of ₹85.5814 per U.S.\$1.00, as on March 31, 2026, at the rate of ₹94.6543 per U.S.\$1.00 and as on June 30, 2026, at the rate of ₹94.5975 per U.S.\$1.00 (being the rates published by the RBI as on the respective dates). Any discrepancies in any table between totals and sums of the amounts listed are due to rounding. No representation is made that the Rupee or U.S. dollar amounts referred to herein could have been or could be converted into U.S. dollars or Rupee, as the case may be, at any particular rate, or at all.

Based on the RBI's Monetary Policy Report – April 2026, the foreign exchange market remained volatile during 2025-26 (October – March), driven by shifting US policies, tariff-related uncertainty and sharp escalation in geopolitical tensions. The US dollar index witnessed a sustained decline till January, slipping to a multi-year low, weighed down by growing US growth and fiscal sustainability concerns, and uncertainty about the duration of the US Federal Reserve's rate-cutting cycle. With the onset of the Middle East conflict at the end-of February 2026, the US dollar rose sharply, reflecting a rise in safe haven demand. Emerging market currencies broadly strengthened on a weakening US dollar and improved global risk appetite until January 2026, but fell thereafter amidst rising global risk-off sentiments. The Indian Rupee exhibited two-way movements with a depreciating bias on the back of persistent foreign portfolio investment outflows, elevated corporate dollar demand and rise in global risk-off sentiments in 2025-26 (October – March). Overall, the INR depreciated by 6.2 per cent. against the U.S. dollar in 2025-26 (October – March).

Going ahead, volatility in global financial markets, slower global trade and demand, and any strengthening of the U.S. dollar may exert further downward pressure on the Rupee. This may be exacerbated by risk aversion towards emerging market assets and higher international crude oil prices due to sanctions and geopolitical tensions. Any such depreciation or volatility may adversely affect the Issuer's business, prospects, financial condition, results of operations and cash flows.

Going forward, the Issuer's exposure to exchange rate movements will increase as it scales up its foreign currency borrowings under this Programme. The Central Government may, under the NABFID Act, provide support for hedging costs in connection with any foreign currency borrowings made by the Issuer, though there is no assurance that such support will be available at all times or in sufficient amounts to cover the Issuer's full foreign currency exposure.

The Issuer does not operate a foreign currency on-lending programme. Its foreign currency borrowings are used to fund its Rupee-denominated infrastructure loan portfolio, with the resulting currency mismatch managed through cross-currency interest rate swaps. As the Issuer has recently commenced foreign currency borrowing, its experience in managing foreign currency liabilities remains limited and its hedging infrastructure and risk management capabilities in respect of foreign exchange risk are still developing.

As part of its strategy to manage the impact of exchange rate movements on its foreign currency borrowings, the Issuer enters into cross-currency swap arrangements. As on June 30, 2026, the Issuer had outstanding external commercial borrowings of U.S.\$125.06 million with an original tenor of five years. The Issuer uses cross-currency swap arrangements to convert its foreign currency obligations into Rupee-equivalent obligations, seeking to align the effective cost of its foreign currency borrowings with prevailing domestic market conditions. However, there can be no assurance that these hedging arrangements will be fully effective at all times or that the Issuer's hedging strategy will be adequate as the scale of its foreign currency borrowings increases. The rupee traded above ₹93 per U.S. dollar at the time of the April 2026 MPC meeting, and elevated crude oil prices have contributed to imported inflationary pressures and rupee depreciation, which may increase the Issuer's cost of hedging its foreign currency obligations. As per the June 2026 MPC meeting, the US dollar index had appreciated in June 2026, amid shifting rate expectations and changing risk sentiment. The most recent August 2026 MPC meeting further notes that the US dollar appreciated in August 2026, supported by elevated yields, a hawkish Federal Reserve tone, and a relatively buoyant US economy riding on AI driven productivity gains.

Capital Adequacy Ratios

With effect from April 1, 2024, the RBI Master Direction on Prudential Regulations on Basel III Capital Framework, Exposure Norms, Significant Investments, Classification, Valuation and Operation of Investment Portfolio Norms and Resource Raising Norms for All India Financial Institutions (AIFIs) Directions, 2023 became applicable to the Issuer, replacing the previous Basel I capital requirements. These directions were subsequently updated by the Reserve Bank of India (All India Financial Institutions – Prudential Norms on

Capital Adequacy) Directions, 2025, dated November 28, 2025, which are currently applicable to the Issuer. Under the applicable Basel III capital framework for AIFIs, the minimum Capital to Risk-weighted Assets Ratio (“CRAR”) is 9 per cent. on an ongoing basis, comprising a minimum Common Equity Tier 1 (CET1) of 5.5 per cent. and a Capital Conservation Buffer of 2.5 per cent. The borrowing limit framework has been replaced by a minimum leverage ratio of 4 per cent., calculated as Tier I capital divided by total exposure (comprising on-balance sheet exposure, off-balance sheet exposure after conversion factors, and derivative exposure). As on March 31, 2026, the Issuer’s CRAR stood at 44.22 per cent. and its CET-1 ratio stood at 43.61 per cent., well in excess of the applicable minimum requirements. As on June 30, 2026, the Issuer’s CRAR stood at 45.13 per cent. and its leverage ratio stood at 19.08 per cent., in each case in excess of the applicable regulatory minimums of 9 per cent. and 4 per cent., respectively.

The following table sets forth, as of the dates indicated, information on the Issuer’s capital adequacy, computed in accordance with the RBI’s Basel III capital adequacy guidelines applicable to AIFIs.

	As on March 31,			As on June 30,	
	2024	2025	2026	2025	2026
	<i>(₹ billion, unless otherwise specified)</i>				
Common Equity Tier 1 capital (CET 1) (net of deductions, if any).....	284.19	309.67	342.60	317.71	351.72
Additional Tier 1 capital.....	—	—	—	—	—
Tier 1 capital ⁽¹⁾	284.19	309.67	342.60	317.71	351.72
Tier 2 capital	1.41	2.43	4.76	2.61	5.53
Total Capital (Tier 1 + Tier 2)	285.61	312.10	347.37	320.32	357.25
CET Ratio (CET 1 as a percentage of RWAs)	114.48%	73.35%	43.61%	70.36%	44.43%
Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	114.48%	73.35%	43.61%	70.36%	44.43%
Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	0.57%	0.58%	0.61%	0.58%	0.70%
Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs).....	115.05%	73.93%	44.22%	70.94%	45.13%
Leverage Ratio	N/A ⁽³⁾ %	32.64%	20.56%	29.14%	19.08%
Percentage of the shareholding of the Government of India	100.00%	100.00%	100.00%	100.00%	100.00%
Amount of paid-up equity raised during the year/period	—	—	—	—	—
Amount of non-equity Tier 1 capital raised during the year/period.....	—	—	—	—	—
Amount of Tier 2 capital raised during the year/period ⁽³⁾	—	—	—	—	—

Notes:

(1) Tier 1 capital includes grant amount in line with the RBI communication dated July 6, 2023 addressed to the Issuer.

- (2) Comprising debt capital instruments, perpetual cumulative preference shares, redeemable non-cumulative preference shares and redeemable cumulative preference shares.
- (3) The RBI Directions with respect to the publication of leverage ratio took effect from April 2, 2024.

Investments

The Issuer maintains an investment portfolio which consists primarily of investments in bonds (infrastructure and other debt instruments) and equity investments. The Issuer maintains this investment portfolio to support its infrastructure financing mandate and to provide liquidity, if necessary. The Issuer's gross investments amounted to ₹251.76 billion (U.S.\$2,661.38 million) as on June 30, 2026; of this amount, ₹164.79 billion (U.S.\$1,742.01 million) was classified as investment in infrastructure bonds, ₹0.77 billion (U.S.\$8.14 million) was classified as equity investments, and the remainder comprised other financial investments.

The following tables set forth, as of the dates indicated, information relating to the Issuer's total investment portfolio. Domestic investments constituted 100.00 per cent. of the Issuer's investment portfolio as on March 31, 2026.

	As on March 31			As on June 30	
	2024	2025	2026	2025	2026
	(₹ in billion)				
Investment in India					
Securities of Central and State Governments ⁽¹⁾	—	—	42.45	—	58.88
Shares of banks and financial institutions.....	—	—	—	—	—
Bonds, debentures and other securities of banks and financial institutions.....	—	14.99	33.27	9.27	27.32
Shares, bonds, debentures, and other securities of other entities ..	1.00	28.21	127.12	47.45	165.56
Investments in subsidiaries, associates and joint ventures	—	—	—	—	—
Others.....	—	—	—	—	—
Depreciation on investments	—	—	(0.05)	(0.01)	-
Subtotal	1.00	43.20	202.80	56.71	251.76
Investment outside India					
Government securities.....	—	—	—	—	—
Subsidiaries, associates and joint ventures	—	—	—	—	—
Others.....	—	—	—	—	—
Subtotal	—	—	—	—	—
Total.....	1.00	43.20	202.80	56.71	251.76

Note:

(1) This includes pledged with The Clearing Corporation of India Limited (CCIL) as collateral.

Income derived from the Issuer's investment securities amounted to ₹7.42 billion (U.S.\$78.44 million) for the year ended March 31, 2026, accounting for 10.23 per cent. of total interest income for the period, and amounted to ₹1.23 billion for the year ended March 31, 2025, accounting for 2.47 per cent. of total interest income for such period. The Issuer's total investments increased to 15.67 per cent. of total assets as on June 30, 2026 from 14.04 per cent. as on March 31, 2026 (compared to 5.19 per cent. as on March 31, 2025), primarily due to an increase in the Issuer's holdings of investments in bonds, which grew from ₹126.35 billion as on March 31, 2026 to ₹164.79 billion as on June 30, 2026, as the Issuer continued to deploy available liquidity into infrastructure and other debt instruments to enhance its earning investment portfolio.

Results for the three months ended June 30, 2026 compared to the three months ended June 30, 2025

	Three Months Ended June 30,		
	2025	2026	% change
	<i>(in ₹ billion, except percentages)</i>		
Interest Earned.....	16.40	28.08	71.19%
Other Income.....	0.70	0.88	27.18%
Total Income.....	17.10	28.96	69.40%
Interest			
Expended.....	(9.07)	(18.38)	102.67%
Operating Expenses.....	(0.70)	(1.03)	47.87%
Total Expenditure (excluding provisions and contingencies)	(9.77)	(19.41)	98.74%
Operating profit (Profit before Provisions & Contingencies)	7.33	9.55	30.30%
Provisions (other than tax) and Contingencies	(0.18)	(1.53)	728.72%
Exceptional items.....	—	—	—
Profit/(Loss) from Ordinary Activities before tax.....	7.14	8.02	12.23%
Tax expense.....	—	—	—
Net Profit/(Loss) from Ordinary Activities after tax.....	7.14	8.02	12.23%
Extraordinary items (net of tax expense)	—	—	—
Net Profit/(Loss) for the period.....	7.14	8.02	12.23%

Interest Earned

Interest earned increased by ₹11.68 billion, or 71.22 per cent., from ₹16.40 billion for the three months ended June 30, 2025 to ₹28.08 billion for the three months ended June 30, 2026, primarily due to the continued growth of the Issuer's loan portfolio, with term loans increasing significantly year-on-year, together with higher income from the Issuer's expanded investments in bonds.

Other Income

Other income increased by ₹0.18 billion, or 25.71 per cent., from ₹0.70 billion for the three months ended June 30, 2025 to ₹0.88 billion for the three months ended June 30, 2026, primarily because of an increase in fee-based and other non-interest income generated in connection with the growth of the Issuer's business.

Total Income

Total income increased by ₹11.86 billion, or 69.36 per cent., from ₹17.10 billion for the three months ended June 30, 2025 to ₹28.96 billion for the three months ended June 30, 2026, primarily as a result of the increase in interest earned and, to a lesser extent, the increase in other income, each as described above.

Interest Expended

Interest expended increased by ₹9.31 billion, or 102.65 per cent., from ₹9.07 billion for the three months ended June 30, 2025 to ₹18.38 billion for the three months ended June 30, 2026, primarily as a result of the increase in the Issuer's borrowings and debt securities outstanding to fund the growth of its loan and investment portfolio.

Operating Expenses

Operating expenses increased by ₹0.33 billion, or 47.87 per cent., from ₹0.70 billion for the three months ended June 30, 2025 to ₹1.03 billion for the three months ended June 30, 2026, primarily as a result of an increase in employee costs and other operating expenses as the Issuer continued to scale up its operations and workforce to support its growing business.

Total Expenditure (excluding provisions and contingencies)

Total expenditure (excluding provisions and contingencies) increased by ₹9.64 billion, or 98.67 per cent., from ₹9.77 billion for the three months ended June 30, 2025 to ₹19.41 billion for the three months ended June 30, 2026, primarily as a result of the increase in interest expended and, to a lesser extent, the increase in operating expenses, each as described above.

Operating Profit (Profit before Provisions & Contingencies)

Operating profit (profit before provisions and contingencies) increased by ₹2.22 billion, or 30.29 per cent., from ₹7.33 billion for the three months ended June 30, 2025 to ₹9.55 billion for the three months ended June 30, 2026, primarily as a result of the growth in total income outpacing the growth in total expenditure, each as described above.

Provisions (other than tax) and Contingencies

Provisions (other than tax) and contingencies increased by ₹1.35 billion, or 750.00 per cent., from ₹0.18 billion for the three months ended June 30, 2025 to ₹1.53 billion for the three months ended June 30, 2026, primarily as a result of higher standard asset provisioning made in accordance with applicable regulatory requirements, reflecting the substantial growth in the Issuer's loan and investment portfolio, notwithstanding that the Issuer's Gross NPAs and Net NPAs remained nil throughout the period.

Profit/(Loss) from Ordinary Activities after tax

Profit/(loss) from ordinary activities after tax increased by ₹0.88 billion, or 12.32 per cent., from ₹7.14 billion for the three months ended June 30, 2025 to ₹8.02 billion for the three months ended June 30, 2026, primarily as a result of the increase in operating profit, partly offset by the increase in provisions (other than tax) and contingencies, each as described above.

Net Profit/(Loss) for the period

As a result of the foregoing, the Issuer's net profit/(loss) for the period increased by ₹0.88 billion, or 12.32 per cent. from ₹7.14 billion for the three months ended June 30, 2025, to ₹8.02 billion for the three months ended June 30, 2026.

Financial Condition

Assets

The following table shows a breakdown of the components of the Issuer's assets as on March 31, 2026 and June 30, 2026.

	As on March 31, 2026	As on June 30, 2026	% change
	(₹ in billion, except percentages)		
Financial Assets			
Cash in Hand and Balances with the Reserve Bank of India	0.00 ⁽¹⁾	0.00 ⁽¹⁾	—
Balances with Banks	181.88	220.74	21.37%
Derivative Financial Instruments	0.08	6.09	7,512.50%
Loans.....	1,027.12	1,092.59	6.37%
Investments	202.80	251.76	24.14%
Other Financial Assets	30.55	32.61	6.76%
Non-Financial Assets			
Property, Plant and Equipment.....	0.08	0.07	(12.50)%
Goodwill	—	—	—
Other Intangible Assets	1.12	1.10	(1.79)%
Current Tax Assets	—	—	—
Deferred Tax Assets	—	—	—
Other Non-Financial Assets	1.09	1.53	40.37%
Total.....	1,444.72	1,606.50	11.20%

Notes:

(1) Denotes an amount that is less than ₹1.00 billion.

Balances with Banks

Balances with banks increased by ₹38.86 billion, or 21.37 per cent., from ₹181.88 billion as on March 31, 2026 to ₹220.74 billion (U.S.\$2,333.47 million) as on June 30, 2026, primarily due to the deployment of surplus funds raised through the Issuer's borrowings and debt securities issuances pending onward disbursement to infrastructure projects.

Derivative Financial Instruments

Derivative financial instruments increased by ₹6.01 billion, or 7,512.50 per cent., from ₹0.08 billion as on March 31, 2026 to ₹6.09 billion (U.S.\$64.38 million) as on June 30, 2026, primarily due to change in fair value of derivatives instruments.

Loans

Loans increased by ₹65.47 billion, or 6.37 per cent., from ₹1,027.12 billion as on March 31, 2026 to ₹1,092.59 billion (U.S.\$11,549.88 million) as on June 30, 2026, primarily due to continued disbursements under the Issuer's infrastructure financing mandate, consistent with the growth in its loan sanctions and disbursements during the period.

Investments

Investments increased by ₹48.96 billion, or 24.14 per cent., from ₹202.80 billion as on March 31, 2026 to ₹251.76 billion (U.S.\$2,661.38 million) as on June 30, 2026, primarily due to an increase in the Issuer's holdings of investments in infrastructure bonds, which grew from ₹126.35 billion as on March 31, 2026 to ₹164.79 billion as on June 30, 2026, as the Issuer continued to deploy available liquidity into infrastructure and other debt instruments to enhance its earning on investment portfolio.

Other Financial Assets

Other financial assets increased by ₹2.06 billion, or 6.76 per cent., from ₹30.55 billion as on March 31, 2026 to ₹32.61 billion (U.S.\$344.72 million) as on June 30, 2026, primarily due to an increase in interest accrued but not due on fixed deposits, Overnight Index Swaps (“OIS”) and Total Return Swaps (“TRS”).

Property, Plant and Equipment

Property, plant and equipment decreased by ₹0.01 billion, or 12.50 per cent., from ₹0.08 billion as on March 31, 2026 to ₹0.07 billion (U.S.\$0.74 million) as on June 30, 2026, primarily due to depreciation charged on the Issuer's existing fixed assets during the period.

Goodwill

Goodwill remained nil as on March 31, 2026 and June 30, 2026, as the Issuer has not undertaken any acquisitions giving rise to goodwill.

Other Intangible Assets

Other intangible assets decreased by ₹0.02 billion, or 1.79 per cent., from ₹1.12 billion as on March 31, 2026 to ₹1.10 billion (U.S.\$11.63 million) as on June 30, 2026, primarily due to amortisation of previously capitalised software and other intangible assets during the period.

Current Tax Assets

Current tax assets remained nil as on March 31, 2026 and June 30, 2026, consistent with the Issuer's income tax exemption.

Deferred Tax Assets

Deferred tax assets remained nil as on March 31, 2026 and June 30, 2026, consistent with the Issuer's income tax exemption.

Other Non-Financial Assets

Other non-financial assets increased by ₹0.44 billion, or 40.37 per cent., from ₹1.09 billion as on March 31, 2026 to ₹1.53 billion (U.S.\$16.17 million) as on June 30, 2026, primarily due to security deposit given and unamortized expenditure related to bond issuance.

Total Assets

As a result of the foregoing, the Issuer's total assets increased by ₹161.78 billion, or 11.20 per cent., from ₹1,444.72 billion (U.S.\$15,263.12 million) as on March 31, 2026 to ₹1,606.50 billion (U.S.\$16,982.48 million) as on June 30, 2026.

Liabilities

The following table shows a breakdown of the components of the Issuer's liabilities as on March 31, 2026 and June 30, 2026.

	As on March 31, 2026	As on June 30, 2026	% change
	(₹ in billion, except percentages)		
Financial Liabilities			
Deposits.....	—	—	—
Borrowings.....	487.44	517.63	6.19%
Debt Securities	564.42	688.92	22.06%
Derivatives Financial Instruments.....	9.76	—	(100.00)%
Other Financial Liabilities.....	32.01	38.62	20.64%
Non-Financial Liabilities			
Current Tax Liabilities	—	—	—
Deferred Tax Liabilities	—	—	—
Other Non-Financial Liabilities (incl. provisions)	6.91	8.03	16.21%
Total Liabilities	1,100.53	1,253.19	13.87%

Deposits

Deposits remained nil as on March 31, 2026 and June 30, 2026, consistent with the Issuer's status as a non-deposit-taking institution.

Borrowings

Borrowings increased by ₹30.19 billion, or 6.19 per cent., from ₹487.44 billion as on March 31, 2026 to ₹517.63 billion (U.S.\$5,471.92 million) as on June 30, 2026, primarily due to additional drawdowns under the Issuer's borrowing facilities to fund the continued growth of its loan and investment portfolio.

Debt Securities

Debt securities increased by ₹124.50 billion, or 22.06 per cent., from ₹564.42 billion as on March 31, 2026 to ₹688.92 billion (U.S.\$7,282.64 million) as on June 30, 2026, primarily due to the fresh issuance of debt securities and their change in fair value of bonds as on June 30, 2026. During this period, ₹90.00 billion of new Non-Convertible Debentures ("NCDs"), comprising ₹25 billion with a three-year tenor and ₹65 billion with a ten-year tenor and ₹17.50 billion of commercial papers were issued.

Derivative Financial Instruments

Derivative financial instruments (liabilities) decreased by ₹9.76 billion, or 100.00 per cent., from ₹9.76 billion as on March 31, 2026 to nil as on June 30, 2026, primarily due to a change in the fair value of derivatives instruments.

Other Financial Liabilities

Other financial liabilities increased by ₹6.61 billion, or 20.64 per cent., from ₹32.01 billion as on March 31, 2026 to ₹38.62 billion (U.S.\$408.26 million) as on June 30, 2026, primarily due to an increase in variation margin payable to the counterparties.

Current Tax Liabilities

Current tax liabilities remained nil as on March 31, 2026 and June 30, 2026, consistent with the Issuer's income tax exemption.

Deferred Tax Liabilities

Deferred tax liabilities remained nil as on March 31, 2026 and June 30, 2026 due to the exemption granted by the Central Government from income tax under section 11 (Schedule VII) of the Income Tax Act, 2025. This exemption is in place for a period of 10 consecutive tax years starting from the tax year 2021-2022.

Other Non-Financial Liabilities (including provisions)

Other non-financial liabilities (including provisions) increased by ₹1.12 billion, or 16.21 per cent., from ₹6.91 billion as on March 31, 2026 to ₹8.03 billion (U.S.\$84.89 million) as on June 30, 2026, primarily due to an increase in standard asset provisioning and other provisions commensurate with the growth of the Issuer's loan and investment portfolio.

Total Liabilities

As a result of the foregoing, the Issuer's total liabilities increased by ₹152.66 billion, or 13.87 per cent., from ₹1,100.53 billion (U.S.\$11,626.84 million) as on March 31, 2026 to ₹1,253.19 billion (U.S.\$13,247.60 million) as on June 30, 2026, primarily due to the increase in the Issuer's debt securities and borrowings described above.

Results for the fiscal year ended March 31, 2026 compared to the fiscal year ended March 31, 2025

	Fiscal year ended March 31,		
	2025	2026	% change
	<i>(in ₹ billion, except percentages)</i>		
Interest Earned.....	49.73	72.57	45.93%
Other Income.....	2.35	3.28	39.57%
Total Income	52.08	75.85	45.64%
Interest Expended.....	(27.25)	(39.89)	46.39%
Operating Expenses.....	(1.91)	(3.00)	57.07%
Total Expenditure (excluding provisions and contingencies)	(29.16)	(42.89)	47.09%
Operating profit (Profit before Provisions & Contingencies)	22.92	32.96	43.80%
Provisions (other than tax) and Contingencies	(1.01)	(2.59)	156.44%
Exceptional items.....	—	—	—
Profit/(Loss) from Ordinary Activities before tax	21.91	30.37	38.61%
Tax expense.....	—	—	—
Net Profit/(Loss) from Ordinary Activities after tax ..	21.91	30.37	38.61%
Extraordinary items (net of tax expense)	—	—	—
Net Profit/(Loss) for the period	21.91	30.37	38.61%

Interest Earned

Interest earned increased by ₹22.84 billion, or 45.93 per cent., from ₹49.73 billion for the fiscal year ended March 31, 2025 to ₹72.57 billion for the fiscal year ended March 31, 2026, primarily due to the continued growth of the Issuer's loan portfolio, with term loans increasing significantly year-on-year, together with higher income from the Issuer's expanded investments in bonds.

Other Income

Other income increased by ₹0.93 billion, or 39.57 per cent., from ₹2.35 billion for the fiscal year ended March 31, 2025 to ₹3.28 billion for the fiscal year ended March 31, 2026, primarily because of an increase in fee-based and other non-interest income generated in connection with the growth of the Issuer's business.

Total Income

Total income increased by ₹23.77 billion, or 45.64 per cent., from ₹52.08 billion for the fiscal year ended March 31, 2025 to ₹75.85 billion for the fiscal year ended March 31, 2026, primarily as a result of the increase in interest earned and, to a lesser extent, the increase in other income, each as described above.

Interest Expended

Interest expended increased by ₹12.64 billion, or 46.39 per cent., from ₹27.25 billion for the fiscal year ended March 31, 2025 to ₹39.89 billion for the fiscal year ended March 31, 2026, primarily as a result of the increase in the Issuer's borrowings and debt securities outstanding to fund the growth of its loan and investment portfolio.

Operating Expenses

Operating expenses increased by ₹1.09 billion, or 57.07 per cent., from ₹1.91 billion for the fiscal year ended March 31, 2025 to ₹3.00 billion for the fiscal year ended March 31, 2026, primarily due to an increase in employee costs reflecting the significant growth in headcount as the Issuer continued to build out its operational capacity, together with higher establishment, technology and professional costs in line with the Issuer's expanding business activities.

Total Expenditure (excluding provisions and contingencies)

Total expenditure (excluding provisions and contingencies) increased by ₹13.73 billion, or 47.09 per cent., from ₹29.16 billion for the fiscal year ended March 31, 2025 to ₹42.89 billion for the fiscal year ended March 31, 2026, primarily as a result of the increase in interest expended and, to a lesser extent, the increase in operating expenses, each as described above.

Operating Profit (Profit before Provisions & Contingencies)

Operating profit (profit before provisions and contingencies) increased by ₹10.04 billion, or 43.80 per cent., from ₹22.92 billion for the fiscal year ended March 31, 2025 to ₹32.96 billion for the fiscal year ended March 31, 2026, primarily as a result of the growth in total income outpacing the growth in total expenditure, each as described above.

Provisions (other than tax) and Contingencies

Provisions (other than tax) and contingencies increased by ₹1.58 billion, or 156.44 per cent., from ₹1.01 billion for the fiscal year ended March 31, 2025 to ₹2.59 billion for the fiscal year ended March 31, 2026, primarily due to an increase in standard asset provisioning commensurate with the growth in the Issuer's loan portfolio, as the Issuer maintained nil non-performing assets throughout the period.

Net Profit/(Loss) for the Period

As a result of the foregoing, the Issuer's net profit for the period increased by ₹8.46 billion, or 38.61 per cent., from ₹21.91 billion for the fiscal year ended March 31, 2025, to ₹30.37 billion for the fiscal year ended March 31, 2026.

Net Interest Income

The following table sets forth the components of net interest income.

	Fiscal year ended March 31,		
	2025	2026	% change
	<i>(in ₹ billion, except percentages)</i>		
Interest / Discount on Advances / Bills	38.83	53.91	38.84%
Income on Investments	1.23	7.42	503.25%
Interest on Balances with Reserve Bank of India and Other Inter Bank Funds.....	—	—	—
Others.....	9.68	11.24	16.12%
Interest Expended.....	(27.25)	(39.89)	46.39%
Net interest income.....	22.49	32.68	45.31%

Interest / discount on advances / bills increased by ₹15.08 billion, or 38.84 per cent., from ₹38.83 billion for the fiscal year ended March 31, 2025 to ₹53.91 billion for the fiscal year ended March 31, 2026, primarily due to the continued growth of the Issuer's loan portfolio, with term loans increasing significantly year-on-year, together with higher income from the Issuer's expanded investments in bonds.

Income on investments increased by ₹6.19 billion, or 503.25 per cent., from ₹1.23 billion for the fiscal year ended March 31, 2025 to ₹7.42 billion for the fiscal year ended March 31, 2026, primarily as a result of a significant increase in the Issuer's investment portfolio, including new investments in government securities and infrastructure bonds, resulting in materially higher investment income during the year.

Other sources of net interest income increased by ₹1.56 billion, or 16.12 per cent., from ₹9.68 billion for the fiscal year ended March 31, 2025 to ₹11.24 billion for the fiscal year ended March 31, 2026, primarily due to increase in interest income on fixed deposits.

Interest expended increased by ₹12.64 billion, or 46.39 per cent., from ₹27.25 billion for the fiscal year ended March 31, 2025 to ₹39.89 billion for the fiscal year ended March 31, 2026, primarily as a result of increase in the borrowings in the ordinary course of business.

As a result of the foregoing, net interest income increased by ₹10.19 billion, or 45.31 per cent., from ₹22.49 billion for the fiscal year ended March 31, 2025, to ₹32.68 billion for the fiscal year ended March 31, 2026.

Non-Interest Income

The following table sets forth the components of non-interest income.

	Fiscal year ended March 31,		
	2025	2026	% change
	<i>(in ₹ billion, except percentages)</i>		
Other Income.....	2.35	3.28	39.57%
Total non-interest income	2.35	3.28	39.57%

Other income increased by ₹0.93 billion, or 39.57 per cent., from ₹2.35 billion for the fiscal year ended March 31, 2025 to ₹3.28 billion for the fiscal year ended March 31, 2026, primarily because of an increase in fee-based and other non-interest income generated in connection with the growth of the Issuer's business.

Financial Condition

Assets

The following table shows a breakdown of the components of the Issuer's assets as on March 31, 2025 and March 31, 2026.

	As on March 31,		
	2025	2026	% change
	(in ₹ billion, except percentages)		
Assets			
Financial Assets			
Cash in Hand and Balances with the Reserve Bank of India	0.00 ⁽¹⁾	0.00 ⁽¹⁾	—
Balances with Banks	201.76	181.88	(9.85)%
Derivative Financial Instruments	8.14	0.08	(99.02)%
Loans.....	566.20	1,027.12	81.41%
Investments	43.20	202.80	369.44%
Other Financial Assets	12.21	30.55	150.20%
Non-Financial Assets			
Property, Plant and Equipment.....	0.11	0.08	(27.27)%
Goodwill	—	—	—
Other Intangible Assets	0.10	1.12	1,020.00%
Current Tax Assets	—	—	—
Deferred Tax Assets	—	—	—
Other Non-Financial Assets	0.38	1.09	186.84%
Total	832.09	1,444.72	73.63%

Notes:

(1) Denotes an amount that is less than ₹1.00 billion.

Balances with Banks

Balances with banks decreased by ₹19.88 billion, or 9.85 per cent., from ₹201.76 billion as on March 31, 2025 to ₹181.88 billion as on March 31, 2026, primarily due to a reduction in fixed deposits placed with banks as the Issuer deployed funds into its growing loan portfolio, partially offset by an increase in current account balances.

Derivative Financial Instruments

Derivative financial instruments decreased by ₹8.06 billion, or 99.02 per cent., from ₹8.14 billion as on March 31, 2025 to ₹0.08 billion as on March 31, 2026, primarily due to a change in the fair value of derivatives instruments during the period.

Loans

Loans increased by ₹460.92 billion, or 81.41 per cent., from ₹566.20 billion as on March 31, 2025 to ₹1,027.12 billion as on March 31, 2026, primarily due to an increase in term loan disbursements to infrastructure projects across the Issuer's target sectors as the Issuer continued to scale its lending activities in line with its mandate.

Investments

Investments increased by ₹159.60 billion, or 369.44 per cent., from ₹43.20 billion as on March 31, 2025 to ₹202.80 billion as on March 31, 2026, as the Issuer continued to deploy available liquidity into infrastructure and other debt instruments to enhance its earning on investment portfolio.

Other Financial Assets

Other financial assets increased by ₹18.34 billion, or 150.20 per cent., from ₹12.21 billion as on March 31, 2025 to ₹30.55 billion as on March 31, 2026, primarily due to an increase in interest accrued but not due on fixed deposits, OIS and TRS.

Property, Plant and Equipment

Property, plant and equipment decreased by ₹0.03 billion, or 27.27 per cent., from ₹0.11 billion as on March 31, 2025 to ₹0.08 billion as on March 31, 2026, primarily due to depreciation charged on the Issuer's existing fixed assets during the period.

Other Intangible Assets

Other intangible assets increased by ₹1.02 billion, or 1,020.00 per cent., from ₹0.10 billion as on March 31, 2025 to ₹1.12 billion as on March 31, 2026, primarily due to significant additions in respect of software and technology systems as the Issuer implemented Phase II IT systems covering loan origination, risk management, early warning signals and enterprise data warehouse during the year.

Other Non-Financial Assets

Other non-financial assets increased by ₹0.71 billion, or 186.84 per cent., from ₹0.38 billion as on March 31, 2025 to ₹1.09 billion as on March 31, 2026, primarily due to depreciation charged on the Issuer's existing fixed assets during the period.

Total Assets

As a result of the foregoing, the Issuer's total assets increased by ₹612.63 billion, or 73.63 per cent., from ₹832.09 billion as on March 31, 2025, to ₹1,444.72 billion as on March 31, 2026.

Liabilities

The following table shows a breakdown of the components of the Issuer's liabilities as on March 31, 2025, and March 31, 2026.

As on March 31,		
2025	2026	% change
(in ₹ billion, except percentages)		

Financial Liabilities

	As on March 31,		
	2025	2026	% change
	<i>(in ₹ billion, except percentages)</i>		
Deposits.....	—	—	—
Borrowings.....	119.35	487.44	308.41%
Debt Securities	371.90	564.42	51.77%
Derivatives Financial Instruments.....	—	9.76	—
Other Financial Liabilities.....	27.74	32.01	15.39%
Non-Financial Liabilities			—
Current Tax Liabilities	—	—	—
Deferred Tax Liabilities	—	—	—
Other Non-Financial Liabilities (incl. provisions)	3.05	6.91	126.56%
Total Liabilities	522.05	1,100.53	110.81%

Borrowings

Borrowings increased by ₹368.09 billion, or 308.41 per cent., from ₹119.35 billion as on March 31, 2025 to ₹487.44 billion as on March 31, 2026, primarily due to additional drawdowns under the Issuer's borrowing facilities to fund the continued growth of its loan and investment portfolio.

Debt Securities

Debt securities increased by ₹192.52 billion, or 51.77 per cent., from ₹371.90 billion as on March 31, 2025 to ₹564.42 billion as on March 31, 2026, primarily due to the issuance of ₹144.82 billion of new NCDs during the year and issuance of certificate of deposit.

Derivatives Financial Instruments

Derivatives financial instruments increased from nil as on March 31, 2025 to ₹9.76 billion as on March 31, 2026, primarily due to a change in the fair value of derivatives instruments during the period.

Other Financial Liabilities

Other financial liabilities increased by ₹4.27 billion, or 15.39 per cent., from ₹27.74 billion as on March 31, 2025 to ₹32.01 billion as on March 31, 2026, primarily due to interest accrued on NCDs.

Other Non-Financial Liabilities (including provisions)

Other non-financial liabilities (including provisions) increased by ₹3.86 billion, or 126.56 per cent., from ₹3.05 billion as on March 31, 2025 to ₹6.91 billion as on March 31, 2026, primarily due to an increase in standard asset provisioning and other provisions commensurate with the growth of the Issuer's loan and investment portfolio.

Total Liabilities

As a result of the foregoing, the Issuer's total liabilities increased by ₹578.48 billion, or 110.81 per cent., from ₹522.05 billion as on March 31, 2025, to ₹1,100.53 billion as on March 31, 2026.

Results for the fiscal year ended March 31, 2025 compared to the fiscal year ended March 31, 2024

	Fiscal year Ended March 31,		
	2024	2025	% change
	<i>(in ₹ billion, except percentages)</i>		
Interest Earned.....	24.96 ⁽¹⁾	49.73	99.24%
Other Income.....	1.04	2.35	125.96%
Total Income	26.00	52.08	100.31%
Interest Expended.....	(8.05) ⁽¹⁾	(27.25)	238.51%
Operating Expenses.....	(0.92)	(1.91)	107.61%
Total Expenditure (excluding provisions and contingencies)	(8.97)	(29.16)	225.08%
Operating profit (Profit before Provisions & Contingencies)	17.03	22.92	34.59%
Provisions (other than tax) and Contingencies	(1.01)	(1.01)	0.00%
Exceptional items.....	—	—	—
Profit/(Loss) from Ordinary Activities before tax ...	16.02	21.91	36.77%
Tax expense.....	—	—	—
Net Profit/(Loss) from Ordinary Activities after tax	16.02	21.91	36.77%
Extraordinary items (net of tax expense)	—	—	—
Net Profit/(Loss) for the period	16.02	21.91	36.77%

Note:

(1) Reclassified as per special purpose audited financial statements for the year ended March 31, 2024.

Interest Earned

Interest earned increased by ₹24.77 billion, or 99.24 per cent., from ₹24.96 billion for the fiscal year ended March 31, 2024 to ₹49.73 billion for the fiscal year ended March 31, 2025, primarily due to a significant increase in interest income from loans and advances reflecting the strong growth in the Issuer's loan portfolio, together with the impact of higher average balances throughout the year.

Other Income

Other income increased by ₹1.31 billion, or 125.96 per cent., from ₹1.04 billion for the fiscal year ended March 31, 2024 to ₹2.35 billion for the fiscal year ended March 31, 2025, primarily because of an increase in fee-based and other non-interest income generated in connection with the growth of the Issuer's business.

Total Income

Total income increased by ₹26.08 billion, or 100.31 per cent., from ₹26.00 billion for the fiscal year ended March 31, 2024 to ₹52.08 billion for the fiscal year ended March 31, 2025, primarily as a result of the increase in interest earned and, to a lesser extent, the increase in other income, each as described above.

Interest Expended

Interest expended increased by ₹19.20 billion, or 238.51 per cent., from ₹8.05 billion for the fiscal year ended March 31, 2024 to ₹27.25 billion for the fiscal year ended March 31, 2025, primarily as a result of the increase

in the Issuer's borrowings and debt securities outstanding to fund the growth of its loan and investment portfolio.

Operating Expenses

Operating expenses increased by ₹0.99 billion, or 107.61 per cent., from ₹0.92 billion for the fiscal year ended March 31, 2024 to ₹1.91 billion for the fiscal year ended March 31, 2025, primarily due to an increase in employee costs as the Issuer significantly expanded its permanent headcount during the year, together with higher establishment and operational costs in line with the Issuer's growing business activities.

Total Expenditure (excluding provisions and contingencies)

Total expenditure (excluding provisions and contingencies) increased by ₹20.19 billion, or 225.08 per cent., from ₹8.97 billion for the fiscal year ended March 31, 2024 to ₹29.16 billion for the fiscal year ended March 31, 2025, primarily as a result of the increase in interest expended and, to a lesser extent, the increase in operating expenses, each as described above.

Operating Profit (Profit before Provisions & Contingencies)

Operating profit (profit before provisions and contingencies) increased by ₹5.89 billion, or 34.59 per cent., from ₹17.03 billion for the fiscal year ended March 31, 2024 to ₹22.92 billion for the fiscal year ended March 31, 2025, primarily as a result of the growth in total income outpacing the growth in total expenditure, each as described above.

Provisions (other than tax) and Contingencies

Provisions (other than tax) and contingencies remained unchanged at ₹1.01 billion for the fiscal year ended March 31, 2024 and the fiscal year ended March 31, 2025. There is no significant movement in the provision and contingencies.

Net Profit/(Loss) for the Period

As a result of the foregoing, the Issuer's net profit for the period increased by ₹5.89 billion, or 36.77 per cent., from ₹16.02 billion for the fiscal year ended March 31, 2024 to ₹21.91 billion for the fiscal year ended March 31, 2025.

Net Interest Income

The following table sets forth the components of net interest income.

	Fiscal year ended March 31,		
	2024	2025	% change
	<i>(in ₹ billion, except percentages)</i>		
Interest / Discount on Advances / Bills	12.76	38.83	204.31%
Income on Investments	1.19	1.23	3.36%
Interest on Balances with Reserve Bank of India and Other Inter Bank Funds	—	—	—
Others	11.01	9.68	(12.08)%
Interest Expended.....	(8.05) ⁽¹⁾	(27.25)	238.51%
Net interest income.....	16.91	22.49	33.00%

Note:

(1) Reclassified as per special purpose audited financial statements for the year ended March 31, 2024.

Interest / Discount on Advances / Bills

Interest / discount on advances / bills increased by ₹26.07 billion, or 204.31 per cent., from ₹12.76 billion for the fiscal year ended March 31, 2024 to ₹38.83 billion for the fiscal year ended March 31, 2025, primarily due to a significant increase in the volume of loans disbursed as the Issuer rapidly scaled its infrastructure loan portfolio, with outstanding loans growing from ₹353.42 billion to ₹566.20 billion during the year.

Income on Investments

Income on investments increased by ₹0.04 billion, or 3.36 per cent., from ₹1.19 billion for the fiscal year ended March 31, 2024 to ₹1.23 billion for the fiscal year ended March 31, 2025, primarily due to increase in investment portfolio during the year.

Interest Expended

Interest expended increased by ₹19.20 billion, or 238.51 per cent., from ₹8.05 billion for the fiscal year ended March 31, 2024 to ₹27.25 billion for the fiscal year ended March 31, 2025, primarily as a result of the increase in the Issuer's borrowings and debt securities outstanding to fund the growth of its loan and investment portfolio.

Net Interest Income

As a result of the foregoing, net interest income increased by ₹5.58 billion, or 33.00 per cent., from ₹16.91 billion for the fiscal year ended March 31, 2024 to ₹22.49 billion for the fiscal year ended March 31, 2025.

Non-Interest Income

The following table sets forth the components of non-interest income.

	Fiscal year ended March 31,		
	2024	2025	% change
	(in ₹ billion, except percentages)		
Other Income.....	1.04	2.35	125.96%
Total non-interest income	1.04	2.35	125.96%

Non-interest income increased by ₹1.31 billion, or 125.96 per cent., from ₹1.04 billion for the fiscal year ended March 31, 2024 to ₹2.35 billion for the fiscal year ended March 31, 2025, primarily because of an increase in fee-based and other non-interest income generated in connection with the growth of the Issuer's business.

Financial Condition

Assets

The following table shows a breakdown of the components of the Issuer's assets as on March 31, 2024 and March 31, 2025.

	As on March 31, 2024	As on March 31, 2025	% change
	<i>(in ₹ billion, except percentages)</i>		
Financial Assets			
Cash in Hand and Balances with the Reserve Bank of India	0.00 ⁽¹⁾	0.00 ⁽¹⁾	—
Balances with Banks	182.16	201.76	10.76%
Derivative Financial Instruments	1.30	8.14	526.15%
Loans.....	353.42	566.20	60.21%
Investments	1.00	43.20	4,220.00%
Other Financial Assets	12.99	12.21	(6.00)%
Non-Financial Assets			
Property, Plant and Equipment.....	0.10	0.11	10.00%
Goodwill	—	—	—
Other Intangible Assets	0.14	0.10	(28.57)%
Current Tax Assets	—	—	—
Deferred Tax Assets	—	—	—
Other Non-Financial Assets	0.18 ⁽²⁾	0.38	111.11%
Total.....	551.29	832.09	50.94%

Notes:

(1) Denotes an amount that is less than ₹1.00 billion.

(2) Reclassified as per special purpose audited financial statements for the year ended March 31, 2024.

Balances with Banks

Balances with banks increased by ₹19.60 billion, or 10.76 per cent., from ₹182.16 billion as on March 31, 2024 to ₹201.76 billion as on March 31, 2025, primarily due to an increase in fixed deposits placed with banks.

Derivative Financial Instruments

Derivative financial instruments increased by ₹6.84 billion, or 526.15 per cent., from ₹1.30 billion as on March 31, 2024 to ₹8.14 billion as on March 31, 2025, primarily due to a change in the fair value of derivatives instruments during the period.

Loans

Loans increased by ₹212.78 billion, or 60.21 per cent., from ₹353.42 billion as on March 31, 2024 to ₹566.20 billion as on March 31, 2025, primarily due to continued growth in disbursements to infrastructure projects across the Issuer's target sectors, with the Issuer materially scaling its lending activities and maintaining a nil NPA position throughout the period.

Investments

Investments increased by ₹42.20 billion, or 4,220.00 per cent., from ₹1.00 billion as on March 31, 2024 to ₹43.20 billion as on March 31, 2025, as the Issuer continued to deploy available liquidity into infrastructure and other debt instruments to enhance its earning on investment portfolio.

Other Financial Assets

Other financial assets decreased by ₹0.78 billion, or 6.00 per cent., from ₹12.99 billion as on March 31, 2024 to ₹12.21 billion as on March 31, 2025, primarily due to decrease in interest accrued amount during the year.

Property, Plant and Equipment

Property, plant and equipment increased by ₹0.01 billion, or 10.00 per cent., from ₹0.10 billion as on March 31, 2024 to ₹0.11 billion as on March 31, 2025, primarily due to new capital expenditure on office equipment and fixtures in connection with the Issuer's expanding operations, partially offset by depreciation charged during the year.

Other Intangible Assets

Other intangible assets decreased by ₹0.04 billion, or 28.57 per cent., from ₹0.14 billion as on March 31, 2024 to ₹0.10 billion as on March 31, 2025, primarily due to amortization of existing software assets exceeding new software additions during the year.

Other Non-Financial Assets

Other non-financial assets increased by ₹0.20 billion, or 111.11 per cent., from ₹0.18 billion as on March 31, 2024 to ₹0.38 billion as on March 31, 2025, primarily due to an increase in security deposit given and unamortised expenditure related to bond issuance.

Total Assets

As a result of the foregoing, the Issuer's total assets increased by ₹280.80 billion, or 50.94 per cent., from ₹551.29 billion as on March 31, 2024, to ₹832.09 billion as on March 31, 2025.

Liabilities

The following table shows a breakdown of the components of the Issuer's liabilities as on March 31, 2024, and March 31, 2025.

	As on March 31,		
	2024	2025	% change
	(in ₹ billion, except percentages)		
Financial Liabilities			
Deposits.....	—	—	—
Borrowings.....	55.50	119.35	115.05%
Debt Securities	196.69	371.90	89.08%
Derivatives Financial Instruments.....	—	—	—
Other Financial Liabilities.....	12.85 ⁽¹⁾	27.74	115.88%
Non-Financial Liabilities			
Current Tax Liabilities.....	—	—	—

	As on March 31,		
	2024	2025	% change
	(in ₹ billion, except percentages)		
Deferred Tax Liabilities.....	—	—	—
Other Non-Financial Liabilities (incl. provisions).....	1.78	3.05	71.35%
Total Liabilities.....	266.82	522.05	95.66%

Note:

(1) Reclassified as per special purpose audited financial statements for the year ended March 31, 2024.

Borrowings

Borrowings increased by ₹63.85 billion, or 115.05 per cent., from ₹55.50 billion as on March 31, 2024 to ₹119.35 billion as on March 31, 2025, primarily due to additional drawdowns under the Issuer's borrowing facilities to fund the continued growth of its loan and investment portfolio.

Debt Securities

Debt securities increased by ₹175.21 billion, or 89.08 per cent., from ₹196.69 billion as on March 31, 2024 to ₹371.90 billion as on March 31, 2025, primarily due to the issuance of ₹168.51 billion of new NCDs during the year.

Other Financial Liabilities

Other financial liabilities increased by ₹14.89 billion, or 115.88 per cent., from ₹12.85 billion as on March 31, 2024 to ₹27.74 billion as on March 31, 2025, primarily due to interest accrued on NCDs and variation margin payable during the year.

Other Non-Financial Liabilities (including provisions)

Other non-financial liabilities (including provisions) increased by ₹1.27 billion, or 71.35 per cent., from ₹1.78 billion as on March 31, 2024 to ₹3.05 billion as on March 31, 2025, primarily due to an increase in standard asset provisioning and other provisions commensurate with the growth of the Issuer's loan and investment portfolio.

Total Liabilities

As a result of the foregoing, the Issuer's total liabilities increased by ₹255.23 billion, or 95.66 per cent., from ₹266.82 billion as on March 31, 2024, to ₹522.05 billion as on March 31, 2025.

Liquidity

The following table sets forth the Issuer's cash flows for the years ended March 31, 2024, 2025 and 2026:

	Year ended March 31,		
	2024	2025	2026
	(in ₹ billion, except percentages)		
Cash flow statement data			
Net cash (used in)/generated from operating activities....	(198.52)	(145.99)	(48.91)

	Year ended March 31,		
	2024	2025	2026
	<i>(in ₹ billion, except percentages)</i>		
Net cash (used in)/generated from investing activities.....	(1.26)	(27.28)	(100.10)
Net cash (used in)/generated from financing activities	199.39	173.07	149.78
Net increase/(decrease) in cash & cash equivalents	(0.40)	(0.20)	0.77
Opening cash and cash equivalents	0.64	0.24	0.04
Closing cash and cash equivalents	0.24	0.04	0.81

Operating activities

Net cash used in operating activities for the year ended March 31, 2026, was ₹48.91 billion (U.S.\$516.72 million), primarily as a result of an increase in borrowings from bank borrowings, offset by a growth in advances and investments during the year driven by the growth in the infrastructure sector.

Net cash used in operating activities for the year ended March 31, 2025, was ₹145.99 billion, primarily as a result of an increase in advances and borrowings during the year.

Net cash used in operating activities for the year ended March 31, 2024, was ₹198.52 billion, primarily as a result of growth in advances during the year driven by the growth in the infrastructure sector.

Investing activities

Net cash used in investing activities for the year ended March 31, 2026, was ₹100.10 billion (U.S.\$1,057.53 million), primarily as a result of the increased amount expended on investments on infrastructure bonds, debt and equity instruments.

Net cash used in investing activities for the year ended March 31, 2025, was ₹27.28 billion, primarily as a result of the increased amount expended on investments on infrastructure bonds, debt and equity instruments.

Net cash used in investing activities for the year ended March 31, 2024, was ₹1.26 billion, primarily as a result of the increased amount expended on investments on infrastructure bonds, debt and equity instruments.

Financing activities

Net cash generated from financing activities for the year ended March 31, 2026, was ₹149.78 billion (U.S.\$1,582.39 million), primarily as a result of funds raised through issuance of NCDs during the year.

Net cash generated from financing activities for the year ended March 31, 2025, was ₹173.07 billion, primarily as a result of funds raised through issuance of NCDs during the year.

Net cash generated from financing activities for the year ended March 31, 2024, was ₹199.39 billion, primarily as a result of funds raised through issuance of NCDs during the year.

Contingent Liabilities

The table below sets forth, as on the dates indicated, the Issuer's contingent liabilities.

	Year ended March 31,			Three months ended June 30,	
	2024	2025	2026	2025	2026
	(in ₹ billion)				
Contingent liabilities	6.66	4.75	15.50	5.89	24.47

The Issuer's contingent liabilities increased by ₹18.58 billion, or 315.45 per cent., from ₹5.89 billion as on June 30, 2025, to ₹24.47 billion as on June 30, 2026. This increase was primarily due to business expansion of the institution.

Guarantees

In connection with its infrastructure financing activities, the Issuer provides non-fund based credit facilities in favour of certain banks and financial institutions on behalf of certain customers of the Issuer in the form of guarantees, including bid bonds, mobilization and advance payment guarantees, performance guarantees and retention money guarantees, to support the execution of infrastructure projects. The Issuer also offers a Partial Credit Enhancement ("PCE") product, which was launched on September 18, 2025, with the objective of improving credit ratings for infrastructure bonds by providing a backstop against payment defaults, thereby facilitating the participation of long-term institutional investors in infrastructure financing and catalysing fresh issuances in the bond market. The credit risks associated with these guarantee facilities are similar to those relating to other types of credit exposures. All of the Issuer's outstanding guarantees as on June 30, 2026 were secured and issued in India. The Issuer's guarantee portfolio (comprising outstanding guarantees and letters of credit) increased by ₹18.58 billion, or 315.45 per cent., from ₹5.89 billion as on June 30, 2025 to ₹24.47 billion as on June 30, 2026. The increase was primarily driven by business expansion and the growing demand for non-fund based credit facilities in the infrastructure sector.

Critical Accounting Policies

Revenue Recognition

Income and expenditure are recognized on an accrual basis except in respect of interest on NPAs, non-performing investments and stressed assets, interest on loans under Strategic Debt Restructuring, Central Government guaranteed loans having overdues more than 90 days fee income, commission, commitment charges and dividends, all of which are accounted on a cash basis. NPAs are determined as per RBI guidelines issued to AIFIs. *For more information, please see "Supervision and Regulation"*. Discount and redemption premium offered on the Issuer's bonds issued in the international markets has been amortized over the tenor of the bonds and included in interest expenses.

Asset Classification and Provisioning

Loans and advances shown in the balance sheet comprise outstanding amount by the borrower. Interest receivables are grouped under "Other Assets".

Loan assets are classified into the following groups: standard assets, sub-standard assets, doubtful assets and loss assets, taking into consideration the degree of credit weaknesses and extent of dependence on collateral security for realization of dues. Classification of loan assets and provisioning are as per RBI directives and guidelines issued to AIFIs. *For more information, please see "Supervision and Regulation"*.

Investments

The entire investment portfolio is classified under three categories:

- (a) “Held to Maturity” (the securities acquired with the intention to hold them to maturity);
- (b) “Held for Trading” (the securities acquired with the intention to trade by taking advantage of the short-term price/interest rate movements, etc.); and
- (c) “Available for Sale” (the balance investments).

The investments are further classified as:

- (a) Government securities;
- (b) Others;
- (c) Shares;
- (d) Debentures and bonds; and
- (e) Subsidiaries/joint ventures.

The classification of various instruments of investments, categorization, shifting among categories, valuation and provisioning of investments are done in accordance with the norms laid down by RBI to AIFIs.

Derivatives

Hedges executed by the Issuer are accounted for in line with the Board approved policy drawn in line with the applicable accounting standards and guidance notes thereto, having regard to the terms and conditions of the agreement. The Issuer has adopted provisions of the Guidance Note on Accounting for Derivative Contracts (Revised 2021) issued by the ICAI. The Issuer presents its derivative assets and liabilities as separate line items. The Issuer makes adjustments to the carrying value of its liability in compliance with the hedge accounting requirements of the said Guidance Note.

The Issuer follows Cash Flow Hedge Accounting for the purpose of hedging risks arising from External Commercial Borrowings as per provisions of the Guidance Note on Accounting for Derivative Contracts (Revised 2021) issued by the ICAI.

DESCRIPTION OF THE ISSUER

Overview

The Issuer was established pursuant to the NABFID Act, which was enacted by the Parliament of India, received the assent of the President of India on March 28, 2021 and came into force on April 19, 2021. The Issuer was set up to provide a dedicated and specialized institution focused on addressing the long-term financing needs of India's infrastructure sector, including leveraging the enablers outlined in the NABFID Act, hiring and retaining specialized talent, harnessing robust technological capabilities and maintaining strong governance.

The RBI, by letter dated March 8, 2022, advised that the Issuer shall be regulated and supervised as an AIFI under sections 45L and 45N of the Reserve Bank of India Act, 1934, respectively. The Ministry of Corporate Affairs, through a Gazette Notification dated September 10, 2024, designated the Issuer as a Public Financial Institution under the Companies Act, 2013. The Issuer commenced its commercial operations with effect from December 29, 2022.

The Issuer has both developmental and financial objectives. Its developmental objective includes co-ordinating with Central and State Governments, regulators, financial institutions and institutional investors (and other relevant stakeholders, whether in India or outside India) to facilitate the building and improvement of institutions that support the development of long-term, non-recourse infrastructure financing in India, including the domestic bonds and derivatives markets. Its financial objective includes lending or investing, directly or indirectly, and seeking to attract investments from private sector and institutional investors in infrastructure projects located entirely or partly in India, with a view to fostering sustainable economic development.

India's Infrastructure Financing Landscape

India's ambition to become a U.S.\$30 trillion economy by 2047 requires an estimated 8–10 per cent. annual growth in infrastructure investment. The Government has identified infrastructure as a key driver of economic transformation, both in terms of direct economic output and its multiplier effect on employment and productivity.

The NIP envisages a significant programme of infrastructure projects across India. As reflected in publicly available government materials, the NIP encompasses various projects across all key infrastructure sectors and involves an outlay of significant capital over the pipeline period. However, historically, more than 470 infrastructure projects have experienced cost overruns or time delays, highlighting structural gaps in the financing ecosystem for long-term, non-recourse project finance.

The Issuer was specifically established to bridge the gap between India's infrastructure financing requirements and the capacity of the existing financial system, acting as a provider, enabler and catalyst, mobilizing long-term domestic and international capital, deepening bond and derivatives markets and improving project appraisal and monitoring frameworks across the infrastructure project life-cycle.

Vision, Mission and Ideology

Our vision is to be “a globally recognized strong provider of impact investment, catalysing infrastructure funding for transformative growth of India” while our mission is to be “the principal enabler for infrastructure financing with an emphasis on innovation, environment and sustainability”.

In terms of ideology, the Issuer is committed to being a dedicated and specialized institution for long-term infrastructure financing in India, leveraging its statutory mandate, specialized human capital, technological capabilities, and strong governance to drive innovative financing instruments, deep and liquid bond and derivatives markets, best-in-class risk management and data-driven appraisal and credit monitoring practices.

Key Financial Parameters and Ratios

The following tables set forth the key financial parameters and ratios for the years ended March 31, 2024, 2025 and 2026, and for the three months ended June 30, 2025 and 2026.

		Financial year ended 31 March		
		2024	2025	2026
		(₹ billion except percentages and ratios)		
Analytical Ratios & Other Disclosures				
(i)	Percentage of shares held by Government of India	100%	100%	100%
(ii)	Capital Adequacy Ratio (%) (Basel III)	115.05%	73.93%	44.22%
(iii)	Earnings Per Share (EPS) (Face Value ₹10 Per Share)			
	(a) Basic EPS- Before and After Extraordinary items ...	0.80	1.10	1.52
	(b) Diluted EPS- Before aid After Extraordinary items .	0.80	1.10	1.52
(iv)	NPA Amount/ Ratios			
	(a) Gross NPA.....	—	—	—
	(b) Net NPA	—	—	—
	(c) % of Gross NPA to Gross Advances.....	—	—	—
	(d) % of Net NPA to Net Advances.....	—	—	—
(v)	Return on Assets % (Annualised)	4.81%	3.48%	3.34%
(vi)	Net Worth (including Grant and excl. Intangibles)	284.19	309.67	342.60
(vii)	Debt Equity Ratio	0.92	1.62	3.19
(viii)	Interest Service Coverage Ratio	3.12	1.85	1.83
(ix)	Total debts to total assets %	47.57%	60.52%	75.64%
(x)	Outstanding redeemable Preference Shares.....	Nil	Nil	Nil
(xi)	Capital Redemption Reserve	Nil	Nil	Nil
(xii)	Debenture Redemption Reserve	Nil	Nil	Nil
(xiii)	Debt Service Coverage Ratio	NA	NA	NA
(xiv)	Current Ratio	NA	NA	NA
(xv)	Long Term Debt to Working Capital	NA	NA	NA
(xvi)	Bad Debts to Account Receivable Ratio.....	NA	NA	NA
(xvii)	Current Liability Ratio	NA	NA	NA
(xviii)	Inventory Turnover Ratio	NA	NA	NA
(xix)	Operating Margin (%)	65.50%	44.01%	43.45%
(xx)	Net Profit Margin (%)	61.59%	42.07%	40.03%
(xxi)	Debtors Turnover Ratio (%)	NA	NA	NA

		Three months ended 30 June	
		2025	2026
		(₹ billion except percentages and ratios)	
Analytical Ratios & Other Disclosures			
(i)	Percentage of shares held by Government of India.....	100%	100%
(ii)	Capital Adequacy Ratio (%) (Basel III)	70.94%	45.13%
(iii)	Earnings Per Share (EPS) (Face Value ₹10 Per Share)		
	(a) Basic EPS- Before and After Extraordinary items	0.36	0.40
	(b) Diluted EPS- Before aid After Extraordinary items.....	0.36	0.40
(iv)	NPA Amount/ Ratios		
	(a) Gross NPA	—	—
	(b) Net NPA	—	—
	(c) % of Gross NPA to Gross Advances	—	—
	(d) % of Net NPA to Net Advances	—	—
(v)	Return on Assets % (Annualised).....	3.53%	2.21%
(vi)	Net Worth (including Grant and exc1. Intangibles)	317.71	351.71
(vii)	Debt Equity Ratio.....	1.71	3.50
(viii)	Interest Service Coverage Ratio.....	1.81	1.53
(ix)	Total debts to total assets %	61.43%	76.69%
(x)	Outstanding redeemable Preference Shares	Nil	Nil
(xi)	Capital Redemption Reserve.....	Nil	Nil
(xii)	Debenture Redemption Reserve.....	Nil	Nil
(xiii)	Debt Service Coverage Ratio	NA	NA
(xiv)	Current Ratio.....	NA	NA
(xv)	Long Term Debt to Working Capital.....	NA	NA
(xvi)	Bad Debts to Account Receivable Ratio	NA	NA
(xvii)	Current Liability Ratio	NA	NA
(xviii)	Inventory Turnover Ratio.....	NA	NA
(xix)	Operating Margin (%).....	42.87%	32.98%
(xx)	Net Profit Margin (%).....	41.79%	27.69%
(xxi)	Debtors Turnover Ratio (%).....	NA	NA

The Issuer's capital adequacy ratio declined from 115.05% to 73.93% and to 44.22% as on March 31, 2024, 2025 and 2026, respectively, standing at 45.13% as on June 30, 2026. This is primarily due to rapid growth in

the Issuer's credit exposure. For more details, see *“Risk Factors – Risks relating to the business of the Issuer - Lending activities expose the Issuer to credit risk, including the risk of borrower default”*.

Strategy

The Issuer's strategy is structured around two core objectives: (i) rapidly scaling up its balance sheet to address India's infrastructure financing gap; and (ii) channelling India's substantial domestic financial savings into long-term infrastructure investment.

The Issuer has identified the following strategic pillars in pursuit of these objectives.

Scaling up fast to fund India's infrastructure gap

Rapid balance sheet growth

The Issuer's primary near-term strategic objective is to grow its loan book to approximately 0.9% of India's GDP by FY2030. This trajectory is intended to establish the Issuer as the largest dedicated infrastructure lender in India, commensurate with the scale of the country's infrastructure financing requirements.

Elongation of loan tenors

The Issuer aims to elongate the tenor of its loans in order to minimize asset-liability management risks inherent in infrastructure financing. Infrastructure projects typically have long gestation periods and revenue ramp-up profiles that require long-dated financing. By matching the tenor of its liabilities to the long-dated nature of its assets, the Issuer seeks to reduce refinancing risk for project borrowers and improve the overall resilience of the infrastructure financing ecosystem.

Fixed interest rate and longer reset products

The Issuer intends to offer fixed interest rate products and longer interest rate reset structures to its borrowers, with the objective of providing greater long-term cash flow certainty for project companies which is critical to the bankability of projects financed on a non-recourse or limited recourse basis.

Building a bankable project pipeline

The Issuer aims to address the structural gap between identified infrastructure needs and investment-ready financing opportunities by engaging early in the project development cycle. Through transaction advisory services and close collaboration with government project implementation agencies, the Issuer seeks to increase the volume and quality of projects that are capable of attracting long-term institutional financing.

Sectoral expertise and policy contribution

The Issuer intends to leverage its specialized sectoral knowledge and project appraisal capabilities to actively contribute to infrastructure-related policymaking including in respect of financing frameworks, credit enhancement mechanisms, model concession agreements and dispute resolution with the aim of improving the overall enabling environment for infrastructure investment in India.

Channelling financial savings to infrastructure

Mobilising domestic institutional investors

The Issuer intends to issue long-tenor, high-rated debt instruments targeted at domestic institutional investors, including insurance companies, provident funds and pension funds, whose long-duration liability profiles create a natural demand for high-quality, long-dated fixed income instruments. By acting as a conduit between India's growing pool of domestic institutional savings and the infrastructure sector, the Issuer seeks to mobilize a significant and sustainable source of long-term capital for infrastructure finance.

Asset monetization through InvITs and innovative structures

The Issuer seeks to facilitate the monetization of operational infrastructure assets through innovative structures, including Infrastructure Investment Trusts (“**InvITs**”) with the objective of recycling capital from completed projects back into new infrastructure development and creating a liquid, yield-generating infrastructure asset class accessible to domestic and international institutional investors. The Issuer facilitates this monetization strategy by providing equity investments and lending facilities to InvITs.

Deepening bond market liquidity

The Issuer is committed to improving the market for infrastructure bonds, with the objective of making infrastructure a more attractive and tradeable asset class for a broader range of investors and, over time, reducing the cost of capital for infrastructure issuers. To this end, the Issuer has taken significant steps to deepen the bond markets by underwriting and subscribing to infrastructure sector bonds, including municipal bonds, thereby increasing competition in the market and benefitting Urban Local Bodies (“**ULBs**”).

Furthermore, in September 2025, the Issuer launched its PCE product, designed to strengthen the credit ratings of infrastructure bonds by providing a backstop against payment defaults. The resulting rating improvements enable long-term institutional investors to invest in India’s infrastructure assets, providing a steady source of long-term capital that is better matched to the life-cycle of infrastructure assets.

Alongside these market-building initiatives, the Issuer is addressing structural constraints in the bond market by engaging key regulators to enhance investor participation. In particular, the Issuer continues to advocate for expanded exposure limits for the IRDAI, the Pension Fund Regulatory and Development Authority (“**PFRDA**”) and the Employees’ Provident Fund Organisation (“**EPFO**”), with a view to increasing long-term infrastructure capital and improving liquidity in the market.

Channelling global green and climate capital

The Issuer has also developed blended and concessional finance structures in collaboration with multilateral development agencies, with a view to mobilizing private and institutional investment in Indian infrastructure projects and broadening access to global green and climate finance facilities.

Relationship with the Government of India

The Issuer is wholly-owned by the Government of India, which holds 100 per cent. of the Issuer’s issued share capital. As on March 31, 2026, the Issuer’s paid-up share capital was ₹200.0 billion, entirely held by the Government of India. The Issuer operates under the regulatory supervision of the RBI as an AIFI and is subject to the statutory framework set out in the NABFID Act.

The NABFID Act confers on the Issuer a range of statutory powers and authorisations to enable it to fulfil its developmental and financial mandate, including powers to borrow funds from domestic and international markets, to provide guarantees and letters of comfort and to engage with multilateral development institutions.

Corporate and Management Structure

The Issuer’s corporate structure comprises a Board of Directors (headed by a non-executive Chairman), a Managing Director and Chief Executive Officer and Deputy Managing Directors responsible for the Issuer’s principal functions, including credit, treasury, risk, finance, legal and compliance, technology and developmental activities. The Issuer has incorporated a wholly owned subsidiary, NAFINCO International IFSC Private Limited, pursuant to a Certificate of Incorporation dated May 15, 2026, issued by the Ministry of Corporate Affairs to support, fund, and expand India’s infrastructure requirements.

Products and Services

The Issuer’s principal activity is to provide long-term financing for infrastructure projects in India, acting as a provider, enabler and catalyst for infrastructure investment. Its financing activities encompass a broad range of

instruments tailored to the requirements of infrastructure projects at different stages of development and across the capital structure.

The Issuer's products and services include the following:

- **Term loans:** The Issuer provides long-term term loans for greenfield and brownfield infrastructure projects, including project finance.
- **Bonds and debentures:** The Issuer subscribes to bonds and debentures issued by infrastructure project companies and eligible entities, supporting the deepening of the domestic bond market for infrastructure finance including municipal bonds.
- **Guarantees and letters of comfort:** The Issuer provides guarantees (including bid bonds, mobilisation/advance payment guarantees and performance guarantees) and letters of comfort to infrastructure project companies and their lenders, enhancing the creditworthiness of project financing structures.
- **Equity-linked and structured instruments:** The Issuer expects to provide equity investment opportunities through investment trusts (including InvITs), structured products for project development finance and ESG-focused lending products, including instruments aligned with climate and sustainability themes.
- **Partial Credit Enhancement:** The Issuer offers PCE facility to improve the credit ratings for the infrastructure bonds by providing a backstop against payment defaults and thereby enabling the borrower entity to access the bond market.
- **Transaction advisory services:** The Issuer also provides transaction advisory services that encompass all aspects of an infrastructure project. This includes project structuring, the financing aspects of the project such as debt syndication, asset and land monetization bid process management, and other related advisory services. The Issuer is also able to provide specialized advice to government clients and PPP projects. The Issuer is able to combine these capabilities and provide advice for all aspects of infrastructure projects.

Eligible Sectors

The Issuer's lending and investment activities are limited to the harmonized list of infrastructure sectors prescribed by the Government of India, which includes:

Sector	Sub-sectors (illustrative)
Transport and logistics	Roads, ports, airports, railways and inland waterways
Energy	Power generation, transmission, distribution, renewable energy and oil and gas pipelines
Water and sanitation	Water supply, sewage treatment and solid waste management
Communication	Telecom networks, broadband and digital infrastructure
Social and commercial infrastructure	Hospitals, educational institutions, affordable housing and convention centres

As on June 30, 2026, the Issuer's cumulative final sanctions from inception stood at ₹3,593.57 billion, outstanding fund-based lending portfolio (excluding investments) was ₹1,092.59 billion, outstanding non-fund-based book was ₹24.47 billion, and investments in NCDs and InvITs units amounted to ₹164.79 billion. For the

year ended March 31, 2026, the Issuer recorded a total income of ₹75.85 billion and a profit after tax of ₹30.37 billion. The Issuer's balance sheet size as on June 30, 2026, was ₹1,606.50 billion.

The following table sets forth the total amounts of the Issuer's sanctions portfolio for years ended March 31, 2024, 2025 and 2026, and for the three months ended June 30, 2025 and 2026, categorised by type of credit:

	Financial year ended March 31,			Three months ended June 30,		
	2024	2025	2026	2025	2026	
	(₹ billion)	(₹ billion)	(₹ billion)	(₹ billion)	(₹ billion)	(U.S.\$ million)
Final Sanctions (Cumulative from inception).....	832.80	2,030.29	3,364.45	2,236.27	3,593.57	37,988.00
Outstanding Fund Based book (excluding investments)	353.42	566.20	1,027.12	590.18	1,092.59	11,549.88
Outstanding Non-Fund Based book.....	6.66	4.75	15.50	5.89	24.47	258.67
Investments (NCDs and InvIT Units)	1.00	28.21	127.12	47.45	165.56	1,750.15

The following table sets forth the total amounts of the Issuer's outstanding portfolio for the years ended March 31, 2024, 2025 and 2026, and for the three months ended June 30, 2025 and 2026, categorised by sector:

	Financial year ended March 31					
	2024		2025		2026	
	(₹ billion)		(₹ billion)		(₹ billion)	
	(As a % of total)		(As a % of total)		(As a % of total)	
Transport and Logistics.....	148.27	41.06%	175.96	29.41%	337.73	28.89%
Energy.....	209.51	58.02%	385.97	64.52%	686.67	58.74%
Communication.....	2.30	0.64%	3.85	0.64%	41.93	3.59%
Social and Commercial Infrastructure.....	0.00	0.00%	31.42	5.25%	89.28	7.64%
Water and Sanitation.....	1.00	0.28%	1.00	0.17%	13.35	1.14%
Total.....	361.08	100.00%	598.20	100.00%	1,168.97	100.00%

	Three months ended June 30,				
	2025		2026		
	(₹ billion)		(₹ billion)		(U.S.\$ billion)
	(As a % of total)		(As a % of total)		
Transport and Logistics.....	183.05	28.48%	363.90	28.39%	3.85
Energy.....	398.78	62.04%	736.33	57.44%	7.78

Three months ended June 30,

	2025		2026		
	<i>(₹ billion)</i>	<i>(As a % of total)</i>	<i>(₹ billion)</i>	<i>(As a % of total)</i>	<i>(U.S.\$ billion)</i>
Communication.....	41.87	6.51%	68.19	5.32%	0.72
Social and Commercial Infrastructure.....	14.08	2.19%	98.28	7.67%	1.04
Water and Sanitation.....	4.98	0.77%	15.15	1.18%	0.16
Total.....	642.76	100.00%	1,281.85	100.00%	13.55

Asset Quality

As on June 30, 2026, none of the Issuer's advances were classified as non-performing or restructured, and accordingly no additional provisions were required in connection therewith. The Issuer reported nil gross non-performing assets and nil net non-performing assets. The Issuer also reported nil gross and nil net non-performing assets as on June 30, 2025.

Resource Mobilisation and Funding

During the financial year ended March 31, 2026, the Issuer issued NCDs aggregating ₹144.8 billion in the domestic market, comprising issuances of ₹52.3 billion with a tenor of five years, ₹67.9 billion with a tenor of 10 years and ₹24.6 billion with a tenor of 15 years.

During the three months ended March 31, 2026, the Issuer also raised external commercial borrowings of U.S.\$125 million with a tenor of five years.

Developmental Initiatives

Consistent with its statutory developmental mandate, the Issuer has undertaken a range of initiatives aimed at improving the ecosystem for long-term infrastructure financing in India. These include:

Transaction advisory services

The Issuer provides transaction advice for all aspects of infrastructure projects. The Issuer is currently extending high-level advisory services to two State Governments for the development of greenfield infrastructure projects. Further, the Issuer is actively engaging with various other Central and State Government departments, their agencies, and other public sector entities, including parastatal bodies, ULBs, and Municipal Corporations ("MCs"), for the provision of advisory services. The transaction advice that the Issuer provides include advice on project structuring, the financing aspects of the project such as debt syndication, asset and land monetization bid process management, and other related advisory services.

Bond market development

The Issuer has been actively underwriting and subscribing to bonds and debentures issued by infrastructure project companies and other eligible entities, with the aim of supporting price discovery, broadening the investor base and improving secondary market liquidity for infrastructure bonds. Through these activities, the Issuer is building a practical track record of bond market participation that complements its lending activities, besides being a market maker.

Furthermore, the Issuer engages key regulators to enhance investor participation. The Issuer continues to advocate for expanded exposure limits for IRDAI, PFRDA and EPFO, with a view to increasing long-term

infrastructure capital and improving liquidity in the market by removing structural constraints in the bond market.

Asset monetization support

The Issuer is facilitating the asset monetization programmes of the Central Government through equity investments in InvITs, lending in InvITs and engaging with State Governments to act as an anchor investor for monetization of assets owned by the State Governments. In doing so, the Issuer has helped mobilize institutional capital for the recycling of government infrastructure assets, supporting the redeployment of capital into new infrastructure development.

Blended and concessional finance

The Issuer has taken steps to crowd in private and institutional investment through blended and concessional finance structures developed in collaboration with multilateral development banks and other institutions. These structures have been designed to leverage developmental capital to reduce perceived risk for commercial investors, thereby enhancing access to global capital for Indian infrastructure projects, including those with climate and sustainability dimensions.

Policy advocacy

The Issuer has undertaken various policy advocacy initiatives by sharing inputs with Central Government ministries, regulators and other stakeholders on various initiatives such as providing suggestions / inputs on PCE guidelines to improve acceptability amongst bond issuers/providers; suggestions on the model concession agreements for build-operate-transfer toll, hybrid annuity model and toll-operate-transfer projects, amongst others.

Environment and social management

The Issuer has established an Environment & Social Policy and a supporting Environment & Social Management System (“ESMS”), which is integrated with the Issuer’s credit appraisal system for the purposes of environment and social risk assessment. The ESMS framework covers environmental and social (“E&S”) risk identification and assessment and an exclusion list for restricted activities.

Knowledge dissemination

The Issuer organized its inaugural Infrastructure Conclave on September 18, 2025, which brought together regulators, government bodies and industry stakeholders to address themes including unlocking corporate bond markets (including municipal bonds), green financing and the perspectives of multilateral development banks on Indian infrastructure. As part of the Infrastructure Conclave, the Issuer launched joint research reports titled “*Catalysing Infrastructure Investment & Innovation: Towards Viksit Bharat 2047*” and “*Partial Credit Enhancement – New Paradigm for Infrastructure Finance*”.

The Issuer was also a strategic partner in the India Maritime Week – Blue Economy Finance and Investment Forum held in October 2025. Further, the Issuer conducted a capacity building workshop for ULBs / MCs and has participated in various industry forums focused on capacity building initiatives for ULBs.

Programme-based lending

The Issuer launched a programme-based lending product for financing waste management projects implemented by urban local bodies and municipal corporations. This product uses a standardized programme-level framework to finance multiple similar projects under consistent appraisal standards, documentation and risk parameters, thereby improving efficiency and scalability in financing sub-sovereign infrastructure at the municipal level.

International Partnerships and Collaborations

The Issuer has been actively engaging with multilateral and bilateral development institutions to build and improve the institutions and instruments that support long-term, non-recourse infrastructure financing in India, including through co-financing, technical assistance and capacity building. The Issuer's principal partnerships and collaborations are described below.

International Finance Corporation (IFC – World Bank Group)

The Issuer and the International Finance Corporation (“**IFC**”) signed a memorandum of understanding on June 2, 2023 to develop a robust pipeline of investment-ready PPP projects across India. Under this collaboration, the Issuer and IFC will jointly identify and develop PPP projects and make transaction advisory services available, with a particular emphasis on sustainability and climate adaptation and mitigation.

Asian Development Bank (ADB)

The Issuer signed a letter of intent dated December 5, 2024 with the Asian Development Bank covering collaboration across climate finance, co-financing facilities and support for financing urban local bodies and municipal corporations.

Foreign, Commonwealth & Development Office (FCDO)

The Issuer signed a letter of intent dated February 6, 2025 with the Foreign, Commonwealth & Development Office of the United Kingdom to explore opportunities for financing climate-positive infrastructure projects, development of innovative financial instruments and capacity-building initiatives.

New Development Bank (NDB)

The Issuer and the New Development Bank signed a memorandum of understanding on April 7, 2025. This collaboration envisages long-term engagement encompassing the exchange of technical expertise and joint participation in infrastructure investments (including through credit lines, guarantees, co-financing arrangements and technical co-operation).

Asian Infrastructure Investment Bank (AIIB)

The Issuer and the Asian Infrastructure Investment Bank have signed a letter of intent on June 25, 2025 to foster joint efforts to develop sustainable infrastructure in India, with an emphasis on climate adaptation and mitigation projects.

KfW IPEX-Bank

The Issuer and KfW IPEX-Bank GmbH signed a letter of intent on December 10, 2025 to accelerate sustainable infrastructure financing in India. The collaboration focuses on assessing, structuring, and co-financing large-scale projects, with an emphasis on leveraging blended finance to drive long-term capital.

E&S Framework

The Issuer has embedded environmental and social considerations into its institutional mandate. Its E&S Policy and ESMS are integrated with the credit appraisal process, covering E&S risk identification and assessment and an exclusion list for restricted activities.

The Issuer is seeking to crowd in private and institutional investment through blended and concessional finance structures in collaboration with multilateral development banks, thereby channelling global developmental capital into climate-aligned infrastructure projects.

The Issuer has been recommended by the Ministry of Environment, Forest and Climate Change for accreditation as a Direct Access Entity with the Green Climate Fund (“**GCF**”). Once accredited with GCF, the Issuer would be eligible to directly access GCF concessional climate finance to further on lend to eligible infrastructure projects in India.

Legal Proceedings

The Issuer is involved in certain legal proceedings in the ordinary course of its business. However, excluding the legal proceedings discussed below, the Issuer is not a party to any proceedings, and no proceedings are known to the Issuer to be contemplated by governmental authorities or third parties, which, if adversely determined, would have a material adverse effect on the Issuer's financial condition, business, cash flows or results of operations.

Except as disclosed below, there are no outstanding legal proceedings in any jurisdiction: (i) against the directors of the Issuer in their capacity as directors of the Issuer; (ii) against the Issuer before any regulatory, statutory or government authority; (iii) involving criminal liability; (iv) relating to direct or indirect tax; (v) involving labor or employment disputes; or (vi) involving civil liabilities.

As on the date of this Offering Circular, a writ petition has been filed and is currently at a pre-admission stage before the Hon'ble Bombay High Court by Manupal Choudhary (an individual) ("**Petitioner**") in connection with the cancellation of the offer letter issued by the Issuer for the position of Analyst in the IT & Operations Department. The offer letter was cancelled on account of the Petitioner having obtained his masters' degree in open and distance learning mode whereas the relevant recruitment stated that all the education qualifications should be "full time from a University/Board recognized by the Government of India/approved by the government regulatory bodies" thereby failing to establish eligibility in accordance with the requirements prescribed under the relevant recruitment notification and the terms and conditions of the offer letter. The petitioner has, *inter alia*, challenged the eligibility criteria and the consequent cancellation of the offer letter. Based on the internal assessment, the management of the Issuer believes that the aforesaid petition is without merit and is not likely to result in any material adverse effect on the Issuer's business, financial condition, results of operations or cash flows.

RISK MANAGEMENT

Risk Management

As a financial institution engaged in infrastructure lending, the Issuer is exposed to various risks, in particular: (a) credit risk (the potential for loss due to the failure of a counterparty or borrower to meet its financial obligations); (b) market risk (the risk that changes in interest rates, foreign exchange rates, prices of debt securities and other financial contracts may have an adverse effect on the Issuer's financial condition); and (c) operational risk (including risks arising from inadequate or failed operational processes, people and systems). The risk management architecture of the Issuer is governed by the Issuer's Enterprise Risk Management and Risk Appetite Framework (the "**Risk Framework**").

The Board of Directors oversees all risks assumed by the Issuer. The Risk Management Committee (the "**RMC**") of the Board is responsible for monitoring entity-wide risks and overseeing policy and strategy for integrated risk management. The RMC reviews the Issuer's risk positions against limits for various risk types and oversees the operations of various executive-level committees established for managing specific risk types, which include execution and regulatory risk, interest-rate and funding risk, external-sector risk, emerging-technology risk, and climate and sustainability risk.

The Issuer complies with the applicable Basel III regulatory framework prescribed for All India Financial Institutions and has implemented robust processes to ensure continuous adherence to prudential regulatory requirements. In accordance with regulatory guidelines issued by the RBI, the Issuer publishes Basel III Pillar III disclosures on a quarterly basis to promote transparency regarding its capital adequacy, risk profile and risk management practices. These disclosures include, where applicable, information relating to large exposure returns, the structural liquidity statement, interest rate sensitivity statement, and interest rate risk in the lending & investment book.

The Issuer also monitors key regulatory metrics, including the leverage ratio, on a monthly basis to ensure compliance with prescribed regulatory thresholds and to facilitate proactive capital and balance sheet management. Additionally, as part of the supervisory review and evaluation process, the Issuer undertakes an annual internal capital adequacy assessment process ("**ICAAP**") to evaluate the adequacy of its capital relative to its risk profile, strategic objectives and anticipated business growth. The Issuer maintains its CRAR in accordance with its Risk Framework, considering both normal and stress conditions, at a level higher than the regulatory minimum requirement of 9%.

The Risk Framework provides a strategic framework for the management of various identified risks in a coordinated manner and sets out the Issuer's risk appetite for such identified risk types. It provides principle-level risk appetite statements taking into account the risks arising from strategic, tactical and transactional business decisions. These are evaluated across certain key impact areas, including capital adequacy, credit risk, concentration risk, market risk, liquidity risk, operational risk (including fraud risk), information technology security risk, cyber security risk, climate risk, reputational risk, compliance risk and strategic risk. The Board has approved policies and frameworks forming the governing framework for managing each key risk type.

Key governing policies reviewed and approved by the Board and implemented by the Issuer include the Credit Policy, Credit Risk Management Policy, Credit Monitoring Policy, Investment Policy, Asset Liability Management Policy, Market Risk Management Policy, Loan Pricing Framework, ICAAP Policy, Stress Testing Policy, Operational Risk Management Policy, Outsourcing Policy, Business Continuity Management and Disaster Recovery Policy, Fraud Risk Management Policy, Disclosure Policy, Whistle Blower Policy, Willful Defaulter Policy, Information Technology Risk Management Policy, Model Risk Management Policy and Information Security Policy.

The Issuer has also formulated policy frameworks and systems for credit risk assessment and control, credit monitoring, industry research, policy advocacy and environmental, social and governance (“ESG”) matters, in line with regulatory guidelines and business requirements. These policies provide direction to the Issuer’s credit activities, articulate risk appetite principles and set out a broad framework for the management of credit risk while maintaining the asset quality of the portfolio.

Risk Management Committee

The Issuer has constituted the RMC in line with the NABFID Act read with the rules and regulations made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time), and other applicable statutory provisions.

The terms of reference, quorum and role of the RMC are determined in accordance with the aforesaid statutory provisions, and it performs its functions and discharges its duties accordingly.

The RMC is responsible for overseeing enterprise-wide risk management and business-related risks of the Issuer. It defines the overall risk appetite through specific limits on various parameters identified for monitoring the risk levels of the Issuer. It monitors the Issuer’s risk profile through a variety of mechanisms and periodic reviews, and also examines various policies and risk frameworks before recommending the same to the Board for approval.

The RMC is chaired by Mr. B. Sriram and comprises Ms. Aruna Sundararajan, Mr. L.V. Prabhakar and Mr. Rajkiran Rai G.

IT Strategy Committee

The Issuer has constituted the IT Strategy Committee (the “ITSC”) in line with the applicable RBI Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices (as amended from time to time). The terms of reference, quorum and role of the ITSC are determined in accordance with the aforesaid regulatory provisions, and it performs its functions and discharges its duties accordingly.

The ITSC provides guidance in the preparation of the Issuer’s IT strategy, including the information security framework, and ensures that an effective strategy for planning, implementation and oversight is in place, aligned with the overall strategy of the Issuer towards the accomplishment of its business objectives.

The ITSC is chaired by Mr. N.S. Kannan and comprises Mr. B. Sriram, Mr. Suresh Patel and Mr. B.S. Venkatesha.

Executive Committee

The Issuer has constituted the Executive Committee (the “EC”) in line with the NABFID Act read with the rules and regulations made thereunder. The EC comprises a majority of Independent Directors and is the highest credit approving authority of the Issuer. It reviews and approves credit exposures over and above the limits authorized for management-level committees, namely Credit and Expenditure Approval Committee-1 and Credit and Expenditure Approval Committee-2.

The terms of reference, quorum and role of the EC are determined in accordance with the provisions of the NABFID Act and as per delegation of powers by the Board of Directors from time to time, and it performs its functions and discharges its duties accordingly.

The EC is chaired by Mr. Rajkiran Rai G. and comprises Mr. L.V. Prabhakar, Mr. N.S. Kannan and Mr. Suresh Patel.

Special Committee for Monitoring and Follow-up of Frauds

The Issuer has constituted a Special Committee for Monitoring and Follow-up of Frauds (the “SCMF”) in line with the RBI’s regulatory guidance on fraud risk management. The terms of reference, quorum and role of the

SCMF are determined in accordance with the said provisions, and it performs its functions and discharges its duties accordingly.

The SCMF is chaired by Mr. Suresh Patel and comprises Mr. N.S. Kannan, Mr. Ashutosh Pednekar, Mr. Rajkiran Rai G. and Mr. B.S. Venkatesha.

Other Committees

In addition to the Board-level committees mentioned above, the Board has constituted various management-level committees, which are attended by the Managing Director and/or Deputy Managing Directors, in accordance with their prescribed terms of reference for risk management. These include Credit and Expenditure Approval Committee-1 and 2, Asset Liability Management Committee, Investment Committee, IT Steering Committee, Information Security Committee, Fraud Monitoring Committee, Governance Risk and Compliance Committee, Compliance Oversight Committee and Ethics Committee.

MANAGEMENT, COMMITTEES AND EMPLOYEES

The Issuer is fully owned by the Government of India and is managed by a board of directors (“**Board**”) with representation, *inter alia*, from the Government, and domain experts. The Issuer provides a supportive, technology-enabled ecosystem across the life cycle of infrastructure projects (as prescribed in harmonized list of infrastructure sub-sectors), acting as a provider, enabler, and catalyst for infrastructure financing. It directly and indirectly lends to, invests in, and attracts capital from private sector and institutional investors for infrastructure projects located entirely or partly in India. The harmonized list of infrastructure sub-sectors prescribed by the Central Government includes Transport and Logistics, Energy, Water and Sanitation, Communication, and Social and Commercial Infrastructure.

Additionally, the Issuer also makes investments via Investment Trusts, bonds, specific structured and programme-based lending products, and is currently working on launching ESG-focused products.

In line with its developmental objectives, the Issuer is also committed to the development of bonds and derivative markets, including domestic bonds, foreign currency bonds, and green bonds - while ensuring investor protection.

The Issuer has also been coordinating with the Central and State Governments, regulators, financial institutions, institutional investors, and other relevant stakeholders, to expand institutional capabilities, by adopting data-driven appraisals, credit monitoring, and modern technology to digitize processes throughout the project lifecycle. The Issuer has been undertaking various policy advocacy initiatives as well.

Key Managerial Personnel (as on June 30, 2026)

Name	Designation	Date of Appointment	Experience/ Qualifications
Mr. Rajkiran Rai G	Managing Director	August 08, 2022	Mr. Rajkiran Rai G., former Managing Director & CEO of Union Bank of India from July 1, 2017, to May 31, 2022, aged 64 years, has more than three decades of rich banking experience which includes heading Industrial Finance Branch - Regions and Zonal Offices. Starting his career in 1986 as an Agricultural Finance Officer in the Central Bank of India, Mr. Rai rose through the ranks heading various branches in different parts of the country for more than 17 years. Upon his elevation as General Manager, he was given the responsibility of heading the department of Human Resource Development. He was the Field General Manager of the Mumbai Zone of the Central Bank of India when he was elevated to the post of Executive Director of the Oriental Bank of Commerce. He was the Chairman of the Union Bank of India (U.K.) Limited, Union Asset Management Company, Star Union Dai-Ichi Life Insurance Company Limited, CorpBank Securities Limited, and Director on the Board of EXIM Bank and United India Insurance Company Limited. Earlier, he served on the Board of Oriental Insurance Company Limited, Canara HSBC Oriental Bank of Commerce Life Insurance Co. Ltd.

			Mr. Rai also served as Head of the Committee to advise the Banks Board Bureau (BBB) on evolving suitable training & development programs for management personnel in Public Sector Banks. Mr. Rai was the Chairman of the Indian Banks' Association (IBA). Of his multiple responsibilities at the IBA, he also served as Chairman of the Managing Committee, Chairman of the Standing Committee on HR & IR, and Chairman of the Wage Negotiation Committee. Apart from the above, Mr. Rai held the following positions: • Chairman, Governing Board of Institute of Banking Personnel Selection (IBPS). • Chairman, Committee to study and recommend a uniform system for the banks for classification of various disciplinary cases as Vigilance and Non-vigilance. • President, Indian Institute of Banking & Finance (IIBF). • President, Bankers' Institute of Rural & Entrepreneurship Development (BIRED). • President, State Level Bankers' Committee (SLBC) in Andhra Pradesh. • Member, Advisory Board for Financial Inclusion Fund of NABARD. • Member, Governing Council of Bankers Institute of Rural Development (BIRD). • Member, Depositor Education and Awareness Fund (DEAF) of RBI. • Member, Governing Board of the National Institute of Bank Management (NIBM). • Member, Search Committee for appointment of new Director of NIBM. • Member, Board of Directors of National Credit Guarantee Trust Co Ltd (NCGTC) Mr. Rai is an agricultural science graduate and also a certified member of the Indian Institute of Bankers. A vivid learner, he has benefitted from several executive development programmes at prestigious institutions in the country. A winner of several prestigious industry awards and accolades, Shri Rai is awarded 'CEO with HR Orientation' by World HRD Congress for his
--	--	--	---

			distinguished approach to capability-building through training and leadership development. He has also been conferred Honorary Fellowship by the Indian Institute of Banking & Finance (IIBF) in recognition of his invaluable contribution to the field of banking and finance.
Mr. B. S. Venkatesha	Deputy Managing Director, Chief Risk Officer	September 19, 2022	Mr B.S. Venkatesha has a rich banking experience of nearly three decades with primary focus in the areas of foreign exchange, treasury, international banking, large corporate credit, and risk management. He has held several leadership positions in Union Bank of India, such as Regional Head, Chief Executive Officer of the European entity, Chief Relationship Officer, Chief Risk Officer, etc. He has played an instrumental role in Union Bank's overseas expansion and in implementing the best practices in the bank's Risk Management department. Mr. B. S. Venkatesha was the Chief Risk officer (Chief General Manager) of Union Bank of India. He has nearly three decades of Banking experience working extensively in the areas of Foreign Exchange, Treasury, International Banking, Large corporate Credit, and Risk Management. He has occupied several important positions in the Issuer, namely, Regional Head, Chief Executive Officer of the European Entity of the Issuer, Chief Relationship Officer, Chief Risk officer, etc. He is instrumental in the Issuer's overseas expansion as well as in implementing the Best Practices in Risk Management Department. He has extensive experience in handling large banks within the guardrails of risk-calibrated growth and compliance. He is an MBA graduate in Finance, FRM from GARP (USA) and a Certified Associate of the Indian Institute of Bankers. He has completed the Leadership Development Programme for the Senior Executives of IIM Bangalore, curated by the Financial Services Institutions Bureau (formerly Banks Board Bureau).
Ms. Monika Kalia	Deputy Managing Director, Chief Financial Officer	November 16, 2022	Ms. Monika Kalia was an Executive Director of the Bank of India. She has handled various roles such as overseeing assurance functions of Internal Audit and Inspection, Risk Management, Cyber Security, and Fraud Risk Management, and has had additional exposure to Treasury and International Banking. Besides, she has handled the functions related to customer service excellence involving Deposit raising, Customer Experience, Premises, Business Process Re-Engineering, and Prime Clients Care.

			Prior to taking up as Executive Director of Bank of India, she had extensive 360-degree exposure to corporate office and field banking with Union Bank of India. She has successfully spearheaded the State of Gujarat as the Zonal Head and other critical departments of Financial Planning and Investor Relations at crucial times of amalgamation of banks (responsible for carrying out due diligence and deciding share swap ratio) and Personal Banking and Operations during the phase of demonetization (responsible for branch operations and currency chest management, Customer Service and raising CASA). Besides, she has also headed Retail lending, Marketing and third-party product distribution, Corporate Communications, Compliance and Board Secretariat, and Accounts Taxation. During her professional journey of over 27 years, she had also been the key managerial personnel for the bank for interacting with RBI/SEBI/MOF in various capacities as Chief Financial Officer, Chief Grievance Officer, Chief Compliance Officer and Company Secretary, Chairperson Sexual Harassment Committee, and Managing Trustee of Union Bank Social Foundation at various points in time. She has also represented the bank at various industry levels and regulatory forums of IBA, SLBC, and RBI. She was also the Director on the Board of two joint ventures of Union Bank namely, Star Union Dai-Ichi Life Insurance and Union Asset Management Trustee company. She has achieved various awards, viz. The Global Women Achiever Award in the year 2019 and Top 100 Women in Finance 2020 in India, from the Association of International Wealth Management of India. Besides being rank holder B. Com (H), she is also a Fellow Member of Company Secretaries of India (ICSI), a Certified Associate of the Indian Institute of Bankers (CAIIB), and has completed a Diploma in Treasury and Integrated Risk Management from IIBF, a Certificate Programme in IT and Cyber Security for Senior Management - IDRBT, a Certificate Programme in AML & KYC from IIBF, and the Leadership Development Programme for Senior Management of Public Sector Banks by BBB at IIM Bangalore.
--	--	--	--

Mr. Samuel Joseph Jebaraj	Deputy Managing Director – Lending and Project Finance	April 06, 2023	Mr. Samuel Joseph Jebaraj joined the Board of National Bank for Financing Infrastructure and Development (“NABFID”) as Deputy Managing Director in April 2023. He handles the Lending business and HR functions in NABFID. Prior to joining NABFID, he was Deputy Managing Director on the Board of IDBI Bank from September 2019 to April 2023. Prior to IDBI Bank, he was with Exim Bank for over 21 years in various capacities, last being Chief General Manager. Mr. Samuel has over 33 years of varied banking experience. He was part of the turnaround team in IDBI Bank. He was also on the Board of IDBI Capital Markets Ltd. and Chairman of the Board of Directors of IDBI Trusteeship Services Ltd. and IDBI Mutual Fund Trustee Company Ltd. During his tenure at Exim Bank, he headed various Verticals such as Corporate Banking, SME, Agri Exports, Loan Recovery, IT & HR. He was the CFO of Exim Bank between June 2014 and October 2017. He had served Exim Bank in various roles at their offices in Bengaluru, Hyderabad, Milan, London & Mumbai. He is a regular speaker on Banking, Project Finance, Infrastructure Finance, Trade Finance, etc. He was a member of various Working Groups / Task Forces set-up by the Government of India on India’s international trade. He led various international consultancy assignments for Commonwealth Secretariat in London, Exim Bank of Nigeria, Sri Lanka Exports, Saudi Export Agency, etc. Mr. Samuel is an Honours Engineering graduate in Electronics & Communication and MBA in Finance.
Ms. Swati Lahiri	Company Secretary	August 20, 2025	She holds a B.Com (Hons.), LL.B., FCS, and ACMA, bringing over 21 years of professional experience.

Board of Directors

Under Section 6(1) of the Act, the Board of Directors of the Issuer shall consist of the following; namely:

- (a) a Chairperson, to be appointed by the Central Government in consultation with the Reserve Bank;
- (b) a Managing Director, to be appointed by the Board, on the recommendations of the Bureau and subject to such procedure and clearances from such agencies, as may be determined by the Central Government;
- (c) not more than three Deputy Managing Directors, each of whom shall be appointed by the Board, on the recommendations of the Bureau and subject to such procedure and clearances from such agencies, as may be determined by the Central Government;

(d) two directors, to be nominated by the Central Government, who shall be the officials of the Central Government;

(e) such number of directors not exceeding three, elected by shareholders in such manner as may be prescribed, such that a shareholder, other than the Central Government, holding ten per cent. or more of the total issued equity share capital may nominate one director;

(f) such number of independent directors not exceeding three or one-third of the total number of directors on the Board, whichever is higher, to be appointed by the Board on the recommendations of the Nomination and Remuneration Committee:

Provided that if the percentage of holding of issued equity share capital with the shareholders does not permit election of three directors or until the assumption of charge by the directors elected by the shareholders, the Board may at any time co-opt such number of independent directors, not exceeding three, to be appointed by the Board on the recommendations of the Nomination and Remuneration Committee, who shall hold office until the assumption of charge by the directors elected by the shareholders and an equal number of such co-opted independent directors shall retire in the order of co-option:

Provided further that at least one of the directors specified in clause (e) or in clause (f) shall be a woman.

(2) The Managing Director and Deputy Managing Directors shall be whole-time directors of the Board.

(3) No person who is a salaried officer or other employee of the Issuer shall be appointed as a director of the Board except to the post of a Managing Director or a Deputy Managing Director.

(4) The Chairperson shall preside over the meetings of the Board.

(5) The terms and conditions of induction of independent directors to the Board under clause (f) of sub-section (1) shall be such as may be prescribed.

(6) The directors appointed under clauses (d) and (f) of sub-section (1) shall be deemed to be independent directors under the Companies Act, 2013 (18 of 2013), for the purpose of immunities available to independent directors.

As on the date of this Offering Circular, the Issuer's Board of Directors are as below:

Name of Director, DIN and Designation	Age	Date of Appointment	Other Directorships	Brief Profile
Ms. Aruna Sundararajan Designation: Independent director DIN: 03523267	66	April 10, 2022	1. Cochin International Airport Limited 2. L & T Technology Services 3. Kannur International Airport Limited 4. Zetwerk Manufacturing	Ms. Aruna Sundararajan has served as the Secretary to the Government of India in the Ministries of Steel, IT and Telecom and the Chairperson of the Digital Communications Commission. During her tenure, she pioneered important tech policies and initiatives across the domains of telecom and hardware manufacturing, e-governance, digital payments, data protection, cyber security, and tech start-ups. She serves on the Board of Directors of leading companies such as Delhivery and Bharat FIH, Cochin International Airport, and Digi Vridhhi. She

Name of Director, DIN and Designation	Age	Date of Appointment	Other Directorships	Brief Profile
			Businesses Private Limited	is also an active member of various tech mentoring and angel financing initiatives.
Mr. B. Sriram Designation: Independent director DIN: 02993708	67	June 05, 2022	1. ICICI Bank Limited 2. Nippon Life India Asset Management Limited 3. TVS Credit Services Limited 4. IndiaIdeas Com Limited 5. TVS Supply Chain Solutions Limited 6. TVS Motor Company Limited	Mr. B. Sriram is an Honours Graduate and a Master's Degree holder in Physics from St Stephen's College, Delhi University. He is also a Certificated Associate of the Indian Institute of Banking & Finance (formerly The Indian Institute of Bankers), Mumbai. He holds a Diploma in International Law & Diplomacy from the Indian Academy of International Law & Diplomacy, New Delhi and an AIMA Diploma in Management from the All India Management Association, New Delhi. Mr. Sriram has held several key executive positions in his career including the following:- • Managing Director & CEO, IDBI Bank Ltd from June 30, 2018 to September 29, 2018. • Managing Director, State Bank of India from July 2014 to June 2018. • Managing Director, State Bank of Bikaner & Jaipur from March 2013 to July 2014. Mr. Sriram has worked with the State Bank of India Group for about 37 years and is well experienced in all areas of Banking and Finance. He joined State Bank of India as a Probationary Officer in December 1981 and has held various key assignments within the Bank and the Group in Credit and Risk, Retail, Operations, IT, Treasury, Investment Banking, International Operations, Payment and Settlement Systems and Small Scale Industry. Mr. Sriram is an External Investment Committee member of British International Investment, UK.

Name of Director, DIN and Designation	Age	Date of Appointment	Other Directorships	Brief Profile
				Mr. Sriram serves as an Independent Director on the board of several companies. In addition, he has also taken on a few advisory positions.
Mr. Ashutosh Pednekar Designation: Independent director DIN: 00026049	60	January 23, 2026	1. DFK Consulting Services India Private Limited 2. St. Jude India Child Care Centres 3. Investor Services of India Limited 4. Northern Arc Capital Limited 5. Elecon Engineering Limited 6. Star Union Dai-Ichi Life Insurance	Mr. Ashutosh Arvind Pednekar holds a bachelor's degree in Commerce from H.R. College of Commerce and Economics, University of Bombay and is a Practicing Chartered Accountant. With over three decades of experience, he has been a Partner at M. P. Chitale & Co., Chartered Accountants since 1992. Mr. Pednekar is a skilled Chartered Accountant with a proven track record in the financial services and infrastructure sectors. He has expertise in areas such as accountancy, finance, risk management, insurance and infrastructure. He is also an accredited Certified Information Systems Auditor from Information Systems Audit & Control Association (USA). Additionally, he has contributed to various research projects initiated by ICAI, RBI, and IRDAI in standard setting and review of regulations.
Mr. L. V. Prabhakar Designation: Independent director DIN: 08110715	63	October 18, 2023	1. IndusInd Bank Limited 2. Capri Global Capital Limited	Mr. L.V.Prabhakar holds a Master's Degree in Agricultural Sciences from Tamil Nadu Agricultural University, Coimbatore, Tamil Nadu. He is a Certified member Of the Indian Institute of Bankers, Mumbai. He has a certificate in IT & Cyber Security from IIBF Mumbai. Mr. Prabhakar worked as Executive Director of Punjab National Bank ("PNB") from March 2018 to January 2020 & handled various key verticals Viz., Credit, Treasury & Human Resources. During the Nirav Modi incident at PNB, he was the only ED for a considerable period of time & shouldered the responsibilities of all the verticals of the Bank & successfully

Name of Director, DIN and Designation	Age	Date of Appointment	Other Directorships	Brief Profile
				handled/ mitigated the negative impact of the Nirav Modi fraud on the Bank. As MD & CEO of Canara Bank from February 2020 to December 2022, steered smooth amalgamation process of Syndicate Bank with Canara Bank duly ensuring seamless customer service through best HR practices & Technology initiatives. Even during the COVID period, he ensured good performance of the bank. He has also streamlined functioning of important wings and realigned functionalities by introducing new specialized vertical Viz., Gold Loan, Cash Management, Central Processing Hub for Liability Products, Retail Hubs, Corporate credit focused Units & Transaction monitoring. Under his leadership, Canara Bank has received “Banker’s Bank of The Year award 2022” for the INDIA segment at the Global Banking Summit, London. Mr. Prabhakar has held the following positions. As Chairman of : 1. Canara ROBECO Asset Management Co. Limited, 2. Canara HSBC Insurance Company Limited, 3. Canfin Homes Limited, 4. IBA standing Committee on Payment Systems & Banking Technology. As Director & Member of : 1. PNB Metlife India Insurance, 2. PNB Housing Finance Limited, 3. Everest Bank Limited, Kathmandu, NEPAL,

Name of Director, DIN and Designation	Age	Date of Appointment	Other Directorships	Brief Profile
				Indian Institute of Bank Management (NIBM) Member of Management Development Institute (MDI), Gurgaon.
Mr. N. S. Kannan Designation: Independent director DIN: 00066009	61	October 18, 2023	1. Wipro Limited 2. Bangalore International Airport Limited 3. Jio BlackRock Asset Management Private Limited 4. Transunion Cibil Limited	Mr. N.S. Kannan became a director of the Issuer and serves as the Chairman of its IT Strategy Committee and member of its Audit Committee. He has also been elected as a member of the Executive Committee and the Special Committee for Monitoring and Follow-up of Frauds. Mr. Kannan brings over 32 years of experience in the Financial Services domain, including Banking and Insurance. Mr. Kannan superannuated as the Managing Director & Chief Executive Officer at ICICI Prudential Life Insurance Co. Ltd. in June 2023. During his tenure as Managing Director & CEO, Mr. Kannan led the Company's transformation into a multiproduct and multi-channel company. Mr. Kannan has served in various leadership roles in the ICICI group, including as Executive Director & CFO of ICICI Bank. Mr. Kannan has also served as Chairman/Non-Executive Director of various ICICI group companies. Mr. Kannan has also been part of several committees constituted by the Government of India and various regulatory bodies, namely, the RBI, SEBI, the Insurance Regulatory and Development Authority of India and Life & General Insurance Councils. Mr. Kannan has recently been appointed as a member of Academic Council of the College of Supervisors, the RBI and as a member of the Insurance Advisory Committee of the Insurance Regulatory and Development Authority. Mr. Kannan is on the Board of Wipro Limited since October 2023 and serves as a member of the Audit, Risk and Compliance Committee of Wipro Limited. He is also on the board of Bangalore International Airport Limited and serves as a Chairman of its

Name of Director, DIN and Designation	Age	Date of Appointment	Other Directorships	Brief Profile
				Audit Committee and a member of its Nomination and Remuneration Committee. Additionally, Mr. Kannan has been appointed to the board of TransUnion CIBIL Limited and Jio BlackRock Asset Management Private Limited. Furthermore, he currently serves as the Chairman of the Finance Sub-Committee at Bangalore International Airport Limited. Mr. Kannan, having been at the helm of companies in financial services domain, has extensive experience and exposure. He comes with leadership experience, and expertise across Finance, Strategy, Corporate Governance, Audit, Risk Management including Cybersecurity risk, among others. Mr. Kannan holds an honors graduate degree in Mechanical Engineering from the National Institute of Technology (“NIT”), Trichy and is a distinguished alumnus of NIT. He is a Chartered Financial Analyst from the ICFAI India. He holds a Postgraduate Diploma in Management from Indian Institute of Management, Bangalore, with a gold medal for the best all-round performance.
Mr. Suresh Patel Designation: Independent director DIN: 07202263	68	October 18, 2023	1. Krishna Institute of Medical Sciences Limited (KIMS) 2. Online PSB Loans Limited 3. KIIMS Hospital Bengaluru Private Limited 4. Allianz Jio Reinsurance Limited	Mr. Suresh Patel is an Agricultural Science and Law graduate with CAIIB. Mr. Patel has banking experience of more than 37 years. He has worked in various areas of banking mostly in field assignments. He superannuated from Andhra Bank as MD & CEO. Prior to this, he had worked as Executive Director of Oriental Bank of Commerce and as General Manager with Dena Bank. Post Superannuation he has held assignments as Independent External Monitor (IEM) for IOC Ltd and BEL. He was also a Permanent Invitee to the Board for Regulation and Supervision of Payment and Settlement Systems (BPSS) of RBI. He

Name of Director, DIN and Designation	Age	Date of Appointment	Other Directorships	Brief Profile
				has also been on Boards of Companies as an Independent Director. Post Superannuation, he was appointed by Hon'ble President of India as Vigilance Commissioner and subsequently as Central Vigilance Commissioner at Central Vigilance Commission (CVC). He is also Independent Director on the Board of Montecarlo Limited (Ahmedabad). Presently, he is also Chairman of Advisory Board for Banking & Financial Frauds (ABBFF).
Ms. Shalini Pandit Designation: Director nominated by the Central Government DIN: 07780142	51	May 13, 2026	1. Rourkela Smart City Limited 2. Canara Bank 3. Specified Undertaking of the Unit Trust of India (SUUTI)	Ms. Shalini Pandit is an Indian Administrative Service (IAS) officer of the 2001 batch of the Odisha cadre presently serving as Joint Secretary in the Department of Financial Services, Ministry of Finance, Government of India. Ms. Pandit has held several key positions in the Odisha government prior to moving to her assignment with the Government of India. She has served as Secretary for School & Mass Education Department, Health & Family Welfare Department, Mission Shakti Department and Odia Language, Literature & Culture Department, Odisha. She has also served as Mission Director, National Health Mission, Labour Commissioner, Odisha, and District Collector of several districts. Her work in bringing reforms to the education sector and leadership in the health sector during the Covid-19 pandemic was widely appreciated. Ms. Shalini Pandit graduated in Botany from Miranda House College, University of Delhi and completed her M.Sc. in Wildlife Science from the Wildlife Institute of India, Dehradun.
Ms. Gurneet Tej Designation: Director	44	June 06, 2025	1. India International Convention and	Ms. Gurneet Tej is an IAS Officer of 2006 batch (Karnataka Cadre). Ms. Gurneet is presently working as Joint Secretary,

Name of Director, DIN and Designation	Age	Date of Appointment	Other Directorships	Brief Profile
nominated by the Central Government DIN: 07047188			Exhibition Centre Limited 2. National Industrial Corridor Development Corporation Limited 3. Jammu and Kashmir Development Finance Corporation Limited	Department for Promotion of Industry and Internal Trade, Ministry of Commerce & Industry. Ms. Gurneet has about 20 years of experience in various departments in the State Governments of Karnataka and Punjab and the Central Government dealing with diverse functions such as public administration, women and child development, urban development etc.
Mr. Rajkiran Rai G. Designation: Managing Director DIN: 07427647	64	August 08, 2022	Nil	Mr. Rajkiran Rai G., former Managing Director & CEO of Union Bank of India from July 1, 2017, to May 31, 2022, aged 64 years, has more than three decades of rich banking experience which includes heading Industrial Finance Branch - Regions and Zonal Offices. Starting his career in 1986 as an Agricultural Finance Officer in the Central Bank of India, Mr. Rai rose through the ranks heading various branches in different parts of the country for more than 17 years. Upon his elevation as General Manager, he was given the responsibility of heading the department of Human Resource Development. He was the Field General Manager of the Mumbai Zone of the Central Bank of India when he was elevated to the post of Executive Director of the Oriental Bank of Commerce. He was the Chairman of the Union Bank of India (U.K.) Limited, Union Asset Management Company, Star Union Dai-Ichi Life Insurance Company Limited, CorpBank Securities Limited, and Director on the Board of EXIM Bank and United India Insurance Company Limited. Earlier, he served on the Board of Oriental Insurance Company Limited, Canara HSBC Oriental Bank of Commerce Life Insurance Co. Ltd.

Name of Director, DIN and Designation	Age	Date of Appointment	Other Directorships	Brief Profile
				Mr. Rai also served as Head of the Committee to advise the Banks Board Bureau (BBB) on evolving suitable training & development programs for management personnel in Public Sector Banks. Mr. Rai was the Chairman of the Indian Banks' Association (IBA). Of his multiple responsibilities at the IBA, he also served as Chairman of the Managing Committee, Chairman of the Standing Committee on HR & IR, and Chairman of the Wage Negotiation Committee. Apart from the above, Mr. Rai held the following positions: • Chairman, Governing Board of Institute of Banking Personnel Selection (IBPS). • Chairman, Committee to study and recommend a uniform system for the banks for classification of various disciplinary cases as Vigilance and Non-vigilance. • President, Indian Institute of Banking & Finance (IIBF). • President, Bankers' Institute of Rural & Entrepreneurship Development (BIRED). • President, State Level Bankers' Committee (SLBC) in Andhra Pradesh. • Member, Advisory Board for Financial Inclusion Fund of NABARD. • Member, Governing Council of Bankers Institute of Rural Development (BIRD). • Member, Depositor Education and Awareness Fund (DEAF) of RBI. • Member, Governing Board of the National Institute of Bank Management (NIBM).

Name of Director, DIN and Designation	Age	Date of Appointment	Other Directorships	Brief Profile
				- Member, Search Committee for appointment of new Director of NIBM. - Member, Board of Directors of National Credit Guarantee Trust Co Ltd (NCGTC) Mr. Rai is an agricultural science graduate and also a certified member of the Indian Institute of Bankers. A vivid learner, he has benefitted from several executive development programmes at prestigious institutions in the country. A winner of several prestigious industry awards and accolades, Shri Rai is awarded 'CEO with HR Orientation' by World HRD Congress for his distinguished approach to capability-building through training and leadership development. He has also been conferred Honorary Fellowship by the Indian Institute of Banking & Finance (IIBF) in recognition of his invaluable contribution to the field of banking and finance.
Mr. B. S. Venkatesha Designation: Deputy Managing Director – Chief Risk Officer DIN: 08489577	52	September 19, 2022	Nil	Mr B.S. Venkatesha has a rich banking experience of nearly three decades with primary focus in the areas of foreign exchange, treasury, international banking, large corporate credit, and risk management. He has held several leadership positions in Union Bank of India, such as Regional Head, Chief Executive Officer of the European entity, Chief Relationship Officer, Chief Risk Officer, etc. He has played an instrumental role in Union Bank's overseas expansion and in implementing the best practices in the bank's Risk Management department. Mr. B. S. Venkatesha was the Chief Risk officer (Chief General Manager) of Union Bank of India. He has nearly three decades of Banking experience working extensively in the areas of Foreign Exchange, Treasury, International Banking, Large corporate Credit, and Risk Management. He has occupied several

Name of Director, DIN and Designation	Age	Date of Appointment	Other Directorships	Brief Profile
				important positions in the Issuer, namely, Regional Head, Chief Executive Officer of the European Entity, Chief Relationship Officer, Chief Risk officer, etc. He is instrumental in the Issuer's overseas expansion as well as in implementing the Best Practices in Risk Management Department. He has extensive experience in handling large banks within the guardrails of risk-calibrated growth and compliance. He is an MBA graduate in Finance, FRM from GARP (USA) and a Certified Associate of the Indian Institute of Bankers. He has completed the Leadership Development Programme for the Senior Executives of IIM Bangalore, curated by the Financial Services Institutions Bureau (formerly Banks Board Bureau).
Ms. Monika Kalia Designation: Deputy Managing Director – Chief Financial Officer DIN: 08579733	53	November 16, 2022	Nil	Ms. Monika Kalia was an Executive Director of the Bank of India. She has handled various roles such as overseeing assurance functions of Internal Audit and Inspection, Risk Management, Cyber Security, and Fraud Risk Management, and has had additional exposure to Treasury and International Banking. Besides, she has handled the functions related to customer service excellence involving Deposit raising, Customer Experience, Premises, Business Process Re-Engineering, and Prime Clients Care. Prior to taking up as Executive Director of Bank of India, she had extensive 360-degree exposure to corporate office and field banking with Union Bank of India. She has successfully spearheaded the State of Gujarat as the Zonal Head and other critical departments of Financial Planning and Investor Relations at crucial times of amalgamation of banks (responsible for carrying out due diligence and deciding share swap ratio) and Personal Banking and Operations during the phase of

Name of Director, DIN and Designation	Age	Date of Appointment	Other Directorships	Brief Profile
				demonetization (responsible for branch operations and currency chest management, Customer Service and raising CASA). Besides, she has also headed Retail lending, Marketing and third-party product distribution, Corporate Communications, Compliance and Board Secretariat, and Accounts Taxation. During her professional journey of over 27 years, she had also been the key managerial personnel for the bank for interacting with RBI/SEBI/MOF in various capacities as Chief Financial Officer, Chief Grievance Officer, Chief Compliance Officer and Company Secretary, Chairperson Sexual Harassment Committee, and Managing Trustee of Union Bank Social Foundation at various points in time. She has also represented the bank at various industry levels and regulatory forums of IBA, SLBC, and RBI. She was also the Director on the Board of two joint ventures of Union Bank namely, Star Union Dai-Ichi Life Insurance and Union Asset Management Trustee company. She has achieved various awards, viz. The Global Women Achiever Award in the year 2019 and Top 100 Women in Finance 2020 in India, from the Association of International Wealth Management of India. Besides being rank holder B. Com (H), she is also a Fellow Member of Company Secretaries of India (ICSI), a Certified Associate of the Indian Institute of Bankers (CAIIB), and has completed a Diploma in Treasury and Integrated Risk Management from IIBF, a Certificate Programme in IT and Cyber Security for Senior Management - IDRBT, a Certificate Programme in AML & KYC from IIBF, and the Leadership Development Programme for Senior Management of Public Sector Banks by BBB at IIM Bangalore.

Name of Director, DIN and Designation	Age	Date of Appointment	Other Directorships	Brief Profile
Mr. Samuel Joseph Jebaraj Designation: Deputy Managing Director – Lending and Project Finance DIN: 02262530	58	April 06, 2023	The Anglo Scottish Education Society	Mr. Samuel Joseph Jebaraj joined the Board of NABFID as Deputy Managing Director in April 2023. He handles the Lending business and HR functions in NABFID. Prior to joining NABFID, he was Deputy Managing Director on the Board of IDBI Bank from September 2019 to April 2023. Prior to IDBI Bank, he was with Exim Bank for over 21 years in various capacities, last being Chief General Manager. Mr. Samuel has over 33 years of varied banking experience. He was part of the turnaround team in IDBI Bank. He was also on the Board of IDBI Capital Markets Ltd. and Chairman of the Board of Directors of IDBI Trusteeship Services Ltd. and IDBI Mutual Fund Trustee Company Ltd. During his tenure at Exim Bank, he headed various Verticals such as Corporate Banking, SME, Agri Exports, Loan Recovery, IT & HR. He was the CFO of Exim Bank between June 2014 and October 2017. He had served Exim Bank in various roles at their offices in Bengaluru, Hyderabad, Milan, London & Mumbai. He is a regular speaker on Banking, Project Finance, Infrastructure Finance, Trade Finance, etc. He was a member of various Working Groups / Task Forces set-up by the Government of India on India's international trade. He led various international consultancy assignments for Commonwealth Secretariat in London, Exim Bank of Nigeria, Sri Lanka Exports, Saudi Export Agency, etc. Mr. Samuel is an Honours Engineering graduate in Electronics & Communication and MBA in Finance.

During the financial year 2025-26, the Issuer recruited 134 employees in Analyst/Business Analyst, Senior Analyst, VP and EVP cadres. As on March 31, 2026, the Issuer had 274 employees working with it. The Issuer focuses keenly on capacity building of its human resources through various external training programs and

conferences at leading institutions like ISB, NIBM etc. The employees also undertake e-learning modules and certifications prescribed by RBI and iGOT Karmayogi Portal.

The Issuer prioritizes health and well-being of its employees through a holistic approach that supports work-life balance, physical health, emotional and mental well-being of its employees and their families through structured assistance programs, to strengthen mental resilience, promote psychological well-being, and foster a supportive and empathetic workplace culture. The Issuer follows and implements all the reservation guidelines issued by the Government of India, from time to time, with regard to reservation in recruitment as well as in promotion for employees.

Under the Act, the Board of Directors may constitute such committees for such purposes as it may think fit. The Nomination and Remuneration Committee consists of Smt. Aruna Sundararajan (Chairperson), Shri. B. Sriram, Shri. L.V. Prabhakar, and Shri. Ashutosh Pednekar. The Stakeholder's Relationship Committee consists of Shri. Suresh Patel (Chairman), Shri. Ashutosh Pednekar Smt. Monika Kalia, and Shri. Samuel Joseph Jebaraj. The Audit Committee consists of Shri. Ashutosh Pednekar (Chairman), Smt. Aruna Sundararajan, Shri. L.V. Prabhakar, and Shri. N.S. Kannan. The IT Strategy Committee Shri. N.S. Kannan (Chairman), Shri. B. Sriram, Shri. Suresh Patel, and Shri. B.S. Venkatesha. The Risk Management Committee consists of Shri. B. Sriram (Chairman), Smt. Aruna Sundararajan, Shri. L.V. Prabhakar, and Shri. Rajkiran Rai G. The Special Committee for Monitoring and Follow up of Frauds consists of Shri. Suresh Patel (Chairman), Shri. Ashutosh Pednekar, Shri. N.S. Kannan, Shri. Rajkiran Rai G., and Shri. B.S. Venkatesha. The Executive Committee consists of Shri. Rajkiran Rai G. (Chairman), Shri. L.V. Prabhakar, Shri. N.S. Kannan, and Shri. Suresh Patel. The Review Committee for Identification of Wilful Defaulters consists of Managing Director (Chairman) and any two Independent Director.

In addition to the Board-level Committees as mentioned above, the Board has constituted various management level committees, which are attended by the Managing Director and/or Deputy Managing Directors, in accordance with their prescribed terms of reference, including Credit & Expenditure Approval Committee-1 & 2, Asset Liability Management Committee, Investment Committee, IT Steering Committee, Information Security Committee, Fraud Monitoring Committee, GRC Committee, Compliance Oversight Committee, Ethics Committee, and so on.

The said Committees meet from time to time. The information and proposals reviewed and recommended at the said committees form the basis for agenda to various Board-level Committees, thus creating a thorough decision-making process in the Issuer.

INDUSTRY OVERVIEW

The information contained in this section is adapted from the ICRA Report prepared by ICRA. Neither ICRA, nor any other person connected with the offering of the Notes has independently verified all the information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.

References to various segments in Industry overview section and information derived from therein are references to industry segments and in accordance with the presentation, analysis and categorization in the ICRA Report.

Executive Summary

India's infrastructure development has been a defining feature of its economic narrative since FY2016. As the world's most populous country and one of the fastest-growing major economies, India has recognized infrastructure as a critical enabler of inclusive growth, competitiveness, and sustainability. The GoI's proactive approach, marked by ambitious programmes and institutional reforms, has laid the foundation for a modern, connected, and resilient India.

The country has invested in building physical and digital assets; initiatives such as the NIP with an initially projected investment of ₹111 trillion, and the PM Gati Shakti Master Plan have laid the foundation for integrated and coordinated infrastructure development across sectors. These efforts are aimed at improving transparency, reducing project delays, and fostering inter-ministerial collaboration, enabling a more strategic approach to nation building. As of FY2024, the Central Government's budget allocation for infrastructure spending reached ₹10 trillion, with capital expenditure in roads alone rising 5.7 times⁸ (including private investment) since FY2014 to ₹3.01 trillion. The pace of highway construction increased from 12.1 km/day in FY2015 to 33.8 km/day in FY2024, and four-lane national highway ("NH") stretches grew 2.6 times to 48,422 km. Urban and rural infrastructure have both seen notable improvements. The Smart Cities Mission has completed 94%⁹ of 8,067 cross-sectoral projects, with about ₹473.85 billion disbursed by the GoI as of March 2025. Along with initiatives like Atal Mission for Rejuvenation and Urban Transformation ("AMRUT"), the PM Awas Yojana ("PMAY") and the Jal Jeevan Mission, have enhanced access to housing, water, sanitation, and mobility. In rural areas, programmes like PM Gram Sadak Yojana (PMGSY) and BharatNet have expanded connectivity, helping bridge the urban-rural divide. India's digital infrastructure has also developed, with Aadhaar, Unified Payments Interface, and the Digital India initiative transforming service delivery and financial inclusion.

Despite these achievements, several challenges remain. Urban infrastructure continues to lag population growth, leading to congestion, pollution, and housing shortages. Financing is a major constraint, with infrastructure investment needs estimated at over U.S.\$8 trillion by 2047 from key segments. Public resources need to be augmented by private sector participation, however, challenges like regulatory risk and long project gestation periods persist. Execution bottlenecks such as land acquisition delays and environmental clearances further hinder progress. Additionally, climate vulnerability is a growing concern, with infrastructure increasingly exposed to extreme weather events and lacking adequate resilience measures.

At the same time, India is well-positioned to capitalize on emerging opportunities. The global shift toward green infrastructure aligns with India's net-zero commitment by 2070, creating avenues for investment in renewable energy ("RE"), electric mobility, and sustainable construction. The expansion of digital infrastructure, including 5G, data centres, and artificial intelligence ("AI"), offers the potential to improve logistics, urban management,

⁸ <https://www.pib.gov.in/FactsheetDetails.aspx?Id=149113>

⁹ <https://www.pib.gov.in/PressNoteDetails.aspx?NoteId=154736&ModuleId=3>

and public service delivery. Regional connectivity is improving through initiatives like Bharatmala, Sagarmala, and Dedicated Freight Corridors (“DFCs”), which are enhancing logistics efficiency and unlocking economic potential. Liberalized foreign direct investment (“FDI”) norms and asset monetization programmes are also opening new channels for private investment.

Infrastructure development is a key pillar to realize the vision of Viksit Bharat 2047. This requires integrated planning, innovative financing, and a strong focus on sustainability and resilience. Platforms like Gati Shakti can support data-driven decision making, while blended finance models and green bonds can unlock private capital. Climate risk assessments, low-carbon technologies, and nature-based solutions are increasingly common. Strengthening governance, empowering urban local bodies, and leveraging technology for real-time monitoring and predictive maintenance will be essential.

Introduction

India remains on a strong growth trajectory, supported by its youthful demographic profile, increasing urbanisation, digital deepening, infrastructure development and governance reforms. India’s real GDP is expected to grow at an average rate of approximately 6.0–6.5 per cent. over the next five years, despite a relatively subdued global growth environment. Its nominal GDP is projected to increase from U.S.\$3.6 trillion in 2023 to U.S.\$6.6 trillion by 2029, while its share of incremental global GDP is expected to rise from 6.5 per cent. in 2023 to 9.1 per cent. by 2029.

Infrastructure investment is expected to remain an important driver of India’s medium- and long-term growth. Annual infrastructure spending increased from U.S.\$37 billion in fiscal 2020 to an estimated U.S.\$132 billion in fiscal 2025, while such spending as a proportion of GDP increased from 1.6 per cent. to an estimated 3.4 per cent. over the same period. Annual infrastructure spending is expected to reach approximately U.S.\$350 billion by 2034 and U.S.\$1 trillion by 2047. This investment is expected to support the continued expansion and modernisation of India’s transport, energy, urban and digital infrastructure, improve connectivity and productivity, and help address the requirements arising from economic growth and urbanisation.

Importance of Infrastructure in Economic Development

Infrastructure is key to economic development, serving as the foundation upon which nations build prosperity and improve quality of life. In India’s context, infrastructure development—spanning transport, energy, water, digital connectivity, and social assets—has a multiplier effect on GDP growth, employment generation, and overall competitiveness. Well-planned infrastructure lowers the cost of doing business, stimulates investment, enhances productivity, and unlocks new economic corridors.

A modern and reliable infrastructure ecosystem is especially critical for a country as vast and diverse as India, where connectivity, logistics, and energy access remain central to realizing the economic potential of both urban and rural regions. The Government of India’s continued focus on infrastructure, as seen in the NIP and PM Gati Shakti, underlines its importance as a principal driver of national progress.

Role of Infrastructure in Achieving the Viksit Bharat 2047 Vision

Viksit Bharat 2047 envisions India as a developed, inclusive, and sustainable nation by its 100th year of independence. Achieving this milestone requires significant changes in the scale, quality, and reach of national infrastructure. Infrastructure will serve not just as a facilitator of economic growth, but as a catalyst for social development—enabling access to education, healthcare, sanitation, mobility, and digital empowerment for all citizens.

The vision of Viksit Bharat 2047 rests on several infrastructure-driven pillars:

- **Universal Connectivity:** Seamless and affordable physical and digital connectivity across rural and urban India.

- **Sustainable Urbanisation:** Green and smart cities that provide liveable, resilient, and efficient services.
- **Clean Energy Transition:** Acceleration towards renewable energy sources, energy security, and climate resilience.
- **Inclusive Development:** Infrastructure that bridges existing divides and delivers services equitably to all sections of society.
- **Technological Leadership:** Adoption of cutting-edge technologies to drive efficiency, transparency, and innovation in infrastructure planning, delivery, and management.

In this context, infrastructure serves as an important pillar to realizing the Viksit Bharat 2047 vision.

Infrastructure Landscape in India

Pan-India Infrastructure Development Trends: A Decadal Analysis

Since FY2016, India has witnessed a shift in its infrastructure landscape, driven by sustained public investment, policy reforms, and strategic prioritisation. As one of the fastest-growing major economies globally, India's infrastructure push has been central to its economic ascent, culminating in its recent overtaking of Japan to become the world's fourth-largest economy by nominal GDP.

Infrastructure spending in India has grown, with capital outlay rising from ₹2.0 trillion in FY2015 to ₹11.2 trillion in FY2026 (budget estimate ("BE")) —an increase of nearly 600%. Also, it has evolved from fragmented, sector-specific allocations to a more integrated and outcome-oriented approach. The Government's flagship programmes such as the NIP and PM Gati Shakti have laid the foundation for coordinated planning across sectors including transport, energy, logistics, and urban development. These initiatives aim to mobilize investments exceeding ₹100 trillion over a multi-year horizon, with a focus on improving connectivity, reducing logistics costs, and enhancing productivity.

One of the most notable achievements has been in highway construction. India has consistently expanded its national highway network, with annual construction reaching record levels. The implementation of the Bharatmala Pariyojana (starting in 2017) accelerated the development of economic corridors, border roads, and expressways. Between FY2014 and FY2024, the pace of highway construction more than doubled (from 12.1 km/day in FY2015 to 33.8 km/day in FY2024)¹⁰, with over 12,000 km built annually in peak years. This expansion has significantly improved inter-state connectivity and reduced travel time.

In the railway sector, modernisation has gained momentum through electrification, station redevelopment, and the introduction of semi-high-speed trains like the Vande Bharat Express. The push for 100% electrification of broad-gauge routes and the adoption of digital technologies for operations and safety have marked a shift toward sustainability and efficiency. Freight corridors and multimodal logistics parks are being developed to enhance cargo movement and reduce dependence on road transport.

Energy infrastructure has also undergone a paradigm shift. India has emerged as a global leader in renewable energy capacity addition, with solar and wind installations growing rapidly. The country's installed renewable energy capacity crossed 237.5 gigawatts ("GW") as of July 2025¹¹, hitting the 50% non-fossil installed capacity milestone ahead of 2030 clean energy target, supported by policy incentives and international partnerships. Simultaneously, the expansion of transmission networks and rural electrification programmes have improved energy access and reliability.

¹⁰ <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2098788>

¹¹ <https://mnre.gov.in/en/physical-progress/>

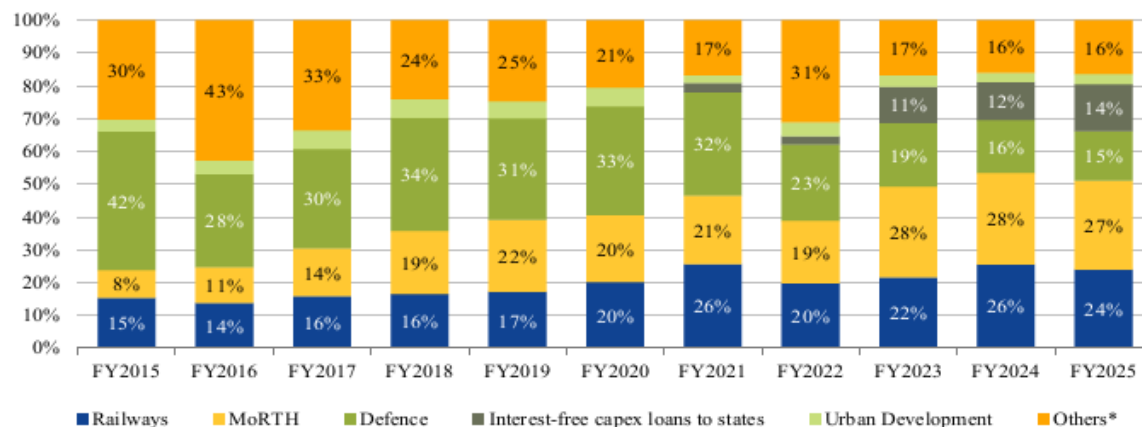
In logistics and urban infrastructure, the focus has been on integrated development. The rollout of smart cities, metro rail projects, and urban mobility solutions has improved liveability in major urban centres. The logistics sector has benefited from the implementation of Goods and Services Tax (GST), digitization, and infrastructure upgrades, contributing to India's improved ranking in the World Bank's Logistics Performance Index (from 44 in 2018 to 38 in 2023¹²). The Logistics Ease Across Different States (LEADS) 2024 report¹³ introduced sustainability metrics and recognized top-performing states like Gujarat, Karnataka, and Maharashtra.

Despite these gains, challenges remain in terms of financing, land acquisition, and project execution. Private sector participation, though improving, still lags expectations. However, the Government's emphasis on public-private partnerships ("PPPs"), asset monetization, and institutional reforms is gradually addressing these bottlenecks. As infrastructure continues to be a key driver of economic expansion, sustained investment and policy coherence will be critical to maintaining momentum.

Sectoral mix of Government's capex focus

Historically, sectors like defence, railways, and roads have constituted a large proportion of the GoI's capital expenditure. While the capital outlay towards defence formed 42% of the total capex in FY2015, its share moderated to about 15% in FY2025, even as it remains elevated in absolute terms (₹0.8 trillion in FY2015 over ₹1.6 trillion in FY2025). On the other hand, the share of infrastructure-oriented sectors such as railways (24% in FY2025 from 15% in FY2015) and roads (Ministry of Road Transport and Highways ("MoRTH"); 27% in FY2025 from 8% in FY2015) have risen sharply over the past 10 years, reflecting a shift in the GoI's focus on infrastructure development. Moreover, the allocation towards urban development (including metro projects) has risen at a compound annual growth rate ("CAGR") of about 16% during FY2015-FY2025, with its share remaining at almost 3-4% during this period. Together, these three segments accounted for nearly 55% of the GoI's capex in FY2025 as against just about 26% in FY2015.

Exhibit: Composition of GoI's capex



Note:

*Other sectors excluding those mentioned above.

Source: Union Budget; CGA, Ministry of Finance, GoI; ICRA Research

Despite the decadal shift, the allocation for these sectors has remained somewhat stagnant over the past two years by the Ministry of Railways (at ₹2.4-2.5 trillion in FY2024-FY2025), MoRTH (at ₹2.6-2.9 trillion), and the Ministry of Housing and Urban Development (at ₹0.3 trillion), which may partly reflect execution bottlenecks and cautious budgeting.

¹² <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2090056>

¹³ <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2090056>

Moreover, the GoI had introduced the “Special Assistance as Loan to States for Capital Expenditure” or the 50-year interest-free capex loan scheme for state governments in FY2021, to support their spending on infrastructure development as well as sector-specific projects. The allocation under this scheme rose from just ₹0.12 trillion in FY2021 to a substantial ₹1.50 trillion in FY2025, with its share in aggregate capex jumping from about 3% to almost 14% during this period.

Seven states made up 62% of total state capex in FY2025 PA

Among India’s 28 states, there is diversity in terms of the absolute size of the capex, the pace of its year-on-year (“YoY”) growth as well as the magnitude of their spending relative to the size of their respective gross state domestic product (“GSDP”). In FY2025 (as per Preliminary Actuals (“PA”)), Uttar Pradesh incurred a capex of ₹1.2 trillion, contributing 14% to the total capex of ₹8.3 trillion in that fiscal. The capex of Gujarat, Karnataka, Madhya Pradesh, Maharashtra, Odisha and Tamil Nadu was in the range of ₹400 billion to ₹1.0 trillion, aggregating to ₹4.0 trillion in FY2025 PA. Together, these seven states accounted for 62% of the total state capex of FY2025 PA, indicating a fair extent of concentration in spending. The data on capital spending in FY2015 reveals similar concentration patterns.

The trends in the capital expenditure by a state government relative to the size of its economy, and to total spending, is a useful way of gauging its performance on productive spending compared to assessing it on an absolute basis. A higher proportion of the permitted annual borrowing limit of a state, if consistently utilized for capital expenditure, would be key in pushing the long-term growth of the state higher. While the combined capex of 28 state governments improved to 2.6% of GSDP in FY2025 PA from 2.3% in FY2022, there were wide state-wise variations.

Exhibit: State-wise share of capital expenditure in FY2020

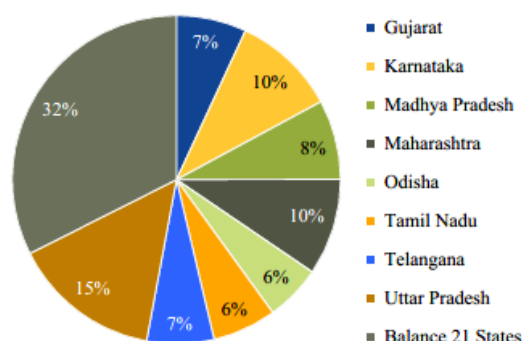
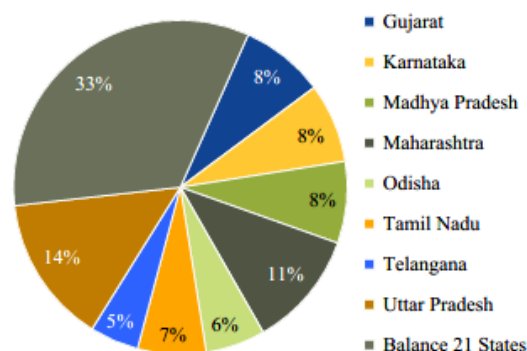


Exhibit: State-wise share of capital expenditure in FY2025 PA

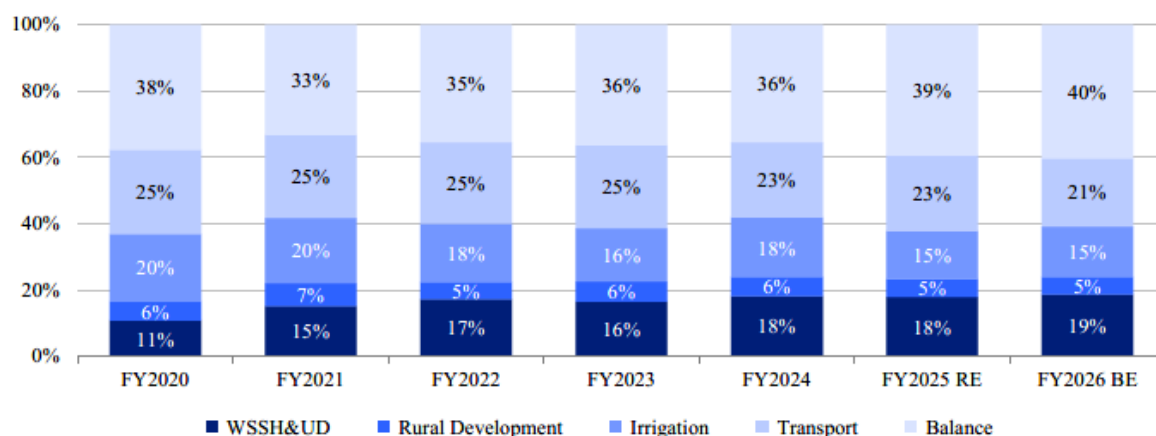


Source: ICRA Research, CAG, State Budgets

State capex priorities: Urban services, transport, irrigation and rural growth

Trends in sector-wise capital spending reveal that such spending has been dominated by, water supply, sanitation, housing and urban development (“WSSH&UD”), transport, irrigation and rural development. During the FY2022-FY2025 revised estimates, the share of these four sectors accounted for 60-65% of the total capital expenditure. This was not materially different from the trends during FY2015-2020, with FY2021 being an aberration, when the share of these four-heads had increased to 67%. However, within these sectors, the spending had tilted towards WSSH&UD during FY2022-FY2025 from the pre-Covid period (FY2015-FY2020) with some reduction in irrigation and rural development sectors.

Exhibit: Composition of capital outlay



Source: ICRA Research, CAG, State Budgets

Role of Public Private Partnerships (PPPs)

India's infrastructure development strategy has increasingly incorporated Special Purpose Vehicles ("SPVs") and PPPs with centrally sponsored schemes and state-level budgetary frameworks to optimise capital mobilisation and execution efficiency while leveraging private sector capabilities. These mechanisms have played a significant role in enabling large-scale investments across transport, energy, urban infrastructure, and logistics spaces.

Special Purpose Vehicles (SPVs) are structured entities created to manage specific infrastructure projects, allowing for financial ring-fencing and operational autonomy. In India, SPVs have been widely adopted under several Central Government programmes such as the Smart Cities Mission, where over 100 cities established SPVs to implement urban infrastructure projects. As of May 2025, approximately 94%¹⁴ of the 8,067 multi-sectoral sanctioned projects with a total investment value of ₹1.64 trillion were completed with about ₹473.85 billion (99.44% of the budgeted amount) being disbursed by the GoI. SPVs are also central to the NMP and Gati Shakti Master Plan, facilitating asset monetization and integrated infrastructure planning. States often create sector-specific SPVs (e.g., transport, water, energy) to channel budgetary allocations and attract private investment under centrally guided frameworks. These SPVs operate with financial autonomy, allowing cities to raise funds independently and align with both Central grants and state co-financing; they enable improved accountability and, thus enhance investor confidence by separating project risks from parent government entities.

Public-Private Partnerships (PPPs) have been central to India's infrastructure strategy since the early 2000s. As of 2024, India had over 9,200 PPP projects across various stages, with cumulative investments exceeding ₹6,800.00 billion¹⁵. The road sector remains dominant, with over 5,000 km of highways under PPP models like Build-Operate-Transfer (BOT) and Hybrid Annuity Mode ("HAM"), followed by renewable energy and electricity transmission.

¹⁴ Press Note Details: Press Information Bureau

¹⁵ Public Private Partnerships in India

India's PPP Projects: Notable Examples

Delhi Airport Modernisation (2010-2022):	Mumbai Trans Harbour Link (2016-2024):	Hyderabad Metro Rail (Phase 1; 2012-2020):	Rewa Ultra Mega Solar Park (2015-2020):
Led by GMR Group, this PPP transformed the airport into a global hub, handling over 65 million passengers annually.	India's longest sea bridge (21.8 km) connecting Mumbai to Navi Mumbai. Executed under a PPP model with support from Japanese International Cooperation Agency (JICA) and private contractors.	Developed by Larsen & Toubro under a PPP concession, the metro spans over 70 km and serves more than 4.5 lakh daily commuters.	One of India's largest solar parks with 750 MW capacity; PPP between Rewa Ultra Mega Solar Ltd. (SPV) and private developers.
Investment size: ~₹125 billion	Investment size: ~₹178 billion	Investment size: ~₹170–188 billion	Investment size: ~₹ 45 billion

Source: ICRA Research

SPVs and PPPs have contributed significantly to India's infrastructure development by enabling capital mobilisation, improving execution efficiency, and fostering innovation. While sectoral outcomes vary, the overall impact reflects enhanced service delivery, job creation, and improved asset performance. Continued refinement of regulatory frameworks and risk-sharing models will be essential to sustain momentum and attract long-term private investment across sectors.

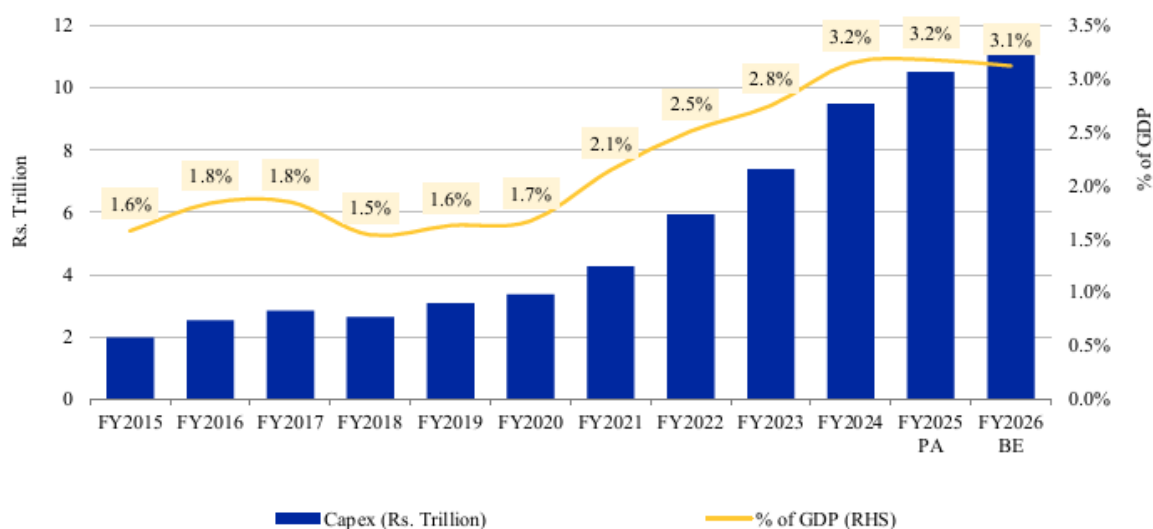
Infrastructure Financing in India: Historical Landscape

Equity Financing

Government capital expenditure

Central Government: Over the past decade, the GoI has been continuously increasing allocations towards the key infra sectors such as roads, highways, railways, and urban infrastructure. The GoI's gross capital spending rose to ₹10.5 trillion in FY2025 from ₹2.0 trillion in FY2015, reflecting a CAGR of 18.3% during this period. Moreover, as a percentage of GDP, the gross capex rose from an average of 1.7% during FY2015-FY2020 to 2.5% during FY2021-FY2023, and further to 3.2% during FY2024-FY2025, reflecting the increase in infrastructure development and asset creation.

Exhibit: Trends in GoI's capital expenditure over last decade



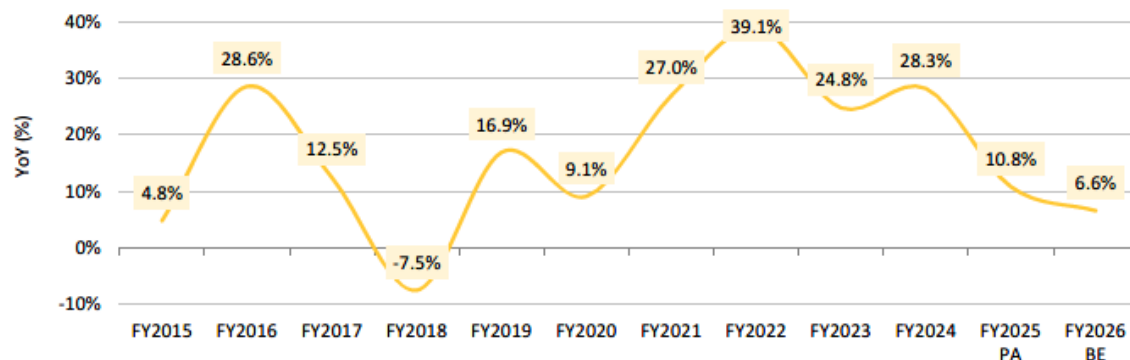
Note:

ICRA's nominal GDP projection of 8.5% for FY2026 has been used.

Source: Union Budget; CGA, Ministry of Finance, GoI; ICRA Research

Notably, the pace of YoY expansion in the GoI's capex had exceeded about 20% in each of the years during the post-Covid period of FY2021-FY2024 (average: +29.8%), before moderating somewhat to 10.8% in FY2025, dampened by the 2024 Indian General Elections ("**General Elections**"). This sustained high growth in capex aims to boost productivity, generate employment opportunities, and attract private investment.

Exhibit: Trends in GoI's capex – YoY growth



Source: Union Budget; CGA, Ministry of Finance, GoI; ICRA Research

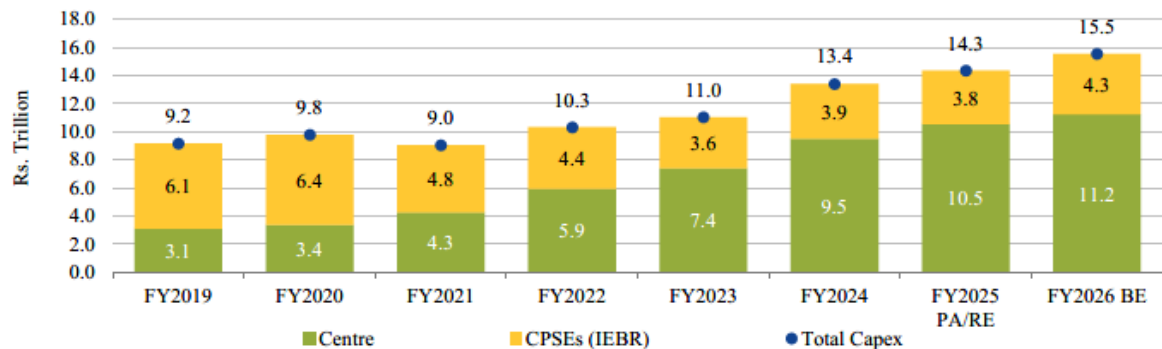
Additionally, as a percentage of total expenditure, the GoI's capital spending increased to 22.6% in FY2025 from 11.8% in FY2015. After averaging at 12.9% during FY2015-FY2021, capex as a percentage of total expenditure rose to an average of 16.6% during FY2022-FY2023, and further to 22.0% during FY2024-FY2025. This shift from revenue spending to capital spending reflects a change in fiscal policy strategy.

Recent years have seen a drop in CPSEs' IEBR capital outlay due to increased capex on-budgeting

In addition to the on-budget capex, the Central Public Sector Enterprises ("**CPSE**") also use Internal and Extra Budgetary Resources ("**IEBR**") to finance their capital spending, which is off-budget and does not directly impact the GoI's fiscal position. The CPSE's IEBR should be considered along with the GoI's on-budget capex to capture a broader picture.

The IEBR component has risen to ₹3.8 trillion in FY2025 from ₹2.3 trillion in FY2015, implying a CAGR of about 5% during the past decade, driven by the Ministry of Petroleum and Natural Gas, Housing and Urban Affairs, and the Department of Food and Public Distribution, even as the Ministry of Railways saw a decline in the IEBR component during this period.

Exhibit: Capex by Centre and CPSEs (IEBR)



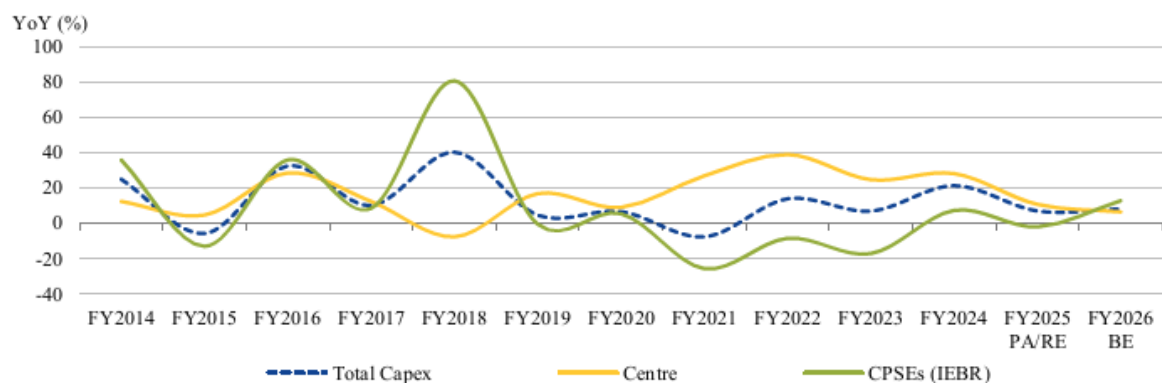
Note:

PA data has been used for the Central Government (“Centre”), and RE for CPSE since that is unavailable.

Source: Union Budget; CGA, Ministry of Finance, GoI; ICRA Research

There has been a moderation in the mobilisation of IEBR by the CPSEs over the past few years amid rising debt burdens and shift to on-budget financing by the GoI. For instance, after surging during FY2015-FY2020 (CAGR: +23%), the IEBR portion of the capital outlay by CPSEs declined by about 10% during FY2021-FY2025. Thereafter, it continued to contract by almost 4% during FY2023-FY2025. Additionally, as a percentage of GDP, the IEBR rose from 1.8% in FY2015 to 3.6% in FY2018, before easing to 1.2% in FY2025.

Exhibit: Annual growth trends in capex by Centre and CPSEs (IEBR)



Note:

PA data has been used for Centre, and RE for CPSE since that is unavailable.

Source: Union Budget; CGA, Ministry of Finance, GoI; ICRA Research

Assessing the sectoral trend, the IEBR component of MoRTH had surged by a CAGR of about 53% during FY2015-FY2022, amid a steep rise in the NHAI borrowing. Consequently, the spending by the NHAI was brought on-budget to restrict further debt build up and completely subsumed within the GoI’s own budget. Thereby nil allocation was made under the IEBR component for MoRTH during FY2023-FY2025. Likewise, the IEBR for the Ministry of Railways has seen a decline over the past five years (CAGR: -35%).

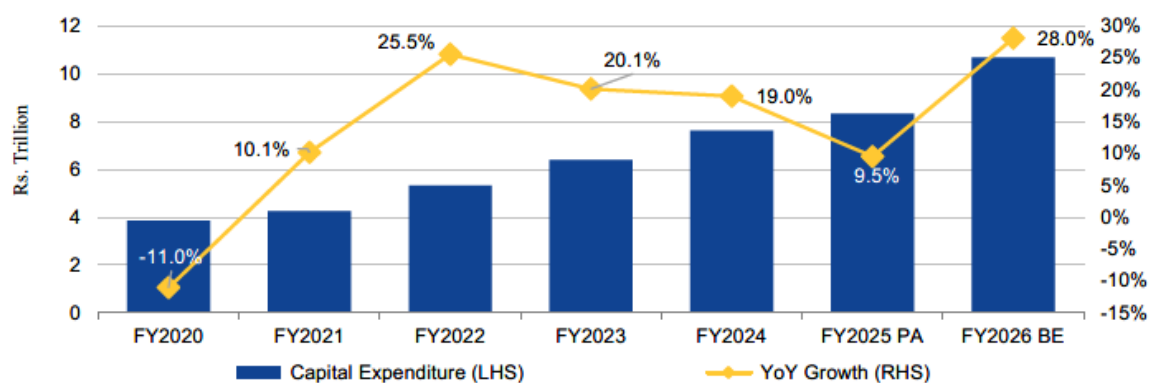
Overall, the combined capital expenditure, which includes the budgetary capex and the IEBR of CPSEs, has recorded a CAGR of 12.6% during FY2015-FY2025, rising to ₹14.0 trillion (4.2% of GDP) in FY2025 from ₹4.3 trillion (3.4% of GDP) in FY2015.

State-level Trends

Capital spending by state governments doubled to ₹8.3 trillion in FY2025 from pre-Covid levels

Capital spending by state governments plays a vital role in boosting the overall growth of India. The share of states in total capital outlay (excluding defence spending plus state's capex) exceeds 50%. During FY2015-FY2019, the combined capital spending of 28 states increased by a CAGR of 13%. However, the economic slowdown in FY2020 and the Covid-19 pandemic in FY2021 restricted the capital spending of states to ₹3.9-4.2 trillion, below the ₹4.3 trillion seen in FY2019.

Exhibit: Trends of capital expenditure of 28 states



Source: ICRA Research, CAG; State Budgets

Support from the GoI to the states under the “Financial Assistance to States for Capital Investments” scheme (herein referred as capex loans scheme) wherein the GoI has been providing 50-year interest-free loans to the states, has helped to boost their capital spending from FY2022, among other factors. The combined capital expenditure of the 28 states increased by 19-26% during FY2022-FY2024. With incremental spending of ₹1.0-1.2 trillion during FY2022-FY2024, the total capital spending of 28 states touched ₹7.6 trillion in FY2024.

As per the FY2025 PA, 28 state governments incurred capital expenditure of ₹8.3 trillion. This was twice the amount expended in the pre-Covid fiscal of FY2020. After three successive years of double-digit YoY expansion in capex during FY2022-FY2024, the growth moderated to 10% in FY2025 PA. Parliamentary elections in the initial months of FY2025 and the subsequent excessive monsoon rainfall in certain states slowed the pace of capex in H1 FY2025. Overall, the capex of 28 state governments recorded a CAGR of 16% during FY2022-FY2025 PA. In the FY2026 BE, the 28 state governments have indicated capital spending of ₹10.7 trillion.

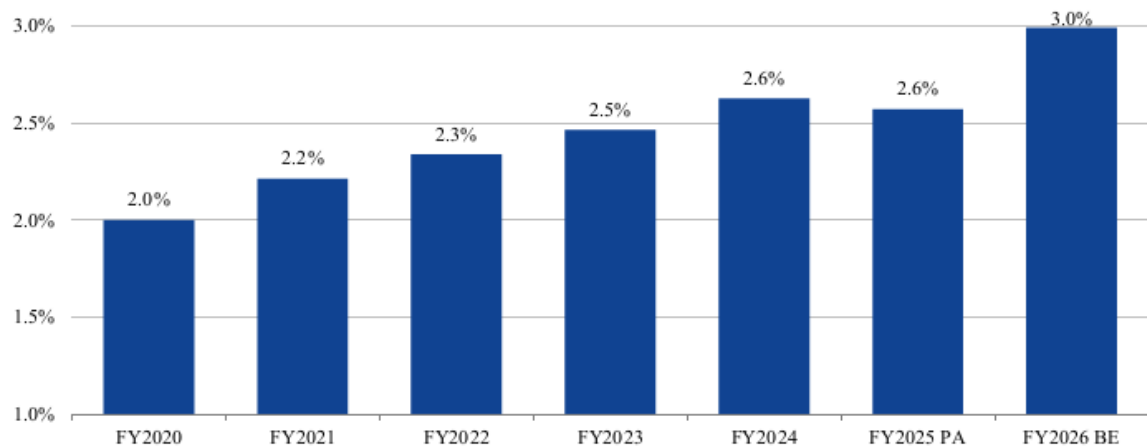
Notably, the spending ability of the state governments in a fiscal is effectively constrained by the borrowing limits affixed by the GoI based on the recommendations of the successive Finance Commissions (“FC”). At present, the borrowing limits of the states are governed by the recommendations of the 15th FC (award period FY2022-FY2026). The 15th FC had recommended a step-down in the net borrowing limit (“NBC”) of the states from 4% of GSDP in FY2022 to 3.5% in FY2023 and to 3.0% of GSDP each during FY2024-FY2026. The NBC includes borrowings from the market through issuance of state government securities (SGS), loans from the Centre, borrowing through financial institutions, and external agencies, etc.

Over and above these limits, the 15th FC had recommended an additional borrowing of 0.5% of GSDP for the states, for each year during FY2022-FY2025, linked to the completion of the prescribed power sector reforms.

In the FY2026 Union Budget, the GoI extended this additional borrowing facility to states for FY2026 as well. Moreover, the capex loans provided by the GoI to the state governments is also over and above the NBC of the states. While market borrowing remained the key source of funding the capex, the disbursal of over ₹3.1 trillion by the GoI to the states as capex loans during FY2022-FY2025 spurred their capital spending. Such loans were availed by most of the state governments during this period. On the other hand, a select number of states borrowed ₹1.3 trillion by completing the prescribed power sector reforms during FY2022-FY2025.

Aided by additional funds under the capex loans and power sector reform linked borrowings, the states' total capital expenditure improved to 2.6% of GSDP in FY2025 PA from 2.3% of GSDP in FY2022.

Exhibit: Capital expenditure as a proportion of GSDP of 28 states



Source: ICRA Research, National Statistics Office (NSO); CAG; State Budgets

Private equity and institutional investors

India's infrastructure financing journey has witnessed a gradual but significant shift in the role of private equity ("PE") and institutional investors over the past two decades. Traditionally, infrastructure development was dominated by public sector investment and bank lending. However, the early 2000s marked a turning point, with the Government actively promoting PPPs and liberalizing FDI norms to attract private capital.

Between 2007 and 2012, private investment in infrastructure increased to nearly 2.7% of GDP, up from 1.1% in the previous five-year period. This was driven by increased participation from domestic and global PE funds, sovereign wealth funds, and pension funds, particularly in sectors like roads, power, and telecom. However, post-2012, private investment slowed due to regulatory bottlenecks, land acquisition delays, and stress build-up in balance sheets of developers and banks.

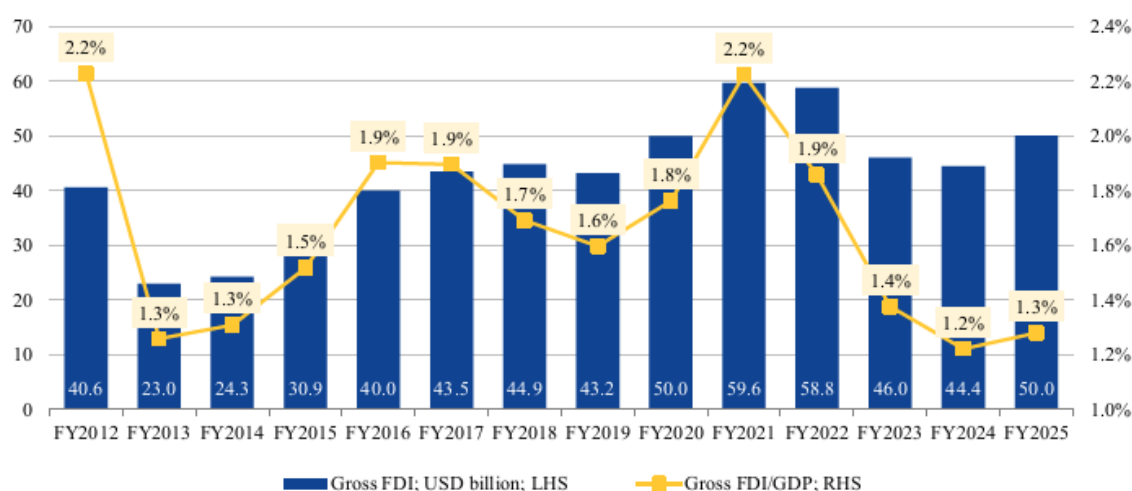
From the late 2010s, the market developed further with the introduction of InvITs and Infrastructure Debt Funds ("IDFs"), which offered institutional investors access to operational assets with stable returns. As of March 2025, InvITs had mobilized over ₹7 trillion in assets under management ("AUM") (1000% growth in last five years and 16.5% YoY over March 2024), with foreign investors accounting for a significant portion of that capital.

PE's role has evolved from greenfield risk-taking to investing in brownfield assets and refinancing opportunities. Institutional investors now prefer structured vehicles and regulated platforms, supported by improved credit ratings and policy reforms. While challenges remain—such as regulatory inconsistencies and project execution risks—the historical trend reflects a growing confidence in India's infrastructure sector. Going forward, PE and institutional capital are expected to play a pivotal role in bridging India's infrastructure financing gap and supporting its transition to a U.S.\$30 trillion economy.

Foreign direct investment (FDI) trends

FDI plays a pivotal role in developing the economic landscape of the country and supporting growth. This includes investment in infrastructure development via providing capital, expertise and technology, while aiding in bridging the gap between domestic funding and country's financing needs to build infrastructure. The historical data reveals that gross FDI equity inflows into India witnessed a steady increase between FY2014 and FY2021, barring FY2019, after displaying a volatile trend during FY2008-FY2013. Gross FDI-equity inflows as a proportion of nominal GDP increased from 1.3% in FY2013 to 2.2% in FY2021, with inflows touching an all-time high of U.S.\$59.6 billion in FY2021. During this period, such inflows registered a CAGR of 13%. Subsequently, the gross FDI/GDP ratio in the equity segment moderated consistently in the post-Covid era, to 1.2% in FY2024, before displaying a slight uptick to 1.3% in FY2025.

Exhibit: Trend in gross FDI – equity inflows into India



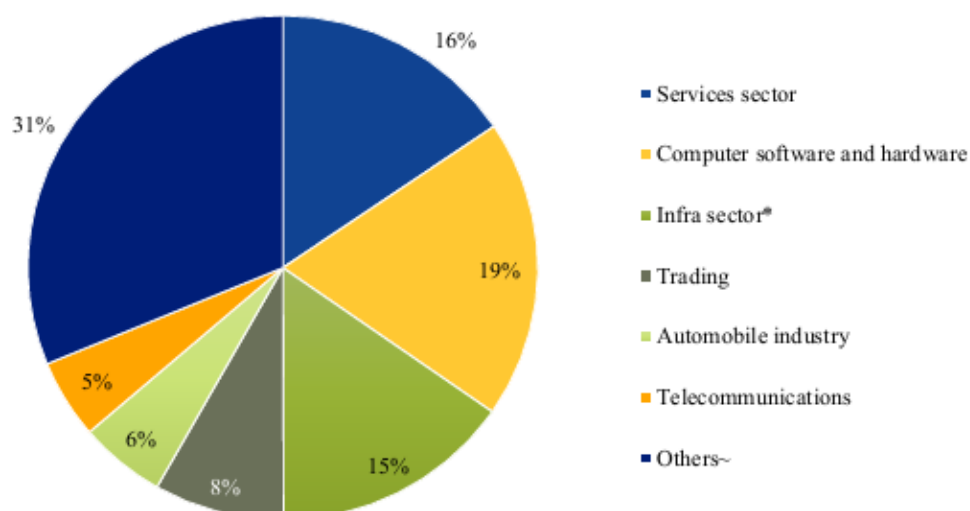
Note:

ICRA has used equity inflows (70% of overall flows) for analysis since sectoral data for overall FDI is not available.

Source: ICRA Research, Reserve Bank of India, Department of Promotion of Industry and Internal Trade (DPIIT), GoI

On an aggregate basis, gross FDI-equity inflows stood at U.S.\$511 billion between FY2015 and FY2025. Computer software and hardware accounted for the largest share of 19% in aggregate FDI equity inflows, followed by the services sector at 16%. ICRA assessed the total investment in infrastructure space, and the data for eight sectors revealed that combined FDI inflows into infrastructure sector amounted to U.S.\$78 billion, representing a share of 15% during this period. In addition, the share of trading, automobile and telecommunication sectors stood at 8%, 5% and 5%, respectively.

Exhibit: Sector-wise trend in India's gross FDI-equity inflows during FY2015-FY2025



Note:

*Infra sector includes construction activity and development, air and sea transport, ports, railway components, non-conventional energy and electricity energy; ~Others include cement, hotels, chemicals, etc.

Source: ICRA Research

The Government has undertaken a series of policies and institutional reforms to enhance FDI flows into infrastructure financing. Key measures include permitting 100% FDI under the automatic route in several infrastructure sub-sectors, thereby reducing procedural delays. The establishment of the Issuer aims to provide long-term financing support, while instruments like InvITs and Alternative Investment Funds (“AIFs”) are promoted to attract institutional investors. Regulatory simplifications, such as the Jan Vishwas Act, and increased sectoral FDI caps further support investor participation.

Exhibit: Sector-wise FDI cap and entry route

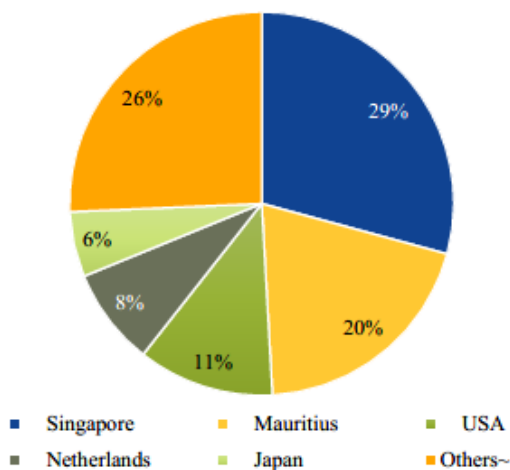
Infrastructure Sector	FDI Cap	Entry Route
Roads, Highways, Bridges	100%	Automatic
Railways (including infrastructure)	100%	Automatic
Ports and Shipping	100%	Automatic
Airports (Greenfield and Brownfield)	100%	Automatic
Construction Development (townships, etc.)	100%	Automatic
Industrial Parks	100%	Automatic
Power (including renewable energy)	100%	Automatic
Power Exchanges	49%	Automatic
Telecom Infrastructure	100%	Automatic
Petroleum & Natural Gas (infrastructure)	100%	Automatic

Infrastructure Sector	FDI Cap	Entry Route
Mining (including coal and non-metal ores)	100%	Automatic
Civil Aviation (Air Transport Services) (a) Scheduled Air Transport Service/ Domestic Scheduled Passenger Airline (b) Regional Air Transport Service	100%	Up to 49% automatic; beyond 49% Government route
Warehousing and Logistics	100%	Automatic

Source: ICRA Research, Sectoral ministries/departments, Department for Promotion of Industry and Internal Trade (DPIIT)

Regarding the origins of investments in India, Singapore led with 29% of FDI during FY2015-FY2025, followed by Mauritius (20%), the United States (“US”) (11%), the Netherlands (8%), and Japan (6%). Based on the state-wise data, compiled by the Department for Promotion of Industry and Internal Trade (DPIIT) from October 2019 to March 2025, Maharashtra received the highest gross FDI equity inflows of about U.S.\$89 billion, equivalent to 31% of the overall inflows during this period. Moreover, the share of states including Karnataka, Gujarat and Delhi was reasonable at 20%, 16% and 13%, respectively, while it was relatively lower in the case of Tamil Nadu (5%), Haryana (5%) and Telangana (4%). In addition, the share of FDI equity flows to Rajasthan, Jharkhand and Uttar Pradesh in the overall mix was quite muted at 1% each.

Exhibit: Country-wise trend in India’s gross FDI-equity inflows during FY2015-FY2025



Note:

Other countries are the UAE, UK, Canada, Germany, Cyprus, etc.

Source: ICRA Research

Debt Financing

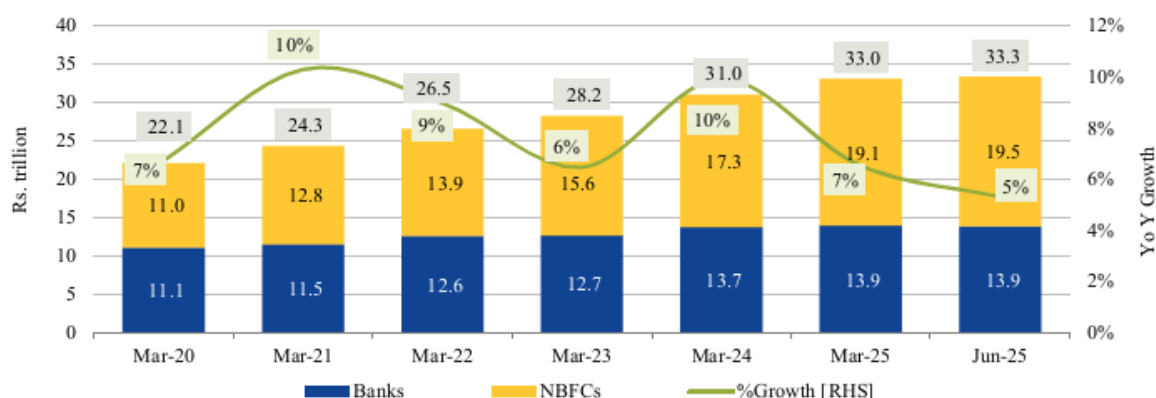
Bank lending to infrastructure

Bank lending has historically been the cornerstone of infrastructure financing in India, particularly during the early phases of liberalization and economic expansion. Scheduled Commercial Banks (SCBs) have played a pivotal role in funding large-scale infrastructure projects, especially in sectors such as power, roads, railways, and telecommunications. However, over the past decade, the landscape has undergone significant

transformation, driven by structural challenges, regulatory shifts, and the emergence of alternative financing mechanisms.

As of June 30, 2025, total infrastructure credit stood at ₹33.3 trillion, with banks contributing ₹13.9 trillion (42%). This marked a decline from their earlier share of 50% in March 2020, reflecting a strategic retreat due to asset-liability mismatches and rising NPAs. In contrast, Non-Banking Financial Company – Infrastructure Finance Company (“NBFC-IFCs”) have gained prominence, contributing ₹19.5 trillion (58%) to infrastructure credit.

Exhibit: Trend in infrastructure finance credit across banks and NBFC-IFCs



Source: RBI, ICRA Research

The power sector continues to dominate bank infrastructure exposure, accounting for nearly 52% of the total infrastructure loan book. Other significant sectors include roads (24%) and telecommunications (9%). However, growth in bank lending to infrastructure has remained subdued over the last five years, with only 5% CAGR between FY2020 and FY2025, reflecting cautious lending practices and tighter risk management frameworks.

Regulatory constraints have also played a role in reshaping bank behavior. The RBI has imposed sectoral exposure limits, capital adequacy norms, and risk-weighted asset provisioning requirements, which have made banks more selective in their infrastructure lending. Additionally, the implementation of Ind AS 109 and Expected Credit Loss (ECL) provisioning (FY2019 onwards) further tightened credit standards, especially for long-tenure, high-risk projects.

Despite these challenges, banks remain critical of infrastructure financing, particularly in the early stages of project development. They provide working capital, bridge loans, and initial debt tranches that enable financial closure. Moreover, public sector banks, due to their government backing, continue to support strategic infrastructure initiatives aligned with national priorities.

To address the limitations of bank-led financing, the Government and regulators have promoted credit enhancement mechanisms, take-out financing, and co-lending models with NBFCs and development finance institutions (“DFIs”). These innovations aim to de-risk bank exposure and improve capital recycling.

In summary, while the role of banks in infrastructure financing has diminished in relative terms, they continue to be foundational players. Their future effectiveness will depend on improved asset quality, regulatory flexibility, and integration with broader capital market instruments.

Role of NBFC-IFCs, IDFs, and AIFIs

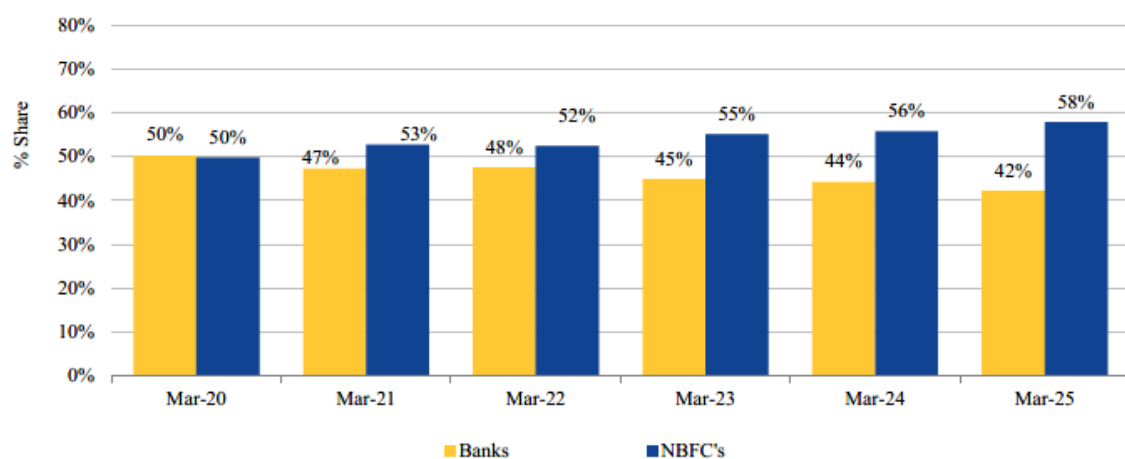
India’s infrastructure financing landscape has evolved significantly over the past two decades, with a growing shift from traditional bank-led models to more specialized and diversified institutions. Among these, NBFC-IFCs, IDFs, and AIFIs such as the Issuer have emerged as critical players. These institutions have brought in

long-term capital, sectoral expertise, and innovative financial structures to address the unique challenges of infrastructure development, namely long gestation periods, high capital intensity, and regulatory risks.

NBFC-IFCs are a sub-category of NBFCs regulated by the RBI, mandated to deploy at least 75% of their total assets in infrastructure loans. Prominent examples include Rural Electrification Corporation Limited (“REC”), Power Finance Corporation Limited (“PFC”), and Indian Railway Finance Corporation (“IRFC”), which primarily finance power, energy, and transport infrastructure. Within the NBFCs, the public IFC category continues to account for the majority share (96%) in terms of the aggregate loan book. Consequently, the credit growth trend of NBFC-IFCs largely mirrors the majority contributor, i.e., public IFCs.

Over the past decade, NBFC-IFCs have steadily increased their share in infrastructure credit. As of June 2025, they accounted for 58% of total infrastructure lending, surpassing banks. This shift reflects the growing reliance on specialized institutions with the capacity to manage long-term project risks.

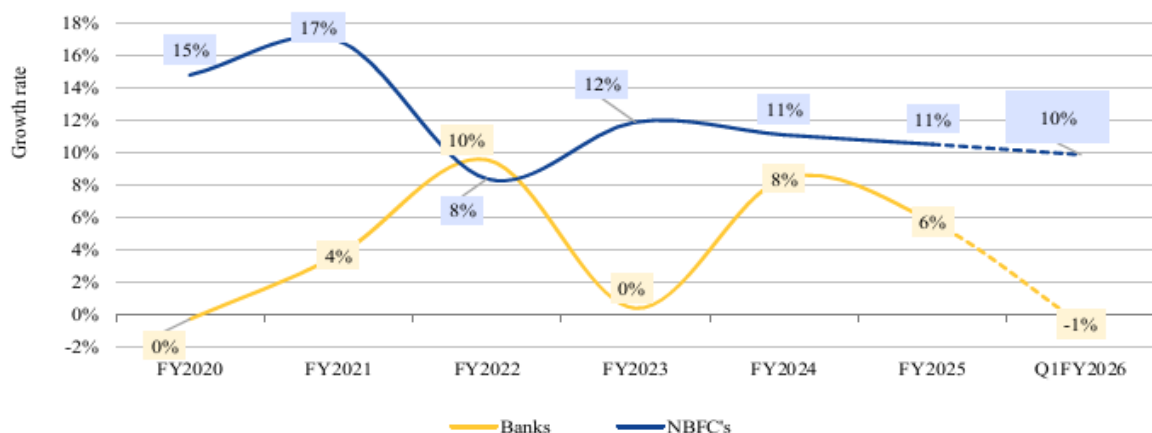
Exhibit: Break-up of infrastructure finance credit across banks and NBFC-IFCs



Source: RBI, ICRA Research

NBFC-IFCs have recorded growth, with infrastructure loan books expanding by 12% CAGR between FY2020 and FY2025. Their asset quality has also improved, which is attributable to better provisioning, recoveries, and a more cautious approach to project selection. These institutions benefit from access to long-tenure funding and sovereign backing, particularly in the case of public sector NBFC-IFCs. Their ability to raise capital through tax-free bonds and international borrowing allows them to offer financing for large-scale infrastructure projects.

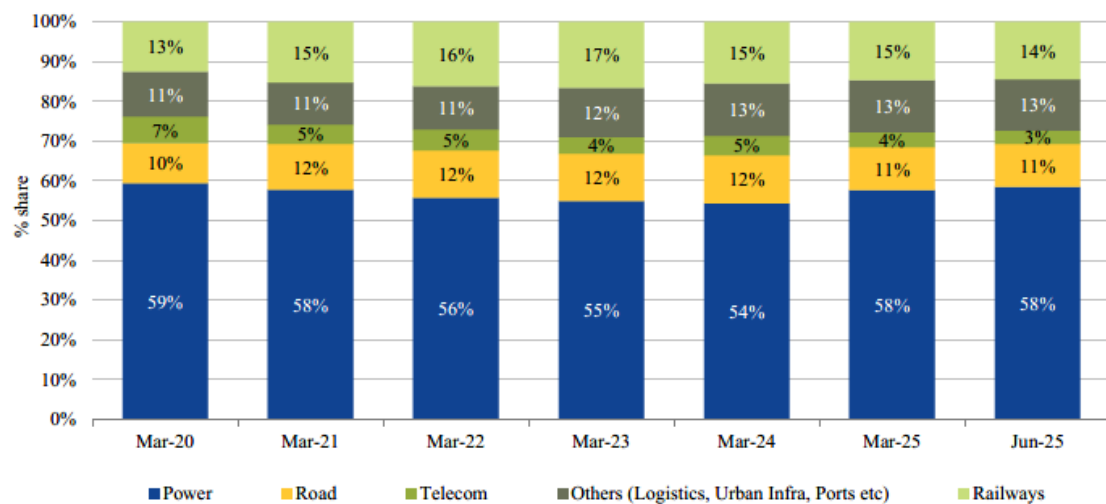
Exhibit: Infrastructure loan book growth trend for banks and NBFC-IFCs



Source: RBI, ICRA Research

The power sector's concentration remains higher for NBFC-IFCs with a share of about 62% of the portfolio (compared to the 53% share of banks' total exposure) as on June 30, 2025. This is due to PFC, REC and Indian Renewable Energy Development Agency Limited (IREDA), which are specialized institutions primarily focussed on the power sector. For NBFC-IFC, the declining trend in thermal generation has continued in FY2025, while the share of the renewable energy sector has been increasing over the past three years.

Exhibit: Sector-wise break-up of infrastructure finance credit by banks and NBFC-IFCs



Source: RBI, ICRA Research

IDFs were introduced to refinance completed infrastructure projects, particularly those that have achieved commercial operations. By replacing high-cost bank loans with long-term, low-cost debt, IDFs help developers recycle capital and reduce financing costs. IDFs typically target brownfield assets with stable cash flows, such as toll roads and operational renewable energy projects. Their role is complementary to banks and NBFCs, focusing on the post-construction phase of infrastructure financing.

Despite their potential, IDFs remain underutilized, their contribution to total infrastructure credit remaining modest, largely due to regulatory constraints, limited investor awareness, and a lack of scale. However, with the growing emphasis on asset monetization and InvITs, IDFs are expected to play a larger role in capital recycling and secondary market development.

AIFIs are apex financial institutions established by the Government of India to provide long-term, sector-specific credit to priority sectors. The five AIFIs in India today are – National Bank for Agriculture and Rural Development (NABARD), Small Industries Development Bank of India (SIDBI), Export-Import Bank of India (EXIM), National Housing Bank (NHB) and the Issuer.

Exhibit: AIF Funds Raised*

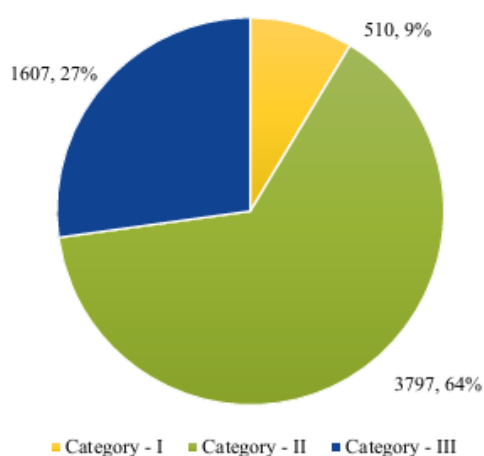
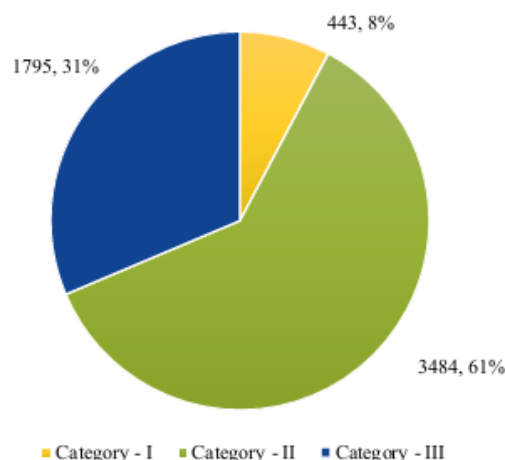


Exhibit: AIF Funds Invested*



Note:

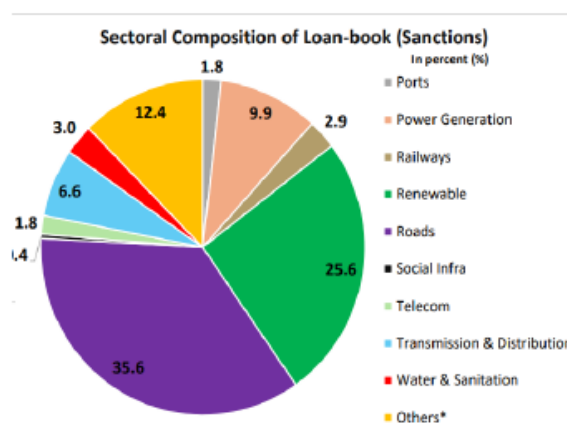
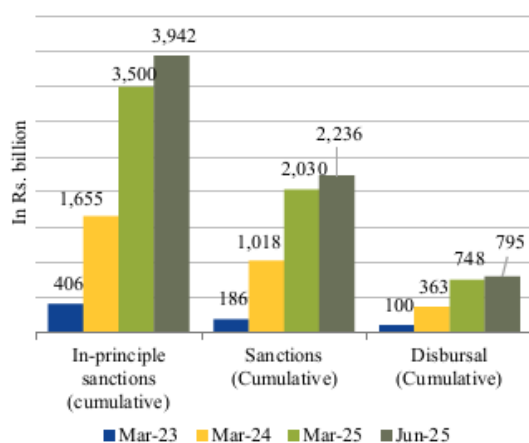
* Cumulative net figures in ₹ billion as at the end of June 30, 2025.

Source: SEBI

Operational since 2022, the Issuer was created under the NABFID Act to serve as a dedicated DFI for infrastructure. Its mandate includes:

- Direct lending to infrastructure projects
- Investment in infrastructure bonds
- Development of sustainable finance ecosystems
- Catalysing private and foreign capital

Exhibit: NABFID – Loan book growth trend and composition of sanctions



Source: NABFID Investor presentation; * Includes Logistics, Affordable Housing, City Gas Distribution, Rolling Stock, Ropeway and Cable, Oil & Gas Storage facility, Shipyards and Bulk Material Transportation, Education, Hospitals, Logistics

Recent developments include the launch of a Partial Credit Enhancement (PCE) facility in 2025 for improving the credit ratings of infrastructure bonds and attracting institutional investors. The Issuer is also exploring

concessional finance lines for green and climate-resilient infrastructure while working on pooling urban infrastructure assets into InvIT-like structures.

The GoI and RBI have introduced several measures to support NBFCs, IDFs and AIFs, namely:

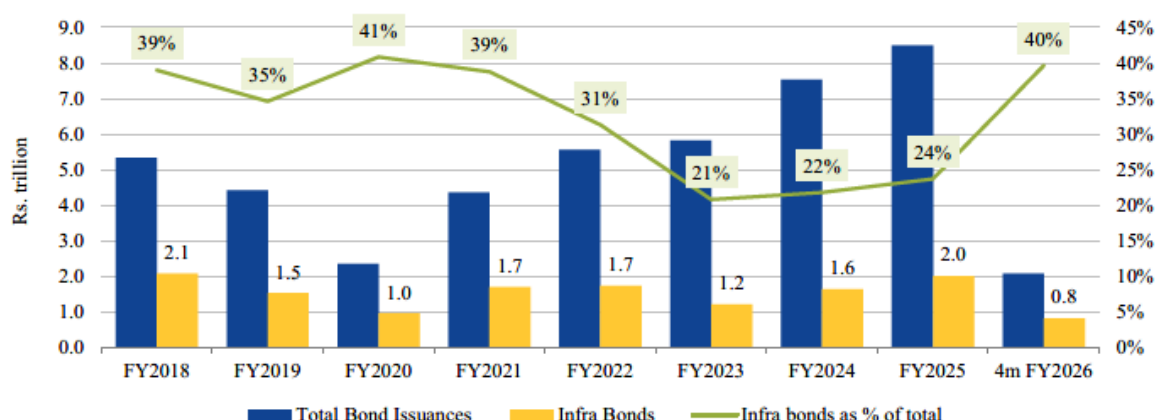
- Relaxed exposure norms for NBFCs lending to infrastructure
- Exemptions from cash reserve ratio (CRR)/ Statutory Liquidity Ratio (SLR) for banks issuing long-term infrastructure bonds
- Permission for banks to lend to InvITs and Real Estate Investment Trust (“REITs”)
- SEBI reforms to enhance transparency and investor protection in infrastructure investment vehicles

These reforms have created a more enabling environment for debt-based infrastructure financing and encouraged the development of a more diversified and resilient financial ecosystem.

Corporate bond market

The bond market in India has witnessed significant growth over the past decade, emerging as a vital source of infrastructure financing. As per The Clearing Corporation of India Limited (CCIL), the total annual corporate bond market grew at a 11% CAGR between FY2019 and FY2025, touching ₹8.5 trillion. This reflects improved credit profiles of issuers— public sector undertakings (PSUs) as well as non-PSU—and growing investor confidence. The shift also indicates that private firms are increasingly using debt markets for growth capital and refinancing.

Exhibit: Trend in India’s corporate bond issuances



Source: Clearing Corporation of India

The Infrastructure Leasing & Financial Services Limited crisis in 2018 highlighted the reliance on bank and NBFC funding. Subsequent measures by the RBI and SEBI aimed to improve transparency, accessibility, and investor protection within the bond market. Regulatory actions, including credit enhancement mechanisms, infrastructure credit rating norms, and electronic platforms, have contributed to the development of the market. However, despite the progress, challenges remain. The bond market is still dominated by AAA-rated issuers, and retail participation is limited. Expanding the investor base and improving secondary market liquidity are critical for sustaining growth.

The infrastructure bond market in India has evolved gradually as a response to the growing need for long-term capital to fund the country’s expanding infrastructure ambitions. Historically, infrastructure financing was dominated by budgetary allocations and bank lending. However, as the scale and complexity of projects

increased, particularly during the post-liberalization era of the 1990s, the limitations of traditional financing models became evident.

The early 2000s marked a turning point, with the Government and regulators recognising the need to deepen capital markets. The introduction of tax-free infrastructure bonds under Section 10(15)(iv)(h) of the Income Tax Act, 1961 (corresponding to Schedule II(17) of the Income Tax Act, 2025) allowed entities like REC, NHAI, and IRFC to raise funds from retail investors. These instruments offered fixed returns and tax benefits, making them attractive for long-term savers.

In the following decade, particularly after the 2008 global financial crisis, infrastructure bonds gained further traction as banks faced asset-liability mismatches and rising NPAs in the sector. The RBI's 2014 guidelines permitting banks to issue long-term infrastructure bonds exempt from CRR and SLR requirements marked a significant regulatory shift, encouraging more structured and sustainable funding.

In FY2025, infrastructure bond issuances by banks are estimated to have reached ₹1.2–1.3 trillion, surpassing previous records. Public sector banks (“**PSBs**”) dominate this space, accounting for over 80% of issuances, with infrastructure bonds forming nearly two-thirds of their total bond volume. As of August 2024, 13 major banks had outstanding infrastructure bonds worth ₹2.2 trillion, against an infrastructure loan book of ₹11 trillion, indicating significant room for expansion.

Several factors have driven this growth:

- **Regulatory incentives**, such as exemption from CRR and SLR requirements
- **Improved capital positions** of PSBs post-recapitalisation
- **Institutional demand** from pension and insurance funds seeking long-duration assets
- **Tight liquidity conditions**, prompting banks to diversify funding sources

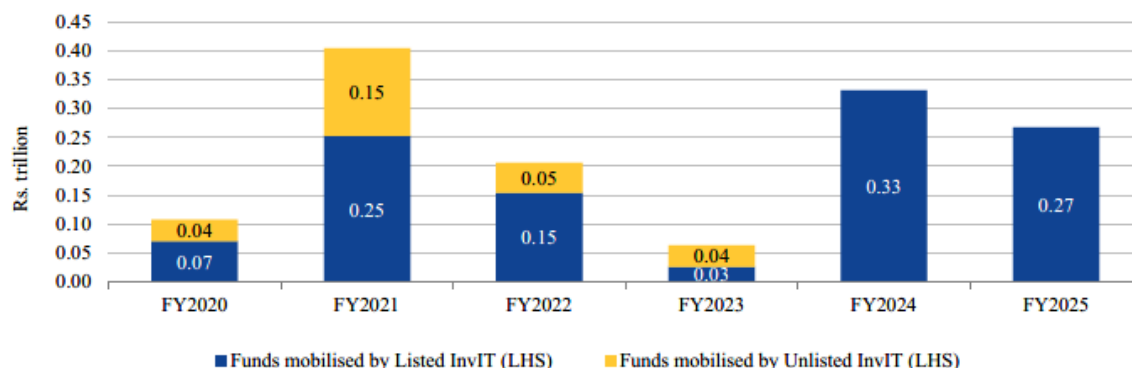
Private sector banks remain cautious, concerned about worsening credit-to-deposit ratios, but may increasingly participate as infrastructure investment scales up.

Infrastructure bonds support key initiatives like the NIP and PM Gati Shakti, while also deepening India's capital markets. Their long maturities (typically 10–15 years) align well with the financing needs of sectors such as transport, energy, and urban development. Going forward, expanding participation, enhancing transparency, and promoting retail and foreign investment will be essential to unlock the full potential of India's infrastructure bond market.

Infrastructure Investment Trusts

InvITs have emerged as a tool for infrastructure financing, enabling capital recycling and attracting institutional and retail investors. These SEBI-regulated vehicles pool funds to own and operate revenue-generating infrastructure assets. As of March 2025, REITs and InvITs in India managed ₹9 trillion in AUM, projected to grow by about 3x to ₹25 trillion by 2030, as per the projections of The Indian REITs Association (IRA) and Bharat InvITs Association (“**BIA**”). This growth is driven by sustained infrastructure spending, policy support, and private capital participation.

Exhibit: InvITs/REIT issuances* in the Indian market



Note:

*Includes funds raised through public issue, private placement, preferential issue, institutional placement, rights issue.

Source: SEBI, ICRA Research

InvITs have proven particularly effective in monetising brownfield assets, offering developers liquidity and investors stable returns. The National Monetisation Pipeline 2.0, targeting ₹10 trillion by 2030, is expected to create fresh opportunities for InvIT-backed projects. However, sectoral penetration remains low, indicating significant headroom. Only about 20% of NHAI toll assets are under InvITs, while solar InvITs manage less than 5% of installed capacity, despite a target of 230 GW by 2030. Logistics and airport assets remain largely untapped, while telecom InvITs manage a less than 40% share.

Strategic priorities for the next phase include expanding retail participation, enabling pension and insurance fund investments, and offering currency hedging tools to attract foreign capital.

External Commercial Borrowings

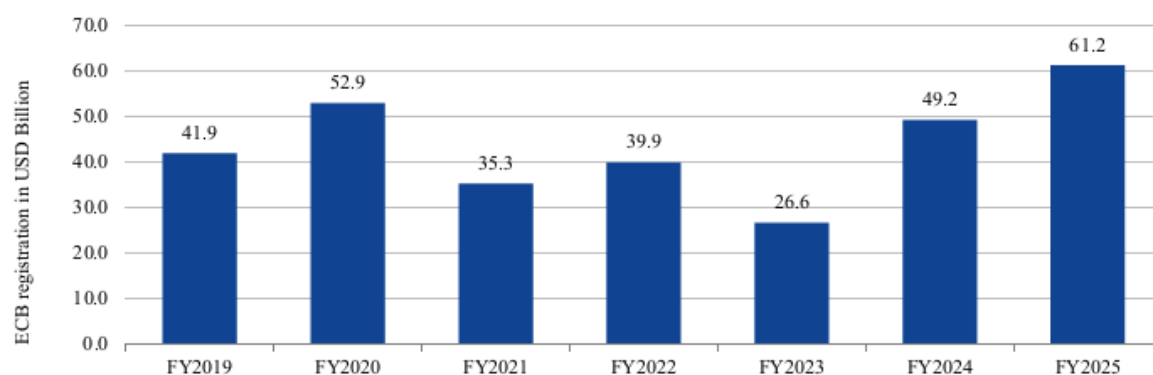
External Commercial Borrowings (“ECBs”) have become a strategic tool for Indian corporates to access global capital at competitive rates. They are particularly relevant for infrastructure projects requiring large-scale funding and long tenures. The RBI regulates ECBs under a liberalised framework, allowing infrastructure companies to raise funds under the automatic route, subject to sector-specific ceilings and end-use restrictions. Eligible borrowers include companies in power, telecom, metro rail, and logistics, among others. The ECBs can be used for capital expenditure, refinancing of existing debt, and even working capital in certain cases. The maturity period typically ranges from 3 to 10 years, with longer tenors permitted for larger projects.

One of the key advantages of ECBs is the ability to tap into global liquidity pools, including development finance institutions, export credit agencies, and international banks. This is particularly relevant in the context of India’s ambitious infrastructure pipeline. ECBs also complement domestic sources such as bank loans, bonds, and budgetary support, thereby diversifying the funding mix and reducing pressure on domestic financial institutions.

As of March 31, 2025, India’s outstanding ECBs stood at U.S.\$204.5 billion as per provisional RBI data¹⁶. Total ECB registrations reached a record high of U.S.\$61.2 billion in FY2025, a 24.3% increase over the previous year with nearly 43% earmarked for capex, including on-lending and sub-lending.

¹⁶ <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2096480>

Exhibit: Trend in annual ECB registrations



Source: RBI data

However, ECBs are not without risks. Currency volatility, global interest rate fluctuations, and regulatory constraints can impact repayment and project viability. RBI's prudential norms on maturity, end-use, and cost ceilings aim to balance flexibility with macroeconomic stability.

Concluding Remarks

India's infrastructure financing landscape has developed, with debt instruments playing a central role in mobilizing capital. While banks remain important, their declining share has been offset by the rise of NBFC-IFCs, AIFIs, and market-based instruments like corporate bonds, InvITs, and ECBs.

The diversification of funding sources is expected to increasingly enhance resilience, reduce concentration risk, and improve access to long-term capital. However, challenges persist with asset-liability mismatches, regulatory bottlenecks, and limited retail participation in debt markets. Going forward, policy coherence, institutional capacity building, and financial innovation will be key to sustaining momentum.

GIFT City and its Role in Infrastructure Financing in India

GIFT City (Gujarat International Finance Tec-City) has evolved into a key financial hub supporting India's infrastructure financing ecosystem. As the country's first operational International Financial Services Centre (IFSC), it provides a regulatory and tax-efficient platform for accessing global capital. Governed by the International Financial Services Centres Authority ("IFSCA"), GIFT City enables institutions to raise and deploy foreign currency funds through mechanisms such as ECBs, masala bonds, and InvITs.

The city's established ecosystem—comprising 200+ financial institutions, including 19 banking units and 25 insurance firms—facilitates efficient fund mobilisation for infrastructure development.

As of early 2025, the cumulative assets under management of banks operating in GIFT City exceeded ₹6.8 trillion (approximately U.S.\$78 billion), with Indian corporates borrowing over ₹4.35 trillion (U.S.\$50 billion) from these institutions. Additionally, investments from non-resident Indians and global investors into GIFT-based funds have crossed ₹610 billion (U.S.\$7 billion), indicating growing international engagement.

While still in a growth phase, GIFT City is increasingly positioned to complement traditional financing channels by offering access to diversified, long-term capital. Its role in infrastructure financing is expected to strengthen as India scales up investment in transport, energy, and digital infrastructure.

Source: <https://ibef.org/news/investments-from-indian-diaspora-in-gift-city-funds-surpass-rs-60-998-crore-us-7-billion-ifsc>

Estimating Infrastructure Investment Needs for Viksit Bharat 2047

The vision of Viksit Bharat 2047 demands a comprehensive assessment of sectoral investment needs to bridge existing gaps and future-proof national capabilities. The key sectors requiring substantial investment include

transportation, where expansion and modernisation of highways, railways, and urban transit systems are essential to support mobility and logistics. Energy infrastructure, particularly in renewable sources and grid modernisation, will be critical to meet rising demand sustainably. Digital infrastructure, including broadband connectivity and data centres, must scale rapidly to support a tech-driven economy and digital inclusion. Urban development and housing will require substantial funding to accommodate growing populations and ensure liveable cities. Water and sanitation, healthcare, and education infrastructure also demand focused investment to improve quality of life and human capital.

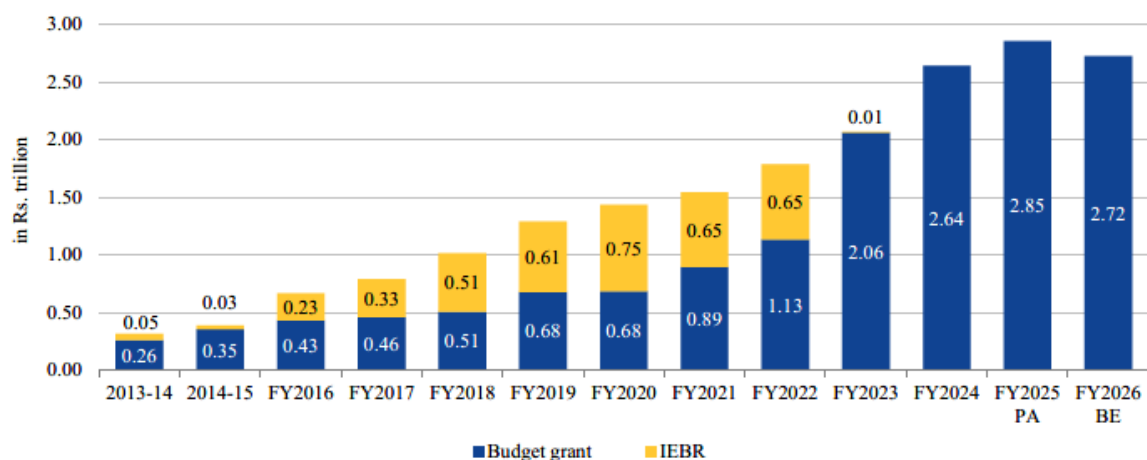
The following sections delve into the projected infrastructure requirements across key domains—transportation, energy, telecom and urban infrastructure—highlighting the scale, scope, and strategic importance of each in realizing the Viksit Bharat 2047 vision.

Transportation

Roads and Highways

National highway development has been one of the major focus areas of the Central Government over the past few years as reflected in the capital allocation to the Ministry of Road Transportation and Highways (MoRTH), which has increased by more than eight times to ₹2.72 trillion in FY2026 BE from ₹0.31 trillion in FY2014. The capital allocation to the road ministry accounts for 24.3% of the overall capital outlay under the Union Budget. Additionally, the capital expenditure in the road sector (including private investment) increased by 5.7 times from ₹0.53 trillion in FY2014 to ₹3.01 trillion in FY2024 (highest ever).

Exhibit: Budgetary allocation of MoRTH

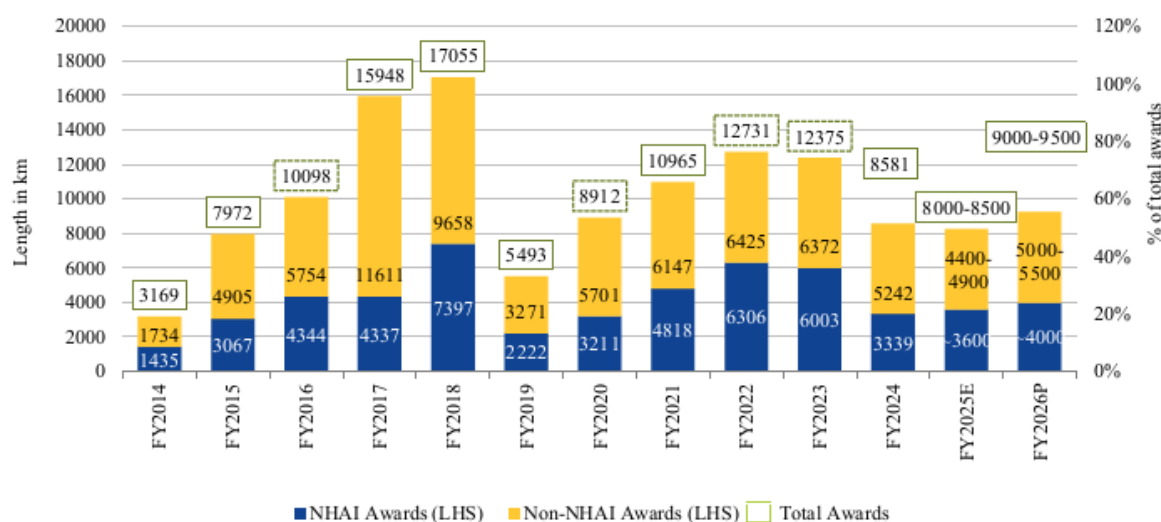


Source: ICRA Research; Union Budget documents; IEBR: Internal and Extra Budgetary Resources; PA: Provisional actuals; BE: Budget estimates

Strong awards and execution have expanded national highways over the decade

In line with increased budgetary allocations, MoRTH awards have significantly increased over the past decade from around 3,200 km in FY2014 to 12,375 km in FY2023, at a CAGR of 16%. Although the awarding activity had slowed down in the past two years on account of delay in approval for revised cost estimates of the Bharatmala Pariyojana (BMP) and the model code of conduct ahead of the General Elections, ICRA expects the road awards by MoRTH to stand at 9,000-9,500 km in FY2026.

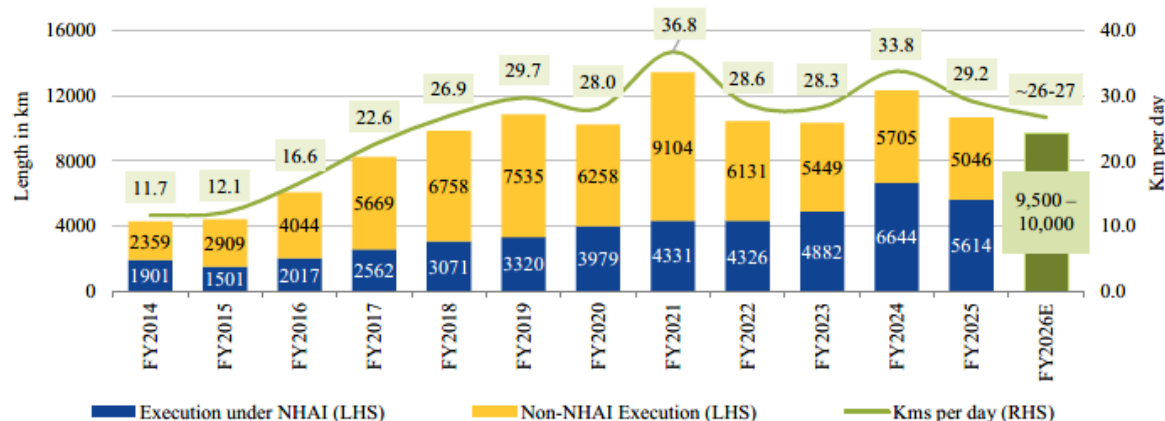
Exhibit: MoRTH annual awards



Source: MoRTH, NHAI, ICRA Research

Road construction by MoRTH has increased from 4,260 km (11.7 km/day) in FY2014 to 10,660 km (29.2 km/day) in FY2025 with a CAGR of 9%. Between FY2015 and FY2025, the ministry has constructed nearly 1,07,000 km of roads, including both greenfield and brownfield expansions. While greenfield construction adds to the length of the highways, brownfield expansions, including conversion of 2-lanes to 4-lanes and 4-lanes to 6-lanes, do not increase the length of national highways. Nonetheless, in terms of lane kilometres, the length of national highways has increased by a higher proportion (of 99%) during 2014-2024 compared to the 60% increase in the NH length in km during this period. Further, the length of High-Speed Corridors (“HSCs”) and expressways has increased from less than 100 km in 2014 to 2,474 km as of 2024.

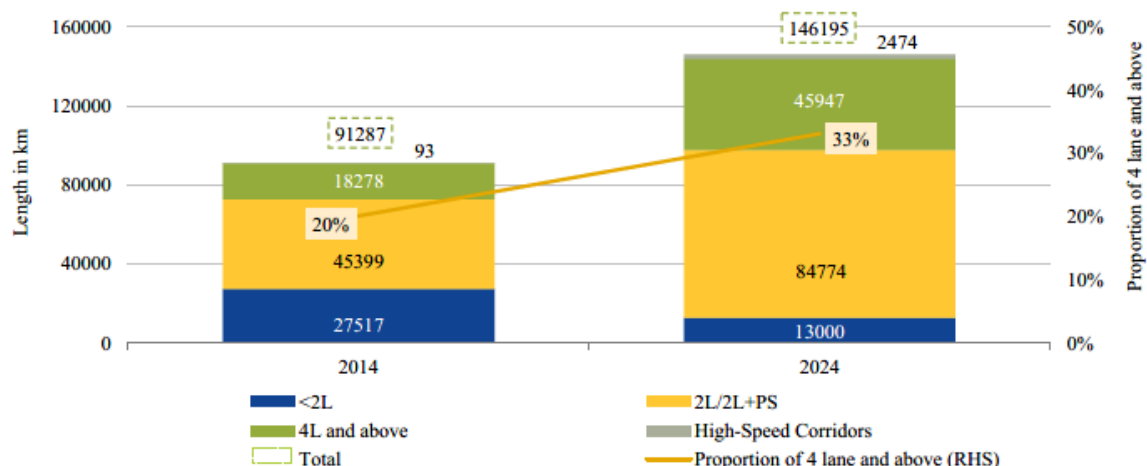
Exhibit: MoRTH annual execution (km)



Source: MoRTH, NHAI, ICRA Research

The length of national highways in the country has increased by around 60% to 1,46,195 km as of 2024 from around 91,287 km in 2014. The network of 4-lane and above highways, including high-speed national corridors, has increased by 2.5 times to about 48,430 km in 2024 from about 18,371 km in 2014. Simultaneously, the share of less than 2-lane national highways has declined significantly from 30% to 9% of the total NH network. About 2,474 km of HSCs and expressways are already operational.

Exhibit: NH lane configuration



Source: MoRTH, ICRA Research

Viksit Bharat – Vision 2047

Vision 2047 for national highways aims to provide equity, efficiency and strategic connectivity to meet five key objectives.

1. Access to high-speed corridors within 100-150 km to all citizens
2. India to rank among the top 10 countries in G20 for high-speed corridor density
3. Equitable access to national highways in underdeveloped regions
4. Improve passenger convenience with world class passenger amenities
5. Reduction in logistics cost as a share of GDP

As per ICRA's estimates, the roadmap for Vision 2047 is expected to be undertaken in two phases—2025-2037 and 2037-2047. The ministry aims to achieve an NH network of 2,00,000 km by 2037 (from 146,195 km in 2024). ICRA estimates new greenfield NH construction after 2037 to moderate to around 25,000–30,000 km (during 2037-2047), compared to an estimated 53,000 km during 2025–2037, as the focus shifts toward expanding existing brownfield highways through lane augmentation to six or eight lanes. That said, the length could increase depending on the development of new regions, requirement of new expressways and country's economic growth.

Hence, ICRA estimates the total length of national highways could increase to 2,25,000–2,30,000 km by 2047. Further, majority of the national highways are expected to be upgraded to four lanes or above configurations, with higher emphasis on expressways and high-speed corridors connecting major travel destinations and important economic centres, which could entail substantial capital expenditure. This transformation aims to deliver world-class infrastructure and amenities and significantly reduce logistics costs as a share of GDP, in line with Vision 2047 objectives.

Assessing capex requirement for NH network till 2047

The cost estimates of national highways vary from project to project depending upon various factors including land cost, geographical location, type of terrain, type of design consideration relating to traffic volume, sub-soil conditions, availability of raw materials, and pavement structure (rigid/flexible), among others. However, for the purpose of cost modelling, capex requirements have been assessed by ICRA using the current estimates of various greenfield highways and expressways, adjusted for inflation, to arrive at an average construction cost.

Considering this, ICRA expects MoRTH to incur capital expenditure of around ₹50-55 trillion from FY2026 to FY2047¹⁷ for the greenfield construction of highways and expressways, upgradation existing highways to access controlled highways/expressway, and lane augmentation to six or eight lanes. Nevertheless, the same is expected to increase/decrease depending on the design structure, pavement type, development of new regions, requirement of new expressways and the country's economic growth. Further, variation in the land costs, which currently drives construction costs, could result in upside variance of the overall capital expenditure of the ministry.

The budgetary allocation of MoRTH stands at around ₹2.72 trillion for FY2026, which has grown at a CAGR of 20% from ₹0.31 trillion in FY2014. However, given the current sizable allocation to MoRTH, ICRA has assumed a 1% YoY increase in the ministry's budgetary allocation. A portion of this allocation will be directed towards debt servicing, strengthening, and other maintenance activities. Consequently, the total budgetary allocation available for capital expenditure during 2025–2047 is estimated to be ₹50-55 trillion.

In addition, capex by states towards roads (state highways and rural roads) is estimated at 65% of the spent on national highways (as most construction/ expansion is of/from 2- to 4-lane roads). ICRA estimates this cumulative capex by states to stand at ₹32-36 trillion between 2025 and 2047.

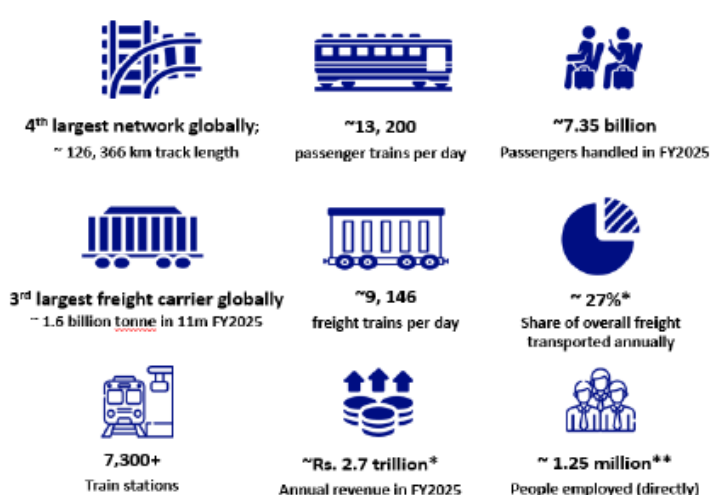
Lending opportunity

While majority of the capital expenditure is expected to be funded through budgetary allocation, market borrowing will also play a critical role for undertaking such large capital expenditure plans of the ministry through FY2047. This provides an opportunity of around ₹15 trillion over the next two decades.

Railway Infrastructure

The Indian Railways ("IR"), the fourth largest rail network in the world, is a cornerstone of the country's transportation infrastructure. It plays a pivotal role in facilitating the movement of passengers and freight across vast regional expanses, thereby driving economic growth, enabling trade, and fostering social inclusion. As India aspires to become developed economy by 2047, the modernisation and expansion of its railway infrastructure have become critical to achieving this vision.

Exhibit: Indian Railways – Snapshot



Source: Indian Railways, Annual Report, IBEF; *Estimated; ** April 1, 2024

¹⁷ See "Exhibit: Snapshot – Infrastructure requirement from key segments" below.

Importance of rail infrastructure in reducing logistics costs

As per National Council of Applied Economic Research (NCAER) India's logistics costs currently stood at around 7.8-8.9% of GDP in FY2022. Railways, being more cost-effective and energy-efficient over medium to long distances, offer a viable solution to reduce logistics costs further. Historically, railways accounted for 85% of freight movement (in 1951). However, this share declined to around 27-28% by FY2023 due to capacity constraints, slow transit times, and inadequate terminal infrastructure (though improvement has started in recent years). Freight trains in India average a speed of just 24 km/h¹⁸, with significant delays at junctions and terminals. These inefficiencies lead to longer transit times and higher costs, making road transport more attractive despite its higher environmental impact.

Strategic vision and National Rail Plan

To correct this skewness, the National Rail Plan ("NRP") was formulated in December 2020. It aims to create capacity ahead of demand by 2030, ensuring the system can cater to projected needs till 2050. Key objectives include:

- Increasing rail freight modal share to 45% by 2030 and sustaining it beyond
- Enhancing average freight speed to 50 kmph
- Developing DFCs to separate freight and passenger traffic
- Creating High-Speed Rail ("HSR") networks
- Upgrading signalling, electrification, and rolling stock
- Transforming stations into modern transit hubs

The plan also encourages private sector participation, digital transformation, and sustainability through green initiatives.

Exhibit: Indian Railways – Key initiatives and progress¹⁹



Source: ICRA Research

¹⁸ <https://www.ibef.org/industry/railways-presentation>

¹⁹ <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2036516>

Capital investment requirements

Over the past decade, the Government of India has significantly ramped up capital expenditure on Indian Railways, marking a strategic shift toward infrastructure-led growth. In FY2014, the capital outlay for the railways stood at ₹0.28 trillion. By FY2025, this figure had risen to ₹2.65 trillion—an almost tenfold increase, with substantial investments directed toward new lines, gauge conversion, track doubling, and electrification. This rise reflects the Government’s commitment to modernising the rail network, enhancing safety, and improving logistics efficiency.

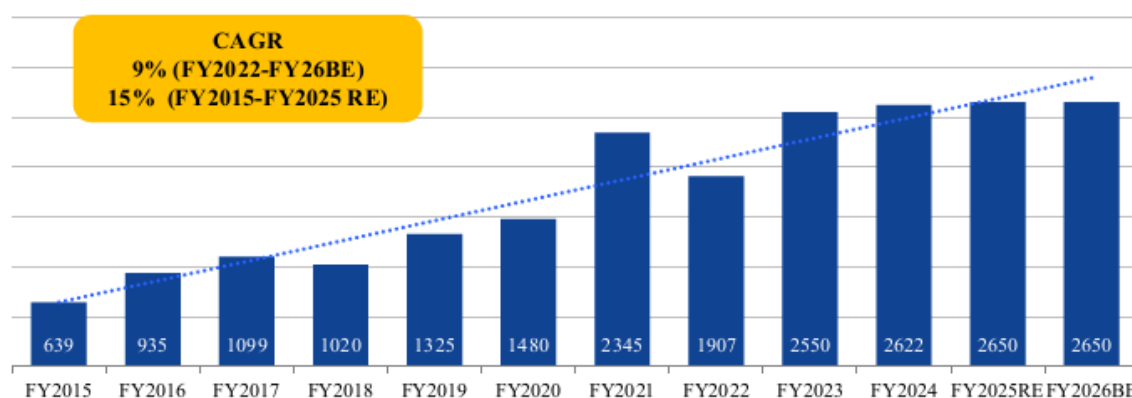
Exhibit: Break-up of capex planned under NRP

		2021-31	2031-41	2041-51	Total	% of total	Actual FY2022- 25
Project							
		(₹ billion)					
Track Infra.....	Dedicated Freight Corridors (DFC)	1,517	482	300	2,300	6	
	High Speed Rail (HSR)	5,042	2,946	6,970	14,958	39	
	High-Density Network	451	185	238	874	2	
	Highly Utilised Network	815	876	767	2,458	6	
	Others	831	1,180	826	2,837	7	
	Port Connectivity	138	49	144	331	1	
	Flyovers and Bypasses	799	—	—	799	0	
Terminals	Passenger Terminal	705	93	40	839	2	
	Freight Terminal	104	—	—	104	0	
Rolling Stock...	Rolling Stock	4,824	3,609	4,756	13,189	35	
Grand Total....		14,973	9,345	13,886	38,205	100	9,197
Annual Average expected outlay		1,523	942	1,404	1,290		1,839

Source: National Rail Plan

Over the coming two decades, the investment needs are extensive—by 2050, cumulative investments could exceed ₹75 trillion, factoring in inflation, expansion, and technology upgrades (assuming a 3% CAGR in annual outlay between FY2026 and FY2035, and moderation thereafter).

Exhibit: Trend in IR's budgetary capex outlay (₹ billion)



Source: ICRA Research; Budget documents

Despite this progress, several challenges continue to constrain the sector. Between FY2019 and FY2025, physical targets for new lines, gauge conversion, and electrification were consistently missed. These delays stem from recurring issues such as land acquisition hurdles, environmental clearances, inter-agency coordination, contractual disputes, and funding gaps. Addressing these bottlenecks is essential to unlocking the full potential of planned infrastructure investments. Other challenges include infrastructure bottlenecks—such as congestion on key routes and limited capacity for high-speed rail—impact both passenger and freight efficiency. The rail freight share remains significantly lower than road transport, largely due to slow speed and limited flexibility in scheduling, which affects pricing and profitability. Efforts to attract private investment through PPPs have seen limited success, hampered by regulatory ambiguity, investor concerns, and competition from the government-run network. Financing and monetization challenges persist, with slow progress in station redevelopment and private train operations. Operational inefficiencies, gaps in sustainability implementation, and the need for improved data transparency and governance further hinder responsiveness and innovation.

To unlock the full potential of the Indian Railways, a multi-pronged strategy is essential. Key action areas include enhancing data transparency to improve accountability and decision-making and advancing sustainability goals through electrification and green initiatives. Strengthening PPP and monetization models will be crucial to attract private investment and reduce fiscal burden. Accelerating infrastructure modernisation, especially in freight corridors and station redevelopment, must be paired with capacity building and skill development to prepare the workforce for a tech-driven future. Increasingly empowering zonal railways through decentralized decision-making can improve responsiveness, while a revamped freight strategy focused on diversification and efficiency will help boost competitiveness in the logistics ecosystem.

Going forward, with strategic planning, sustained investments, and technological innovation, Indian railways could potentially become a major force globally by 2050. The journey ahead demands sustained policy support, stakeholder collaboration, and efficient execution to unlock the full potential of this vital sector.

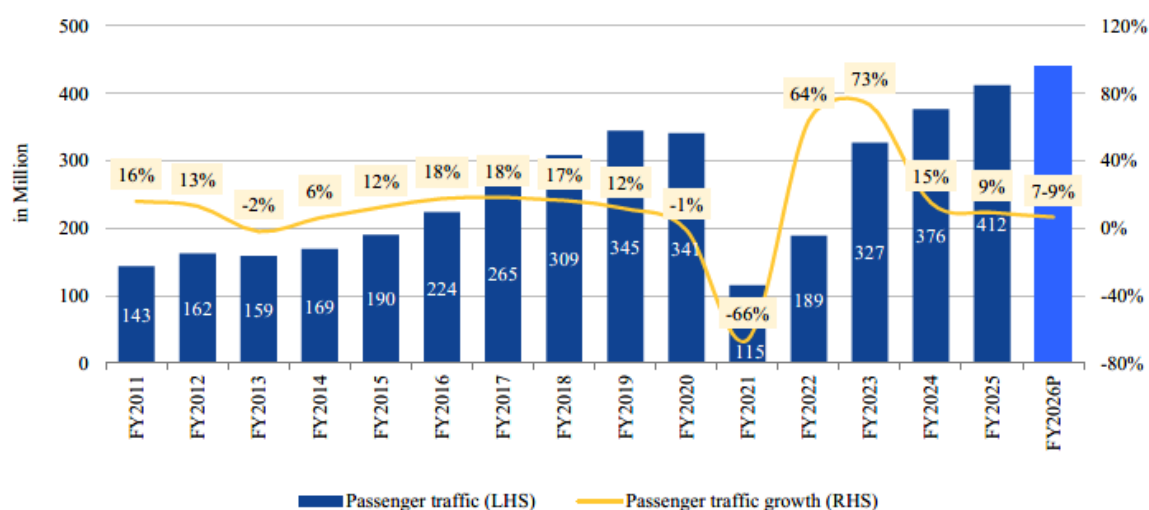
Lending opportunity

India's ambitious rail infrastructure goals present significant opportunities for diversified investment. While the bulk of funding currently comes from budgetary support and institutional finance via IRFC, the over ₹75-trillion requirement till 2047 calls for broader participation. Banks, infrastructure debt funds, and sovereign investors can play a pivotal role in financing long-tenure assets like freight corridors, rolling stock, and station redevelopment. Public-private partnerships remain underutilized but offer scalable models for terminals and high-speed rail. With electrification, digitalization, and environmental, social, and governance ("ESG")-aligned projects gaining momentum, green bonds and climate finance also hold potential to bridge funding gaps.

Airport Infrastructure

Aviation acts as a significant catalyst for employment, economic activity, international trade and investment, and global connectivity. During 2011-2020 (till pre-Covid), the air passenger traffic in India grew at a double digit CAGR of 10.1%, with air passenger traffic increasing from 143 million in FY2011 to 341 million in FY2020. After declining by 66% to 115 million in FY2021 due to the Covid-19 pandemic, it surpassed pre-Covid levels in FY2024 and increased by 9.4% to reach 412 million in FY2025. The growth momentum is expected to sustain in FY2026 with estimated increase in passenger traffic volumes by 7-9% to reach around 440-450 million.

Exhibit: Yearly trends in total passenger traffic (in million)



Source: Airports Authority of India, ICRA Research

India now ranks as the third largest market in the world in terms of air passenger traffic, only behind the US and China, with India generating around 4.2% of global passenger traffic. Despite this, India's air travel penetration is significantly lower than US and China, with India recording just 0.1 yearly trips per capita, compared to China's 0.5 and the US' 2.1. Given the low penetration of air travel in India, rising middle class incomes, sustained increase in leisure travel and rising numbers of students opting for higher education abroad, the air passenger traffic is expected to grow over the medium term through 2030. The growth is also likely to be supported by the improvement in air connectivity, and addition of new routes.

Air passenger traffic in India is expected to reach around 650-700 million by 2030 (CAGR of around 8%) as per the Ministry of Civil Aviation, and the Government has set a plan to increase the operational airports from 159 as of February 2025 to 230-240 airports by 2030. The regional connectivity scheme, Ude Desh Ke Aam Nagarik (RCS-UDAN), is expected to improve domestic connectivity and help operationalise more airports throughout the country. Further, the operational airports are planning to increase their capacities to cater to the passenger growth in the medium term. The top 5 airports in India in terms of passenger handling capacities are Delhi, Mumbai, Bangalore, Hyderabad, and Cochin, accounting for 53% of the passenger traffic while having a current cumulative passenger handling capacity of 260.5 million passengers per annum ("mppa"). The capacity utilisation of these major airports in the country stands at around 80%, which necessitates these airports to undertake capacity expansions at regular intervals. Given the expected growth in passenger traffic, Mumbai, Bangalore, Hyderabad, Ahmedabad and Delhi are undertaking capacity expansions following the receipt of regulatory approvals. All these airports have envisioned sizeable capacity expansion plans to increase their operational capacity by 80-100 mppa in the medium term. Moreover, new greenfield airports at Navi Mumbai, Jewar, and Visakhapatnam are estimated to add around 40 mppa in the medium term. More than ₹1,000.00 billion of capital investments are likely to be incurred over the next 4-5 years (through 2030) in the airport

infrastructure sector, including around ₹250.00 billion of capex of the Airports Authority of India (“AAI”) and the balance for greenfield and brownfield expansions of private airports.

The capacity and utilisation of India’s Top-7 airports (in terms of passenger handling) in FY2025 is presented below:

Exhibit: Capacity utilisation of Top-7 airports in the country

Airport	Airport capacity	Passengers handled in FY2025	Capacity utilisation
	<i>(million)</i>		<i>(%)</i>
Delhi.....	100	79.3	79%
Mumbai.....	54	55.1	102%
Bangalore.....	52	41.9	81%
Hyderabad.....	34	29.2	86%
Cochin.....	20	11.1	56%
Ahmedabad.....	17	13.4	80%
Lucknow.....	12	6.4	52%

With the greenfield airports at Jewar and Navi Mumbai having commenced operations, the majority of capex going forward is expected to be towards brownfield expansions. Brownfield expansion is generally considered less challenging given that unencumbered land is available as part of the airport master plan, and funding these projects is not expected to be a major challenge as this capex would have regulatory returns. Nevertheless, greenfield airports face challenges in terms of securing clearances from the Directorate General of Civil Aviation (DGCA), the Bureau of Civil Aviation Security (BCAS), environmental and social impact, pre-clearance works and construction delays.

Lending opportunity

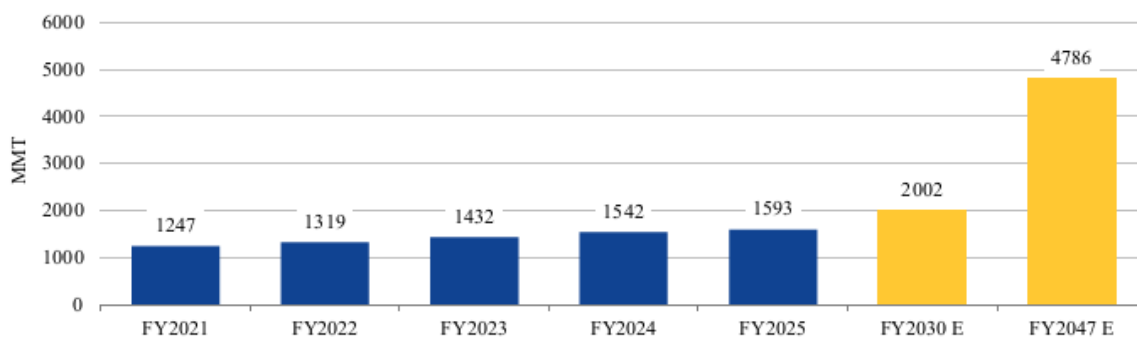
As per ICRA’s estimates, the airport infrastructure sector would provide funding opportunities worth ₹4-4.5 trillion (assuming debt-to-equity of 70:30, in line with past investment trends in the sector, and adjusted for AAI capex) over the next two decades (through FY2047).

Port Infrastructure

Cargo volumes handled at Indian ports have grown at a CAGR of 4.5% during FY2015–FY2025 with rising industrial activity and global trade. The cargo mix is currently dominated by petroleum products (LNG, LPG, crude oil, etc) generating around 28% of the overall cargo volumes, followed by coal (24%).

Containerised cargo volumes have grown over the last decade at a CAGR of about 8% during FY2015–FY2025, with the share in cargo volumes rising to nearly 22% in FY2025 from about 16% in FY2015.

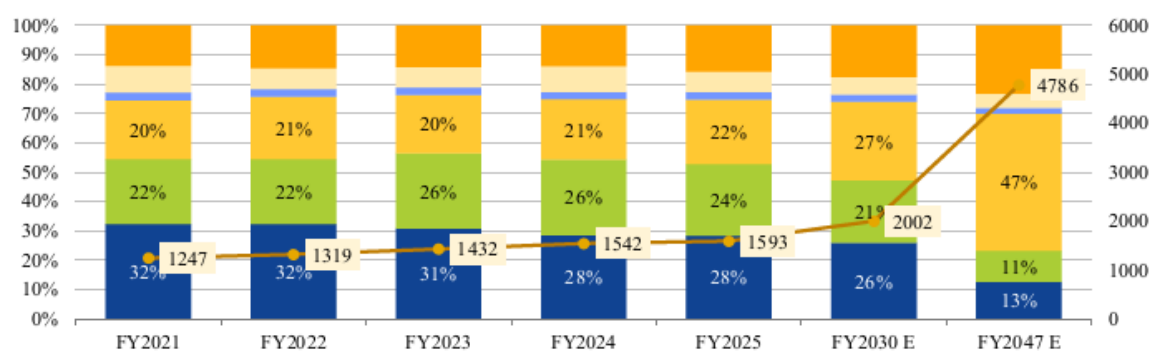
Exhibit: Trend in cargo volumes handled at Indian ports and outlook



Source: ICRA Research, MoPSW

Going forward, cargo volumes are expected to grow, supported by rising industrialization and trade. Cargo volumes are estimated to grow to 4,786 million metric tons (“MMT”) by the end of FY2047 from the current 1,593 MMT, indicating a CAGR of 5.2% over the next 22 years. In addition to the growth in volumes, the cargo profile handled at Indian ports is also likely to change significantly. The increasing containerization of cargo and improving hinterland connectivity for the same is expected to drive growth in containerized cargo at a slightly higher pace than the real GDP growth rate over the long term.

Exhibit: Trend and outlook in share of segment-wise cargo volumes at Indian ports



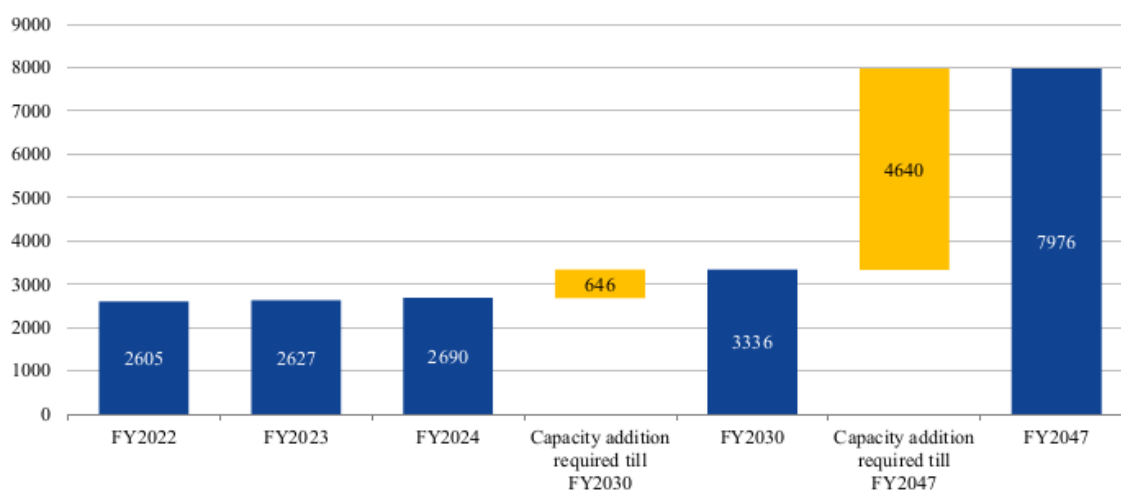
Source: ICRA Research, MoPSW

ICRA expects container cargo to grow at a CAGR of 8-8.5% during FY2025–FY2047 with the overall share rising to around 47% of the total cargo volumes handled at Indian ports by FY2047. Coal and petroleum products are expected to grow at a CAGR of 1.2% and 1.3%, respectively, over FY2025–FY2047 with the share in overall cargo falling to 11% and 13%, respectively, by FY2047. Given the focus of the Government and corporates alike on reducing carbon emissions and the rising electrification of vehicles, the growth rate of coal and petroleum product cargo volumes may decline, going forward. Other segments are likely to grow at a discount to the GDP growth rate.

Currently, the total capacity of India’s ports (including major and non-major ports) stands at 2609 MMT (as on March 31, 2024). Given the sizeable growth in cargo volumes expected during FY2025–FY2030 and further till FY2047, the port sector will need to invest in capacity expansions. The capacity utilisation at major ports stood at around 50% and that for non-major ports at 68% in FY2024. Given that ports start experiencing increased congestion and a fall in operating efficiency once 70% capacity utilisation is achieved, India will need to add sizeable capacity in the sector, going forward. As per ICRA’s expectations, the port sector will need to add around 650–700 MMT of cargo handling capacity between FY2025 and FY2030 to efficiently manage the anticipated cargo growth. By FY2030, the sector will need to make sizeable investments in ramping up cargo

capacity by around 4,600-4,700 MMT to maintain efficient operations while meeting the country's cargo handling requirements.

Exhibit: Expected cargo handling capacity addition at Indian ports over FY2025–FY2047



Source: ICRA Research, MoPSW

To meet the capacity demand, sizeable investments would be required, entailing a sound credit profile of the entities undertaking the projects, a buoyant funding environment with products suitably crafted to match the nature of the project cashflows. ICRA expects that to meet the envisaged capacity expansion, nearly ₹850-900 billion of investments will be required by FY2030 and a further ₹5 trillion during FY2030–FY2047. The investments are sizeable in nature and while major ports will take up capacity expansions at their own facilities, the major chunk of investments is anticipated to come from the non-major ports, i.e., existing ones and new ports to be bid out. In addition to the above investments to enhance port cargo handling capacity, more investments will have to be made to improve hinterland connectivity and infrastructure by the logistics sector.

Lending opportunity

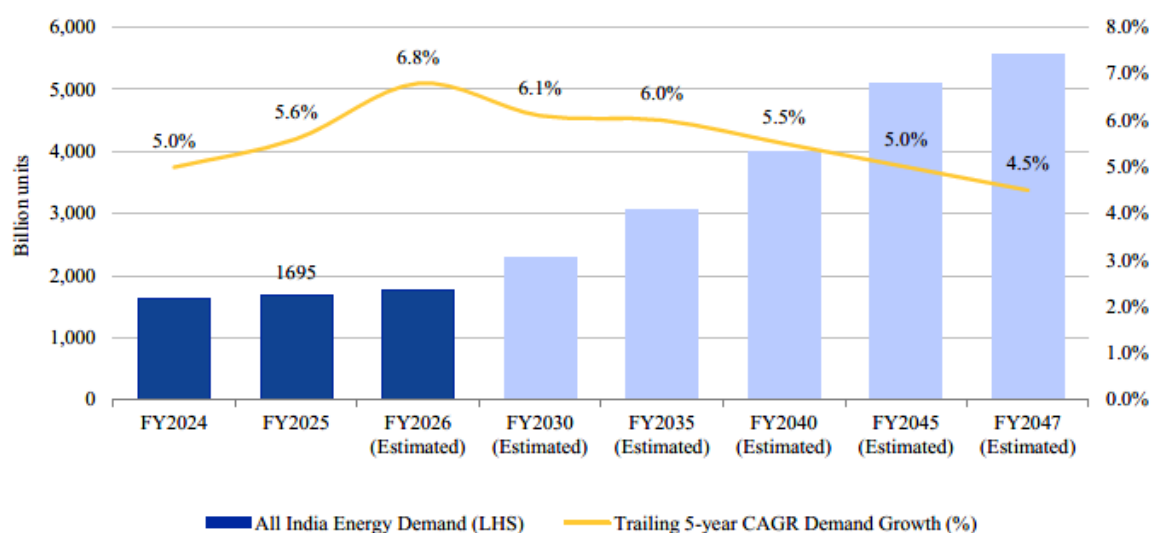
India's sea port sector is expected to experience steady growth, offering substantial lending opportunities for banks and financial institutions. Key funding avenues include Maritime Development Fund, Sagarmala (flagship initiative of the Ministry of Ports, Shipping, and Waterways) 2.0's ₹0.4 trillion²⁰ budgetary support, complemented by PE, multilateral loans, and export credit lines. With rising cargo volumes, deepwater port expansions, and transshipment hubs in the pipeline, the sector demands long-term capital across infrastructure, logistics, and shipbuilding.

Power & Energy

Over the last decade, India's power demand has grown consistently, driven by rapid urbanisation, industrial expansion, and rising household consumption. During FY2015–FY2025, total electricity consumption grew at a CAGR of approximately 4.7%, touching 1,695 billion units in FY2025. The demand is expected to increase to over 5,500 billion units by FY2047, reflecting a 22-year CAGR of 5.5%, highlighting the need for sustained capacity expansion and investment in power generation. Annual demand growth is projected to average 4.5–6.5% between FY2025 and FY2045, closely tracking India's expected GDP growth of 6.0–6.5%. The demand growth is likely to moderate from 6.0-6.5% during FY2026-FY2035 to 4.5-5.5% during FY2036-FY2047, owing to the impact of energy efficiency measures and higher base effects.

²⁰ <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2115878>

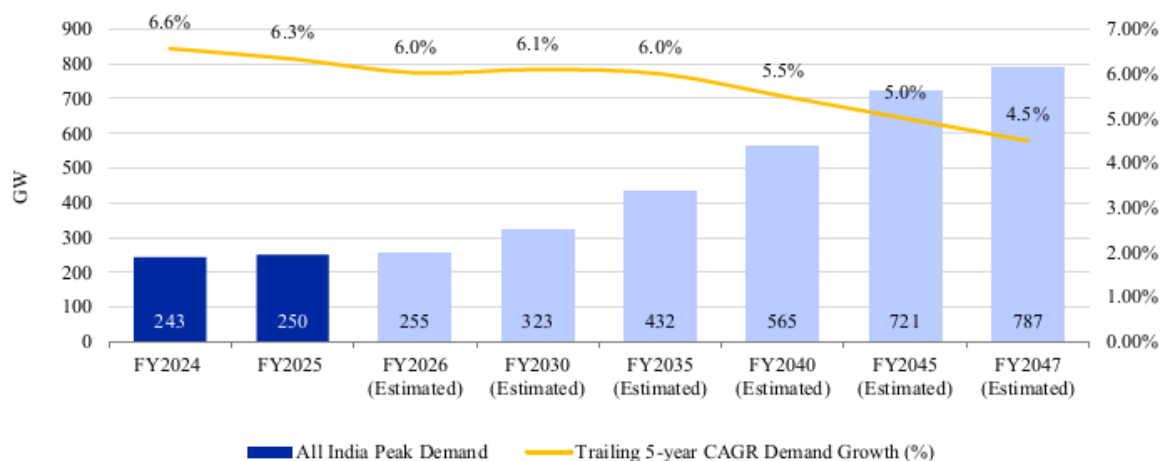
Exhibit: All-India electricity demand trend and outlook



Source: ICRA Research, Central Electricity Authority (CEA)

The peak electricity demand captures the highest instantaneous load, often during extreme weather events or high industrial activity. Typically occurring in the first four months of the fiscal year coinciding with the summer season. Peak demand has increased in India from around 148 GW in FY2015 to nearly 250 GW in FY2025, marking a 10-year CAGR of 5.4%. The same is projected to reach 320–340 GW by FY2030, and 780–800 GW by FY2047. This growth in peak demand, alongside the rising share of renewables, highlights the need for developing energy storage solutions to ensure grid reliability and power availability.

Exhibit: Trends in all-India peak electricity demand

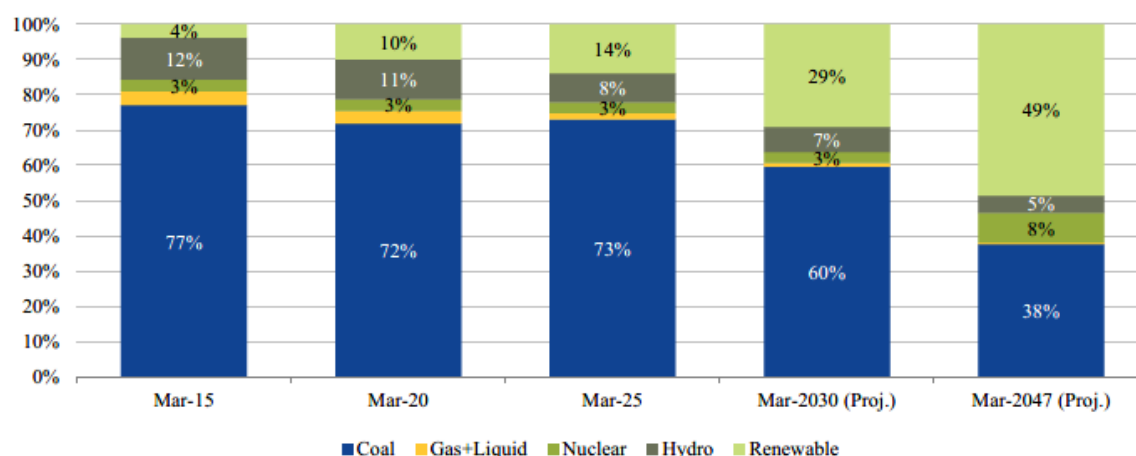


Source: ICRA Research, CEA

Renewables to eclipse thermal in power capacity and generation mix by 2047

India has witnessed a substantial increase in installed renewable energy capacity over the past decade, driven by strong policy support and clean energy commitments. This momentum is expected to continue, with most of the incremental demands from emerging sectors being met through renewable energy additions. However, to ensure grid reliability and meet peak demand, both Central and state governments have been supporting new thermal capacity as a buffer.

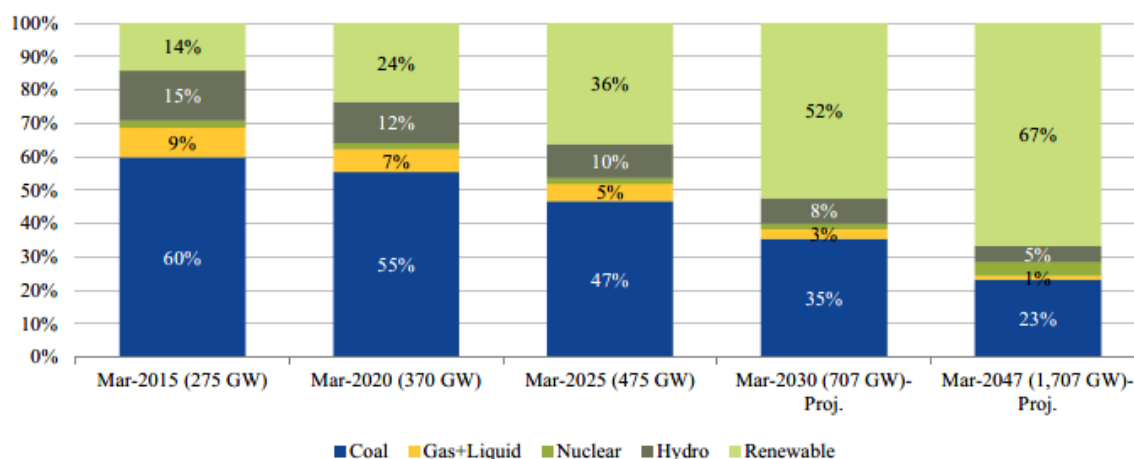
Exhibit: Trends in electricity generation mix by 2047



Source: ICRA Research, CEA

ICRA projects the total installed power generation capacity to rise from 475 GW in March 2025 to 707 GW by March 2030. Over 85% of this 232 GW increase is expected to come from renewable sources, with the remainder from thermal and nuclear. The capacity is further expected to increase to 1,707 GW by March 2047, led by 78% increase in renewable capacity, 14% increase in thermal capacity and 8% increase in hydro and nuclear capacity. Installed thermal, nuclear and hydro capacity of around 316 GW by March 2030 and 546 GW by March 2047 will partly support the projected peak demand of 323 GW and 787 GW by March 2030 and March 2047, respectively.

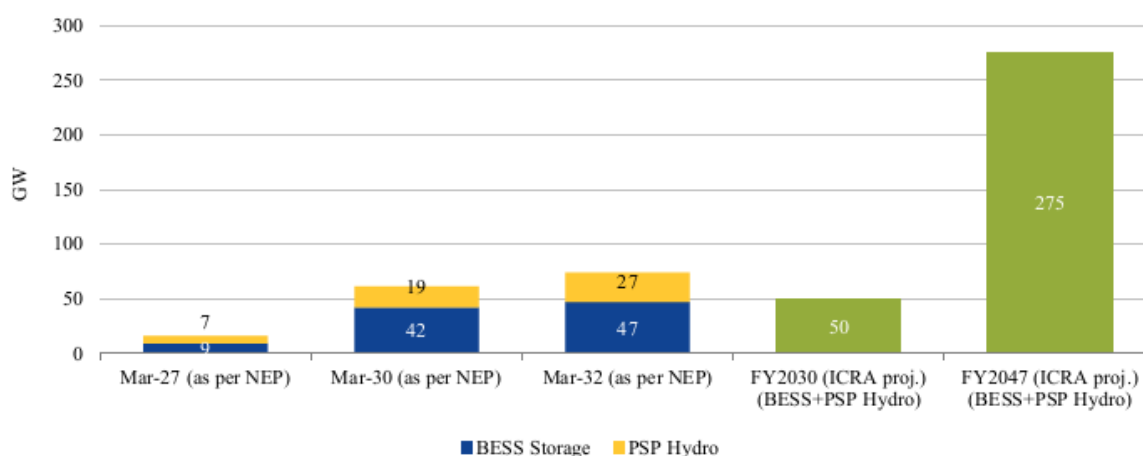
Exhibit: Trends in fuel mix of generation capacity including expected addition by 2047



Source: ICRA Research, CEA

For meeting the balance peak demand, augmentation of storage capacity to 50 GW and 275 GW will be required by March 2030 and March 2047, respectively. Timely execution and stabilisation of these projects will be critical, along with the development of adequate energy storage infrastructure to manage the variability of renewables.

Exhibit: Expected addition in storage capacity by 2047



Source: ICRA Research, CEA; Estimate by CEA for March 2027 and March 2032 is as per the NEP; Estimate for March 2030 is as per the optimal generation mix report (Version 2.0) released by CEA

In line with India's updated Nationally Determined Contributions (NDCs), which target 50% of installed capacity from non-fossil sources by 2030, the focus remains on accelerating RE deployment, including large hydro. The share of renewables (including large hydro) in installed capacity is projected to increase from 46% in March 2025 to 60% by March 2030, and further to 71% by 2047. Coal's share in installed capacity is expected to decline significantly, from 47% in March 2025 to 35% by March 2030, and further to 23% by 2047. Despite this, coal will continue to play a key role in electricity generation due to its dispatchable nature, especially during peak demand periods.

The share of renewables (excluding large hydro) in actual electricity generation mix has grown from 4% in FY2015 to 14% in FY2025, reflecting the scale-up in RE capacity. However, the share of hydro in energy generation has declined due to limited new additions.

Going forward, the combined share of RE and hydro is expected to exceed 35% by 2030 from 22% in FY2025 and further increase to over 50% by 2047, while coal-based generation is projected to fall to 60% and 38% in FY2030 and FY2047, respectively, from 73% in FY2025.

Thermal Plant Load Factors (PLFs) are expected to remain in the 65–70% range over the next two decades, and thermal capacity is likely to reach 251 GW in 2030 and 395 GW in 2047 as per ICRA's projections, supported by the role of coal in meeting base load demand. However, these estimates are sensitive to changes in electricity demand growth and the pace of RE integration.

India has set a target of achieving 100 GW of nuclear power capacity by 2047, positioning nuclear energy as a cornerstone of its clean energy transition and long-term energy security strategy. This goal is part of the broader Nuclear Energy Mission for Viksit Bharat, which aims to reduce carbon emissions, support industrial growth, and meet the country's net-zero commitments by 2070. To reach this target, the government plans a phased capacity expansion—from the current level of 8.2 GW to 22 GW by 2032, 49 GW by 2037, 67 GW by 2042, and finally 100 GW by 2047. Key enablers include the development of Small Modular Reactors (SMRs), public-private partnerships, and legislative reforms to open the sector to private and foreign investments. However, several challenges persist, such as restrictive laws, safety concerns, high capital costs, limited financing options, regulatory gaps, and slow progress in international collaborations. Given the various execution related challenges, ICRA anticipates the nuclear capacity base to increase to about 12 GW by 2030 and around 72 GW by 2047.

Meeting rising electricity demand will need about ₹6.5-7.0 trillion in annual investment through FY2047

The power sector is slated for significant capital expenditure of about ₹22 trillion over the next five-year period and further to ₹148 trillion for capacity addition in renewable (including hydro and nuclear) and thermal generation, as well as for strengthening India's transmission and distribution network, along with storage capacity. This translates to an annual investment run rate of ₹6.5-7.0 trillion over a 22-year period.

Exhibit: Investment required in power sector till FY2030

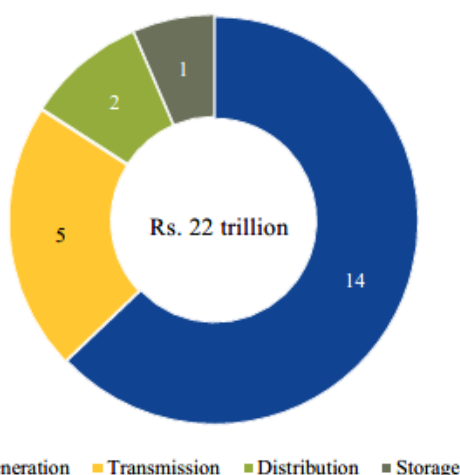
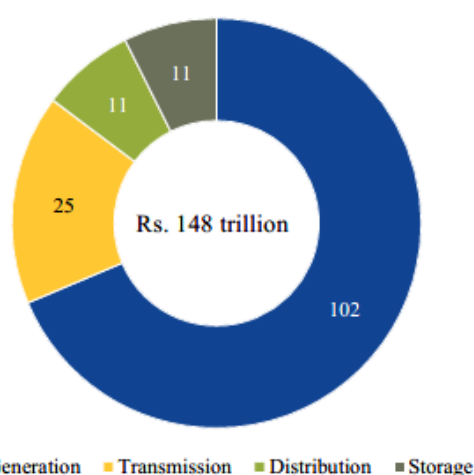


Exhibit: Investment required in power sector till FY2047



Source: ICRA Research, CEA

Generation	Transmission	Distribution
The power sector is expected to see 60-70% of its capex directed toward power generation (renewable + non-renewable), which will play a pivotal role in India's energy transition.	This will require ₹25 trillion in investments over the next two decades. ICRA expects an average annual addition of 19,000-20,000 cKM for transmission line and average annual augmentation of 100 GVA for substations over the coming years, which will be needed to meet the growing capacity and electricity demand.	The annual investment in the power distribution sector is estimated to remain at ₹400.00–600.00 billion till FY2047 for investments in meeting the growing demand and to improve reliability of supply and reduce distribution losses.

Given the intermittent nature of RE generation, energy storage capacity is required to ensure grid balancing. The storage capacity is expected to be used to meet the evening peak demand, when solar energy is not available, and to enable grid operators to manage the variable generation associated with solar and wind resources. The National Electricity Policy (NEP) projects an installed storage capacity of 74 GW by 2032, together providing 411 GWh of storage for integrating RE with the grid. ICRA expects the energy storage capacity requirement at 50 GW by 2030 and further to 275 GW by 2047 with 5-6 hours of storage, which will be met through a mix of battery energy storage system (BESS) and pumped hydro storage projects. The significant decline in tariffs for BESS projects over the past months, driven by the sharp decline in battery prices, is likely to improve the adoption of storage projects.

Lending opportunity

With goals like net-zero emissions by 2070, the sector offers significant scope for private capital, banks, and green finance. Public sector banks and government budgets remain key funding sources, but long-term financing needs call for deeper private and foreign participation. Opportunities span generation, transmission, storage, and emerging areas like green hydrogen and data centre electrification. A stable regulatory framework and innovative PPP models will be critical to unlocking this potential.

Telecommunication Infrastructure

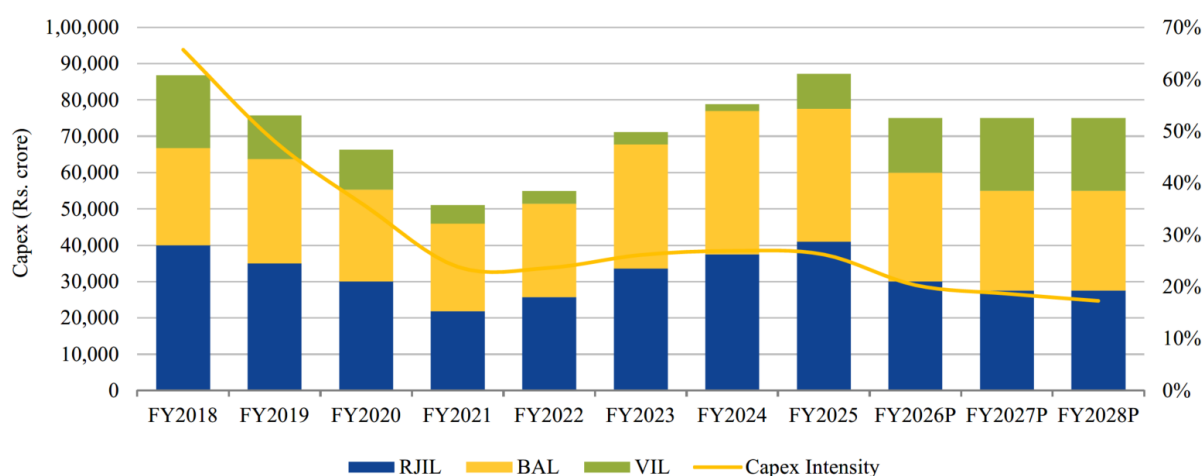
The telecom industry is inherently capital intensive and requires regular capital expenditure commitments to support subscriber growth, allow for deeper network penetration to ensure adequate service quality, and introduce new products/services. The primary capex in the telecom industry is towards creating, maintaining and expanding the network infrastructure. Spectrum is the key raw material for the industry and is acquired through auctions for a period of 20 years. Spectrum acquisition involves sizeable cash outflow and generally has a deferred payment plan. Further, the shift in Government policy from administratively priced to auction-based spectrum allocation increased the industry's capital expenditure commitments. As a result, most industry participants have witnessed a significant increase in funding requirements. However, with time Department of Telecom has also eased the payment norms for this spectrum and the latest auction involved the most relaxed payment terms, wherein the telcos had the option to make payments in 20 equal instalments at 8.65% rate of interest, thus elongating the payment terms as well as easing the liquidity by eliminating sizeable upfront payment requirements.

The capex intensity, as measured by the ratio of annual capex to revenues, remains high whenever there is a technology transition or a spectrum auction. On an ongoing basis (excluding spectrum acquisition related capex), the industry is required to incur capex in a timely manner to keep pace with the technology changes, which is likely to prevent the capex intensity from dipping materially, being driven by the need for increasing fiberisation to take care of the rising data usage. The fiber penetration levels in India are quite low vis-à-vis other parts of the world as reflected by the fact that in India only about 40% of the towers are fiberised against 80-90% in China, Japan, the EU, and the US, etc.

Given the high capital intensity of the industry, sharing of infrastructure improves asset utilisation for the entire industry and helps lower the funding requirements. Inadequate utilisation of network capacity can result in significantly weak profitability. The high capital intensity in the telecom industry also mandates high operating efficiencies for telcos to be able to maintain stable profitability. The operating margins of the private telcos range between 40% and 55%, while the return on capital employed remains low due to high capital requirements.

While technology upgrade to 5G is progressing, a large part of the capex by private telcos was upfronted in the last two fiscals, thereby leading to expectations of some moderation in the capex intensity, going forward. ICRA expects telecom services capex to be around ₹700-750 billion per annum through approximately FY2030, which will largely entail network expansion as well as fiberisation. In addition, there will be capex by the telecom tower industry, which is expected to be in the range of ₹80-100 billion annually, largely towards expansion of the tower base in line with the network expansion by operators.

Exhibit: Movement of operator-wise capex in the telecom services industry (excl. spectrum auctions)



Source: ICRA Research

Data centres

India's data centre industry is undergoing a period of expansion, positioning itself as a critical pillar of the country's digital economy. The need for data centres is growing across multiple sectors – technology firms, banking and financial services, government bodies, e-commerce and over-the-top (OTT) media platforms being some of the major drivers. Resultantly, between 2020 and 2025, the sector has grown at a CAGR of over 24%, with installed capacity rising from 540 MW in 2019 to over 1.2 GW by March 2025. This momentum is expected to continue and ICRA expects at least a 3x increase in capacity by FY2030 and potentially to 25 GW by FY2047. This would entail investments of ~₹1.2-1.5 trillion by FY2030 and cumulative investments of over ₹15 trillion by FY2047.

Several structural and technological drivers underpin this growth. The proliferation of 5G networks, rapid digitalization across sectors, and the rise in data consumption—particularly from AI workloads, cloud computing, and fintech—are creating substantial demand for scalable, secure, and high-performance data infrastructure. The Mumbai Metropolitan Region (MMR) and Chennai have emerged as key data centre hubs, with Hyderabad and Pune also witnessing significant capacity additions.

Policy support has played a catalytic role. The Digital Personal Data Protection Act (DPDPA) 2023, the RBI's data localisation mandate, and the granting of infrastructure status to data centres have enhanced regulatory clarity and investor confidence. Additionally, several state governments have introduced targeted incentives, including land subsidies, power tariff rebates, and single-window clearances, to attract data centre investments.

The investment landscape is also evolving. While hyperscalers like Amazon Web Services, Microsoft Azure, and Google Cloud continue to expand their footprint, there is growing interest from PE firms, sovereign wealth funds, and pension funds. These investors are increasingly participating in joint ventures, REITs, and InvITs focused on digital infrastructure.

Looking ahead, the next two decades will likely see India emerge as a global data centre hub, not just for domestic consumption but also for serving regional and international markets. However, challenges remain. These include ensuring reliable power supply, managing environmental impact, and addressing the shortage of skilled professionals in data centre operations and cybersecurity.

Lending opportunities

From a lending perspective, the data centre sector presents a pipeline of opportunities for banks, NBFCs, and infrastructure financiers. With capex per megawatt of IT load capacity (power capacity available for the servers

and other computing equipment in a data centre) (“**IT MW**”) ranging between ₹0.50–0.60 billion (hard cost only i.e. excluding land-cost, interest during construction etc.), and large campuses often exceeding 100 MW, the financing requirements are substantial and long-tenured. Lenders can participate across multiple layers—land acquisition, construction finance, equipment leasing, and green energy integration. The sector’s classification as infrastructure also enables access to priority sector lending norms and lower capital risk weights. As demand for AI-ready and hyperscale facilities grows, structured debt products, green bonds, and sustainability-linked loans are expected to gain traction, offering diversified exposure to a high-growth digital asset class.

Urban Infrastructure

India’s urban infrastructure encompasses a wide array of systems and services essential for sustaining urban life and economic productivity. This includes transport networks (roads, metro rail, e-buses), water supply and sanitation, solid waste management, stormwater drainage, affordable housing, digital infrastructure, energy distribution, and public amenities such as parks, schools, and health facilities.

As India transitions toward becoming a developed economy by 2047, the scale of urbanisation demands an expansion and modernisation of these assets, with urban areas expected to house over 950 million people by 2050 and contribute nearly 70% to GDP.

Over the past decade, the Government has launched several flagship missions to address urban infrastructure needs:

- **Smart Cities Mission (SCM):** As of November 2024, 91% of 8,066 projects worth ₹1,640.00 billion have been completed across 100 cities. These include 1,740 km of smart roads, 713 km of cycle tracks, 84,000 CCTV cameras, and over 9,400 smart classrooms.
- **AMRUT²¹ & AMRUT 2.0:** Focused on water supply and sewage, AMRUT has created 4,649 million liters per day (“**MLD**”) of water treatment and 4,429 MLD of sewage treatment capacity. AMRUT 2.0 prioritizes stormwater drainage and waterlogging mitigation.
- **Urban Mobility:** Metro rail coverage has expanded from 248 km in 2014 to 1,013 km²² operational as of September 2025, with another ~1,000 km under construction. Daily ridership has grown from 2.8 million to over 11.2 million as of Aug 2025. The PM-eBus Sewa aims to deploy 10,000 electric buses with ₹200 billion central assistance.
- **Urban Housing (PMAY-U 2.0):** Over 6 million houses have received in-principle approval, with a new rental housing division introduced for migrant and vulnerable populations.

Despite the above, according to the World Bank, nearly 70% of the urban infrastructure needed by 2047 is yet to be built. ICRA projects, that to meet this demand, an estimated ₹310-375 trillion (or U.S.\$3.3-4.0 trillion) investment will be needed towards urban infrastructure from FY2026 to FY2047, averaging ₹14.1-17.0 trillion annually.²³

Funding landscape and challenges

Currently, Central and state governments fund 72–75% of urban infrastructure, while ULBs contribute 15% and private/commercial financing accounts for the remaining share. Municipal finances remain weak, with property tax collections marginal compared to GDP, and cost recovery for services.

²¹ Atal Mission for Rejuvenation and Urban Transformation.

²² <https://static.pib.gov.in/WriteReadData/specificdocs/documents/2025/aug/doc2025810604101.pdf>

²³ See “*Exhibit: Snapshot – Infrastructure requirement from key segments*” below.

Low absorptive capacity is another challenge—nearly 20% of municipal revenue remains unspent, and many cities struggle to utilize allocated funds effectively. For example, the Smart Cities Mission and AMRUT have achieved 70–80% fund utilization, indicating room for improvement.

Lending opportunity

To bridge the investment gap, there is a need to diversify funding sources. Strengthening the municipal bond market, expanding PPP models, and enabling commercial financing are critical.

Over 160 cities are investment-grade, yet few have tapped into debt markets. Building ULB capacity to execute bankable projects and improving financial transparency will be essential.

Concluding Remarks

India’s infrastructure development under the Viksit Bharat 2047 vision requires substantial investment across key sectors—transportation, energy, urban infrastructure, telecom, and aviation. In transportation, road infrastructure has seen significant capital allocation growth, with India’s national highway length expanding by 60% and expressways by 26x since 2014. Railways, critical for reducing logistics costs, are undergoing modernisation through DFCs, HSR, and digitalization, with projected investments exceeding ₹75 trillion by 2050.

Airport infrastructure is expanding to meet rising passenger traffic, which is expected to reach 700 million by 2030. Capacity utilisation at major airports necessitates brownfield expansions and new greenfield projects, with ₹7–7.5 trillion in investments projected by 2047. Ports are expected to handle 4,786 MMT of cargo by 2047, requiring ₹5.9 trillion in capacity expansion, especially in containerised cargo.

Power demand is projected to grow at 5.5% CAGR, reaching 5,555 billion units by 2047. Renewable energy will dominate capacity additions, supported by storage infrastructure. Total investment needs in the power sector are estimated at ₹148 trillion. Telecom infrastructure faces high capex intensity due to spectrum costs and network expansion, with likely annual investments of at least ₹700–750 billion.

Urban infrastructure, driven by rapid urbanisation, requires ₹310–375 trillion from FY2026 to FY2047 towards (urban transport, basic municipal services, solid waste management, and social and community infrastructure, excluding housing)²⁴. Despite flagship missions like Smart Cities and AMRUT, funding gaps persist due to weak municipal finances and low absorptive capacity. Diversifying funding sources through PPPs, municipal bonds, and commercial finance is essential to bridge the gap and ensure sustainable urban growth.

Exhibit: Snapshot – Infrastructure requirement from key segments

	Cumulative Requirement – FY2026-FY2030		Cumulative Requirement – FY2026-FY2047	
	<i>In ₹ trillion</i>	<i>In U.S.\$ trillion</i>	<i>In ₹ trillion</i>	<i>In U.S.\$ trillion</i>
Road (NH +States).....	~18	~0.21	83-91	0.9-1.0
Rail	~14	~0.16	75-77	~0.8
Port	~1	~0.01	~6	~0.1
Airports.....	~1	~0.01	7-7.5	~0.1
Power.....	~22	~0.25	143-154	1.6-1.7
Telecom (incl data centres)*	~6	~0.06	30-31	~0.3

²⁴ See “Exhibit: Snapshot – Infrastructure requirement from key segments” below.

	Cumulative Requirement – FY2026-FY2030		Cumulative Requirement – FY2026-FY2047	
	In ₹ trillion	In U.S.\$ trillion	In ₹ trillion	In U.S.\$ trillion
Others (urban infra, river linking).....	~74	~0.84	335-405	3.8-4.6
Urban Infra**	~68	~0.77	310-375	~3.5-4.2
Irrigation (incl. river linking)	~6	~0.06	~27-30	~0.3
Total	~136	~1.5-1.6	680-770	7.6-8.6

Source: ICRA Research; Note: *Movement of telecom operator wise capex in the telecom services industry (excl. Spectrum auctions);

** Excl. affordable housing; conversion – U.S.\$1 = ₹88

Bridging the Infrastructure Financing Gap

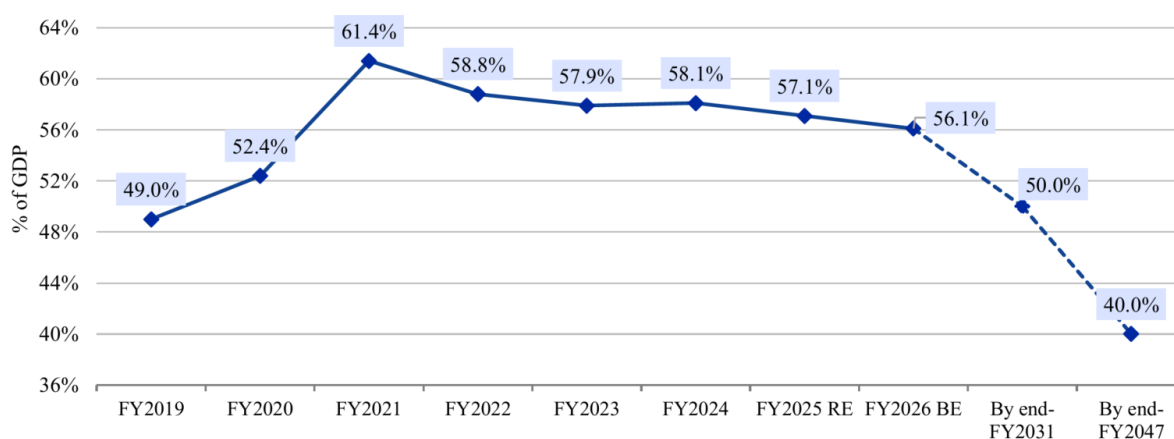
Available Government Funding

Central government investment appetite

The GoI's fiscal strategy is set to witness a marked shift from FY2027, with a focus on the debt-to-GDP as the new fiscal anchor against the past practice of announcing a glide path for the fiscal deficit-to-GDP ratio over the near-to-medium term. It has already been announced that from FY2027, it would endeavour to keep the fiscal deficit each year such that the Central Government debt will be on a declining path as a percentage of GDP. It has set the target debt to GDP level at 50±1% by March 31, 2031, which would be the last year of the 16th Finance Commission cycle, assuming that there is no major macro-economic disruptive exogenous shock(s) and also keeping in mind the potential growth trends and emergent development needs.

Thus, any assessment of the GoI's ability to enhance capex until FY2031 should factor in the fiscal constraint on account of this debt consolidation target. Besides, with the debt remaining on the higher side (at about 50%) even in end-FY2031, consolidation is likely to continue thereafter, albeit at a relatively modest pace, to avoid sharp fiscal compression. ICRA has assumed that the GoI would gradually bring down its debt to around 40% of GDP by FY2047, in line with the target proposed by the NK Singh Committee in 2017; although more clarity on this may emerge once the 16th Finance Commission submits its report towards the end of the ongoing fiscal.

Exhibit: Central government debt-to-GDP ratio



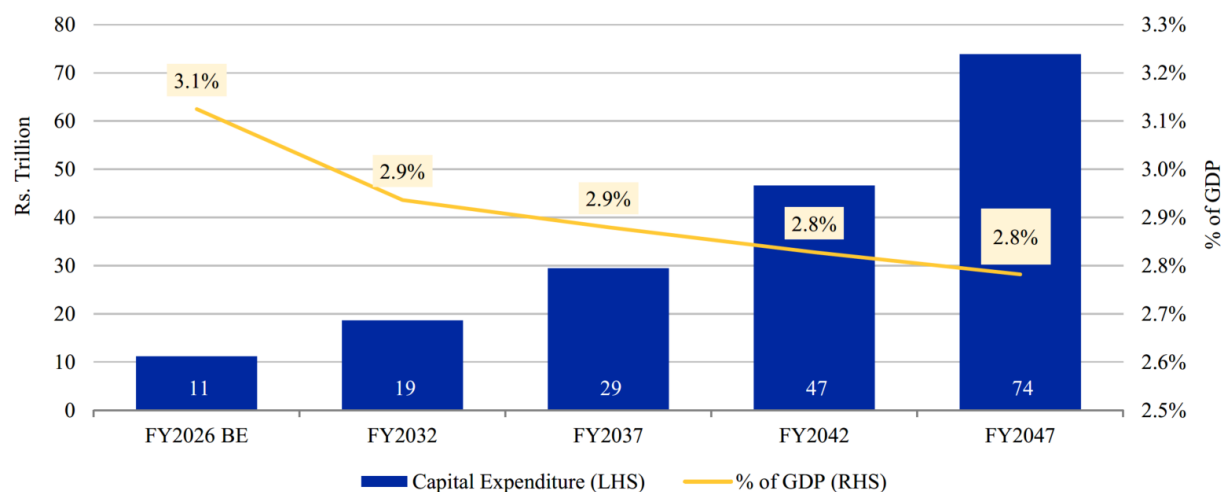
Source: Union Budget; CGA, Ministry of Finance, GoI; ICRA Research

Given the fiscal constraints, and reasonable assumptions around the growth in nominal GDP, GoI's revenues and revenue expenditure requirements, ICRA estimates the GoI's capex to rise at a CAGR of about 9.4%

between FY2026 and FY2047. This would imply a gross capex number to the tune of around ₹74 trillion in FY2047, around 5.6 times the FY2026 BE of ₹11.2 trillion and entail a total capex of nearly ₹710 trillion during this 21-year period (based on the simple summation of yearly capex).

As a percentage of GDP, while the GoI's gross capex may ease slightly in the immediate years (which could lead to an off-budgeting of capex back to some CPSEs, reversing the trend seen in the post-Covid period) owing to the relatively sharper reduction in debt targeted until FY2031, it could average at 2.8-2.9% of GDP thereafter, until the end of FY2047.

Exhibit: Projections for trends in capital expenditure by the GoI

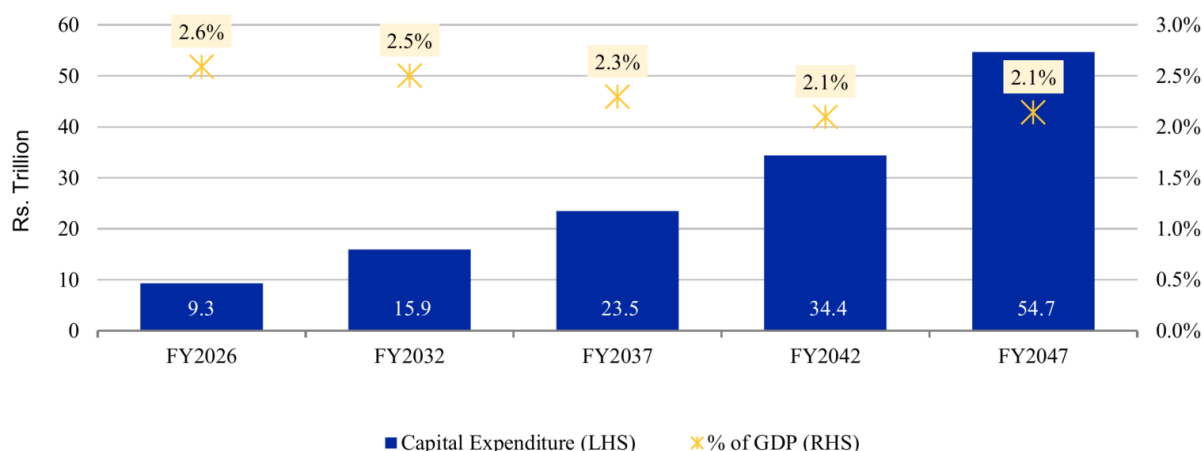


Source: Union Budget; CGA, Ministry of Finance, GoI; ICRA Research

Potential spending capacity of states

For FY2047, ICRA estimates the combined capital expenditure of the 28 state governments at ₹54.7 trillion, indicating a CAGR of about 9% during FY2027-FY2047. As a proportion of GDP, the total capital expenditure of the 28 states is estimated to remain at 2.0-2.6% during this 20-year period. This assumes an average 10% growth in India's GDP during the 20-year period of FY2027-FY2047, aggregate debt-to-GDP ratio of the 28 states remaining around 30% and fiscal deficit of around 3% of GDP. At present, the debt-to-GSDP ratio of several states (Himachal Pradesh, Kerala, Punjab, Rajasthan and West Bengal) is at a range of 35-45% while there are many states (Gujarat, Karnataka, Maharashtra, Odisha, and Uttarakhand) with a ratio of under 25%.

Exhibit: Projections for trends in capital expenditure for 28 states



Source: ICRA Research, NSO; CAG; State Budgets

Accordingly, a distinct road map of debt and deficit targets may need to be carved out for each individual state for bringing the debt-to-GSDP ratio of each state close to 30% by FY2047. During the 20-year period, the states with high debt-to-GDP ratio would gradually target a ratio of 30% while states with a lower ratio will have the scope for enhancing their spending, leading to debt levels moving towards 30% of GSDP by FY2047.

Downside risks to achieving the target debt-to-GSDP ratio by FY2047 include unanticipated events (wars, natural calamities, major disruptions in the sector, etc) leading to relaxation in deficit and debt targets. Moreover, additional borrowing support (over and above the NBC) provided by the GoI to states in the coming years, may delay the path of convergence towards the target of debt at 30% of GSDP by FY2047, if states opt to avail additional borrowings.

However, in an increasingly uncertain global environment, a continued focus on infrastructure creation by the Centre and the states would help to provide sustained momentum to economic growth, complementing the expected demographic-dividend led consumption push.

Unlocking Private Capital

Unlocking private capital is important for infrastructure financing and supports inclusive and sustainable development. Blended finance and viability gap funding (“VGF”) can de-risk projects and catalyse investment. Strengthening PPP frameworks ensures efficient delivery and equitable risk-sharing. Attracting long-term institutional capital provides the scale and stability needed for large-scale infrastructure development.

India’s policy ecosystem is evolving to support these objectives, but continued reforms, capacity building, and stakeholder engagement are essential. A coordinated approach that aligns public and private interests, integrates ESG principles, and fosters innovation will be key to bridging the infrastructure financing gap and achieving long-term development goals.

Blended finance and viability gap funding (VGF)

Mobilising private capital is essential to meet India’s growing infrastructure needs, especially as public resources remain constrained. Blended finance—defined as the strategic use of public or concessional funds to attract private investment—has emerged as a key tool to bridge this gap. It is particularly effective in infrastructure sectors where commercial viability is uncertain or where risks are perceived to be high.

India’s VGF scheme, introduced in 2005 and revamped in 2020, has been instrumental in supporting PPP projects that are economically justified but financially unviable. Administered by the Ministry of Finance, the

scheme provides upfront capital grants of up to 40% of the project cost—20% from the Central Government and an optional 20% from state governments. From a credit perspective, VGF improves project bankability by reducing upfront capital requirements and enhancing projected cash flows. It lowers the debt burden and improves the debt service coverage ratio (DSCR), making projects more attractive to lenders and investors. This is particularly relevant in sectors where user charges alone cannot ensure financial viability.

Several high-profile projects illustrate the scheme's effectiveness:

- Noida International Airport received ₹15.00 billion in VGF, enabling Zurich Airport International AG to participate as the concessionaire.
- Pune Metro Line III secured ₹12.25 billion in VGF, facilitating private investment from Tata Realty and Siemens.
- Ganga Expressway and Bangalore Peripheral Ring Road also benefited from VGF support, catalysing private interest in high-capex transport infrastructure.

These examples demonstrate how VGF can de-risk large-scale projects, improve credit profiles, and accelerate execution timelines. Beyond VGF, blended finance includes a range of instruments designed to improve the risk-return profile for private investors:

- Guarantees and insurance to mitigate political and regulatory risks
- Subordinated debt or equity to improve the risk-return profile for private investors
- Technical assistance grants to strengthen project preparation and capacity building

International DFIs such as the World Bank, Asian Development Bank (ADB), and the recently established Issuer plays a key role in structuring blended finance deals. Their participation enhances credibility, reduces risk, and encourages private sector involvement. However, the effectiveness of blended finance depends on sound governance, transparent project selection, and alignment with national priorities. It is essential to ensure that public funds are used strategically to crowd in—not crowd out—private investment.

Blended finance and VGF have unlocked private capital for infrastructure development in India. Their continued relevance will depend on the ability to evolve in response to changing infrastructure needs, fiscal realities, and investor expectations. By addressing implementation challenges and adopting global best practices, India can position these instruments as foundational pillars of a sustainable and inclusive infrastructure financing strategy.

Enhancing PPP frameworks and risk-sharing mechanisms

Public-private partnerships have long been a preferred model for infrastructure delivery in India. However, their success hinges on well-designed contracts, balanced risk allocation, and institutional capacity. India has made significant progress in developing PPP frameworks, including:

- Model concession agreements for highways, airports, and urban infrastructure
- Dedicated PPP cells at Central and state levels
- Online portals for project monitoring and stakeholder engagement

Despite these advancements, challenges persist. Many PPP projects face delays due to land acquisition issues, regulatory bottlenecks, and disputes over revenue-sharing. Risk allocation often remains skewed, with private partners bearing disproportionate construction and demand risks. To enhance PPP effectiveness, the following measures are recommended:

- Dynamic risk-sharing models that adjust based on project lifecycle and performance
- Dispute resolution mechanisms such as fast-track arbitration and independent regulators
- Capacity building for Government agencies to manage complex contracts and negotiations
- Lifecycle cost analysis to ensure sustainability beyond construction

Innovative PPP structures such as HAM in road projects and Design-Build-Finance-Operate (DBFO) models in urban transport have shown promise. These models combine annuity payments with performance-linked incentives, reducing revenue risk and improving service delivery. Furthermore, integrating ESG criteria into PPP frameworks can enhance project resilience and attract sustainability-focused investors.

Attracting long-term capital: Pension funds, sovereign wealth funds, insurance

Infrastructure assets are inherently long-term, making them well-suited for institutional investors such as pension funds, sovereign wealth funds (SWFs), and insurance companies. These entities seek stable, inflation-linked returns and have the capacity to invest in large-scale projects.

Globally, institutional investors manage over U.S.\$100 trillion²⁵ in assets, yet only a small fraction is allocated to infrastructure in emerging markets. In India, the potential is significant but underutilized. Regulatory constraints, lack of investment-grade projects, and limited exit options have hindered participation. However, recent reforms aim to address these barriers:

- InvITs and REITs offer transparent, liquid vehicles for institutional investment
- Relaxation of investment norms by the Insurance Regulatory and Development Authority of India (IRDAI) and Pension Fund Regulatory and Development Authority (PFRDA) allows greater exposure to infrastructure
- Credit enhancement mechanisms such as partial guarantees and first-loss structures improve project ratings and investor confidence

Sovereign wealth funds from countries like Singapore and Canada have already invested in Indian infrastructure through platforms such as the NIIF. NIIF operates as a collaborative investment vehicle, pooling capital from domestic and international sources to finance roads, ports, and renewable energy. It manages over U.S.\$4.9 billion (₹432.5 billion) in assets across three funds—Master Fund, Fund of Funds, and Strategic Opportunities Fund. Its role as a sovereign-backed anchor investor enhances credibility and helps bridge India's infrastructure financing gap.

To further attract long-term capital, India must:

- Develop a pipeline of bankable projects with clear revenue models and regulatory clarity
- Strengthen secondary markets for infrastructure assets to improve liquidity
- Promote ESG-aligned investment frameworks to meet global sustainability mandates

Institutional investors also require sound governance, predictable policy environments, and transparent reporting standards. Building trust and reducing perceived risks are critical to unlocking their full potential.

Policy and Regulatory Enablers

India's infrastructure financing landscape has evolved significantly over the past decade, supported by reforms in land acquisition, dispute resolution, and institutional strengthening. Initiatives like NIP, Gati Shakti, and the

²⁵ PwC. (2023). Global Asset & Wealth Management Survey. Retrieved from PwC Website

Issuers have laid the foundation for a more coordinated and investor-friendly ecosystem. However, persistent challenges in regulatory consistency, institutional capacity, and data transparency need constant addressing to unlock the full potential of private capital. A forward-looking strategy should focus on simplifying legal frameworks, enhancing digital governance, and fostering collaboration between public and private stakeholders. With sustained policy momentum and targeted reforms, India can position itself as a global leader in infrastructure-led development.

Reforms in land acquisition, dispute resolution, and contract enforcement

Land acquisition has historically been one of the most contentious and delay-prone aspects of infrastructure development in India. The enactment of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act (2013) provides a framework to balance development needs with social justice. More recently, the NHAI implemented a 336-day structured timeline for land acquisition, supported by the digital ‘Bhoomi Rashi’ portal. This framework includes weekly monitoring, fixed deadlines for objections, and centralized compensation disbursement, significantly reducing delays and improving transparency. However, implementation challenges persist, particularly in multi-state projects and urban corridors. Recent RBI guidelines for project finance (June 2025) now mandate that land acquisition must be completed for at least 75% of non-PPP projects and 50% of PPP projects before financial closure, aiming to reduce execution risk and improve credit viability.

Dispute resolution remains another critical bottleneck. Infrastructure projects often suffer from prolonged litigation, leading to cost overruns and investor hesitation. The Government has promoted fast-track arbitration, model concession agreements, and independent regulators to streamline resolution. Yet, enforcement of arbitral awards and consistency in judicial interpretation remain areas needing reform.

Contract enforcement reforms are critical to ensuring that infrastructure agreements—especially under PPP models—are resilient and adaptable. Outdated concession agreements have been identified as a major cause of delays and cost overruns. Contract enforcement is further complicated by frequent policy changes, such as retrospective tax amendments or delays in GST reimbursements, which erode investor confidence. To address these issues, policy measures should focus on:

- Reducing approval timelines through single-window clearances
- Shifting responsibility for regulatory permits from concessionaires to Government agencies in PPPs
- Ensuring consistency in legal frameworks and honoring contractual obligations under force majeure and change-in-law clauses

Strengthening institutional frameworks

India has made notable progress in institutionalizing infrastructure planning and financing. The NIP, launched in 2019, outlined a nearly U.S.\$1.5 trillion investment roadmap (initially) across sectors such as transport, energy, and urban development. As of August 2025, over 1,139 projects were under various stages of implementation under NIP of the 13,984 projects approved. Complementing NIP is the PM Gati Shakti Master Plan, a digital platform integrating 16 ministries and 36 states/union territories (UTs) to enable multimodal connectivity, improve coordination and reduce project delays. By October 2024²⁶, over 1,600 data layers and 208 big-ticket projects worth ₹15.39 trillion had been mapped under Gati Shakti principles. The platform’s spatial planning tools, powered by Indian Space Research Organisation (ISRO) imagery and enables real-time tracking of assets, logistics corridors, and utility networks, thereby enhancing planning efficiency and reducing duplication.

²⁶ PwC. (2023). Global Asset & Wealth Management Survey. Retrieved from PwC Website

The NMP and NIIF have further expanded the financing toolkit. NMP aims to unlock value from existing public assets, while NIIF serves as a collaborative investment platform involving global investors and multilateral institutions. Additionally, the establishment of the Issuer in 2021 has filled a critical gap in long-term project financing. The Issuer is mandated to provide debt and equity support for commercially viable infrastructure projects, especially those with long gestation periods.

Challenges	Focus Areas
Deficiencies in unified planning/execution across Central and state agencies leads to coordination issues	Enhancing inter-agency coordination through integrated planning platforms
Limited bandwidth in urban local bodies and state infrastructure agencies affect project preparation and execution	Building capacity at sub-national levels for project appraisal and monitoring
Overlapping mandates between regulators (e.g., NHAI, NGT etc) can create procedural delays	

Role of digital platforms and data transparency

Digitalization has emerged as a significant enabler of infrastructure financing. Platforms like PM Gati Shakti and INFRACON (for contractor and consultant registration) have improved transparency and accountability. The use of geographic information systems (GIS) mapping, real-time dashboards, and AI-based analytics allows for better project tracking and risk assessment. The establishment of Data Benchmarking Institutes (DBIs) for InvITs, as proposed by SEBI and BIA, is a significant initiative. These institutes will collect and standardize data on financial performance, operational metrics, and risk parameters, allowing investors to compare InvITs and make informed decisions. This level of transparency fosters market discipline, improves credit ratings, and facilitates efficient capital allocation. Moreover, digital platforms facilitate investor access to project pipelines, concession agreements, and performance benchmarks. This reduces information asymmetry and enhances investor confidence.

The RBI’s Project Finance Directions (2025) emphasize the importance of data transparency in credit appraisal. Lenders are now required to assess project viability based on standardized metrics, including debt-equity ratios, cash flow forecasts, and milestone-linked disbursements. However, challenges persist in data standardization, interoperability between platforms, and cybersecurity risks.

ESG-related initiatives relating to infra financing

ESG principles are increasingly becoming central to investment strategies in India. As the country targets net-zero emissions by 2070, ESG-aligned finance is emerging as a key enabler of sustainable development, particularly in sectors like energy, transport, and urban infrastructure.

By the end of 2024, India had issued U.S.\$55.9 billion in green, social, sustainability, and sustainability-linked (GSS+) debt—an increase of 186% since 2021. Green debt comprises 83% of this total, mainly funding clean energy and transport. Sovereign green bonds worth ₹477 billion have helped set benchmarks and boost investor confidence. Innovative platforms like Green NBFCs and AIFs are emerging to serve underserved segments such as small and medium enterprises (“SMEs”) and retail investors. Venture debt and private credit are increasingly used to fund early-stage climate tech firms, especially in electric vehicles (“EVs”), clean energy, and circular economy sectors.

India's regulatory landscape is also evolving. SEBI's Business Responsibility and Sustainability Report (BRSR) mandates ESG disclosures for the top 1,000 listed companies. The RBI has introduced a Green Deposit Framework, encouraging banks and NBFCs to offer ESG-linked savings products. Additionally, India launched its first Sovereign Green Bonds in 2023, aligned with ICMA Green Bond Principles, covering nine categories including climate mitigation, biodiversity conservation, and green buildings. India's Union Budget 2025 marked a significant shift toward ESG-aligned infrastructure investment. Key announcements included expanded funding for renewable energy, green hydrogen, and sustainable transport, alongside the introduction of tax incentives for ESG-compliant businesses. The budget also reinforced the role of sovereign green bonds, which are now a core instrument for financing climate-aligned infrastructure projects.

There has been an increased participation by Indian corporates and financial institutions in driving ESG-aligned investments. Innovative platforms like Green NBFCs and AIFs are emerging to serve underserved segments such as SMEs and retail investors. Venture debt and private credit are increasingly used to fund early-stage climate tech firms, especially in EVs, clean energy, and circular economy sectors.

Despite progress, challenges persist. Many climate projects face bankability issues, with uncertain cash flows and long payback periods. Policy uncertainty and limited ESG literacy among investors and employees also hinder broader adoption. Addressing these gaps through third-party assessments, ESG education, and cross-sector collaboration remain crucial.

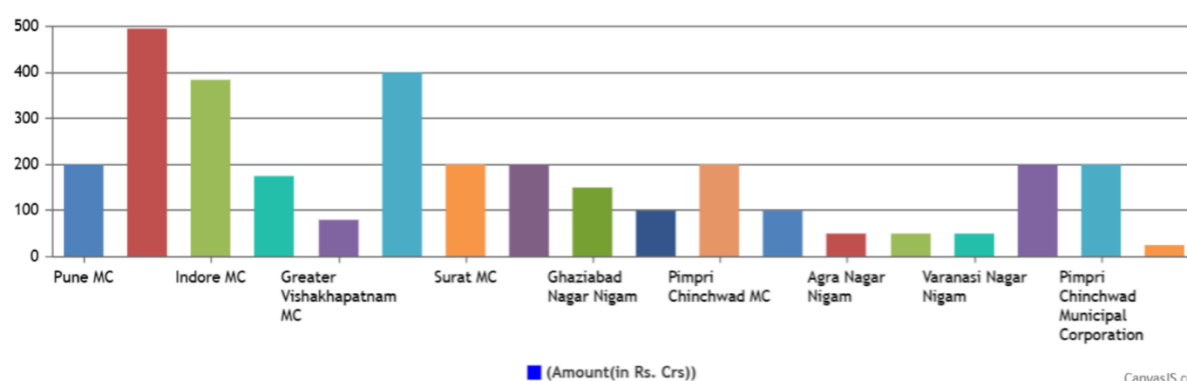
Innovative Financing Mechanisms

Municipal bonds and pooled financing

India's urban infrastructure faces a significant financing deficit, driven by rapid urbanisation, limited fiscal capacity of ULBs, and constrained access to long-term capital. Municipal bonds and pooled financing mechanisms offer promising solutions to bridge this gap by enabling cities to tap into capital markets and attract institutional investors. These instruments not only diversify funding sources but also introduce market discipline and transparency into urban infrastructure development.

Municipal bonds are debt securities issued by ULBs to finance infrastructure projects such as water supply, sanitation, roads, and public transport. Globally, municipal bonds are a cornerstone of urban finance—especially in the US, where they account for over U.S.\$4 trillion²⁷ in outstanding debt. In India, the market is growing steadily. Since Ahmedabad's pioneering issuance in 1998, cities like Pune, Indore, and Hyderabad have successfully raised funds through municipal bonds. Indore, for instance, issued ₹2.44 billion in 2023, backed by ring-fenced revenue from water user charges and property tax collections

Exhibit: Municipal bonds outstanding as on May 31, 2025



²⁷ <https://www.sifma.org/resources/research/statistics/us-municipal-bonds-statistics/>

Source: SEBI, as of May 31, 2025

From a credit perspective, municipal bonds face unique challenges. Many ULBs lack revenue streams, professional financial management, and credit histories, making it difficult to secure investment-grade ratings. However, credit enhancement mechanisms—such as escrow accounts, state guarantees, and structured repayments—can significantly improve the credit profile of municipal issuances. SEBI has played a pivotal role by introducing the Municipal Debt Securities Regulations in 2015, mandating credit ratings, audited financials, and project-specific disclosures.

Pooled financing offers an alternative model for smaller municipalities that lack the scale or creditworthiness to issue bonds independently. Under this approach, multiple ULBs aggregate their borrowing needs into a single issuance, backed by a common fund and credit enhancements. The Tamil Nadu Urban Development Fund (TNUDF) and the Karnataka Water and Sanitation Pooled Fund (“**KWSPF**”) are pioneering examples. KWSPF, managed by Karnataka Urban Infrastructure Development and Finance Corporation, has mobilised over ₹40 billion²⁸ for urban infrastructure projects across Karnataka, supporting water supply, sanitation, and urban transport initiatives.

From a credit standpoint, pooled financing mitigates individual city risk through portfolio diversification and centralized governance. It also enables the use of blended finance—where concessional capital from multilateral agencies is layered with commercial debt—to improve affordability and sustainability. The KfW-assisted Sustainable Municipal Infrastructure Financing Program in Tamil Nadu, for example, combines loans and grants to support urban infrastructure.

To scale municipal bonds and pooled financing, several steps could be taken. First, ULBs need to strengthen their financial management systems, including revenue forecasting, expenditure control, and asset monetization. Second, state governments must play a proactive role in providing guarantees, technical assistance, and regulatory support. Additionally, integrating ESG criteria into municipal bond frameworks can attract sustainability-focused investors. Green municipal bonds—used to finance climate-resilient infrastructure—are gaining traction globally and could be adapted to India’s smart city and clean energy initiatives. International examples, such as Johannesburg’s green bond and San Francisco’s climate bonds, offer valuable lessons in structuring, disclosure, and impact measurement.

Asset monetisation and recycling strategies

Asset monetisation and recycling have emerged as pragmatic strategies for governments to mobilise infrastructure financing without expanding fiscal deficits. These approaches involve transferring operational rights of revenue-generating public assets—typically brownfield—to private entities for a defined period. The proceeds are reinvested into new infrastructure, creating a cycle of capital regeneration and improved service delivery.

Globally, asset recycling has gained traction. Australia’s program, which offered matching grants to states for monetizing assets, resulted in over U.S.\$15 billion in recycled capital. These funds were reinvested into public transport and energy infrastructure. The World Bank and Global Infrastructure Facility have endorsed asset recycling as a sustainable financing model, particularly for emerging economies with limited fiscal space. India’s flagship initiative in this domain is the NMP, launched in 2021, targeting ₹6 trillion in monetisation value over FY2022–FY2025 (NMP 1.0).

Covering sectors such as roads, railways, power, telecom, and aviation, the NMP is built on the principle of “Creation through Monetisation”. It aims to unlock value from underutilised assets while leveraging private sector efficiencies in operations and maintenance.

²⁸ https://kuidfc.com/EN/Fund_management.php

The road sector has demonstrated early success. The Toll-Operate-Transfer (ToT) model and InvITs adopted by the NHAI have monetised operational highway stretches, attracting institutional investors. For example, NHAI's has so far raised over ₹926 billion (FY2019-FY2025) through InvIT and TOT monetisation from domestic and global investors, including pension funds and insurance companies. These structures offer upfront payments or periodic returns to the Government while transferring operational responsibilities to private concessionaires. Backed by traffic data, escrowing mechanisms, and performance-linked contracts, these models enhance credit quality and investor confidence.

From a credit perspective, monetized brownfield assets are attractive due to their established revenue streams and lower construction risk. They appeal to long-term investors such as sovereign wealth funds and pension funds seeking stable returns. Asset recycling also reduces reliance on debt financing and improves fiscal sustainability. However, implementation challenges persist. Public resistance, especially when assets are perceived as strategic or socially sensitive, can delay transactions. Valuation complexities and lack of standardized frameworks may lead to suboptimal pricing. Regulatory clarity and institutional capacity are essential to ensure transparent bidding, enforceable contracts, and post-transfer monitoring.

To address these issues, adoption of sound governance frameworks, including clear asset selection criteria, transparent transaction structures, and performance-linked contracts is imperative. Blended finance—combining public guarantees with private capital—can further enhance credit profiles and attract global investors.

Use of fintech and tokenization in infrastructure finance

Fintech and tokenisation are increasingly recognised as strategic instruments in advancing infrastructure finance, particularly in emerging markets like India. These technologies are facilitating more efficient capital mobilisation, improving credit assessment, and expanding investor participation across asset classes.

Fintech platforms are being deployed to enhance transparency and operational efficiency in infrastructure projects. Real-time monitoring tools, automated disbursement systems, and predictive analytics are now integrated into project finance workflows. For instance, smart contracts are being used to trigger payments upon verified completion of construction milestones, thereby reducing execution delays and mitigating corruption risks. Platforms such as Yubi and CredAvenue have enabled infrastructure debt syndication and supply chain financing, improving access to capital for mid-sized developers. Additionally, digital marketplaces are emerging where infrastructure projects can be listed, rated, and funded by institutional and retail investors, thereby broadening the investor base and lowering transaction costs.

Tokenisation further extends these capabilities by enabling fractional ownership of infrastructure assets through blockchain-based digital tokens. This model allows investors to acquire units representing a share in future cash flows or asset value from projects such as solar parks, toll roads, or smart grids. Tokenized assets offer enhanced traceability, enforceability, and liquidity, particularly through secondary market trading.

These features are increasingly appealing to institutional investors seeking transparency and risk-adjusted returns. Internationally, jurisdictions like Singapore have successfully piloted tokenized green bonds and infrastructure REITs. In India, regulatory bodies such as SEBI and IFSCA have initiated frameworks for fractional ownership and tokenised investment vehicles, with GIFT City emerging as a hub for digital asset innovation.

Despite the potential, several challenges remain. Regulatory ambiguity, cybersecurity vulnerabilities, and the absence of standardised legal frameworks continue to impede adoption. Credit rating agencies have yet to fully integrate blockchain-based performance data into their methodologies, and interoperability between digital platforms and traditional financial systems remains limited.

To scale these innovations, India must establish clear legal recognition of digital asset ownership and smart contract enforceability. Public-private partnerships should incorporate tokenised structures to attract diversified capital, and blended finance models combining concessional funding with tokenized instruments can help de-risk early-stage projects.

Fintech and tokenisation can play a key role to support a scalable, inclusive, and transparent infrastructure financing ecosystem. With appropriate regulatory support and institutional engagement, these models can contribute to closing India's infrastructure investment gap.

Green bonds and sustainability-linked instruments

India is developing its sustainable finance ecosystem, with green bonds and sustainability-linked instruments emerging as key tools to mobilise capital for climate-resilient infrastructure. These instruments are increasingly aligned with global standards and are supported by evolving regulatory frameworks, making them attractive to institutional investors seeking ESG-compliant assets.

The issuance of India's first sovereign green bonds in 2023 marked a significant milestone, raising over ₹80 billion for clean energy, public transport, and water conservation projects. These bonds adhered to the International Capital Market Association's Green Bond Principles and were backed by third-party verification, enhancing transparency and investor confidence. By the end of 2024, India had issued U.S.\$55.9 billion in green, social, sustainability, and sustainability-linked (GSS+) debt—an increase of 186% since 2021. Green debt comprises 83% of this total, mainly funding clean energy and transport. As of July 2025, outstanding green bonds stood at over ₹76.5 billion (about U.S.\$920 million), with major issuers including L&T Infrastructure Finance Company Ltd, Larsen & Toubro Limited, Mindspace Business Parks REIT, DME Development Limited and municipal corporations like Ahmedabad Municipal Corporation, Pimpri Chinchwad Municipal Corporation, among others.

To further strengthen the market, SEBI introduced a comprehensive ESG Debt Securities Framework in June 2025. This framework expands beyond green bonds to include social bonds, sustainability bonds, and sustainability-linked bonds (“SLBs”). It mandates rigorous pre-issuance disclosures, third-party verification, and annual impact reporting. Issuers must classify bonds based on their primary sustainability objective and disclose fund utilisation, project eligibility, and performance metrics. SLBs, in particular, link financial terms to ESG performance targets, such as emission reductions or renewable energy adoption.

Despite progress, India's green bond penetration remains modest. Emerging markets account for less than 10% of global green bond issuance, and India's share is constrained by limited capital market depth, inconsistent post-issuance reporting, and concerns over greenwashing.

SEBI's new framework addresses these issues by enforcing independent reviews and enabling investor recourse in cases of misalignment or misuse of proceeds.

To scale adoption, India needs to harmonise ESG taxonomies, integrate ESG metrics into credit rating methodologies, and promote blended finance models. Combining concessional capital with green or sustainability-linked instruments can de-risk early-stage projects and attract long-term institutional investment.

In conclusion, green bonds and sustainability-linked instruments are strategic enablers of India's infrastructure and climate goals. With regulatory support, growing issuer participation, and alignment with global standards, these instruments are poised to play a central role in financing inclusive and resilient development.

Conclusion

India's aspiration to become a developed economy by 2047 hinges on its ability to build resilient, inclusive, and future-ready infrastructure. With cumulative investment needs estimated at over U.S.\$7.5 trillion across

transport, energy, urban infrastructure development, among others the challenge is not only financial but also institutional and strategic.

The evolving financing landscape reflects a shift from traditional public funding to diversified capital sources. Instruments such as InvITs, green bonds, blended finance, and long-tenure debt are increasingly central to mobilizing private and institutional capital. Institutions like the Issuer play a catalytic role in de-risking projects, building bankable pipelines, and crowding in foreign investment. However, unlocking this potential requires more than capital. It demands sound governance, streamlined regulatory frameworks, and enhanced institutional capacity.

Reforms in land acquisition, dispute resolution, and contract enforcement must continue to reduce execution risks. Digital platforms and ESG-aligned instruments are improving transparency and aligning infrastructure with sustainability goals.

Strategic planning, fiscal prudence, and collaborative action across government, private sector, and civil society will be essential. By embracing innovation, strengthening institutions, and fostering inclusive growth, India can build an infrastructure ecosystem that supports economic expansion, enhances quality of life, and ensures environmental resilience.

The path to Viksit Bharat 2047 is complex but achievable. With sustained momentum and coordinated execution, India is well-positioned to transform its infrastructure landscape and realize its long-term development vision.

SUPERVISION AND REGULATION

The following description is a summary of certain sector-specific laws, regulations and guidelines in India which are applicable to the Issuer. The information detailed in this section has been obtained from publications, circulars and press releases available in the public domain and published on the official websites of the Indian ministries and departments of the Government of India, including governmental and regulatory bodies, as of the date of this Offering Circular. The Indian laws, regulations and guidelines set out below, currently in force, may not be exhaustive and are only intended to provide general and indicative information to investors and are neither designed nor intended to substitute for professional legal advice or a detailed review of the relevant laws, regulations and guidelines. Investors should consult their own legal, tax and other advisers as to the specific legal, tax, financial and other consequences of subscribing for, purchasing, holding, selling or otherwise dealing in the Notes. Any reference to Indian statutes, rules, guidelines or regulations in the summary below is a reference to the current provisions of the Indian statutes, rules, guidelines or regulations, as amended from time to time, and in force on the date of this Offering Circular.

Establishment and Incorporation of the Issuer

The Issuer was established and incorporated under the NABFID Act, with effect from April 19, 2021, with the mandate to support long-term, non-recourse infrastructure financing in India, and to develop bonds and derivatives markets to boost infrastructure growth. The Issuer was notified as a DFI, under the definition of the Companies Act, by a notification of the Ministry of Corporate Affairs dated September 10, 2024. The President of India, through the Department of Financial Services, Ministry of Finance, Government, is its sole shareholder.

The Issuer is also supervised as an AIFI by the RBI, with effect from March 09, 2022. Moreover, with debt securities listed on the Indian stock exchanges, viz. the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE), the Issuer is also considered a high value debt listed entity, with effect from June 20, 2023.

The NABFID Act

The Issuer's functions and business are governed by the NABFID Act (see “Description of the Issuer – Overview” above). The Issuer is a body corporate having perpetual succession and a common seal, with power to acquire, hold and dispose of property and to contract. The purposes and objectives of the Issuer have been laid down under Section 4 of the NABFID Act, with the same being classified into two categories: (i) developmental objectives; and (ii) financial objectives. Under Section 5(3) of the NABFID Act, the issued capital of the Issuer may be held by the Central Government, multilateral institutions, sovereign wealth funds, pension funds, insurers, financial institutions, banks, and any such institution as may be prescribed; provided that the Central Government shall, at all times, hold at least twenty-six per cent. of the shares of the Issuer. Under Section 7(1) of the NABFID Act, the general powers of superintendence, direction and management of the affairs and business of the Issuer are vested in the Board of Directors, which may exercise all powers and do all acts and things which may be exercised or done by the Issuer. Under Section 15 of the NABFID Act, the Board of Directors shall constitute a Nomination and Remuneration Committee, a Risk Management Committee and an Audit Committee, each consisting of a minimum of three directors with independent directors forming a majority, and such other committees as it may deem fit. The Risk Management Committee, Nomination and Remuneration Committee, Audit Committee, IT Strategy Committee, Stakeholders' Relationship Committee and Executive Committee are some of the key committees of the Issuer.

Pursuant to Section 6(1) of the NABFID Act, the Board of Directors of the Issuer shall comprise: (i) a Chairperson appointed by the Central Government in consultation with the RBI; (ii) a Managing Director; (iii)

not more than three Deputy Managing Directors; (iv) two directors nominated by the Central Government; (v) up to three directors elected by the shareholders, provided that a shareholder, other than the Central Government, holding 10% (ten per cent.) or more of the total issued equity share capital may nominate one director; and (vi) such number of independent directors as may be appointed by the Board on the recommendation of the Nomination and Remuneration Committee, not exceeding three or one-third of the total number of directors on the Board, whichever is higher.

Under Section 17(v) of the NABFID Act, the Issuer may lend and invest in infrastructure projects located in India, or partly in India and partly outside India, including by underwriting credit, securitization of its receivables, including by way of any pass-through certificate or direct assignment, transfer or novation, or by means of innovative financial tools including transactions secured by receivables from projects. Under Section 17(vi) of the NABFID Act, the Issuer has the power to extend loans and advances to any company or statutory corporation or trust or any financial institution funding infrastructure, for the purposes of providing financial assistance for infrastructure projects located in India, or partly in India and partly outside India. The Issuer may also take over or refinance existing loans extended by lenders for infrastructure projects located in India or partly in India and partly outside India as laid down in Section 17(vii) of the NABFID Act.

Further, under Section 17(xii) of the NABFID Act, the Issuer may borrow or raise money by way of loans or otherwise both in rupees and foreign currencies or secure the payment of money by the issue and sale of debentures, debenture stocks, bonds, obligations, mortgages and securities of all kinds, either perpetual or terminable and either redeemable or otherwise and charge or secure the same by trust deed, or otherwise on the undertaking of the Issuer including its authorized or issued capital, or upon any specific property and rights, present or future, of the Issuer, or otherwise, howsoever. The Issuer may also carry on and transact such other related businesses as prescribed under the NABFID Act.

Under Section 18 of the NABFID Act, the Issuer shall not make any loan or advance on the security of its own bonds or debentures, and shall not make loans or advances to any person or body of persons of which any of the directors of the Issuer is a proprietor, partner, director, employee or guarantor, or in which one or more directors of the Issuer hold substantial interest, subject to certain specified exceptions.

Under Section 24 of the NABFID Act, the Issuer shall establish a reserve fund to which shall be transferred not less than 20% (twenty per cent.) of the annual profits accruing to the Issuer. After making provisions for bad and doubtful debts, depreciation of assets and for all other matters for which provision is necessary or expedient and for the reserve fund, the Board may, out of its net profits, propose a dividend.

The Issuer's statutory auditors are appointed by the Issuer in general meeting of the shareholders, under Section 26(1) of the NABFID Act, out of the panel of auditors approved by the RBI, for such term and on such remuneration as the RBI may fix. For the financial year ended March 31, 2026, the Issuer's statutory auditors were C N K Associates LLP, Chartered Accountants.

Under Section 26(5) of the NABFID Act, the Issuer shall furnish to the Central Government and the RBI, within four months from the date on which its accounts are closed and balanced, a copy of its balance sheet and accounts together with a copy of the auditor's report and a report of the working of the Issuer during the relevant year. These documents are laid before each House of Parliament by the Central Government.

According to Section 42 of the NABFID Act, the provisions of Section 34A (which deals with "Production of documents of confidential nature") and Section 36AD (which deals with "Punishments for certain activities in relation to banking companies") of the Banking Regulation Act, 1949 shall apply to the Issuer. Under Section 43 of the NABFID Act, no provision of any law relating to the winding-up of companies shall apply to the Issuer, and the Issuer shall not be placed in liquidation save by an order of the Central Government and in such manner as it may direct.

Under Section 44 of the NABFID Act, the Issuer shall, in the performance of its functions under the NABFID Act, be bound by such directions on questions of policy as the Central Government may give in writing to it from time to time. Further, under Section 45 of the NABFID Act, the provisions of the NABFID Act shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force or any instrument having effect by virtue of any such law.

The Issuer's balance sheet, the profit and loss account and the cash flow statement have been prepared in accordance with the accounting principles followed in India, which are also generally consistent with international accounting standards. The form and manner in which the balance sheet and the profit and loss account are prepared is provided in the National Bank for Financing Infrastructure and Development General Rules, 2022, as amended from time to time (the "**General Rules**").

In addition to the General Rules, the Central Government has notified the National Bank for Financing Infrastructure and Development General Regulations, 2022, as amended from time to time (the "**General Regulations**"), which principally govern the internal governance and administration of the Issuer. Whereas the General Rules prescribe, among other things, the form and manner in which the Issuer's balance sheet and profit and loss account are prepared, the General Regulations deal principally with the conduct of the affairs of the Board of Directors and its committees and related governance matters.

The General Regulations, *inter alia*: (i) prescribe the manner of convening and conducting meetings of the Board and its committees, and require the Issuer to observe the secretarial standards applicable to board meetings of a company under Section 118(10) of the Companies Act, 2013; (ii) set out the functions of the Audit Committee, the Nomination and Remuneration Committee and the Risk Management Committee, and provide for an Executive Committee and such other committees as the Board may constitute; (iii) regulate transactions with related parties, including the thresholds above which such transactions may not be entered into without approval and the conditions on which the Audit Committee may grant omnibus approval; (iv) provide for the salary and allowances payable to the Managing Director, Deputy Managing Directors, officers and other employees, subject to the limits on managerial remuneration under the Companies Act, 2013; (v) permit the Issuer to take officers and other employees on deputation for a period not exceeding five years; and (vi) lay down the mechanism for determining penalties for contravention of the provisions of Sections 16 and 19 of the NABFID Act, together with a right of appeal to the Board.

RBI Directions and Regulations as Applicable to the Issuer

As an AIFI regulated by the RBI, the Issuer is subject to the regulatory supervision of the RBI and is required to comply with applicable RBI directions, regulations, notifications, circulars and other regulatory instructions issued from time to time. Set out below is a summary of certain key RBI directions and regulations applicable to the Issuer.

Reserve Bank of India (All India Financial Institutions – Resolution of Stressed Assets) Directions, 2025, dated November 28, 2025, notification RBI/DOR/2025-26/332 DOR.STR.REC.251/21.04.048/2025-26, as amended (the “AIFI Stressed Assets Directions”)

The AIFI Stressed Assets Directions establish a comprehensive framework for early recognition, reporting, and time-bound resolution of stressed assets. The AIFI Stressed Assets Directions apply to All India Financial Institutions, namely Export-Import Bank of India, National Bank for Agriculture and Rural Development, National Housing Bank, Small Industries Development Bank of India, and National Bank for Financing Infrastructure and Development. AIFIs are required to put in place Board-approved policies for resolution of stressed assets, including timelines for resolution and detailed policies on various signs of financial difficulty. The AIFI Stressed Assets Directions mandate that AIFIs recognise incipient stress by classifying accounts as special mention accounts (SMA) upon and in accordance with applicable SMA criteria for overdue/default, and

once default is reported, lenders having exposure are required to undertake a prima facie review of the borrower account within a 30-day Review Period and decide on the resolution strategy. Resolution plans may involve regularisation of accounts by payment of overdue, sale of exposures, change in ownership, or restructuring, and must be clearly documented by the AIFI even if there are no changes in terms and conditions. Accounts classified as 'standard' shall be immediately downgraded to non-performing assets (sub-standard) following restructuring, whilst non-performing assets continue to have the same classification. Upgrade to standard category requires satisfactory performance during the monitoring period and, for specified exposures, satisfaction of investment-grade credit rating conditions. The AIFI Stressed Assets Directions also cover compromise settlements, which aim to maximise recovery from distressed borrowers and are not available to borrowers as a matter of right but are at the discretion of AIFIs based on commercial judgement. AIFIs may participate in government debt relief schemes based on board-approved policies, subject to extant regulatory norms. The AIFI Stressed Assets Directions supersede prior AIFI-specific instructions on resolution of stressed assets, subject to savings/transition provisions.

The AIFI Stressed Assets Directions also prescribe a framework for the resolution of accounts impacted by calamities. These provisions apply to the resolution of exposures of borrowers impacted by a natural calamity (being an event recognized under the National Disaster Response Fund or the State Disaster Response Fund) or, mutatis mutandis, by external events such as riots or disturbances that result in loss to economic activity, upon the declaration of such calamity by the Central or State Government. Upon such declaration, the State Level Bankers' Committee ("SLBC") / Union Territory Level Bankers' Committee ("UTLBC") or, where only a part of a State or Union Territory is affected, the District Consultative Committee ("DCC"), is required to convene a special meeting within 15 days to assess the impact of the calamity and, where appropriate, to recommend relief measures and formulate objective criteria for identifying impacted borrowers.

Borrowers whose accounts are classified as 'standard' and which are not in default for more than 30 days with the AIFI in respect of any of their facilities, as on the date of occurrence of the calamity, are eligible for resolution under this framework. Where the SLBC / UTLBC / DCC recommends relief measures, the AIFI may implement a resolution plan, which must be invoked no later than 45 days from, and implemented within 135 days of, the date of declaration of the calamity. The resolution plan may include the rescheduling of payments, the conversion of interest accrued or to be accrued into another credit facility and, subject to an assessment of the borrower's viability, the sanction of additional finance. These provisions do not apply to the refinance portfolio of the AIFI.

The AIFI Stressed Assets Directions further regulate the prudential treatment of specified non-financial assets ("SNFAs") acquired by an AIFI, being immovable assets acquired by an AIFI in satisfaction or part satisfaction of its claims on a borrower, including where acquired through bilateral acquisitions or through the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. An AIFI's Board-approved policy is required to address, *inter alia*, the limit on SNFAs as a share of total assets, eligibility criteria, the delegation matrix, the recovery efforts to be explored prior to acquisition, and the maximum period for disposal, which shall not exceed seven years. An SNFA is deemed to have been acquired only where title to the asset is transferred in the name of the AIFI and the AIFI is in a clear position to deal with the asset on its own, and an SNFA may only be acquired where the AIFI's exposure to the relevant borrower is classified as non-performing. An SNFA may be acquired against full or partial extinguishment of the AIFI's exposure on a non-recourse basis, and partial extinguishment of the exposure is treated as restructuring, such that the residual exposure to the borrower attracts the prudential treatment applicable to restructuring under the AIFI Stressed Assets Directions. In respect of any SNFA outstanding in the books of an AIFI as on September 30, 2026, compliance with these requirements is required to be achieved by no later than September 30, 2027.

Upon acquisition, an SNFA is required to be recorded in the AIFI's balance sheet at the lower of the net book value of the extinguished exposure or the distress sale value of the SNFA, as determined by at least two independent external valuers, with the net book value of the extinguished exposure calculated on a proportionate

basis in the case of partial extinguishment. At each subsequent reporting date, the SNFA is required to be carried at its revised net book value, being the value of the extinguished exposure net of the notional provisions that would have applied had the exposure continued on the AIFI's books (or, in the case of partial extinguishment, the extinguished fraction of the net book value of the original exposure).

An AIFI is required to make all efforts to dispose of an SNFA at the earliest opportunity, preferably through a public auction conducted in accordance with the principles of auction enshrined in the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, and in any event within the maximum disposal period specified in its policy (not exceeding seven years). An SNFA may not be sold back to the borrower or its related parties (as defined under the Insolvency and Bankruptcy Code, 2016), and this restriction continues to apply even after the asset has ceased to be classified as an SNFA. An SNFA put to the AIFI's own use ceases to be classified as an SNFA from the date it is put to use and is thereafter recorded under the accounting head 'Fixed assets' or such other relevant accounting head. SNFAs are excluded from the AIFI's total stock of residual exposure, Gross NPA, Net NPA, stressed exposures and Provisioning Coverage Ratio, and are instead disclosed separately in the AIFI's balance sheet as 'Specified Non-Financial Assets', with reporting of SNFA details to the RBI required on the CIMS portal.

Reserve Bank of India (All India Financial Institutions – Classification, Valuation, and Operation of Investment Portfolio) Directions, 2025, dated November 28, 2025, notification RBI/DOR/2025-26/329 DOR.MRG.REC.No.248/00-00-017/2025-26, as amended (the “AIFI Investment Portfolio Directions”)

The RBI has issued the AIFI Investment Portfolio Directions, applicable to AIFIs including the Issuer. Under the AIFI Investment Portfolio Directions, an AIFI is required to classify its entire investment portfolio under the categories of “Held to Maturity”, “Available for Sale” and “Held for Trading”. The AIFI Investment Portfolio Directions prescribe prudential limits, including limits on investment in unlisted non-government securities, and require investments in non-government debt securities to be made only in accordance with the conditions specified under AIFI Investment Portfolio Directions, including applicable rating, listing and disclosure requirements. The directions also prescribe valuation norms for quoted and unquoted securities, including corporate bonds, debentures, commercial paper, mutual fund units, security receipts / pass-through certificates issued by ARCs and Category I and II AIF units. They further set out requirements relating to trading and settlement of corporate bonds and securitised debt instruments, internal controls, broker engagement, audit, review and reporting, and income recognition, provisioning and classification of non-performing investments.

Reserve Bank of India (All India Financial Institutions (AIFIs) – Prudential Norms on Capital Adequacy) Directions, 2025, dated November 28, 2025, notification RBI/DOR/2025-26/321 DOR.CAP.REC.240/21-01-002/2025-26, as amended (the “AIFI Capital Adequacy Directions”)

The AIFI Capital Adequacy Directions are applicable to AIFIs, including the Issuer. The capital adequacy framework is based on three Pillars: Pillar 1 (Minimum Capital Requirement), Pillar 2 (Supervisory Review and Evaluation Process) and Pillar 3 (Market Discipline). An AIFI shall comply with the capital adequacy ratio requirements at two levels on an ongoing basis: the standalone level and the consolidated level, which measures capital adequacy after consolidating the assets and liabilities of its subsidiaries, joint ventures and associates, except those engaged in insurance and any non-financial activities. Total regulatory capital consists of Tier 1 Capital (going-concern capital), comprising Common Equity Tier 1 (“CET 1”) and Additional Tier 1 (“AT 1”), and Tier 2 Capital (gone-concern capital).

An AIFI shall maintain a minimum CET 1 of 5.5 per cent. of Risk Weighted Assets (“RWAs”), minimum Tier 1 capital of 7 per cent. of RWAs (with maximum AT 1 capital admissible within minimum Tier 1 being 1.5 per cent. of RWAs), and minimum total capital (CRAR) of 9 per cent. of RWAs on an ongoing basis (with maximum Tier 2 capital admissible within minimum total capital being 2 per cent. of RWAs). Total RWAs are computed as the sum of Credit Risk RWAs, Market Risk RWAs and Operational Risk RWAs, with the standardized approach prescribed for credit risk.

CET 1 capital comprises, *inter alia*, common shares (paid-up equity capital), stock surplus (share premium), statutory reserves, capital reserves, other disclosed free reserves, and balance in profit and loss account, less regulatory adjustments/deductions including goodwill and other intangible assets, deferred tax assets, and investments in own shares. AT 1 capital comprises Perpetual Non-Cumulative Preference Shares and Perpetual Debt Instruments, which are perpetual with no maturity date and no step-ups or other incentives to redeem, and an AIFI shall have full discretion at all times to cancel distributions/payments thereon, such cancellation not being an event of default. AT 1 instruments shall have principal loss absorption at a pre-specified trigger point of at least CET 1 capital of 6.125 per cent. of RWAs, through either conversion to common shares or a write-down mechanism, and at the Point of Non-Viability, at the option of the Reserve Bank, all non-common equity Tier 1 and Tier 2 capital instruments shall be either written off or converted into common equity. Tier 2 capital comprises general provisions and loss reserves (up to a maximum of 1.25 per cent. of total credit RWAs), Debt Capital Instruments with a minimum maturity of five years (subject to progressive discount), and Preference Share Capital Instruments (PCPS/RNCPS/RCPS), less regulatory adjustments/deductions. An AIFI shall maintain a minimum leverage ratio of 4 per cent., defined as Tier 1 capital divided by the exposure measure, expressed as a percentage, disclosed on a quarterly basis. Under Pillar 2, the Reserve Bank shall take into account the relevant risk factors and internal capital adequacy assessments of each AIFI to ensure that capital held is commensurate with its overall risk profile, and may prescribe a higher level of minimum capital ratio for each AIFI based on its respective risk profile and risk management systems. Under Pillar 3, an AIFI shall make disclosures at least on a half-yearly basis, with disclosures on capital adequacy and credit risk made at least on a quarterly basis, and shall maintain a “Regulatory Disclosures Section” on its website. Capital instruments already issued by an AIFI which no longer qualify as regulatory capital under the AIFI Capital Adequacy Directions shall be allowed to be counted as Tier 1 or Tier 2 as per existing rules until their maturity or the first call date, whichever is earlier, and all capital instruments issued after the AIFI Capital Adequacy Directions come into effect shall comply with the requirements set out in the AIFI Capital Adequacy Directions. With the issuance of the AIFI Capital Adequacy Directions, existing directions, instructions, and guidelines relating to Prudential Norms on Capital Adequacy as applicable to AIFIs stand repealed.

The AIFI Capital Adequacy Directions prescribe the risk weights applicable to different categories of exposure under the standardised approach for credit risk. Claims on non-resident corporates are risk weighted on the basis of the ratings assigned by international rating agencies (S&P, Fitch and Moody’s), ranging from 20 per cent. for the most highly rated claims (AAA to AA) to 150 per cent. for claims rated below BB, with unrated claims attracting 100 per cent. (and 150 per cent. where the aggregate exposure of the borrower from the banking system exceeds the specified thresholds); a separate rating-to-risk-weight mapping applies to claims on non-resident corporates rated by CareEdge Global IFSC Limited.

Exposures guaranteed under the Emergency Credit Line Guarantee Scheme 5.0 are accorded preferential regulatory treatment. Such exposures attract a risk weight of zero per cent. to the extent of 75 per cent. of the guaranteed portion (that is, the portion in respect of which the settlement amount is expected to be received within 30 days from the date of invocation of the guarantee), and the remaining exposure attracts the risk weight applicable under the extant guidelines.

In respect of foreign exchange risk, the framework for computing the capital charge has been revised with effect from April 1, 2027 pursuant to the Reserve Bank of India (All India Financial Institutions (AIFIs) – Prudential Norms on Capital Adequacy) Fourth Amendment Directions, 2026, dated June 24, 2026, notification RBI/2026-27/161 DOR.MRG.REC.No.147/21-01-002/2026-27. Under the revised framework, an AIFI is required to compute its Net Open Position and maintain the related capital charge at both the solo/standalone and group/consolidated levels, on a continuous basis at the close of each business day. Positions deducted from an AIFI’s regulatory capital (or risk weighted at 1250 per cent.), and securities that have matured and remain unpaid or have been classified as non-performing, are excluded from the Net Open Position. An AIFI may also, subject to specified conditions, exclude certain structural (non-dealing) foreign currency positions, including

capital investments and accumulated or unremitted surplus in overseas branches, subsidiaries, joint ventures, associates, IFSC Banking Units and Offshore Banking Units, from its Net Open Position, such exclusions being reassessed on a quarterly basis and capped and documented in accordance with the AIFI's risk management policy. The Net Open Position in each currency continues to be calculated by aggregating, among other items, the net spot position, the net forward position, guarantees that are certain to be called and likely to be irrecoverable, and the net delta-based equivalent of foreign currency options, with the overall Net Open Position across currencies measured using a shorthand method that aggregates the higher of the sum of net long or net short currency positions with the net position in gold. The capital charge for foreign exchange risk, including gold, remains at 9 per cent. of the overall Net Open Position so computed, in addition to the capital charge for credit risk on the related on-balance sheet and off-balance sheet items.

Reserve Bank of India (All India Financial Institutions – Income Recognition, Asset Classification and Provisioning) Directions, 2025, dated November 28, 2025, notification RBI/DOR/2025-26/331 DOR.STR.REC.No.250/21.04.048/2025-26, as amended (the “IRAC Directions”)

The IRAC Directions are applicable to AIFIs, including the Issuer. The policy of income recognition shall be objective and based on record of recovery rather than on any subjective considerations, and an AIFI shall frame a Board approved policy for the implementation of the IRAC Directions, including guidelines for making provisions for standard assets at rates higher than the regulatory minimum and for appointment of external agencies for stock audit and valuation of collateral. The classification of assets as non-performing shall be done on the basis of objective criteria, and asset classification shall be borrower-wise and not facility-wise; accordingly, all facilities granted by an AIFI to a borrower and investments in all securities issued by the borrower shall be treated as NPA / Non-Performing Investment and not the particular facility or investment or part thereof which has become irregular. An AIFI shall classify a loan or an advance as NPA if, *inter alia*: (i) interest and/or instalment of principal remains overdue for a period of more than 90 days in respect of a term loan; (ii) the bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted; (iii) the instalment of principal or interest thereon remains overdue for two crop seasons for short duration crops; (iv) the instalment of principal or interest thereon remains overdue for one crop season for long duration crops; (v) the amount of liquidity facility remains outstanding for more than 90 days in respect of a securitisation transaction; and (vi) in respect of derivative transactions, the overdue receivables representing positive mark-to-market value of a derivative contract remain unpaid for a period of 90 days from the specified due date for payment. Non-performing assets are further classified into substandard assets (assets which have remained NPA for a period less than or equal to twelve months), doubtful assets (assets which have remained in the substandard category for a period of twelve months) and loss assets (assets where loss has been identified but the amount has not been written off wholly). Loan accounts classified as NPAs may be upgraded as standard assets only if entire arrears of interest and principal are paid by the borrower, and in case of borrowers having more than one credit facility from an AIFI, loan accounts shall be upgraded from NPA to standard asset category only upon repayment of entire arrears of interest and principal pertaining to all the credit facilities.

An AIFI shall make general provision for standard assets at the following rates on the funded outstanding on a global loan portfolio basis: (i) farm credit to agricultural activities, individual housing loans and Small and Micro Enterprises sectors at 0.25 per cent.; (ii) advances to Commercial Real Estate (CRE) sector at 1.00 per cent.; (iii) advances to Commercial Real Estate – Residential Housing Sector (CRE-RH) at 0.75 per cent.; (iv) all other loans and advances at 0.40 per cent.; and loans to Medium Enterprises shall attract 0.40 per cent. standard asset provisioning. A general provision of 15 per cent. on total outstanding shall be made in respect of substandard assets without making any allowance for ECGC guarantee cover and securities available, and unsecured exposures identified as substandard shall attract an additional provision of 10 per cent., i.e., a total of 25 per cent. on the outstanding balance; provided that infrastructure loan accounts classified as sub-standard shall attract a provisioning of 20 per cent., subject to appropriate escrow mechanisms being in place. In respect of doubtful assets, provision of 100 per cent. shall be made to the extent the advance is not covered by the

realisable value of the security, and provision on the secured portion shall be made at rates ranging from 25 per cent. to 100 per cent. depending upon the period for which the asset has remained doubtful: up to one year at 25 per cent., one to three years at 40 per cent., and more than three years at 100 per cent. Loss assets should be written off, and if permitted to remain in the books for any reason, 100 per cent. of the outstanding shall be provided for. For project finance exposures, an AIFI shall maintain general provision at specified rates during the construction phase (CRE at 1.25 per cent., CRE-RH at 1.00 per cent., all others at 1.00 per cent.) and the operational phase (CRE at 1.00 per cent., CRE-RH at 0.75 per cent., all others at 0.40 per cent.).

An AIFI shall recognize income on accrual basis only in respect of credit facilities which are classified as standard; for credit facilities which are not classified as standard, including those guaranteed by Government, income shall be recognized on actual receipt basis i.e. cash basis. If any advance becomes NPA, the entire interest accrued and credited to income account in the past periods shall be reversed if the same is not realized, and fees, commission and similar income that have accrued shall cease to accrue in the current period and shall be reversed with respect to past periods, if uncollected. With the issuance of the IRAC Directions, existing directions, instructions and guidelines relating to income recognition, asset classification and provisioning as applicable to AIFIs stand repealed.

The IRAC Directions have been aligned with the revised framework for the resolution of stressed assets, including in respect of exposures affected by calamities. Accordingly, where an AIFI implements a resolution plan for a borrower impacted by a calamity in accordance with the framework described above under the AIFI Stressed Assets Directions, the asset classification, income recognition and provisioning of the affected exposures are governed by that framework, including the eligibility conditions applicable to 'standard' accounts and the timelines for invocation and implementation of the resolution plan.

The IRAC Directions have also been amended to introduce income recognition norms specific to the acquisition of SNFAs by an AIFI. Any accrued but unrealized interest and/or charges from the extinguished exposure pertaining to periods prior to the acquisition of an SNFA shall not be recognized as income upon acquisition of the SNFA, and where such income has already been recognized in respect of any SNFA outstanding in the books of an AIFI as on September 30, 2026, it shall be reversed through the profit and loss account, no later than September 30, 2027, to the extent remaining unrealized as on that date. Any income received from an SNFA is recognized in the income statement as 'non-interest/other income' in the financial year in which it is realized, and any expense incurred towards the upkeep of an SNFA is accounted for in the income statement in the financial year in which it is incurred.

Reserve Bank of India (All India Financial Institutions – Asset Liability Management) Directions, 2025, dated November 28, 2025, notification RBI/DOR/2025-26/330 DOR.LRG.REC.No.249/13-10-005/2025-26, as amended (“ALM Directions”)

The ALM Directions are applicable to AIFIs, including the Issuer. The Board of an AIFI shall have overall responsibility for management of risks and shall decide the risk management policy, set limits for liquidity, interest rate, exchange rate and equity price risks, and constitute a Management Committee or specific Committee to oversee the implementation of the ALM system. An AIFI shall establish an ALM framework for measuring, monitoring and managing liquidity risk, interest rate risk and foreign exchange risk, supported by an Asset Liability Management Committee (“ALCO”) as a decision-making unit responsible for integrated balance sheet management from a risk-return perspective. An AIFI shall adopt the maturity ladder approach for measuring and managing net funding requirements through a Statement of Liquidity across ten prescribed time buckets ranging from 1–14 days to over 10 years, and the negative gap for 1–14 days and 15–28 days' time buckets shall not exceed 10 per cent. and 15 per cent. respectively of cash outflows in each time bucket. An AIFI shall use Traditional Gap Analysis to measure interest rate risk by calculating gaps between rate sensitive assets and rate sensitive liabilities over different time intervals, and shall prepare an Interest Rate Sensitivity Statement across prescribed time buckets; where an AIFI has adequate MIS and technical capability, it may

deploy advanced techniques such as Duration Gap Analysis, Simulation and Value at Risk, with Board/ALCO approval.

An AIFI shall prepare currency-wise Statement of Liquidity and Interest Rate Sensitivity Statements for each foreign currency in which it has an exposure. An AIFI shall perform stress tests or scenario analyses on a regular basis to identify and quantify exposures to possible future liquidity stresses and shall maintain a contingency funding plan for managing stress events. An AIFI shall implement a scientifically designed internal transfer pricing mechanism as part of its ALM system. The Statement of Liquidity shall be prepared on a fortnightly basis and the Interest Rate Sensitivity Statement on a monthly basis, and both shall be submitted to the Department of Supervision, RBI on a quarterly basis. With the issuance of the ALM Directions, existing directions, instructions and guidelines relating to Asset Liability Management as applicable to AIFIs stand repealed.

Reserve Bank of India (All India Financial Institutions – Concentration Risk Management) Directions, 2025, dated November 28, 2025, notification RBI/DOR/2025-26/326 DOR.CRE.REC.245/07-03-007/2025-26, as amended (“CRM Directions”)

The CRM Directions are applicable to AIFIs, including the Issuer. An AIFI shall formulate a comprehensive Board-approved policy on the Large Exposures Framework, including provisions for determining credit exposure limits, conditions for exposure beyond 20 per cent. of eligible capital base to a single counterparty, determining connectedness among counterparties, and adopting internal ceilings for aggregate investment in equity of non-financial/commercial enterprises.

“Eligible capital base” for the purposes of CRM Directions means the effective amount of Tier 1 capital as per the last audited balance sheet. A “Large Exposure” means the sum of all exposure values of an AIFI to a counterparty and/or a group of connected counterparties, if it is equal to or above 10 per cent. of the AIFI’s eligible capital base.

The sum of all exposure values to a single counterparty shall not exceed 20 per cent. of the AIFI’s eligible capital base, provided that the Board may allow additional 5 per cent. (but not exceeding 25 per cent. in any case), and a further 5 per cent. of Tier 1 capital for infrastructure loan and/or investment. The sum of all exposure values to a group of connected counterparties shall not exceed 25 per cent. of the eligible capital base, with an additional 10 per cent. of Tier 1 capital permissible for infrastructure loan and/or investment. Two or more persons shall be deemed a group of connected counterparties if there exists a control relationship (one counterparty directly or indirectly controls the other) or economic interdependence (financial difficulties of one would likely cause funding or repayment difficulties for the other).

Exposures to the Government of India and State Governments eligible for zero per cent. risk weight, exposures to the RBI, exposures fully guaranteed by the Government of India, the refinance portfolios of the AIFI, intra-day exposures to banks, and clearing-related exposures to QCCPs are exempt from the exposure limits. Exposures to banks (excluding refinance) shall be subject to a large exposure limit of 25 per cent. of Tier 1 capital. The aggregate exposure of an AIFI to capital markets in all forms shall not exceed 40 per cent. of its net worth, with direct exposure within this ceiling not exceeding 20 per cent. of net worth. An AIFI’s equity investment in a single company made in conformity with its statutory mandate shall not exceed 49 per cent. of the equity of the investee company, and in all other cases, the AIFI shall not hold more than 10 per cent. of the equity of the investee company as direct investment. An AIFI’s aggregate investment in equity of non-financial/commercial enterprises shall not exceed 10 per cent. of its net worth. Breach of exposure limits shall be reported to the RBI immediately, and the AIFI shall not undertake any further exposure until the breach is rectified; failure to comply may lead to imposition of penalties by the supervisor. With the issuance of the CRM Directions, existing directions, instructions and guidelines relating to Concentration Risk Management as applicable to AIFIs stand repealed.

Reserve Bank of India (All India Financial Institutions – Resource Raising Norms) Directions, 2025, dated November 28, 2025, notification RBI/DOR/2025-26/322 DOR.LRG.REC.No.241/13-10-005/2025-26, as amended (“Resource Raising Directions”)

The Resource Raising Directions are applicable to AIFIs, including the Issuer. The RBI has prescribed an Umbrella Limit (“UL”) for the mobilisation of resources by an AIFI through specified instruments, linked to the Net Owned Funds (“NOF”) of the AIFI, and the aggregate borrowings under the UL shall not at any time exceed 100 per cent. of the NOF as per the latest audited balance sheet, or as approved by the RBI. The UL consists of borrowings through four specified instruments, viz., term deposits (“TDs”), term money borrowings, certificates of deposit (“CDs”) and commercial papers (“CPs”). TDs shall be for a maturity period of not less than one year and not exceeding five years, in a minimum denomination of ₹10,000 and shall be mandatorily rated from a SEBI-approved Credit Rating Agency; premature withdrawal before completion of one year is not permitted except in cases of death, medical exigencies, educational expenditure and other Board-approved reasons. Term money borrowings shall be for a maturity period of not less than three months and not exceeding six months, and shall be permitted only from scheduled commercial banks and co-operative banks. CDs shall be issued only in dematerialised form, in a minimum denomination of ₹5 lakh and multiples thereof, with a tenor at issuance of not less than one year and not exceeding three years, and no buy-back before maturity or loans against CDs shall be permitted unless specifically allowed by the RBI; CDs may be issued at a discount to face value on a fixed or floating rate basis. CPs shall be governed by the Master Direction – Reserve Bank of India (Commercial Paper and NCDs of original or initial maturity upto one year) Directions, 2024. An AIFI shall be permitted to raise resources by way of issue of bonds, either by public issue or through private placement, without the prior approval of the RBI, provided that the minimum maturity at issuance shall be three years, interest/coupon may be at a fixed or floating rate referenced to a market determined benchmark rate, and no call or put or exit options shall be exercisable before the expiry of one year from the date of issue. With the issuance of the Resource Raising Directions, existing instructions and guidelines relating to Resource Raising Norms as applicable to AIFIs stand repealed.

Reserve Bank of India (All India Financial Institutions – Credit Risk Management) Directions, 2025, dated November 28, 2025, notification RBI/DOR/2025-26/325 DOR.CRE.REC.244/07-02-007/2025-26, as amended (“Credit Risk Directions”)

The Credit Risk Directions are applicable to AIFIs, including the Issuer. An AIFI shall put in place a comprehensive Board-approved policy on Credit Risk Management covering, *inter alia*, lending to related parties, legal entity identifier, filing of security interest, and restrictions on revolving credit facilities. An AIFI cannot grant any loans and advances on the security of its own shares. An AIFI shall not enter into any commitment for granting any loan or advance to or on behalf of any of its directors, any firm in which any of its directors is interested as partner, manager, employee or guarantor, or any company of which any director of the AIFI is a director, managing agent, manager, employee or guarantor or in which he holds substantial interest, subject to specified exceptions including advances against government securities, life insurance policies or fixed deposits, and personal loans to directors as permitted under approved policy. The Credit Risk Directions prescribe a framework for lending to related parties (as defined therein), requiring the Board to have overall responsibility, prescribing aggregate limits and sub-limits for loans to related parties within extant prudential exposure limits, and imposing materiality thresholds (ranging from ₹5 crore to ₹25 crore depending on asset size) above which loans shall be sanctioned by the Board or the Committee on Lending to Related Parties; directors, KMPs and specified employees shall recuse themselves from deliberations on loan proposals involving themselves or their related parties. Non-individual borrowers with aggregate exposure of ₹5 crore and above from banks and financial institutions shall obtain Legal Entity Identifier (“LEI”) codes, and borrowers failing to obtain LEI shall not be sanctioned any new exposure or renewal/enhancement of existing exposure. An AIFI shall file charges relating to all current transactions with the Central Registry of Securitisation Asset Reconstruction and Security Interest of India on an ongoing basis. An AIFI shall not extend

working capital finance unless specifically permitted by the RBI, except where banks are unable to meet credit requirements on account of temporary liquidity constraints, and shall not extend revolving underwriting facility to short-term floating rate notes/bonds or debentures issued by companies. With the issuance of the Credit Risk Directions, existing directions, instructions and guidelines relating to Credit Risk Management as applicable to AIFIs stand repealed.

As described above, the Credit Risk Directions require an AIFI to put in place a comprehensive Board-approved framework for lending to related parties, including aggregate limits and sub-limits within the extant prudential exposure limits, materiality thresholds above which such loans must be sanctioned by the Board or the Committee on Lending to Related Parties, and a requirement for directors, key managerial personnel and specified employees to recuse themselves from deliberations on proposals involving themselves or their related parties. For this purpose, and consistently with the related party disclosure format prescribed under the Reserve Bank of India (All India Financial Institutions – Financial Statements: Presentation and Disclosures) Directions, 2025, ‘related parties’ of an AIFI comprise its parent, subsidiary(ies), associates and joint ventures, key managerial personnel (being the whole-time directors of the AIFI), and relatives of key managerial personnel (determined on the lines indicated in Section 45S of the Reserve Bank of India Act, 1934). The Issuer is required to disclose, in its financial statements, the aggregate value of loans sanctioned to and outstanding with related parties so defined, the proportion such loans bear to its total credit exposure, and the classification of any such loans as special mention accounts or non-performing assets.

Reserve Bank of India (All India Financial Institutions – Managing Risks in Outsourcing) Directions, 2025, dated November 28, 2025, notification RBI/DOR/2025-26/337 DOR.ORG.REC.No.256/21-04-158/2025-26, as amended (“Outsourcing Directions”)

The Outsourcing Directions are applicable to AIFIs, including the Issuer, in respect of material outsourcing of IT services. The outsourcing of any IT service by an AIFI does not diminish its obligations, and those of its Board and Senior Management, who have the ultimate responsibility for the outsourced service. An AIFI shall put in place a comprehensive Board-approved IT outsourcing policy covering, *inter alia*, criteria for selection of services and service providers, parameters for defining material outsourcing, delegation of authority, disaster recovery and business continuity plans, monitoring systems, and termination processes and exit strategies. Material outsourcing of IT services includes IT infrastructure management, network and security solutions, application development, data centre services, cloud computing services, managed security services, and management of IT infrastructure associated with payment system ecosystem. An AIFI shall perform appropriate due diligence while considering or renewing an outsourcing arrangement, covering qualitative, quantitative, financial, operational, legal and reputational factors, concentration risk, financial soundness, information/cyber security risk assessment, and the service provider’s ability to comply with regulatory and legal requirements. The outsourcing agreement shall, at a minimum, include service and performance standards, effective access by the AIFI to all data and business premises, compliance with the Information Technology Act, 2000, SLAs, storage of data in India as per extant regulatory requirements, confidentiality controls, termination rights, and clauses recognising the authority of the RBI to inspect the service provider and its sub-contractors. An AIFI shall ensure that cyber incidents are reported to it by the service provider without undue delay so that an incident is reported to the RBI within six hours of detection.

An AIFI shall be responsible for the confidentiality and integrity of data pertaining to its customers available to the service provider, and shall immediately notify the RBI in the event of breach of security and leakage of confidential customer-related information. For cloud computing services, an AIFI shall undertake comprehensive risk assessment, implement controls per the shared responsibility model, ensure strong cloud governance including data sovereignty and recoverability requirements, and develop exit strategies factoring data portability and secure purging. Outsourcing arrangements shall not affect the rights of customers against the AIFI, including the ability to obtain redressal under applicable laws. With the issuance of these Directions,

existing directions, instructions and guidelines relating to outsourcing of IT services as applicable to AIFIs stand repealed.

An AIFI's existing Information Technology (IT) outsourcing agreements, regardless of whether they are due for renewal on or after the effective date of the Outsourcing Directions, shall comply with the provisions of the Outsourcing Directions either at the time of renewal or by April 10, 2026, whichever is earlier.

However, an AIFI's new IT outsourcing agreements that come into force on or after the effective date of the Outsourcing Directions shall comply with the provisions of the Outsourcing Directions from the date of the agreement itself. The Outsourcing Directions shall apply to an AIFI's material outsourcing of IT services. In this context, "Outsourcing of IT Services" shall include outsourcing of the following services: (i) IT infrastructure management, maintenance, and support (hardware, software or firmware); (ii) network and security solutions, and maintenance (hardware, software or firmware); (iii) application development, maintenance, and testing by Application Service Providers (ASPs) including ATM Switch ASPs; (iv) services and operations related to data centres; (v) cloud computing services; (vi) managed security services; and (vii) management of IT infrastructure and technology services associated with the payment system ecosystem.

Reserve Bank of India (All India Financial Institutions – Know Your Customer) Directions, 2025, dated November 28, 2025, notification RBI/DOR/2025-26/335 DOR.AML.REC.No.254/14.01.011/2025-26, as amended (the "KYC Directions")

The KYC Directions, issued under Section 35A of the Banking Regulation Act, 1949, Sections 45JA, 45K and 45L of the Reserve Bank of India Act, 1934, and Rule 9(14) of the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005, as amended (the "**Rules**"), are applicable to AIFIs, including the Issuer. The AIFI shall have a Board-approved KYC policy incorporating four key elements: Customer Acceptance Policy, Risk Management, Customer Identification Procedures and Monitoring of Transactions.

The AIFI shall carry out Money Laundering and Terrorist Financing Risk Assessment exercises periodically to identify, assess and mitigate ML/TF risks for clients, countries or geographic areas, products, services, transactions and delivery channels, and shall apply a Risk Based Approach for mitigation and management of identified risks. The AIFI shall not open any account in an anonymous or fictitious/benami name, and shall not undertake a transaction or commence an account-based relationship without following the Customer Due Diligence ("**CDD**") procedure. CDD includes identifying and verifying the customer and the beneficial owner using reliable and independent sources, obtaining information on the purpose and intended nature of business relationship, and taking reasonable steps to understand the customer's business and its ownership and control structure.

The regulated entity which uploads or updates a customer's KYC record in the Central KYC Records Registry ("**CKYCR**") shall have the responsibility to verify the customer's identity and/or address. The AIFI relying on KYC records from the CKYCR shall remain responsible for all aspects of CDD procedure and provisions of the KYC Directions, except verification of identity and / or address of the customer.

The AIFI shall categorise customers into low, medium and high-risk categories based on its risk assessment, and shall undertake ongoing due diligence to ensure transactions are consistent with its knowledge about customers, their business, risk profile and source of funds/wealth. Periodic updation of KYC shall be carried out at least once in every two years for high-risk customers, once in every eight years for medium-risk customers and once in every ten years for low-risk customers. The AIFI shall designate a Designated Director to ensure overall compliance with obligations under Chapter IV of the Prevention of Money Laundering Act, 2002, as amended ("**PML Act**"), and a Principal Officer responsible for monitoring transactions and reporting information to FIU-IND. The AIFI shall report cash transactions, suspicious transactions and other prescribed transactions to the Financial Intelligence Unit – India as required under the PML Act and Rules. The AIFI shall maintain records of all transactions for a period of five years from the date of transaction and records pertaining

to the identity of customers for a period of five years after the business relationship has ended. The AIFI shall implement group-wide programmes against money laundering and terrorist financing, including policies for sharing information required for client due diligence and ML/TF risk management. With the issuance of the KYC Directions, existing directions, instructions and guidelines relating to KYC/AML as applicable to AIFIs stand repealed.

RBI (All India Financial Institutions – Miscellaneous) Supervisory Directions, 2026, dated July 31, 2026, notification RBI/DoS/2026-27/459 DoS.CO.PPG.53/11.01.005/2026-27

The RBI (All India Financial Institutions – Miscellaneous) Supervisory Directions, 2026 apply to the five AIFIs, including the Issuer, and came into effect immediately upon issuance. Among other requirements, each AIFI must obtain from its statutory central auditors certificates covering treasury operations, reconciliation of investments, compliance in key areas relating to the conduct of its investment portfolio, income recognition, asset classification and provisioning, and authentication of its CRAR and assessment of capital adequacy in the notes to its balance sheet, and must forward copies to the Senior Supervisory Manager in the RBI's Department of Supervision once its balance sheet is finalised. Each AIFI must also implement a comprehensive, integrated, enterprise-wide, workflow-based solution for compliance monitoring, furnish quarterly vigilance monitoring returns on anti-corruption measures and maintain a database of appropriately trained officers and staff for investigation, data analysis and forensic analysis to support fraud investigations. These requirements are in addition to other applicable laws, rules, regulations and directions.

External Commercial Borrowings

AIFIs are allowed to raise funds through external commercial borrowings (“ECB”), including loans and bonds (whether floating or fixed rate), in foreign currency or Indian Rupees and such ECB can be secured or unsecured, under the 2018 Regulations, subject to the provisions of the Reserve Bank of India (All India Financial Institutions - Resource Raising Norms) Directions, 2025 dated November 28, 2025, and all other applicable guidelines, directions, notifications and circulars issued by RBI as amended, updated, modified, superseded, replaced or substituted from time to time (the “**RBI Directions**”).

Eligible Borrowers

Any person resident in India (other than an individual) that is incorporated, established or registered under a Central or State Act is an eligible borrower under the 2018 Regulations, subject to the condition that such person is permitted to raise ECB in terms of applicable laws including FEMA.

An eligible borrower that is under a restructuring scheme or corporate insolvency resolution process may raise ECB only if specifically permitted under the relevant restructuring or resolution plan.

An eligible borrower against whom any investigation, adjudication or appeal by a law enforcement agency for contravention of any rule, regulation or direction issued under FEMA is pending may raise ECB notwithstanding such pending matter, without prejudice to its outcome, provided it discloses information about the pending matter in ‘Form ECB 1’ (or ‘Revised Form ECB 1’, if there is an existing ECB).

Recognised Lenders

An eligible borrower may raise ECB from the following recognized lenders:

- (i) a person resident outside India;
- (ii) a branch outside India of an entity whose lending business is regulated by the RBI; and
- (iii) a financial institution or a branch of a financial institution (as defined under the Foreign Exchange Management (International Financial Services Centre) Regulations, 2015, as amended from time to time) set up in an IFSC.

Currency of Borrowing and Forms of ECB

ECBs may be raised in (a) foreign currency denominated; or (b) Indian Rupee denominated.

The currency of an ECB may be changed from one foreign currency to another foreign currency, from a foreign currency to Indian Rupees, or from Indian Rupees to a foreign currency. Any such change in currency shall be at the exchange rate prevailing on the date of the agreement for such change or at an exchange rate that does not result in a liability higher than that arrived at by using the exchange rate prevailing on the date of the underlying agreement.

Further, the eligible borrower may raise ECB in any form of commercial borrowing arrangement that involves payment of agreed interest, if any, and repayment of principal.

The following funds raised by an eligible borrower shall not be treated as ECB:

- (i) trade credit with original maturity up to three years, raised in terms of the 2018 Regulations;
- (ii) export advance received in terms of the 2018 Regulations and the Foreign Exchange Management (Export of Goods & Services) Regulations, 2015;
- (iii) investments received in terms of the Foreign Exchange Management (Debt Instruments) Regulations, 2019;
- (iv) investments received through convertible notes issued in terms of the Foreign Exchange Management (Non-Debt Instrument) Rules, 2019; and
- (v) investments received from a foreign venture capital investor through debt instruments in terms of the Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

Borrowing Limit

An eligible borrower may raise ECB up to the higher of:

- (i) outstanding ECB up to USD 1 billion; or
- (ii) total outstanding borrowing (external and domestic) up to 300 per cent. of net worth as per the last audited standalone balance sheet of the borrower.

For this purpose, outstanding borrowing shall not include non-fund based credit and funds raised through issuance of securities that are mandatorily convertible to equity. The proposed ECB (other than ECB for refinancing) shall be taken into consideration while checking for compliance with the borrowing limit. The borrowing limit specified above shall not be applicable to eligible borrowers, such as the Issuer, that are regulated by financial sector regulators.

Minimum Average Maturity Period (“MAMP”)

The MAMP for ECB raised by an eligible borrower is 3 years. Call and put options, if any, shall not be exercisable prior to completion of MAMP.

An eligible borrower engaged in the manufacturing sector may also raise ECB with an average maturity period of between one year and three years, subject to the condition that the outstanding amount of such ECBs does not exceed USD 150 million.

The MAMP requirements above, shall not be required to be met in the following cases:

- (i) conversion of ECB to non-debt instruments in accordance with the rules and regulations issued under the FEMA;

- (ii) repayment of ECB using the proceeds from non-debt instruments issued in terms of the Foreign Exchange Management (Non-Debt Instrument) Rules, 2019 on repatriation basis, provided the proceeds are received after the drawdown of the ECB;
- (iii) refinancing of ECB in terms of the 2018 Regulations;
- (iv) waiver of debt by the lender; and
- (v) repayment of ECB, if required, for undertaking corporate actions such as closure, merger, demerger, arrangement, acquisition of control, amalgamation, resolution or liquidation by the lender or the borrower.

Cost of Borrowing

The cost of borrowing under the 2018 Regulations shall be in line with prevailing market conditions. In case of eligible ECBs with an average maturity period of less than three years, the cost of borrowing shall be in compliance with the cost ceiling specified for trade credit under the 2018 Regulations. In case of fixed rate loans, the floating rate plus spread of the corresponding swap shall not be more than such ceiling.

The 'cost of borrowing' means the rate of interest, other fees, expenses, charges, guarantee fees and export credit agency charges, whether paid in foreign currency or Indian Rupees, but does not include commitment fees and statutory taxes payable in India.

Prepayment charges or penal interest, if any, for default or breach of covenants shall be in line with prevailing market conditions.

End-use of ECB proceeds

Funds borrowed under the 2018 Regulations cannot be utilised in India for the following purposes:

- (i) chit funds;
- (ii) Nidhi companies;
- (iii) real estate business and construction of farmhouses, subject to limited carve-outs for construction-development projects and industrial parks prescribed under the 2018 Regulations;

For the purposes of the 2018 Regulations, real estate business' means the purchase, sale or lease of land or immovable property with a view to earning profit therefrom. It does not, however, include the purchase, sale or lease (not amounting to transfer) of land or immovable property for any of the following purposes: (i) construction and development of industrial parks, integrated townships and special economic zones; (ii) development of a new industrial project, or the modernisation or expansion of existing units; (iii) any activity under the 'infrastructure sector'; (iv) a construction-development project; (v) commercial or residential properties for the own use of the borrower; and (vi) real estate broking services. For this purpose, a 'construction-development project' includes the development of townships and the construction of residential or commercial premises, roads or bridges, hotels, resorts, hospitals, educational institutions, recreational facilities, and city and regional level infrastructure.

- (iv) agricultural and animal husbandry activities, except floriculture, horticulture, cultivation of vegetables and mushrooms under controlled conditions, development and production of seeds and planting material, animal husbandry (including breeding of dogs), pisciculture, aquaculture and apiculture, and services related to agriculture and allied sectors;
- (v) plantation, except tea, coffee, rubber, cardamom, palm oil tree and olive oil tree plantations;
- (vi) trading in transferable development rights;

- (vii) transacting in listed or unlisted securities, except for transactions undertaken by an Indian entity for corporate actions such as merger, demerger, amalgamation, arrangement or acquisition of control in accordance with applicable laws — and only for strategic purposes driven by the core objective of creating long-term value through potential synergies, rather than for short-term gains;
- (viii) repayment of a domestic INR loan (i) that was availed for an end-use restricted under the 2018 Regulations; or (ii) that is classified as an NPA as per applicable prudential norms; and
- (ix) on-lending for any of the purposes for which funds cannot be borrowed and utilised as set out in 2018 Regulations.

Receipt of ECB Proceeds

An eligible borrower shall drawdown ECB only after obtaining the Loan Registration Number (“**LRN**”) from the RBI through its AD Bank. ECB proceeds intended to be utilised for a permitted Indian Rupee expenditure in India shall be credited to an Indian Rupee account held in India with the AD Bank by the end of the succeeding month from the date of receipt. Pending utilisation, the funds may be invested in an unencumbered fixed deposit of up to one year’s tenor with the AD Bank.

ECB proceeds intended to be utilised for a permitted foreign currency expenditure may be credited to a foreign currency account held in India with the AD Bank or to a foreign currency account held outside India. Pending utilisation, the funds may be invested outside India in an unencumbered fixed deposit of up to one year’s tenor or an unencumbered debt instrument with original maturity of up to one year.

Refinancing

An eligible borrower may refinance an existing ECB, in part or in full, by a fresh ECB, subject to the condition that such refinancing does not result in a failure to meet the MAMP requirement applicable to the original borrowing (or the weighted outstanding maturity in the case of multiple borrowings).

Security for raising ECB

ECBs may be secured by:

- (i) creation of a charge on immovable assets, movable assets, financial assets and intangible assets (including intellectual property rights) in favour of the non-resident lender or security trustee; and
- (ii) issue of a guarantee in favour of the lender or security trustee in accordance with the Foreign Exchange Management (Guarantees) Regulations, 2026.

The following conditions apply to securing ECBs:

- (i) the borrowing agreement must contain a clause requiring the borrower to provide such security;
- (ii) a “no objection certificate”, as applicable, from the existing lender(s) in India must be obtained before creation of a charge on an encumbered asset; and
- (iii) creation of a charge on an asset shall not be construed as a permission for the overseas lender or security trustee to acquire the asset in India.

Entities regulated by the RBI are not permitted to issue any type of guarantee.

In the event of enforcement or invocation of the security: (i) the claim of the lender shall be restricted to the outstanding claim against the ECB; (ii) transfer of any asset or property shall be in compliance with applicable law, and encumbered moveable assets may be taken out of India subject to obtaining a “no objection certificate” from existing lender(s) in India, if any; and (iii) where acquisition of the asset or property by the lender is not permitted under applicable law, the sale proceeds from transfer of such asset to a person resident in India may be remitted to the lender for extinguishing the outstanding claim against the ECB.

Filing and reporting requirements in relation to issuance of Notes

The Issuer is required to obtain a LRN from RBI before availing any drawdown under the Notes. To obtain the LRN, the eligible borrowers are required to submit a completed Form ECB 1 providing details of the ECB, through the AD Bank. The AD Bank is then required to forward the completed Form ECB 1 to RBI.

The following forms/returns are required to be submitted through the AD Bank in the format provided by the RBI:

- (i) Form ECB 1: for providing details of the ECB and obtaining the LRN;
- (ii) Revised Form ECB 1: for reporting any change in previously reported ECB parameters, within seven calendar days from the end of the month in which such change was given effect. A Revised Form ECB 1 may also be submitted to intimate any change in other information previously reported in Form ECB 1; and
- (iii) Form ECB 2: for reporting receipt of ECB proceeds and debt servicing, within seven calendar days from the end of the month in which the proceeds were received or debt servicing was undertaken. Any event or transaction that alters the outstanding borrowing under an LRN shall also be reported in Form ECB 2.

In case of non-adherence with reporting timelines, the borrower may pay a late submission fee as per the guidelines issued by the RBI, after completing the reporting.

The AD Bank shall submit the application or return received from the eligible borrower, along with due certification, to the RBI in the manner and format advised for this purpose.

Procedure in relation to any change to the Terms and Conditions of the Notes

Changes to the parameters, terms and conditions governing the ECB (including the Notes) may be made, subject to the lender's consent and compliance with the 2018 Regulations. Any such change shall be reported to the RBI through a Revised Form ECB 1 within seven calendar days from the end of the month in which such change was given effect.

In case of an extension of the tenor of the Notes, the prudential regulations, including those on restructuring, shall also be applicable if the borrower has availed credit facilities from an entity (including its foreign branch or subsidiary) regulated by the RBI.

Change of the authorized dealer bank shall be subject to obtaining a "no objection certificate" from the existing AD Bank. Any redemption of the Notes prior to the MAMP, including on occurrence of an early redemption event and/or due to call or put options or due to taxation reasons (as further described in the Terms and Conditions of the Notes) will require the prior approval of RBI.

Debt Servicing

Principal, interest and other charges in respect of ECBs undertaken in compliance with the 2018 Regulations may be remitted. Repayment in case of an ECB availed from the 'non-resident ordinary account' of the lender shall be credited to the 'non-resident ordinary account' only.

Indemnity

Remittances of funds outside of India by the Issuer pursuant to any indemnity clauses under the Terms and Conditions of the Notes, and/or any other agreements in relation to the Notes, shall require prior RBI approval.

Legislative Framework for International Financial Services Centre

The IFSCA is a statutory authority established under the International Financial Services Centres Authority Act, 2019 for the development and regulation of financial products, financial services and financial institutions situated at the IFSCs set up under Section 18 of the Special Economic Zones Act, 2005.

International Financial Services Centres Authority (Listing) Regulations, 2024

The IFSCA introduced the International Financial Services Centres Authority (Listing) Regulations, 2024 dated August 30, 2024 as amended, updated, modified, replaced or substituted from time to time, which provide a unified regulatory framework for listing of various securities by issuers incorporated in the IFSC, India and foreign jurisdictions on exchanges in IFSCs. These regulations aim to assist issuers in accessing and raising capital through stock exchanges in IFSCs. These regulations cover issuance and listing of various financial products on the recognised stock exchanges in IFSC.

The Issuer shall obtain credit rating for its debt securities proposed to be listed on a recognised stock exchange in an IFSC, from a credit rating agency registered either with IFSCA or with a regulator in a foreign jurisdiction. Accordingly, with effect from April 1, 2025, the Issuer is required to obtain a credit rating from at least one credit rating agency registered with the IFSCA and may obtain any additional credit rating(s) from a globally recognised rating agency which is registered with a regulator in a foreign jurisdiction. The Issuer is required to disclose details of the ratings, assigned to the debt securities, in the Offering Circular.

International Financial Services Centres Authority (Finance Company) Regulations, 2021, as amended from time to time

The International Financial Services Centres Authority (Finance Company) Regulations, 2021, as amended from time to time, establish the framework for the registration and regulation of finance companies and finance units in an IFSC. A finance company may be established in the IFSC as a subsidiary, joint venture or newly incorporated company and may undertake permitted specialised, core and non-core activities, subject to applicable owned-fund and other prudential, corporate governance, disclosure, reporting, foreign currency, know-your-customer and anti-money laundering requirements. The Issuer has incorporated NAFINCO International IFSC Private Limited as a Finance Company in GIFT City. The applicant and/or its promoters must be from a jurisdiction compliant with the standards of the Financial Action Task Force (FATF) and comply with international standards set by the FATF to combat money laundering and terrorist financing. Where an investing entity in a finance company carries on a regulated financial activity in its home jurisdiction, it must obtain a no-objection certificate from the relevant home regulator, wherever applicable. A finance company must maintain the minimum owned fund applicable to its permitted activities, and any merger, acquisition, takeover or change in management resulting in a change in control of at least 20 per cent. of its total share capital or of business decisions under an agreement is subject to the prior approval of the IFSCA and such other requirements as may be specified by the IFSCA. The regulations also prescribe parent-level requirements for a finance unit, including provision and maintenance by the parent of the applicable minimum owned fund on an unimpaired basis and intimation to the IFSCA within 15 days of specified mergers, acquisitions, takeovers or changes in management of the parent.

TAXATION

The information provided below does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase Notes. In particular, the information does not consider any specific facts or circumstances that may apply to a particular purchaser. Neither these statements nor any other statements in this Offering Circular are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements do not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules.

Prospective purchasers of Notes are advised to consult their own tax advisers as to the tax consequences of the purchase, ownership and disposition of Notes, including the effect of any state or local taxes, under the tax laws applicable in India, the United States and each country of which they are residents.

Indian Taxation

The Income-tax Act, 1961 has been replaced by the Income-tax Act, 2025 (“**IT Act**”), which came into effect from April 1, 2026. The tax implications set out below are based on the provisions of the IT Act.

The following is a summary of the principal Indian tax consequences for non-resident investors of the Notes. The summary is based on taxation law and practice in force in India at the time of this Offering Circular and is subject to change, possibly with retrospective effect. This summary does not constitute legal or tax advice and is not intended to represent a complete analysis of the tax consequences under Indian laws of the acquisition, ownership or disposition of the Notes. Furthermore, it only addresses the tax consequences for persons who are non-residents as defined in the IT Act who acquire the Notes pursuant to this Offering Circular. Additionally, in view of the number of different jurisdictions where local laws apply, this Offering Circular does not discuss the local tax law consequences to a potential investor arising from the acquisition, holding or disposition of the Notes.

Prospective investors should, therefore, consult their own tax advisers on the Indian tax consequences of such acquisition, ownership or disposition of the Notes and as to any tax, exchange control legislation or other laws and regulations in force relating to the subscription, holding or disposition of the Notes at their place of residence and in the countries of which they are citizens.

Taxation of persons regarded as non-resident in India

Taxation of Interest on Notes

There is currently no requirement to withhold Indian tax on interest payments made on the Notes by Issuer, if the amounts raised through the Notes are utilised outside India either (i) for the purposes of a business carried out by the Issuer outside India or (ii) for the purposes of making or earning income from any other source outside India.

If the proceeds of the Notes are used for the purposes of the business of the Issuer in India, non-resident investors will be liable to pay tax on the interest paid on the Notes. As on the date of this Offering Circular, the applicable rate of tax on interest paid by an Indian concern to a non-resident, on debt raised in foreign currency as per the provisions of Section 207 of the IT Act is 20 per cent. (plus applicable surcharge and health and education cess). As per Section 393 read with Section 207 of the IT Act, the tax rate of 9 per cent. (plus applicable surcharge and health and education cess) applies in respect of interest payable to a non-resident on a long term bond or a Rupee denominated bonds issued on or after July 1, 2023, which are listed only on a recognised stock exchange located in an IFSC, subject to satisfaction of the conditions mentioned therein. In case of other Rupee

Denominated Notes, tax on interest may be paid at rates ranging up to 35 per cent. (plus applicable surcharge and health and education cess). The rates of tax will stand reduced if the beneficial recipient is a resident of a country with which the Government has entered into an agreement for granting relief of tax or for avoidance of double taxation (a “**Tax Treaty**”) read with Multilateral Instruments (“**MLI**”) (if and to the extent applicable) and the provisions of such Tax Treaty provide for the taxation in India of income by way of interest at a rate lower than that stated above. Any benefits under the Tax Treaty would however be subject to the non-resident investors being eligible to claim the Tax Treaty benefits, which, *inter alia*, includes holding a valid Tax Residency Certificate (“**TRC**”) for the relevant financial year, and other documents. The interest payable will be subject to withholding taxes in India, subject to conditions as detailed in the below section.

Withholding of Taxes on Interest Paid by the Issuer through India

Where the interest payable on the Notes is subject to taxation in India (refer to paragraph “*Taxation of Interest on Notes*” above), there is a requirement to withhold tax at the applicable rate for Notes, subject to any lower rate of tax provided by an applicable Tax Treaty. Tax would generally be withheld at the rate of 20 per cent (plus applicable surcharge and health and education cess) on interest paid to non-resident investors on foreign-currency denominated debt or at the rate of 35 per cent (plus applicable surcharge and health and education cess) in case of Rupee Denominated Notes. This rate may be reduced under Section 393 of the IT Act and tax would be withheld at the applicable rate, i.e., at 9 per cent (plus applicable surcharge and health and education cess), subject to satisfaction of specified conditions (refer to paragraph “*Taxation of Interest on Notes*” above). This rate would be subject to any lower rate of tax provided by an applicable Tax Treaty read with MLI, if and to the extent applicable. For the purpose of tax withholding, and/or claiming the benefit of Tax Treaty the non-resident investor shall be obliged to provide all necessary information and documents.

Tax may also be withheld at higher rates under Section 397 of the IT Act, as set out below.

In respect of all the Notes (other than the Notes, if any, issued in accordance with section 393(2) (Table Sr.no 4) of the IT Act) issued to non-residents, non-resident investors are required to provide their permanent account number to the payer, failing which, tax will be deducted at a higher rate. However, where such non-resident investors do not have a permanent account number, provisions of section 397 should not apply, provided such non-resident investors furnish documentation including a TRC, a tax identification number and other details including their name, address, email details and contact number in respect of the instruments set out in section 397 of the IT Act and Rule 217 of the Income-tax Rules, 2026, as amended.

Interest on the Notes will be made free and clear of and without withholding or deduction on account of any present or future taxes within India unless it is required by law, in which case the Issuer will pay additional amount as may be necessary in order that the net amount received by the Noteholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes in the absence of the withholding or the deduction, subject to certain exceptions. With respect to interest on the Notes that is not subject to taxes in India (where the proceeds of the issuance of the Notes are used for the purposes of business carried on by the Issuer outside India), the Issuer may not be required to withhold tax in India.

Taxation of Deemed Income

As a measure to prevent laundering of unaccounted income, the IT Act provides that any person receiving certain specified assets (including the Notes) at a price less than their fair market value, may be subject to income tax in India on the benefit accruing to him. Tax shall be payable at the rates applicable for the regular income. However, it may be noted that this provision would not be applicable if the asset is received from a relative or under a will or by way of inheritance or any other specific instances provided under section 92(2)(m) of the IT Act.

In the instant case, in case a non-resident receives Notes at a price less than fair value, deemed tax implications may arise subject to the provisions of the applicable Tax Treaty read with MLI, if and to the extent applicable, assuming the non-resident is entitled to claim benefits of the Tax Treaty.

Taxation of Gains on disposal of Rupee Denominated Notes

Where the Rupee Denominated Notes are listed on IFSC and are transferred for a consideration payable in foreign exchange, gains derived from such transfer by the non-resident are exempt from tax in India. The IT Act also provides an exemption for capital gains arising pursuant to any transfer, made outside India by a non-resident to another non-resident, of a capital asset being Rupee Denominated Notes of an Indian company issued outside India.

In the event capital gains arising on transfer of a capital asset are chargeable to tax in India, then, the rate of tax shall depend upon the residential and legal status of the Noteholder as defined under the applicable provisions of Indian law and the rates of tax prevailing at the time of transfer, in accordance with the relevant provisions of the IT Act.

However, in terms of the applicable provisions of the domestic tax law, it is possible for a Noteholder to opt either for the provisions of the domestic tax law or the provisions of the Tax Treaty as executed with a country of which the Noteholder is resident, whichever is more beneficial. The views explained above are as per the provisions of the prevailing IT Act and potential investors should, in any event, consult their own tax advisers on the tax consequences on transfer of the Notes.

If the Rupee Denominated Notes do not qualify for tax exemption mentioned above (where the Notes are not listed on IFSC or the consideration is not payable in foreign exchange), upon disposition of a Note:

- (a) a non-resident investor, who has held the Notes as capital asset for a period of more than 24 months immediately preceding the date of their disposition, would be liable to pay long-term capital gains tax at the rate of 12.5 per cent (plus applicable surcharge and health and education cess) of the capital gains in accordance with the provisions of the IT Act. In the case of Notes which are listed on a recognised stock exchange located in IFSC, such Notes would be considered as a long-term capital asset when held for more than 12 months. These rates are subject to any beneficial provision provided for in the relevant Tax Treaty read with MLI, if and to the extent applicable, subject to fulfilment of the conditions prescribed under the relevant Tax Treaty as well as the IT Act;
- (b) a non-resident investor who has held the Notes as capital asset for 24 months or less would be liable to pay capital gains tax at rates ranging up to 35 per cent. (plus applicable surcharge and health and education cess) of the capital gains, depending on the legal status of the Non-resident Investor, and his taxable income in India; and any taxation of capital gains would also depend upon the provisions/benefits available under the relevant Tax Treaty read with MLI, if and to the extent applicable, subject to fulfilment of the conditions prescribed under the relevant Tax Treaty as well as the IT Act. In the case of Notes which are listed on a recognised stock exchange located in IFSC, such Notes would be considered as a short-term capital asset when held for 12 months or less;
- (c) in respect of a non-resident investor holding Rupee Denominated Notes, the IT Act provides that any gains arising on account of appreciation of the Rupee against a foreign currency at the time of redemption of Rupee Denominated Notes held by a Non-resident Investor, shall be ignored for the computation of full value of consideration. Accordingly, gains accruing to the Non-resident Investor due to appreciation of the Rupee against a foreign currency at the time of redemption of the Rupee Denominated Notes held by such Non-resident Investor, shall not be taxable;
- (d) if unlisted Rupee Denominated Notes are regarded as unlisted bonds or unlisted debentures, and are transferred, redeemed or mature on or after July 23, 2024, they would be considered as short term capital

assets irrespective of the period for which they were held and would be subject to capital gains tax at rates ranging up to 35 per cent. (plus applicable surcharge and health and education cess). These rates are subject to any beneficial provisions provided for in the relevant Tax Treaty read with MLI, if and to the extent applicable, subject to fulfilment of the conditions prescribed under the relevant Tax Treaty as well as the IT Act; and

- (e) any surplus realised by a Non-resident Investor from a disposition of the Notes held as stock-in-trade would be subject to income tax in India to the extent, if any, that the surplus is attributable to a “business connection in India” or, where a Tax Treaty applies, to a “permanent establishment” of the Non-resident Investor in India. A Non-resident Investor would be liable to pay Indian tax on the profits which are so attributable to such “business connection” or “permanent establishment” at a rate of tax ranging up to 35 per cent (plus applicable surcharge and health and education cess), depending on the legal status of the Non-resident Investor and his taxable income in India.

Taxation of gains arising on disposal of USD Denominated Notes

Any gains arising to a non-resident investor from disposal of the Notes held (or deemed as held) as a capital asset will be chargeable to income tax in India if the Notes are regarded as property situated in India. A non-resident investor generally will not be chargeable to income tax in India from disposal of the Notes held as a capital asset provided that the Notes are regarded as being situated outside India. The issue as to where the Notes should properly be regarded as being situated is not free from doubt. The ultimate decision, however, will depend on the view taken by Indian tax authorities on the position with respect to the situs of the rights being offered in respect of the Notes. There is a possibility that the Indian tax authorities may treat the Notes as being situated in India as the Issuer is incorporated in and a resident in India.

If the Indian tax authorities treat the Notes as being located in India, as the Issuer is incorporated and resident in India, the following tax implication would arise upon disposal of the Notes:

- (a) Where the Notes listed on IFSC for a consideration payable in foreign exchange, capital gains derived from such transfer by the non-resident are exempt from tax in India;
- (b) When the conditions stated in clause (a) above are not met, a non-resident investor who has held the Notes for a period of more than 24 months immediately preceding the date of their disposal would be liable to pay capital gains tax at the rate of 12.5 per cent (plus applicable surcharge and health and education cess) of the capital gains. In the case of Notes which are listed on a recognised stock exchange located in IFSC, such Notes would be considered as a long-term capital asset when held for more than 12 months. These rates are subject to any beneficial provisions under an applicable Tax Treaty read with MLI, if and to the extent applicable, subject to fulfilment of the conditions prescribed under the relevant Tax Treaty as well as the IT Act;
- (c) When the conditions stated in clause (a) above are not met, a non-resident investor who has held the Notes for a period of 24 months or less would be liable to pay capital gains tax at rates ranging up to 35 per cent (plus applicable surcharge and health and education cess) of capital gains depending on the legal status of the non-resident investor and his taxable income in India, subject to any beneficial provision under an applicable Tax Treaty read with MLI, if and to the extent applicable. In the case of Notes which are listed on a recognised stock exchange located in IFSC, such Notes would be considered as a short-term capital asset when held for 12 months or less;
- (d) if unlisted USD Denominated Notes are regarded as unlisted bonds or unlisted debentures, and are transferred, redeemed or mature on or after July 23, 2024, they would be considered as short term capital assets irrespective of the period for which they were held and would be subject to capital gains tax at rates ranging up to 35 per cent. (plus applicable surcharge and health and education cess). These rates are subject to any beneficial provisions provided for in the relevant Tax Treaty read with MLI, if and to

the extent applicable, subject to fulfilment of the conditions prescribed under the relevant Tax Treaty as well as the IT Act; and

- (e) any gains arising to a non-resident investor from disposal of the Notes held as stock-in-trade would be subject to income tax in India to the extent, if any, that the gains are attributable to a “business connection in India” or, in the case where a Tax Treaty is applicable, to a “permanent establishment” of the non-resident investor in India. A non-resident investor would be liable to pay Indian tax on such gains at rates of tax ranging up to 35 per cent (plus applicable surcharge and health and education cess) depending upon the legal status of the non-resident investor and his taxable income in India, subject to any beneficial provision provided for by an applicable Tax Treaty read with MLI, if and to the extent applicable.

Tax withholding on gains arising from disposal of the Notes

No tax shall be withheld by the person making any payment to a Non-Resident Investor on capital gains on disposition of Notes held as capital asset if the same is exempt as per conditions specified above. If the specified conditions are not satisfied and exemption is not available, tax (if any) shall be withheld by the person making any payment to a Non-resident Investor at the rates specified above. The tax payable shall be computed in such manner as prescribed in this regard under the IT Act, subject to any Tax Treaty benefit read with MLI (to the extent applicable).

If a non-resident investor earns any capital gains chargeable to tax in India (refer to paragraph “*Taxation of Gains on disposal of Rupee Denominated Notes*” and “*Taxation of gains arising on disposal of USD Denominated Notes*” above), the IT Act requires that such tax shall be withheld by the person making any payment to such non-resident investor at the rate of 12.5 per cent (plus applicable surcharge and health and education cess) on long-term capital gains.

Furthermore, tax at the rate of up to 35 per cent (plus applicable surcharge and health and education cess), shall be withheld depending on the legal status of the recipient of income, on short term capital gains. These rates are subject to any lower rate of tax provided under the relevant Tax Treaty read with MLI, if and to the extent applicable (if any). For the purpose of tax withholding, and/or claiming the benefit of Tax Treaty the non-resident investor shall be obliged to provide all necessary information and documents.

Tax may also be withheld at higher rates under Section 397 of the IT as set out above.

Anti-avoidance provisions

Under the IT Act there are both specific as well as generic anti-avoidance provisions relating to tax like transfer pricing provisions and General Anti-Avoidance Rules (“GAAR”).

Under the transfer pricing provisions, any income arising from an international transaction between two related parties have to be computed having regard to the arm’s length price (“ALP”). If the Notes are transferred by a non-resident investor to another investor and such investors are related parties in accordance with the provisions of the IT Act, then the transactions would have to be at ALP and necessary compliances are required to be undertaken by the investors.

GAAR provisions have been effective from fiscal year 2017-2018. Under the GAAR, an arrangement whose main purpose is to obtain tax benefits, may be declared as an “impermissible avoidance arrangement”. According to Section 179 of the IT Act “impermissible avoidance arrangement” means an arrangement of which the main purpose is to obtain a tax benefit, and which, *inter alia*, creates rights, or obligations, which are not ordinarily created between persons dealing at arm’s length. Further, an arrangement is presumed, unless proved to the contrary by the taxpayer, to have been entered into, for the main purpose of obtaining a tax benefit, if the main purpose of a step in, or a part of, the arrangement is to obtain a tax benefit, irrespective of the fact that the main purpose of the whole arrangement is not to obtain a tax benefit.

If GAAR provisions are invoked, it could result in significant implications for the parties to the transaction including *inter alia*, disregarding, combining or re-characterisation of any step in or part or whole of the impermissible avoidance arrangement, denial of any tax benefit claimed by the taxpayer, or denial of benefit claimed by the non-resident under a Tax Treaty.

Compliance under IT Act

A Non-resident Investor is obliged to pay such income tax in an amount equal to, or would be entitled to a refund of, as the case may be, any difference between amounts withheld in respect of interest paid on the Notes and its ultimate Indian tax liability for such interest, in accordance with provisions of the IT Act. The non-resident Investors shall provide all necessary information and documents, as may be required by the Issuer.

Taxation of persons ordinarily resident in India

Any income received in respect of the Notes by a person ordinarily resident in India under the provisions of the IT Act, may generally be subject to tax in India according to the personal or corporate rate of tax, as applicable.

Stamp duty

A transfer of the Notes outside India will not give rise to any Indian stamp duty liability unless brought into India. Applicable stamp duty would be payable if the Notes are brought into India for enforcement or for any other purpose within a period of three months from the date the Notes are first received in India in accordance with the stamp duty applicable in the relevant Indian State.

Wealth Tax, Gift Tax and Inheritance tax

At present there are no taxes on wealth, gifts and inheritances which apply to the Notes held outside India.

Gift Tax

As on the date of this Offering Circular, no gift tax is payable in relation to the Notes in India. However, implications may arise under section 92(2)(m) of the IT Act.

U.S. Federal Income Taxation

The following is a general summary of certain U.S. federal income tax consequences of the acquisition, ownership and disposition of Notes by a U.S. Holder (as defined below) (except that the discussion under “Further Issues” applies to all holders). This summary does not address the U.S. federal income tax consequences of every type of Note which may be issued under the Programme, and the applicable Pricing Supplement may contain additional or modified disclosure concerning certain U.S. federal income tax consequences relevant to such type of Note as appropriate. This summary deals only with initial purchasers of the Notes in an offering at their initial offering price and that will hold the Notes as capital assets. This discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on the acquisition, ownership or disposition of Notes by particular investors (including consequences under any alternative minimum tax or Medicare tax on net investment income), and does not address state, local, non-U.S. or other federal tax laws (e.g. estate or gift tax) or special tax accounting rules as a result of any item of gross income with respect to the Notes being taken into account on an applicable financial statement. In particular, this summary does not address tax considerations applicable to investors that own (directly, indirectly or by attribution) 10 per cent. or more of the stock of the Issuer (by vote or value), nor does this summary discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as banks, financial institutions, regulated investment companies, real estate investment trusts, insurance companies, tax-exempt entities or individual retirement accounts and other tax-deferred accounts, entities or arrangements treated as partnerships for U.S. federal income tax purposes or other pass-through entities, tax-exempt organizations, dealers in securities or currencies, investors that will hold the Notes as part of straddles, hedging transactions

or conversion transactions for U.S. federal income tax purposes, investors who have ceased to be U.S. citizens or lawful permanent residents of the United States, U.S. Holders holding Notes in connection with a trade or business outside the United States, U.S. citizens or lawful permanent residents living abroad or U.S. Holders whose functional currency is not the U.S. dollar). Moreover, this summary deals only with Notes with a term of 30 years or less and does not address Partly Paid Notes, Index Linked Notes or Dual Currency Notes. The U.S. federal income tax consequences of owning Notes with a longer term, Partly Paid Notes, Index Linked Notes or Dual Currency Notes may be discussed in the appropriate Pricing Supplement.

As used herein, the term “**U.S. Holder**” means a beneficial owner of Notes that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation created or organized under the laws of the United States or any state thereof, including the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has validly elected to be treated as a domestic trust for U.S. federal income tax purposes.

The U.S. federal income tax treatment of a partner in an entity or arrangement treated as a partnership for U.S. federal income tax purposes that holds Notes will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are entities or arrangements treated as partnerships for U.S. federal income tax purposes should consult their tax adviser concerning the U.S. federal income tax consequences to them and their partners of the acquisition, ownership and disposition of Notes by the partnership.

This summary is based on the tax laws of the United States including the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”) its legislative history, existing and proposed Treasury regulations promulgated thereunder, published rulings and court decisions, the income tax treaty between the United States and India (the “**Treaty**”), all as on the date hereof and all subject to change at any time, possibly with retroactive effect.

This discussion applies only to holders of Registered Notes. Bearer Notes are not being offered to U.S. Holders. A U.S. Holder who owns a Bearer Note may be subject to limitations under United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Code. This summary does not otherwise address Bearer Notes.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATIONAL PURPOSES ONLY AND DOES NOT ADDRESS THE MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF EVERY TYPE OF NOTE WHICH MAY BE ISSUED UNDER THE PROGRAMME. ADDITIONAL U.S. FEDERAL INCOME TAX CONSEQUENCES, IF ANY, APPLICABLE TO A PARTICULAR ISSUANCE OF NOTES MAY BE SET FORTH IN THE APPLICABLE PRICING SUPPLEMENT. PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF ACQUIRING, OWNING AND DISPOSING OF THE NOTES, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, NON-U.S. AND OTHER FEDERAL TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

The Issuer generally intends to treat Notes issued under the Programme as debt, unless otherwise indicated in the applicable Pricing Supplement. The following summary only applies to Notes that are properly treated as debt for U.S. federal income tax purposes.

U.S. Holders

Payments of Interest

General

Interest on a Note, whether payable in U.S. dollars or a single currency other than U.S. dollars (a “**foreign currency**”), other than interest on a “Discount Note” that is not “qualified stated interest” (each as defined below under “– *Original Issue Discount – General*”), will generally be taxable to a U.S. Holder as ordinary income at the time it is received or accrued, depending on such holder’s method of accounting for U.S. federal income tax purposes, reduced by the allocable amount of amortizable bond premium, subject to the discussion below. Interest paid on the Notes and original issue discount (“**OID**”), if any, accrued with respect to the Notes (as described below under “– *Original Issue Discount*”) generally will constitute income from sources outside the United States.

Effect of Indian Withholding Taxes

See “*Taxation – Indian Taxation*”, for a discussion regarding Indian withholding taxes on payments to non-Indian resident investors. As discussed under “*Terms and Conditions of the Notes – Taxation – Payment without Withholding*”, the Issuer may become liable for the payment of Additional Amounts to holders of the Notes so that holders receive the same amounts they would have received had no Indian withholding taxes been imposed. For U.S. federal income tax purposes, U.S. Holders would be treated as having actually received the amount of Indian (or other non-U.S.) taxes withheld by the Issuer with respect to a Note, and as then having actually paid over the withheld taxes to the Indian taxing authorities. As a result, the amount of interest income included in gross income for U.S. federal income tax purposes by a U.S. Holder with respect to a payment of interest or OID may be greater than the amount of cash actually received (or receivable) by the U.S. Holder from the Issuer with respect to the payment.

Subject to certain significant and complex limitations, a U.S. Holder may be entitled to a credit against its U.S. federal income tax liability, or a deduction, if elected, in computing its U.S. federal taxable income, for Indian income taxes withheld by the Issuer (at a rate not exceeding any applicable Treaty rate). An election to deduct creditable foreign taxes instead of claiming foreign tax credits must be applied to all creditable foreign taxes paid or accrued in the U.S. Holder’s taxable year. Interest generally will constitute “passive category income” for purposes of the foreign tax credit. The rules governing foreign tax credits are complex and recently issued final U.S. Treasury Regulations (“**Final FTC Regulations**”) have imposed additional requirements that must be met for a foreign tax to be creditable, and the Issuer does not intend to determine whether such requirements will be met with respect to any Indian taxes withheld. However, recent notices (the “**Notices**”) from the IRS indicate that the U.S. Treasury and the IRS are considering proposing amendments to the Final FTC Regulations and allow taxpayers, subject to certain conditions, to defer the application of many aspects of the Final FTC Regulations until the date when a notice or other guidance withdrawing or modifying this temporary relief is issued (or any later date specified in such notice or other guidance). The rules governing foreign tax credits are complex and constantly evolving and the creditability of any non-U.S. taxes withheld is subject to significant limitations. Prospective purchasers should consult their tax advisers concerning the application of the foreign tax rules to income attributable to the Notes and the creditability (or alternatively, deductibility) of any non-U.S. (including Indian) withholding taxes and any applicable limitations in their particular circumstances.

Pre-Issuance Accrued Interest

If a portion of the price paid for a Note is attributable to an amount of interest accrued prior to the date the Note is issued (the “**pre-issuance accrued interest**”), a portion of the first interest payment on the Notes equal to the amount of the pre-issuance accrued interest may be treated as a non-taxable return of the pre-issuance accrued interest. This discussion assumes that the first interest payment on Notes with pre-issuance accrued interest will be so treated, and references to interest in the remainder of this discussion exclude pre-issuance

accrued interest. This discussion assumes that in determining the issue price of a Note, there will be excluded an amount equal to the pre-issuance accrued interest. Pre-issuance accrued interest not included in income should not form part of any amortizable bond premium (as described below under “– *Original Issue Discount – Notes Purchased at a Premium*”). A U.S. Holder’s tax basis in a Note will be reduced by any non-taxable return of pre-issuance accrued interest. This discussion does not otherwise address the treatment of pre-issuance accrued interest, and U.S. Holders should consult their tax advisers concerning the U.S. federal income tax treatment of pre-issuance accrued interest, including any potential exchange gain or loss that might be recognized upon receipt of return of pre-issuance accrued interest on Notes denominated in a foreign currency.

Original Issue Discount

General

The following is a general summary of certain U.S. federal income tax consequences of the ownership of Notes issued with OID. The following summary does not discuss Notes that are characterized as contingent payment debt instruments for U.S. federal income tax purposes. In the event the Issuer issues Notes that are characterised as contingent payment debt instruments the applicable Pricing Supplement may describe the material U.S. federal income tax consequences thereof.

A Note, other than a Note with a term of one year or less (a “**Short-Term Note**”), will be treated as issued with OID (a “**Discount Note**”) for U.S. federal income tax purposes if the excess of the Note’s “stated redemption price at maturity” over its “issue price” is equal to or more than a *de minimis* amount (0.25 per cent. of the Note’s stated redemption price at maturity multiplied by the number of complete years to its maturity). An obligation that provides for the payment of amounts other than “qualified stated interest” (as defined below) before maturity (an “**instalment obligation**”) will be treated as a Discount Note if the excess of the Note’s stated redemption price at maturity over its issue price is equal to or greater than 0.25 per cent. of the Note’s stated redemption price at maturity multiplied by the weighted average maturity of the Note. A Note’s weighted average maturity is the sum of the following amounts determined for each payment on a Note (other than a payment of qualified stated interest): (i) the number of complete years from the issue date until the payment is made multiplied by (ii) a fraction, the numerator of which is the amount of the payment and the denominator of which is the Note’s stated redemption price at maturity. Generally, the issue price of a Note will be the first price at which a substantial amount of Notes included in the issue of which the Note is a part is sold to persons other than bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers. The stated redemption price at maturity of a Note is the total of all payments provided by the Note that are not payments of “qualified stated interest.” A qualified stated interest payment is generally any one of a series of stated interest payments on a Note that is unconditionally payable at least annually at a single fixed rate, or a variable rate (in the circumstances described below under “– *Variable Interest Rate Notes*”), applied to the outstanding principal amount of the Note. Solely for the purposes of determining whether a Note has OID, the Issuer will be deemed to exercise any call option that has the effect of decreasing the yield on the Note, and the U.S. Holder will be deemed to exercise any put option that has the effect of increasing the yield on the Note. If it was deemed that any call or put option would be exercised but was not in fact exercised, the Note would be treated solely for the purpose of calculating OID as if it were redeemed, and a new Note were issued, on the presumed exercise date for an amount equal to the Note’s adjusted issue price on that date.

U.S. Holders of Discount Notes generally must include OID in income (as ordinary income) calculated on a constant-yield method before the receipt of cash attributable to the income, and generally will have to include in gross income increasingly greater amounts of OID over the life of the Discount Notes. The amount of OID includible in gross income by a U.S. Holder of a Discount Note is the sum of the daily portions of OID with respect to the Discount Note for each day during the taxable year or portion of the taxable year on which the U.S. Holder holds the Discount Note. The daily portion is determined by allocating to each day in any “accrual

period” a pro rata portion of the OID allocable to that accrual period. Accrual periods with respect to a Note may be of any length selected by the U.S. Holder and may vary in length over the term of the Note as long as (i) no accrual period is longer than one year and (ii) each scheduled payment of interest or principal on the Note occurs on either the final or first day of an accrual period. The amount of OID allocable to an accrual period equals the excess of (a) the product of the Discount Note’s adjusted issue price at the beginning of the accrual period and the Discount Note’s yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the payments of qualified stated interest on the Note allocable to the accrual period. OID allocable to a final accrual period is the difference between the amount payable at maturity, other than a payment of qualified stated interest, and the adjusted issue price of the Discount Note at the beginning of the final accrual period. Special rules will apply for calculating OID for an initial short accrual period. The “adjusted issue price” of a Discount Note at the beginning of any accrual period is the issue price of the Note increased by (x) the amount of accrued OID for each prior accrual period and decreased by (y) the amount of any payments previously made on the Note that were not qualified stated interest payments.

De Minimis OID

If a U.S. Holder owns a Note issued with *de minimis* OID, which is a discount that is not treated as OID because it is less than 0.25 per cent. of the stated redemption price at maturity multiplied by the number of complete years to maturity (or, in the case of an instalment obligation, the weighted average maturity), such U.S. Holder generally must include the *de minimis* OID in income at the time principal payments on the Note are made in proportion to the amount paid. Any amount of *de minimis* OID included in income will generally be treated as capital gain.

Acquisition Premium

Subject to the discussion below under “– Election to Treat All Interest as Original Issue Discount”, a U.S. Holder that purchases a Discount Note for an amount less than or equal to the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, but in excess of its adjusted issue price (any such excess being “**acquisition premium**”) is permitted to reduce the daily portions of OID by a fraction, the numerator of which is the excess of the U.S. Holder’s adjusted basis in the Note immediately after its purchase over the Note’s adjusted issue price, and the denominator of which is the excess of the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, over the Note’s adjusted issue price.

Short-Term Notes

In general, an individual or other cash basis U.S. Holder of a Short-Term Note is not required to accrue OID (as specially defined below for the purposes of this paragraph) for U.S. federal income tax purposes unless it elects to do so (but may be required to include any stated interest in income as the interest is received). Accrual basis U.S. Holders and certain other U.S. Holders are required to accrue OID on Short-Term Notes on a straight-line basis or, if the U.S. Holder so elects, under the constant-yield method (based on daily compounding). In the case of a U.S. Holder not required and not electing to include such OID in income currently, any gain realized on the sale or retirement of the Short-Term Note will be ordinary income to the extent of the OID accrued on a straight-line basis (unless an election is made to accrue the OID under the constant-yield method) through the date of sale or retirement. U.S. Holders who are not required and do not elect to accrue OID on Short-Term Notes will be required to defer deductions for interest on borrowings allocable to Short-Term Notes in an amount not exceeding the deferred income until the deferred income is realized.

For purposes of determining the amount of OID subject to these rules, all interest payments on a Short-Term Note are included in the Short-Term Note’s stated redemption price at maturity. A U.S. Holder may elect to determine OID on a Short-Term Note as if the Short-Term Note had been originally issued to the U.S. Holder at the U.S. Holder’s purchase price for the Short-Term Note. This election will apply to all obligations with a

maturity of one year or less acquired by the U.S. Holder on or after the first day of the first taxable year to which the election applies, and may not be revoked without the consent of the U.S. Internal Revenue Service (“IRS”).

Market Discount

A Note, other than a Short-Term Note, generally will be treated as purchased at a market discount (a “**Market Discount Note**”) if the Note’s stated redemption price at maturity or, in the case of a Discount Note, the Note’s “revised issue price”, exceeds the amount for which the U.S. Holder purchased the Note by at least 0.25 per cent. of the Note’s stated redemption price at maturity or revised issue price, respectively, multiplied by the number of complete years to the Note’s maturity (or, in the case of a Note that is an instalment obligation, the Note’s weighted average maturity). If this excess is not sufficient to cause the Note to be a Market Discount Note, then the excess constitutes “*de minimis* market discount”. For this purpose, the “revised issue price” of a Note generally equals its issue price, increased by the amount of any OID that has accrued on the Note and decreased by the amount of any payments previously made on the Note that were not qualified stated interest payments. Additionally, for this purpose the “stated redemption price at maturity” (as defined above) is decreased by the amount of any payments previously made on the Note that were not qualified stated interest.

Any gain recognized on the sale or retirement of a Market Discount Note (including any payment on a Note that is not qualified stated interest) generally will be treated as ordinary income to the extent of the accrued market discount on the Note. Alternatively, a U.S. Holder of a Market Discount Note may avoid such treatment by electing to include market discount in income currently over the life of the Note. This election applies to all debt instruments with market discount acquired by the electing U.S. Holder on or after the first day of the first taxable year for which the election is made. This election may not be revoked without the consent of the IRS.

A U.S. Holder of a Market Discount Note that does not elect to include market discount in income currently will generally be required to defer deductions for interest on borrowings incurred to purchase or carry a Market Discount Note. Such interest is deductible when paid or incurred to the extent of income from the Note for the year. If the interest expense exceeds such income, such excess is currently deductible only to the extent that such excess exceeds the portion of the market discount allocable to the days during the taxable year on which such Note was held by the U.S. Holder.

Market discount will accrue on a straight-line basis unless the U.S. Holder elects to accrue the market discount on a constant-yield method. This election applies only to the Market Discount Note with respect to which it is made and is irrevocable.

The application of the foreign tax credit rules to non-U.S. taxes imposed on any income attributable to market discount is not clear and prospective purchasers should consult their tax advisers regarding the application of the foreign tax credit rules to any non-U.S. taxes imposed on such income in their particular circumstances.

Variable Interest Rate Notes

Notes that provide for the payment of interest at certain variable rates (“**Variable Interest Rate Notes**”) generally will be treated as “variable rate debt instruments” under Treasury regulations governing accrual of OID. A Variable Interest Rate Note will qualify as a “variable rate debt instrument” if, among other requirements, (a) its issue price does not exceed the total non-contingent principal payments due under the Variable Interest Rate Note by more than a specified *de minimis* amount, (b) it provides for stated interest, paid or compounded at least annually, at (i) one or more qualified floating rates, (ii) a single fixed rate and one or more qualified floating rates, (iii) a single objective rate, or (iv) a single fixed rate and a single objective rate that is a qualified inverse floating rate, and (c) it does not provide for any principal payments that are contingent (other than as described in (a) above).

A “qualified floating rate” is any variable rate where variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Variable Interest Rate Note is denominated. A fixed multiple of a qualified floating rate will constitute a qualified floating rate only if the multiple is greater than 0.65 but not more than 1.35. A variable rate equal to the product of a qualified floating rate and a fixed multiple that is greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate, will also constitute a qualified floating rate. In addition, two or more qualified floating rates that can reasonably be expected to have approximately the same values throughout the term of the Variable Interest Rate Note (e.g., two or more qualified floating rates with values within 25 basis points of each other as determined on the Variable Interest Rate Note’s issue date) will be treated as a single qualified floating rate. Notwithstanding the foregoing, a variable rate that would otherwise constitute a qualified floating rate but which is subject to one or more restrictions such as a maximum numerical limitation (i.e., a cap) or a minimum numerical limitation (i.e., a floor) may, under certain circumstances, fail to be treated as a qualified floating rate.

An “objective rate” is a rate that is not itself a qualified floating rate but which is determined using a single fixed formula and which is based on objective financial or economic information (e.g., one or more qualified floating rates or the yield of actively traded personal property). A rate will not qualify as an objective rate if it is based on information that is within the control of the Issuer (or a related party) or that is unique to the circumstances of the Issuer (or a related party), such as dividends, profits or the value of the Issuer’s stock (although a rate does not fail to be an objective rate merely because it is based on the credit quality of the Issuer). Other variable interest rates may be treated as objective rates if so designated by the IRS in the future. Despite the foregoing, a variable rate of interest on a Variable Interest Rate Note will not constitute an objective rate if it is reasonably expected that the average value of the rate during the first half of the Variable Interest Rate Note’s term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Variable Interest Rate Note’s term. A “qualified inverse floating rate” is any objective rate where the rate is equal to a fixed rate minus a qualified floating rate, as long as variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate. If a Variable Interest Rate Note provides for stated interest at a fixed rate for an initial period of one year or less followed by a variable rate that is either a qualified floating rate or an objective rate for a subsequent period and if the variable rate on the Variable Interest Rate Note’s issue date is intended to approximate the fixed rate (e.g., the value of the variable rate on the issue date does not differ from the value of the fixed rate by more than 25 basis points), then the fixed rate and the variable rate together will constitute either a single qualified floating rate or objective rate, as the case may be.

A qualified floating rate or objective rate in effect at any time during the term of the instrument must be set at a “current value” of that rate. A “current value” of a rate is the value of the rate on any day that is no earlier than 3 months prior to the first day on which that value is in effect and no later than 1 year following that first day.

If a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof qualifies as a “variable rate debt instrument”, then any stated interest on the Note which is unconditionally payable in cash or property (other than debt instruments of the Issuer) at least annually will constitute qualified stated interest and will be taxed accordingly. Thus, a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof and that qualifies as a “variable rate debt instrument” generally will not be treated as having been issued with OID unless the Variable Interest Rate Note is issued at a “true” discount (i.e., at a price below the Note’s stated principal amount) equal to or in excess of a specified de minimis amount. OID on a Variable Interest Rate Note arising from “true” discount is generally allocated to an accrual period using the constant yield method described above by assuming that the variable rate is a fixed rate equal to (i) in the case of a qualified floating rate or qualified inverse floating rate, the value, as of the issue date, of the

qualified floating rate or qualified inverse floating rate, or (ii) in the case of an objective rate (other than a qualified inverse floating rate), a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note.

In general, any other Variable Interest Rate Note that qualifies as a “variable rate debt instrument” will be converted into an “equivalent” fixed rate debt instrument for purposes of determining the amount and accrual of OID and qualified stated interest on the Variable Interest Rate Note. Such a Variable Interest Rate Note must be converted into an “equivalent” fixed rate debt instrument by substituting any qualified floating rate or qualified inverse floating rate provided for under the terms of the Variable Interest Rate Note with a fixed rate equal to the value of the qualified floating rate or qualified inverse floating rate, as the case may be, as of the Variable Interest Rate Note’s issue date. Any objective rate (other than a qualified inverse floating rate) provided for under the terms of the Variable Interest Rate Note is converted into a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note. In the case of a Variable Interest Rate Note that qualifies as a “variable rate debt instrument” and provides for stated interest at a fixed rate in addition to either one or more qualified floating rates or a qualified inverse floating rate, the fixed rate is initially converted into a qualified floating rate (or a qualified inverse floating rate, if the Variable Interest Rate Note provides for a qualified inverse floating rate). Under these circumstances, the qualified floating rate or qualified inverse floating rate that replaces the fixed rate must be such that the fair market value of the Variable Interest Rate Note as of the Variable Interest Rate Note’s issue date is approximately the same as the fair market value of an otherwise identical debt instrument that provides for either the qualified floating rate or qualified inverse floating rate rather than the fixed rate. Subsequent to converting the fixed rate into either a qualified floating rate or a qualified inverse floating rate, the Variable Interest Rate Note is converted into an “equivalent” fixed rate debt instrument in the manner described above.

Once the Variable Interest Rate Note is converted into an “equivalent” fixed rate debt instrument pursuant to the foregoing rules, the amount of OID and qualified stated interest, if any, are determined for the “equivalent” fixed rate debt instrument by applying the general OID rules to the “equivalent” fixed rate debt instrument and a U.S. Holder of the Variable Interest Rate Note will account for the OID and qualified stated interest as if the U.S. Holder held the “equivalent” fixed rate debt instrument. In each accrual period, appropriate adjustments will be made to the amount of qualified stated interest or OID assumed to have been accrued or paid with respect to the “equivalent” fixed rate debt instrument in the event that these amounts differ from the actual amount of interest accrued or paid on the Variable Interest Rate Note during the accrual period.

If a Variable Interest Rate Note, does not qualify as a “variable rate debt instrument”, then the Variable Interest Rate Note will generally be treated as a contingent payment debt instrument. The proper U.S. federal income tax treatment of Variable Interest Rate Notes that are treated as contingent payment debt instruments will be more fully described in the applicable Pricing Supplement.

Notes Purchased at a Premium

A U.S. Holder that purchases a Note for an amount in excess of its principal amount, or for a Discount Note, all of the remaining payments on the Discount Note other than payments of qualified stated interest, may elect to treat the excess as “amortizable bond premium”, in which case the amount required to be included in the U.S. Holder’s gross income each year with respect to interest on the Note will be reduced by the amount of amortizable bond premium allocable (based on the Note’s yield to maturity) to that year. Any election to amortize bond premium will apply to all bonds (other than bonds the interest on which is excludable from gross income for U.S. federal income tax purposes) held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and is irrevocable without the consent of the IRS. See also “*Election to Treat All Interest as Original Issue Discount*”. Special rules may limit the amortization of bond premium with respect to Notes subject to early redemption.

Election to Treat All Interest as Original Issue Discount

A U.S. Holder may elect to include in gross income all interest that accrues on a Note using the constant-yield method described above under “– *General*,” with certain modifications. For purposes of this election, interest includes stated interest, OID, *de minimis* OID, market discount, *de minimis* market discount and unstated interest, as adjusted by any amortizable bond premium (described above under “– *Notes Purchased at a Premium*”) or acquisition premium. This election generally will apply only to the Note with respect to which it is made and may not be revoked without the consent of the IRS. If the election to apply the constant-yield method to all interest on a Note is made with respect to a Market Discount Note, the electing U.S. Holder will be treated as having made the election discussed above under “– *Market Discount*” to include market discount in income currently over the life of all debt instruments having market discount that are acquired on or after the first day of the first taxable year to which the election applies. U.S. Holders should consult their tax advisers concerning the propriety and consequences of this election.

Purchase, Sale, Retirement or Other Taxable Disposition of the Notes

A U.S. Holder generally will recognize gain or loss on the sale, retirement or other taxable disposition of a Note equal to the difference between the amount realized on the sale, retirement or other taxable disposition and the U.S. Holder’s adjusted tax basis of the Note. A U.S. Holder’s adjusted tax basis in a Note generally will be its cost, increased by the amount of any OID or market discount included in the U.S. Holder’s gross income with respect to the Note and the amount, if any, of income attributable to *de minimis* OID and *de minimis* market discount included in the U.S. Holder’s income with respect to the Note, and reduced by (i) the amount of any payments received with respect to the Note that are not qualified stated interest payments, and (ii) the amount of any amortizable bond premium applied to reduce interest on the Note. The amount realized does not include the amount attributable to accrued but unpaid qualified stated interest, which will be taxable as interest income to the extent not previously included in gross income. Except to the extent described above under “– *Original Issue Discount – Market Discount*” or “– *Original Issue Discount – Short-Term Notes*” or attributable to changes in exchange rates (as discussed below under “– *Foreign Currency Notes*”), gain or loss recognized on the sale, retirement or other taxable disposition of a Note will generally be capital gain or loss and will generally be long-term capital gain or loss if the U.S. Holder’s holding period in the Notes exceeds one year. The deductibility of capital losses is subject to limitation.

Except to the extent attributable to market discount, gain or loss realized by a U.S. Holder on the sale, retirement or other taxable disposition of a Note generally will be U.S. source. Therefore, a U.S. Holder may have insufficient foreign source income to utilize foreign tax credits attributable to any Indian (or other non-U.S.) tax imposed on a sale or disposition. Moreover, under the Final FTC Regulations, Indian income taxes on disposition gains of U.S. Holders that are not entitled to, or do not elect to apply, the benefits of the Treaty (and potentially other non-U.S. taxes imposed on disposition gains) are generally not creditable for U.S. federal income tax purposes. However, Notices from the IRS indicate that the U.S. Treasury and the IRS are considering proposing amendments to the Final FTC Regulations and allow taxpayers, subject to certain conditions, to defer the application of many aspects of the Final FTC Regulations until the date when a notice or other guidance withdrawing or modifying this temporary relief is issued (or any later date specified in such notice or other guidance). Indian or other non-U.S. taxes on disposition gains that are not creditable may possibly reduce the amount realized on the disposition of Notes or alternatively may be deductible. The creditability of non-U.S. taxes is subject to significant, complex and evolving limitations. Accordingly, prospective purchasers should consult their tax advisers regarding the tax consequences if Indian (or other non-U.S.) taxes are imposed on disposition of the Notes in their particular circumstances, including their ability to credit or deduct any Indian (or other non-U.S.) income tax against their U.S. federal income tax liability and any applicable limitations, the proper application of the foreign tax credit rules to income attributable to market discount, the proper application of the Treaty (which in some respects is not entirely clear), the determination of the amount realized and disclosure obligations of any Treaty-based tax return position.

Foreign Currency Notes

Interest

If a payment of qualified stated interest (including a payment attributable to accrued but unpaid qualified stated interest upon the sale, retirement or other taxable disposition of a Note) is denominated in, or determined by reference to, a foreign currency, the amount of income recognized by a cash basis U.S. Holder will be the U.S. dollar value of the interest payment, based on the exchange rate in effect on the date of actual or constructive receipt, regardless of whether the payment is in fact converted into U.S. dollars.

An accrual basis U.S. Holder may determine the amount of income recognized with respect to a qualified stated interest payment denominated in, or determined by reference to, a foreign currency in accordance with either of two methods. Under the first method, the amount of income accrued will be based on the average exchange rate in effect during the interest accrual period (or, in the case of an accrual period that spans two taxable years of a U.S. Holder, on the average exchange rate of the part of the period within the taxable year).

Under the second method, the accrual basis U.S. Holder may elect to determine the amount of income accrued on the basis of the spot rate of exchange in effect on the last day of the accrual period (or, in the case of an accrual period that spans two taxable years, the spot rate of exchange in effect on the last day of the part of the period within the taxable year). Additionally, if a payment of qualified stated interest is actually received within five business days of the last day of the accrual period, an electing accrual basis U.S. Holder may instead translate the accrued interest into U.S. dollars at the spot rate of exchange in effect on the day of actual receipt. Any such election will apply to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and will be irrevocable without the consent of the IRS.

Upon receipt of a qualified stated interest payment (including a payment attributable to accrued but unpaid qualified stated interest upon the sale, retirement or other taxable disposition of a Note) denominated in, or determined by reference to, a foreign currency, the accrual basis U.S. Holder may recognize U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the U.S. dollar value of the amount received (translated into U.S. dollars at the spot rate on the date of receipt) in respect of the accrual period and the U.S. dollar value of the amount attributable to qualified stated interest that has accrued during that accrual period (as determined under the accrual method described in the preceding two paragraphs utilized by the U.S. Holder), regardless of whether the payment is in fact converted into U.S. dollars.

OID

OID for each accrual period on a Discount Note that is denominated in, or determined by reference to, a foreign currency, will be determined in the foreign currency and then translated into U.S. dollars in the same manner as qualified stated interest accrued by an accrual basis U.S. Holder, as described above. Upon receipt of an amount attributable to OID (whether in connection with a payment on the Note or a sale, retirement or taxable disposition of the Note), a U.S. Holder may recognize U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the U.S. dollar value of the amount received (translated into U.S. dollars at the spot rate on the date of receipt) in respect of the accrual period and the U.S. dollar value of the amount attributable to OID that has accrued during that accrual period (as determined above), regardless of whether the payment is in fact converted into U.S. dollars.

Market Discount

Market discount on a Note that is denominated in, or determined by reference to, a foreign currency, will be accrued in the foreign currency. If the U.S. Holder elects to include market discount in income currently, the accrued market discount will be translated into U.S. dollars at the average exchange rate for the accrual period (or portion thereof within the U.S. Holder's taxable year). Upon the receipt of an amount attributable to accrued market discount, the U.S. Holder may recognize U.S. source exchange gain or loss (which will be taxable as

ordinary income or loss) determined in the same manner as for accrued qualified stated interest or OID. A U.S. Holder that does not elect to include market discount in income currently will recognize, upon the sale, retirement or other taxable disposition of the Note, the U.S. dollar value of the amount accrued, calculated at the spot rate on that date, and no part of this accrued market discount will be treated as exchange gain or loss.

Bond Premium

Bond premium (including acquisition premium) on a Note that is denominated in, or determined by reference to, a foreign currency, will be computed in units of the foreign currency, and any such bond premium that is taken into account currently will reduce interest income (or OID) in units of the foreign currency. On the date bond premium offsets interest income (or OID), a U.S. Holder may recognize U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the amount offset multiplied by the difference between the spot rate in effect on the date of the offset, and the spot rate in effect on the date the Notes were acquired by the U.S. Holder. A U.S. Holder that does not elect to take bond premium (other than acquisition premium) into account currently generally will be required to treat the premium as capital loss when the Note matures.

Sale, Retirement or Other Taxable Disposition

As discussed above under “– *Purchase, Sale, Retirement or Other Taxable Disposition of Notes*”, a U.S. Holder generally will recognize gain or loss on the sale, retirement or other taxable disposition of a Note equal to the difference between the amount realized on the sale, retirement or other taxable disposition and the U.S. Holder’s adjusted tax basis in the Note, in each case as determined in U.S. dollars.

A U.S. Holder will recognize U.S. source exchange rate gain or loss (taxable as ordinary income or loss) on the sale, retirement or other taxable disposition of a Note equal to the difference, if any, between the U.S. dollar values of the U.S. Holder’s purchase price for the Note (as adjusted for amortized bond premium, if any) (i) on the date of sale, retirement or other taxable disposition and (ii) the date on which the U.S. Holder acquired the Note. Any such exchange rate gain or loss will be realized only to the extent of total gain or loss realized on the sale, retirement or other taxable disposition (including any exchange gain or loss with respect to the receipt of accrued but unpaid interest). U.S. Holders should consult their own tax advisers about how to account for proceeds received on the sale or retirement of Notes that are not paid in U.S. dollars.

See “*Purchase, Sale, Retirement or Other Taxable Disposition of the Notes*” for a discussion of foreign tax credit and other U.S. federal income tax consequences in case non-U.S. taxes are imposed on disposition gains.

Disposition of Foreign Currency

Foreign currency received as a payment of stated interest on a Note or on the sale, retirement or other taxable disposition of a Note will have a tax basis equal to its U.S. dollar value at the time the foreign currency is received. Foreign currency that is purchased generally will have a tax basis equal to the U.S. dollar value of the foreign currency on the date of purchase. Any gain or loss recognized on a sale or other disposition of a foreign currency (including its use to purchase Notes or upon exchange for U.S. dollars) generally will be U.S. source ordinary income or loss.

Substitution of the Issuer

The terms of the Notes provide that, in certain circumstances, the obligations of the Issuer under the Notes may be assumed by another entity. Any such assumption might be treated for U.S. federal income tax purposes as a deemed disposition of Notes by a U.S. Holder in exchange for new notes. As a result of this deemed disposition, a U.S. Holder could be required to recognize capital gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the issue price of the new notes (as determined for U.S. federal income tax purposes), and the U.S. Holder’s tax basis in the Notes. Additionally, the new notes may be treated as issued with OID.

Further Issues

The Issuer may, without notice to, or the consent of, the holders of outstanding Notes, issue additional Notes with identical terms and conditions. These additional Notes, even if they are treated for non-tax purposes as part of the same series as the original Notes, in some cases may be treated as a separate series for U.S. federal income tax purposes. In such a case, the additional Notes may be considered to have been issued with OID even if the original Notes had no OID, or the additional Notes may have a greater amount of OID than the original Notes. These differences may affect the market value of the original Notes if the additional Notes are not otherwise distinguishable from the original Notes.

Backup Withholding and Information Reporting

In general, payments of principal and interest and accruals of OID on, and the proceeds of a sale, redemption or other disposition of, the Notes, payable to a U.S. Holder by a U.S. or U.S.-connected paying agent or other U.S. or U.S. connected intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding will apply to these payments, including payments of accrued OID, if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or otherwise fails to comply with applicable certification requirements. Certain U.S. Holders are not subject to backup withholding. U.S. Holders should consult their tax advisers about these rules and any other reporting obligations that may apply to the ownership or disposition of Notes. Failure to comply with certain reporting obligations could result in the imposition of substantial penalties and other adverse consequences.

Reportable Transactions

A U.S. taxpayer that participates in a “reportable transaction” will be required to disclose its participation to the IRS. The scope and application of these rules is not entirely clear and whether an investment in a Note constitutes a “reportable transaction” for any U.S. Holder may depend on the U.S. Holder’s particular circumstances. For example, under the relevant rules, if the Notes are denominated in, or payments are determined by reference to, a foreign currency, a U.S. Holder may be required to treat a foreign currency exchange loss from the Notes as a reportable transaction if the loss exceeds the relevant threshold in the regulations (U.S.\$50,000 in a single taxable year, if the U.S. Holder is an individual or trust, or higher amounts for other non-individual U.S. Holders), and to disclose its investment by filing Form 8886 with the IRS. These same rules would apply to a disposition of foreign currency, as well. A penalty in the amount of U.S.\$10,000 in the case of a natural person and U.S.\$50,000 in all other cases generally is imposed on any taxpayer that fails to timely file an information return with the IRS with respect to a transaction resulting in a loss that is treated as a reportable transaction. Prospective purchasers are urged to consult their tax advisers regarding the application of these rules.

Foreign Financial Asset Reporting

Certain U.S. Holders that own “specified foreign financial assets,” including securities issued by any foreign person, either directly or indirectly or through certain foreign financial institutions, if the aggregate value of all of those assets exceeds U.S.\$50,000 on the last day of the taxable year or U.S.\$75,000 at any time during the taxable year may be required to report information relating to non-U.S. accounts through which the U.S. Holders hold their securities (or information regarding the securities if the securities are not held through any financial institution). The Notes may be treated as specified foreign financial assets, and investors may be subject to this information reporting regime. Significant penalties and an extended statute of limitations may apply to an investor subject to the new reporting requirement that fails to file information reports. Prospective purchasers are urged to consult their tax advisers regarding the application of these rules.

FATCA Withholding

Pursuant to certain provisions of the Code, commonly known as FATCA, withholding at a rate of 30% may be required on certain payments made by “foreign financial institutions” (“**foreign passthru payments**”)

(including intermediaries through which Notes are held) to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is registered as a foreign financial institution for these purposes. A number of jurisdictions (including India) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions.

Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to foreign passthru payments, proposed regulations have been issued that provide that such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register. In the preamble to the proposed regulations, the U.S. Treasury Department indicated that taxpayers may rely on these proposed regulations until the issuance of final regulations. Additionally, Notes characterized as debt (or which are not otherwise characterized as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining “foreign passthru payments” are filed with the U.S. Federal Register would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). If additional notes (as described under “*Terms and Conditions of the Notes – Further Issues*”) that are not distinguishable from such previously issued grandfathered Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

BOOK-ENTRY CLEARANCE SYSTEMS

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream (together, the “**Clearing Systems**”) currently in effect. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Arrangers, the Dealers, the Trustee nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. The applicable pricing supplement will specify the Clearing system(s) applicable for each Series.*

Book-entry Systems

DTC

DTC has advised the Issuer that it is a limited purpose trust company organized under the New York Banking Law, a member of the Federal Reserve System, a “banking organization” within the meaning of the New York Banking Law, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to Section 17A of the Exchange Act. DTC holds securities that its participants (“**Direct Participants**”) deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Direct Participants’ accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust and Clearing Corporation (“**DTCC**”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“**Indirect Participants**” and, together with Direct Participants, “**Participants**”). More information about DTC can be found at www.dtcc.com and www.dtc.org but such information is not incorporated by reference in and does not form part of this Offering Circular.

Under the rules, regulations and procedures creating and affecting DTC and its operations (the “**DTC Rules**”), DTC makes book-entry transfers of Registered Notes among Direct Participants on whose behalf it acts with respect to Notes accepted into DTC’s book-entry settlement system (“**DTC Notes**”) as described below and receives and transmits distributions of principal and interest on DTC Notes. The DTC Rules are on file with the Securities and Exchange Commission. Direct Participants and Indirect Participants with which beneficial owners of DTC Notes (“**Owners**”) have accounts with respect to the DTC Notes similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Notes through Direct Participants or Indirect Participants will not possess Registered Notes, the Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest in respect of the DTC Notes.

Purchases of DTC Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC’s records. The ownership interest of each actual purchaser of each DTC Note (“**Beneficial Owner**”) is in turn to be recorded on the Direct Participant’s and Indirect Participant’s records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which the Beneficial

Owner entered into the transaction. Transfers of ownership interests in the DTC Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Notes, except in the event that use of the book-entry system for the DTC Notes is discontinued.

To facilitate subsequent transfers, all DTC Notes deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorised representative of DTC. The deposit of DTC Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the DTC Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to DTC Notes unless authorised by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the DTC Notes will be made to Cede & Co., or such other nominee as may be requested by an authorised representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the Issuer or the relevant agent (or such other nominee as may be requested by an authorised representative of DTC), on the relevant payment date in accordance with their respective holdings shown in DTC's records unless DTC has reason to believe that it will not receive payment on the due date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practice, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not of DTC or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

Under certain circumstances, including if there is an Event of Default under the Notes, DTC will exchange the DTC Notes for Definitive Registered Notes, which it will distribute to its Participants in accordance with their proportionate entitlements and which if representing interests in a Rule 144A Global Note, will be legended as set forth under "*Subscription and Sale and Transfer and Selling Restrictions*".

A Beneficial Owner shall give notice to elect to have its DTC Notes purchased or tendered, through its Participant, to the relevant agent, and shall effect delivery of such DTC Notes by causing the Direct Participant to transfer the Participant's interest in the DTC Notes, on DTC's records, to the relevant agent. The requirement for physical delivery of DTC Notes in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the DTC Notes are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered DTC Notes to the relevant agent's DTC account.

DTC may discontinue providing its services as depository with respect to the DTC Notes at any time by giving reasonable notice to the Issuer or the relevant agent. Under such circumstances, in the event that a successor depository is not obtained, DTC Note certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, DTC Note certificates will be printed and delivered to DTC.

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Owner desiring to pledge DTC Notes to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Notes, will be required to withdraw its Registered Notes from DTC as described below.

Euroclear and Clearstream

Euroclear and Clearstream each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between its accountholders. Euroclear and Clearstream provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream is available to other institutions that clear through or maintain a custodial relationship with an accountholder of either system.

Book-entry Ownership of and Payments in respect of DTC Notes

The Issuer may apply to DTC in order to have any Tranche of Notes represented by a Registered Global Note accepted in its book-entry settlement system. Each Registered Global Note accepted for clearance in DTC will have a CUSIP number. Upon the issue of any such Registered Global Note, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Registered Global Note to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Dealer. Ownership of beneficial interests in such a Registered Global Note will be limited to Direct Participants or Indirect Participants, including, in the case of any Regulation S Global Note, the respective depositories of Euroclear and Clearstream. Ownership of beneficial interests in a Registered Global Note accepted by DTC will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of principal and interest in respect of a Registered Global Note accepted by DTC will be made to the order of DTC or its nominee as the registered holder of such Note. In the case of any payment in a currency other than U.S. dollars, payment will be made to the exchange agent (to be appointed by the Issuer) on behalf of DTC or its nominee and the exchange agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Registered Global Note in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants' account.

The Issuer expects DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC, unless DTC has reason to believe that it will not

receive payment on such payment date. The Issuer also expects that payments by Participants to beneficial owners of Notes will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC. None of the Principal Paying Agent, the Registrar or the Issuer will have any responsibility or liability for any aspects of the records relating to or payments made on account of converting interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such ownership interests. Payment of principal, premium (if any), and interest, if any, on Notes to DTC is the responsibility of the Issuer.

Transfers of Notes Represented by Registered Global Notes

Transfers of any interests in Notes represented by a Registered Global Note within DTC, Euroclear and Clearstream will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Notes represented by a Registered Global Note to such persons may depend upon the ability to exchange such Notes for Notes in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Notes represented by a Registered Global Note accepted by DTC to pledge such Notes to persons or entities that do not participate in the DTC system or otherwise to take action in respect of such Notes may depend upon the ability to exchange such Notes for Notes in definitive form. The ability of any holder of Notes represented by a Registered Global Note accepted by DTC to resell, pledge or otherwise transfer such Notes may be impaired if the proposed transferee of such Notes is not eligible to hold such Notes through a Direct Participant or Indirect Participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described under “*Transfer Restrictions*”, cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream or Euroclear accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Registrar, the Principal Paying Agent and any custodian (“**Custodian**”) with whom the relevant Registered Global Notes have been deposited.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Clearstream and Euroclear will generally have a settlement date three business days after the trade date (“**T+3**”), unless the parties agree to an alternative settlement date at the time of the transaction. The customary arrangements for delivery versus payment will apply to such transfers. On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in DTC will generally have a settlement one business days after the trade date (“**T+1**”), unless the parties agree to an alternative settlement date at the time of the transaction. Such transfers may occur on a free delivery basis or delivery versus payment at the election of the parties.

Cross-market transfers between accountholders in Clearstream or Euroclear and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream and Euroclear, on the other, transfers of interests in the relevant Registered Global Notes will be effected through the Registrar, the Principal Paying Agent and the Custodian receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. Transfers will be effected on the later of (i) three business days after the trade date for the disposal of the interest in the relevant Global Registered Note resulting in such transfer and (ii) two business days after receipt by the Principal Paying Agent or the Registrar, as the case may be, of the necessary certification or information to effect such transfer. In the case of cross-market transfers, settlement between Euroclear or Clearstream accountholders and DTC

participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Clearstream and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Notes among participants and accountholders of DTC, Clearstream and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuer, the Trustee, the Agents or any Dealer or any of their respective affiliates, directors, employees, agents, representatives, officers or advisers or any person who controls any of them will be responsible for any performance by DTC, Clearstream or Euroclear or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

The Dealers have, in a programme agreement dated September 17, 2026, (as amended and/or supplemented and/or restated from time to time, the “**Programme Agreement**”), agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under “*Form of the Notes*” and “*Terms and Conditions of the Notes*”. The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed to by it. The Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future, update of the Programme the issue of Notes under the Programme and for certain of their affiliates in connection with the Programme. The Issuer has agreed to indemnify the Dealers against certain liabilities incurred by them in connection therewith. The Programme Agreement entitles the Dealers to terminate any agreement that they make to subscribe for Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

The Dealers and certain of their affiliates are full-service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. In connection with each Tranche of Notes issued under the Programme, the Dealers or certain of their affiliates may purchase the Notes and be allocated Notes for asset management and/or proprietary purposes but not with a view to distribution. Further, in the ordinary course of their business activities, the Dealers or their respective affiliates may make or hold (on their own account, on behalf of their clients or in their capacity as investment advisers) a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the account of their customers, and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to such Notes and/or other securities of the Issuer or its affiliates at the same time as the offer and sale of each Tranche of Notes or in secondary market transactions. Such transactions, investments and securities activities may involve securities and instruments of the Issuer or its affiliates, including Notes under the Programme, and may be entered into at the same time or proximate to offers and sale of Notes or at the other times in the secondary market and be carried out with counterparties that are also purchasers, holders or sellers of Notes. As a result of such transactions, a Dealer or its affiliates may hold long or short positions relating to the Notes. Each of the Dealer and its affiliates may also engage in investment or commercial banking and other dealings in the ordinary course of business with the Issuer or its affiliates from time to time and may receive fees and commissions for these transactions. In addition to the transactions noted above, each Dealer and its affiliates may engage in other transactions with, and perform services for, the Issuer or its affiliates in the ordinary course of business. Each Dealer or its affiliates may also purchase Notes for asset management and/or proprietary purposes but not with a view to distribution or may hold Notes on behalf of clients or in the capacity of investment advisers. While each Dealer and its affiliates have policies and procedures to deal with conflicts of interests, any such transactions may cause a Dealer or its affiliates or its clients or counterparties to have economic interests and incentives that may conflict with those of an investor in the Notes. Each Dealer may receive returns on such transactions and has no obligation to take, refrain from taking or cease taking any action with respect to any such transactions based on the potential effect on a prospective investor in the Notes.

Transfer Restrictions

As a result of the following restrictions, purchasers of Notes are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Notes.

Each purchaser of Registered Notes (other than a person purchasing an interest in a Registered Global Note with a view to holding it in the form of an interest in the same Global Note) or person wishing to transfer an interest from one Registered Global Note to another or from global to definitive form or *vice versa*, will be

required to acknowledge, represent and agree, and each person purchasing an interest in a Registered Global Note with a view to holding it in the form of an interest in the same Global Note will be deemed to have acknowledged, represented and agreed, as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

- (i) that either: (a) it is a QIB, purchasing (or holding) the Notes for its own account or for the account of one or more QIBs and it is aware that any sale to it is being made in reliance on Rule 144A; or (b) it is a non-U.S. person (within the meaning of Regulation S) outside the United States;
- (ii) that the Notes are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Notes have not been and will not be registered under the Securities Act or any other applicable U.S. state securities laws and may not be offered, sold, pledged or otherwise transferred within the United States except as set forth below;
- (iii) that, unless it holds an interest in a Regulation S Global Note and is a non-U.S. person located outside the United States, if in the future it decides to resell, pledge or otherwise transfer the Notes or any beneficial interests in the Notes, it will do so, prior to the date which is one year after the later of the last Issue Date for the Series and the last date on which the Issuer or an affiliate of the Issuer was the owner of such Notes, only (a) to the Issuer or any affiliate thereof, (b) inside the United States to a person whom the seller reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, (c) outside the United States to a non-U.S. person in compliance with Rule 903 or Rule 904 under the Securities Act, (d) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or (e) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable U.S. state securities laws;
- (iv) it will, and will require each subsequent holder to, notify any purchaser of the Notes from it of the resale restrictions referred to in paragraph (iii) above, if then applicable;
- (v) that Notes initially offered in the United States to QIBs will be represented by one or more Rule 144A Global Notes and that Notes offered outside the United States in reliance on Regulation S will be represented by one or more Regulation S Global Notes;
- (vi) that the Notes in registered form, other than the Regulation S Global Notes, will bear a legend to the following effect unless otherwise agreed to by the Issuer:

“THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR WITH ANY SECURITIES REGULATORY AUTHORITY OR ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT IT IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THE SECURITIES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE SECURITIES EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND, PRIOR TO THE DATE WHICH IS ONE YEAR AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITIES OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A

QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES TO A NON-U.S. PERSON IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144A FOR REALES OF THE SECURITY.

THIS SECURITY AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDERS OF SUCH SECURITIES SENT TO THEIR REGISTERED ADDRESSES, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR REALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO REALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS SECURITY SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS SECURITY AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).”; and

- (vii) that the Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the Issuer; and if it is acquiring any Notes as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make, and does make, the foregoing acknowledgements, representations and agreements on behalf of each such account.

No sale of Legended Notes in the United States to any one QIB will be for less than U.S.\$200,000 (or its foreign currency equivalent) principal amount and no Legended Note will be issued in connection with such a sale in a smaller principal amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least U.S.\$200,000 (or its foreign currency equivalent) principal amount of Registered Notes.

Each purchaser of Bearer Notes will be required to acknowledge, represent and agree:

- (i) that it is a non-U.S. person and it is located outside the United States (within the meaning of Regulation S);
- (ii) that the Notes are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Notes have not been and will not be registered under the Securities Act or any other applicable U.S. state securities laws and may not be offered, sold, pledged or otherwise transferred except as set forth below;

- (iii) that if in the future it decides to resell, pledge or otherwise transfer the Notes or any beneficial interests in the Notes, it will do so, prior to the date that is one year after the later of the last Issue Date for the Series and the last date on which the Issuer or an affiliate of the Issuer was the owner of such Notes, only (a) to the Issuer or any affiliate thereof or (b) outside the United States to a non-U.S. person in compliance with Rule 903 or Rule 904 under the Securities Act;
- (iv) it will, and will require each subsequent holder to, notify any purchaser of the Notes from it of the resale restrictions referred to in paragraph (iii) above, if then applicable; and
- (v) that the Issuer and others will rely upon the trust and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the Issuer, and if it is acquiring any Notes as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make, and does make, the foregoing acknowledgements, representations and agreements on behalf of such account.

United States

The Notes have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act. Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree, that it has offered and sold any Notes, and will offer and sell any Notes (i) as part of their distribution at any time and (ii) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, as determined and certified as provided below, only in accordance with Rule 903 of Regulation S under the Securities Act or Rule 144A. Accordingly, each Dealer has further represented and agreed, and each further Dealer appointed under the Programme will be required to further represent and agree, that it, its affiliates or any persons acting on its or their behalf have not engaged and will not engage in any directed selling efforts with respect to any Note, and it and they have complied and will comply with the offering restrictions requirement of Regulation S. Each Dealer who has purchased Notes of a Tranche hereunder (or, in the case of a sale of a Tranche of Notes issued to or through more than one Dealer, each of such Dealers as to the Notes of such Tranche purchased by or through it or, in the case of a syndicated issue, the relevant Lead Manager) shall determine and certify to the Principal Paying Agent the completion of the distribution of the Notes of such Tranche. On the basis of such notification or notifications, the Principal Paying Agent has agreed to notify such Dealer/Lead Manager of the end of the distribution compliance period with respect to such Tranche. Each Dealer has also agreed, and each further Dealer appointed under the Programme will be required to agree, that at or prior to confirmation of sale of Notes (other than in respect of Notes sold pursuant to Rule 144A), it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

“The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Securities as determined and certified by the relevant Dealer, in the case of a non-syndicated issue, or the Lead Manager, in the case of a syndicated issue, and except in either case in accordance with Regulation S or Rule 144A under the Securities Act. Terms used above have the meanings given to them by Regulation S.”

Terms used in the preceding paragraph have the meanings given to them by Regulation S.

In addition, in respect of Bearer Notes where TEFRA D is specified in the applicable Pricing Supplement:

- (a) except to the extent permitted under U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D) (or any successor U.S. Treasury regulation section in substantially the same form) (the “**D Rules**”), each Dealer has represented and each further Dealer appointed under the Programme will be required to represent (i) that it has not offered or sold, and agrees that during the restricted period it will not offer or sell, Notes in bearer form to a person who is within the United States or its possessions or to a United States person, and (ii) that it has not delivered and agrees that it will not deliver within the United States or its possessions definitive Notes in bearer form that are sold during the restricted period;
- (b) each Dealer has represented and each further Dealer appointed under the Programme will be required to represent, that it has and agrees that throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes in bearer form are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;
- (c) if it is a United States person, each Dealer has represented and each further Dealer appointed under the Programme will be required to represent, that it is acquiring Notes in bearer form for purposes of resale in connection with their original issuance and if it retains Notes in bearer form for its own account, it will only do so in accordance with the requirements of U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D)(6) (or any successor U.S. Treasury regulation section);
- (d) with respect to each affiliate that acquires Notes in bearer form from a Dealer for the purpose of offering or selling such Notes during the restricted period, such Dealer repeats and confirms the representations and agreements contained in subparagraphs (a), (b) and (c) above on such affiliate’s behalf; and
- (e) each Dealer has represented that it has not and agrees that it will not enter into any written contract (other than a confirmation or other notice of the transaction) pursuant to which any other party to the contract (other than one of its affiliates or another Dealers) has offered or sold, or during the restricted period will offer or sell, any Notes, except where pursuant to the contract the Dealer has obtained or will obtain from that party, for the benefit of the Issuer and the several Dealers, the representations contained in, and that party’s agreement to comply with, the provisions of clauses (a), (b), (c) and (d).

In respect of Bearer Notes where TEFRA C is specified in the applicable Pricing Supplement, such Bearer Notes must be issued and delivered outside the United States and its possessions in connection with their original issuance. Each Dealer has represented and agreed that it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, such Bearer Notes within the United States or its possessions in connection with their original issuance. Further, each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree in connection with the original issuance of such Bearer Notes that it has not knowingly communicated, and will not communicate, directly or indirectly, with a prospective purchaser if such purchaser is within the United States or its possessions and will not otherwise involve its U.S. office in the offer or sale of such Bearer Notes.

Terms used in the paragraphs above have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and Treasury regulations thereunder, including the D Rules.

Notwithstanding anything above to the contrary, it is understood that Registered Notes may be offered and sold pursuant to a private placement in the United States, and in connection therewith each Dealer has represented, agreed and undertaken and each further Dealer appointed under the Programme will be required to represent, agree and undertake, that:

- (a) offers, sales, resales and other transfers of Notes made in the United States made or approved by a Dealer (including offers, resales or other transfers made or approved by a Dealer in connection with secondary trading) shall be made with respect to Registered Notes only and shall be effected pursuant to an exemption from the registration requirements of the Securities Act;
- (b) offers, sales, resales and other transfers of Notes made in the United States will be made only in private transactions to institutional investors that are reasonably believed to qualify as qualified institutional buyers within the meaning of Rule 144A (each such institutional investor being hereinafter referred to as a QIB);
- (c) the Notes will be offered in the United States only by approaching prospective purchasers on an individual basis. No general solicitation or general advertising within the meaning of Rule 502(c) under the Securities Act will be used in connection with the offering of the Notes in the United States;
- (d) no sale of Notes in the United States to any one QIB will be for less than U.S.\$200,000 principal amount or (in each case) its equivalent rounded upwards and no Note will be issued in connection with such a sale in a smaller principal amount. If such purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least U.S.\$200,000 principal amount of the Notes; and
- (e) each Note sold as a part of a private placement in the United States and each Regulation S Global Note shall contain a legend in substantially the form set out on the face of such Note in the Trust Deed.

The Issuer represents and agrees that any resale or other transfer, or attempted resale or other transfer of Notes sold as part of a private placement in the United States made other than in compliance with the restrictions set out in the preceding paragraph above shall not be recognised by the Issuer or any agent of the Issuer and shall be void.

Each issue of Index Linked Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issue and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Pricing Supplement. The relevant Dealer agrees that it shall offer, sell and deliver such Notes only in compliance with such additional U.S. selling restrictions.

United Kingdom

Prohibition of Sales to UK Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies the “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed that it has not offered, sold, distributed or otherwise made available and will not offer, sell, distribute or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is either one (or both) of the following:
 - (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018; or
 - (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024; and
- (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to buy or subscribe for the Notes.

If the Pricing Supplement in respect of any Notes specifies “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed that it has not made and will not make an offer of Notes which are the subject of this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in the United Kingdom except that it may make an offer:

- (a) at any time to any legal entity which is a qualified investor as defined in paragraph 15 of Schedule 1 to the POATRs;
- (b) at any time to fewer than 150 persons (other than qualified investors as defined in paragraph 15 of Schedule 1 to the POATRs) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Part 1 of Schedule 1 to the POATRs.

For the purposes of this provision, the expression “**an offer of Notes to the public**” in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to buy or subscribe for the Notes and the expression “**POATRs**” means the Public Offers and Admissions to Trading Regulations 2024.

Other UK regulatory restrictions

Each Dealer has represented and agreed that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (“**FSMA**”) by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

The Netherlands

If the Pricing Supplement in respect of any Notes specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme in respect of such Notes will be required to represent and agree, that the Notes (or any interest therein) are not and may not, directly or indirectly, be offered, sold, pledged, delivered or transferred in the Netherlands, on their issue date or at any time thereafter, and neither this Offering Circular nor any other document in relation to any offering of the Notes (or any interest therein) may be distributed or circulated in the Netherlands, other than to qualified investors as defined in the Prospectus Regulation, provided that these parties acquire the Notes for their own account or that of another qualified investor. However, the Notes may be offered free of any restrictions in the Netherlands provided that each such Notes has a minimum denomination in excess of EUR 100,000 (or the equivalent thereof in non-Euro currency) and subject to compliance with the relevant requirements under the PRIIPs Regulation.

India

Each Dealer has represented and acknowledged (severally and not jointly) and each further Dealer appointed under the Programme will be required to represent, agree and acknowledge that (a) this Offering Circular has not been and will not be filed, registered, produced or published as an offer document (whether a prospectus or a statement in lieu of a prospectus (as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time) in respect of a public offer or information memorandum or placement memorandum or general information document or key information document or private placement offer cum application letter or other offering material in respect of any private placement under the Companies Act, 2013, as amended from time to time, and the rules framed thereunder or any other applicable Indian laws) with the Registrar of Companies, the Securities and Exchange Board of India, the RBI, any Indian stock exchange or any other statutory or regulatory body of like nature in India or the International Financial Services Centres Authority, save and except for any information from any part of this Offering Circular which is mandatorily required to be disclosed or filed in India under any applicable Indian laws, including but not limited to, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, and under the listing agreement with any Indian stock exchange pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, or the International Financial Services Centres Authority (Listing) Regulations, 2024, as amended from time to time or pursuant to the directives of any statutory, regulatory and adjudicatory body in India, and (b) the Notes have not been and will not be offered or sold in India by means of any document, other than to persons permitted to acquire the Notes under Indian law, whether as a principal or an agent, and (c) this Offering Circular or any other offering document or material relating to the Notes have not been and will not be circulated or distributed, directly or indirectly, to any person or to the public or any member of the public in India or otherwise generally distributed or circulated in India which would constitute an advertisement, invitation, offer, sale or solicitation of an offer to subscribe for or purchase within the meaning of the Companies Act, 2013, as amended from time to time, or any other applicable Indian securities laws for the time being in force, and (d) this Offering Circular or any material relating to the Notes has not been and will not be circulated or distributed to any person who does not meet the Eligibility Requirements; and (e) the Notes will not be offered or sold and have not been offered or sold to any person who does not meet the Eligibility Requirements.

For the purposes of this section, “**Eligibility Requirements**” shall mean the criteria required to be fulfilled to be an eligible lender under the ECB Guidelines. For a lender to be an eligible lender under the ECB Guidelines, it should be: (i) a person resident outside India; or (ii) a branch outside India of an entity whose lending business is regulated by the RBI; or (iii) a financial institution (as defined under the Foreign Exchange Management (International Financial Services Centre) Regulations, 2015 (as amended)) or a branch of a financial institution (as defined under the Foreign Exchange Management (International Financial Services Centre) Regulations, 2015 (as amended)) set up in IFSC.

Disclosure of information relating to holders of the Notes

Holders and beneficial owners of the Notes shall be responsible for compliance with restrictions on the ownership of the Notes imposed from time to time by applicable laws or by any regulatory authority or otherwise. In this context, holders and beneficial owners of Notes shall be deemed to have acknowledged, represented and agreed that such holders and beneficial owners are eligible to purchase the Notes under applicable laws and regulations and are not prohibited under any applicable law or regulation from acquiring, owning or selling the Notes.

The holders and beneficial owners of Notes shall be deemed to confirm that for so long as they hold any Notes, they will meet the Eligibility Requirements. Further, all Noteholders represent and agree that the Notes will not be offered or sold on the secondary market to any person who does not meet the Eligibility Requirements.

The holders and beneficial owners of Notes shall be deemed to confirm that for so long as they hold any Notes, they shall comply with the requirements or conditions as set out under the ECB Guidelines and any other applicable regulations, notifications, circulars or guidelines issued in respect of external commercial borrowings, as construed in accordance with the ECB Guidelines.

To comply with applicable laws and regulations, our Company or our duly appointed agent may from time to time request Euroclear and Clearstream to provide them with details of the accountholders within Euroclear and Clearstream, that hold the Notes and the number of Notes held by each such accountholder. Euroclear and Clearstream participants which are holders of the Notes or intermediaries acting on behalf of such Noteholders would be deemed to have hereby authorised Euroclear and Clearstream to disclose such information to our Company or our duly appointed agent.

Selling Restrictions Applicable to the Issuance of Rupee Denominated Notes

Each Dealer has represented and agreed that in relation to any issuance of Notes denominated in Rupees and payable in a currency other than Indian Rupees (“**Rupee Denominated Notes**”), such Rupee Denominated Notes are not being issued to (i) any person who does not meet the Eligibility Requirements; or (ii) any person who is otherwise prohibited from investing in such Rupee Denominated Notes under any applicable law.

Disclosure of information relating to holders of Rupee Denominated Notes

The holders and beneficial owners of Rupee Denominated Notes shall be deemed to confirm that they meet the Eligibility Requirements; and they are not prohibited from investing in such Rupee Denominated Notes under any applicable law. Further, all Noteholders represent and agree that the Rupee Denominated Notes will not be offered or sold on the secondary market to any person who does not meet the Eligibility Requirements.

In relation to any issuance of Rupee Denominated Notes, the holders and beneficial owners represent and agree that they will provide all information and details about themselves to the Issuer, to enable the Issuer to provide such information to the RBI or any other statutory or regulatory authority in India as and when such information is required. The holders and beneficial owners will provide all the information and details that they have or can procure about any subsequent transferee Noteholders (and shall provide all assistance in relation thereto) to the Issuer so as to enable the Issuer to obtain the details of the transferee Noteholders or any other information pertaining to such transferee Noteholders to enable the Issuer to provide such information to the RBI or any other statutory or regulatory authority in India as and when such information is required. Any transferee Noteholder will also be required to comply with all applicable laws, including but not limited to the ECB Guidelines.

To comply with applicable laws and regulations, the Issuer or its duly appointed agent may from time to time request Euroclear and Clearstream to provide them with details of the accountholders within Euroclear and Clearstream, as may be appropriate, that hold the Rupee Denominated Notes and the number of Rupee Denominated Notes held by each such accountholder. Euroclear and Clearstream participants which are holders of the Rupee Denominated Notes or intermediaries acting on behalf of such Noteholders would be deemed to have hereby authorised Euroclear and Clearstream, as may be appropriate, to disclose such information to the Issuer or its duly appointed agent.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the MAS. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to

be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Japan

Each Dealer understands that the Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948), as amended (the “**FIEA**”). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, a resident of Japan (which terms as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws and regulations of Japan.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong Special Administrative Region of the People’s Republic of China (“**Hong Kong**”), by means of any document, any Notes other than: (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “**SFO**”) and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “**C(WUMP)O**”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

Important Notice to CMIs (including private banks)

This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for the relevant CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the relevant Notes. In addition, private banks should take all reasonable steps to

identify whether their investor clients may have any Associations with the Issuer or any CMI (including its group companies) and inform the relevant Dealers accordingly.

CMIs are informed that, unless otherwise notified, the marketing and investor targeting strategy for the relevant CMI Offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions and any MiFID II product governance language or any UK MiFIR product governance language set out elsewhere in this Offering Circular and/or the applicable Pricing Supplement.

CMIs should ensure that orders placed are *bona fide*, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the relevant Notes (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place “X-orders” into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the relevant Notes. CMIs are informed that a private bank rebate may be payable as stated above and in the applicable Pricing Supplement, or otherwise notified to prospective investors.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Dealers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the relevant Notes, private banks should disclose, at the same time, if such order is placed other than on a “principal” basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a “principal” basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a “principal” basis may require the relevant affiliated Dealer(s) (if any) to categorise it as a proprietary order and apply the “proprietary orders” requirements of the SFC Code to such order and will result in that private bank not being entitled to, and not being paid, any rebate.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information, in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- The name of each underlying investor;
- A unique identification number for each investor;
- Whether an underlying investor has any “Associations” (as used in the SFC Code);
- Whether any underlying investor order is a “Proprietary Order” (as used in the SFC Code);
- Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to the Dealers named in the relevant Pricing Supplement.

To the extent information being disclosed by CMI and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the Issuer, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in the relevant CMI Offering. The relevant Dealers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Dealer with such evidence within the timeline requested.

Prohibition of Sales to EEA Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
 - (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended or superseded, the “**Prospectus Regulation**”); and
- (b) the expression “**an offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Pricing Supplement in respect of any Notes specifies the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, in relation to each Member State of the European Economic Area, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

- (a) if the Pricing Supplement in relation to the Notes specifies that an offer of those Notes may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Member State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such Notes which has been

approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, provided that any such prospectus has subsequently been completed by the Pricing Supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or Pricing Supplement, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in paragraphs (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression “**Prospectus Regulation**” means Regulation (EU) 2017/1129.

Dubai International Financial Center

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and will not offer the Notes to any person in the Dubai International Financial Center unless such offer is:

- (i) an “Exempt Offer” in accordance with the Markets Rules Module of the Dubai Financial Services Authority (the “**DFSA**”) rulebook; and
- (ii) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the Conduct of Business Module of the DFSA rulebook.

United Arab Emirates (excluding the Dubai International Financial Center)

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates other than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering and sale of securities.

General

Each Dealer has represented, warranted and undertaken and each further Dealer appointed under the Programme will be required to represent, warrant and undertake that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer, the Trustee nor any of the other Dealers nor any of their respective affiliates, directors,

employees, agents, representatives, officers or advisers or any person who controls any of them shall have any responsibility therefor.

These selling restrictions may be modified by the agreement of the Issuer and the relevant Dealer following a change in a relevant law, regulation or directive. Any such modification will be set out in the applicable Pricing Supplement issued in respect of the issue of Notes to which it relates or in a supplement to this Offering Circular.

None of the Issuer, the Trustee, the Arrangers, the Dealers and any of their respective affiliates, directors, employees, agents, representatives, officers or advisers or any person who controls any of them represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Pricing Supplement.

GENERAL INFORMATION

Authorisation

1. The establishment of the Programme and the issue of Notes have been duly delegated by a resolution of the Board of Directors of the Issuer dated June 9, 2026 to Committee for Resource Raising. Consequently, the establishment of the Programme and the issue of Notes have been duly authorized by a resolution of the Committee for Resource Raising of the Issuer dated September 11, 2026.
2. The Issuer will seek all requisite regulatory approvals for issuance of instruments which it is eligible to issue under the Programme, in accordance with the provisions of the NABFID Act, the ECB Guidelines, the RBI AIFI Directions, and any other applicable laws, notifications and regulatory guidelines. The Issuer is required to comply with all relevant reporting and other statutory requirements, of the RBI, relevant stock exchanges (*as defined below*) and/or the governmental authorities, in this regard as the case may be.

Listing

3. Application has been to the GSM segment of India INX and/or to the DSM segment of NSE IX for the Programme and for Notes issued from time to time thereunder to be admitted for listing and trading on India INX and/or NSE IX, as specified in the applicable Pricing Supplement. Neither India INX nor NSE IX has approved or verified the contents of the listing particulars or this Offering Circular. The listing of the Notes shall be in compliance with the IFSCA Listing Regulations, and listing circulars issued by India INX and NSE IX. The Programme provides that Notes may be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes. The applicable Pricing Supplement will state whether or not the relevant Notes are to be listed and, if so, on which stock exchange(s).

Delisting of Notes

4. The Trust Deed provides that if the applicable Pricing Supplement indicates that the Notes are listed on a stock exchange (the “**relevant Stock Exchange**”), the Issuer will use its best endeavours to maintain the listing on the relevant Stock Exchange of those of the Notes which are listed on the relevant Stock Exchange or, if it is unable to do so having used its best endeavours, it may cease to maintain such listing provided that it shall use its best endeavours promptly to obtain and maintain a quotation or listing of such Notes on such other stock exchange or exchanges or securities market or markets on which it is then accepted in the sphere of international issues of debt securities to list securities such as the Notes as it may decide.

Clearing systems

5. Notes to be issued under the Programme have been accepted for clearance through Euroclear and Clearstream. The appropriate common code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream will be specified in the applicable Pricing Supplement. In addition, the Issuer may make an application for each Series of Registered Notes intended to be eligible for sale pursuant to Rule 144A of such Notes to be accepted for trading in book-entry form by DTC. The CUSIP and/or CINS numbers for each Tranche of Registered Notes, together with the relevant ISIN and common code, will be specified in the applicable Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system, the appropriate information will be specified in the applicable Pricing Supplement.

6. The issuance of the Notes, which would be eligible for electronic settlement, is in accordance with all applicable Indian laws and is duly authorised by the Issuer's board of directors/ committee for resource raising as well as other applicable statutes and other consents.

No significant change

7. Save as disclosed in this Offering Circular, there has been no material adverse change in the financial position or prospects of the Issuer since the date of the most recently published accounts as on June 30, 2026.

Litigation

8. Except as stated in this Offering Circular, the Issuer is not involved in any governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened) of which the Issuer is aware in the 12 months preceding the date of this Offering Circular, which may have or have in such period had a significant effect on the financial position or profitability of the Issuer.

Accounts

9. The current statutory auditor of the Issuer is C N K & Associates LLP. C N K & Associates LLP had audited the Issuer's accounts, without qualification, in accordance with the accounting policies followed by the Issuer, which conform to Generally Accepted Accounting Principles in India, for the financial year ended March 31, 2026 and March 31, 2025, as stated in their report. The previous statutory auditor of the Issuer is J Singh & Associates. J Singh & Associates had audited the Issuer's accounts, without qualification, in accordance with the accounting policies followed by the Issuer, which conform to Generally Accepted Accounting Principles in India, for the financial year ended March 31, 2024 and as stated in their report.

No Conflict of Interest

10. As on the date of this Offering Circular, there are no potential conflicts of interest between any duties owed to the Issuer by the Directors and the private interests and/or other duties owed by these individuals and there are no arrangements, known to the Issuer, the operation of which may at a subsequent date result in a change in control of the Issuer.

No Material Contracts Outside the Ordinary Course of Business

11. As on the date of this Offering Circular, there are no material contracts that have been entered into outside the ordinary course of the Issuer's business, which could result in any group member being under an obligation or entitlement that would be material to the Issuer's ability to meet its obligation to the Noteholders.

Trustee's Reliance on Certificates

12. The Trust Deed provides that the Trustee may rely on certificates or reports from the Auditors (as defined in the Trust Deed) or any other person in accordance with the provisions of the Trust Deed as sufficient evidence of the facts stated therein whether or not called for by or addressed to the Trustee and whether or not any such certificate, report or engagement letter or other document entered into by the Trustee and the Auditors or such other person in connection therewith contains a monetary or other limit on the liability of the Auditors or such other person. However, the Trustee will have no recourse to the Auditors

or such other person in respect of such certificates or reports unless the Auditors or such other person have agreed to address such certificates or reports to the Trustee.

13. The Notes provide that the Trustee will take action on behalf of the Noteholders in certain circumstances, but only if the Trustee is indemnified and/or secured and/or pre-funded to its satisfaction. It may not be possible for the Trustee to take certain actions and, accordingly, in such circumstances the Trustee will be unable to take such actions, notwithstanding the provision of an indemnity and/or security and/or pre-funding satisfactory to it, and it will be for the Noteholders to take such actions directly.

Dealers transacting with the Issuer

14. Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to, the Issuer and its affiliates in the ordinary course of business.

Documents Available

15. So long as Notes are capable of being issued under the Programme, copies of the following documents will, when published, be available from the corporate office of the Issuer:
 - (a) the special purpose audited financial statements of the Issuer in respect of the financial year ended March 31, 2024, the audited financial statements of the Issuer in respect of the financial years ended March 31, 2025 and 2026, and the reviewed unaudited financial statements of the Issuer in respect of the three months ended June 30, 2025 and 2026;
 - (b) the most recently published audited annual financial statements of the Issuer and the most recently published unaudited interim financial statements of the Issuer;
 - (c) the Trust Deed, the Agency Agreement, the Operating and Administrative Procedures Memorandum and the forms of the Temporary Bearer Global Notes, the Permanent Bearer Global Notes, the Definitive Bearer Notes, the Receipts, the Coupons, the Talons and the Regulation S Global Notes, the Rule 144A Global Notes and the Definitive Registered Notes;
 - (d) a copy of this Offering Circular; and
 - (e) any future offering circulars, prospectuses, information memoranda and supplements, including Pricing Supplements (save that a Pricing Supplement relating to an unlisted Note will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Notes and identity) to this Offering Circular and any other documents incorporated herein or therein by reference.

Copies of the Trust Deed, the Agency Agreement and the Pricing Supplements are available (i) for inspection by the Noteholders (as defined herein) at all reasonable times during normal business hours (being between 9:00 a.m. and 3:00 p.m., Monday to Friday (other than public holidays)) at the principal place of business of the Trustee (being as at the Issue Date at 40/F Champion Tower, Three Garden Road, Central, Hong Kong) and at the specified office of the Principal Paying Agent and (ii) electronically to a requesting Noteholder, in each case following prior written request and proof of holding and identity to the satisfaction of the Trustee or, as the case may be, the Principal Paying Agent, save that, if this Note is an unlisted Note of any Series, the applicable Pricing Supplement will only be obtainable by a Noteholder holding one or more unlisted Notes of that Series and such Noteholder must produce evidence satisfactory to the Trustee or the Principal Paying Agent, as the case may be, as to its holding of such Notes and identity.

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND U.S. GAAP

The Financial Statements and Financial Results of the Issuer included in this Offering Circular have been prepared in accordance with the accounting policies followed by the Issuer which conform to Generally Accepted Accounting Principles in India and RBI Guidelines as applicable to the Issuer. In the Issuer's opinion, the following is a general summary of certain principal differences between Indian GAAP and U.S. GAAP as applicable to the Issuer. The differences identified below are limited to those significant differences that are appropriate to the Issuer's financial statements. However, they should not be construed as being exhaustive, and no attempt has been made to identify possible future differences between Indian GAAP and U.S. GAAP as a result of prescribed changes in accounting standards nor to identify future differences that may affect the Issuer's financial statements as a result of transactions or events that may occur in the future. The financial statements reflect applicable statutory requirements, regulatory guidelines and accounting practices in India. These requirements, guidelines and practices change from time to time and may have been applied prospectively. As a result, the financial statements of the Issuer on a period-by-period basis may not be directly comparable. Also, no quantitative impact has been derived by the Issuer, if any, on the basis of such differences.

Indian GAAP

Financial Statements Presentation and Disclosure

Two years' balance sheets, profit and loss account, accounting policies and notes and cash flow statements are required under Indian GAAP.

The format for presentation is as prescribed by the National Bank for Financing Infrastructure and Development General Regulations framed under The National Bank for Financing Infrastructure and Development Act, 2021 and RBI guidelines.

Changes in accounting policies

Impact of adjustments resulting from the change to be shown in the income statement of the period in which the change is made except as specified in certain standards where the change resulting from adoption of such standards has to be shown by an adjustment to opening retained earnings.

Revaluation of property, plant and equipment

Use of historical cost or revalued amounts is permitted. Revaluation of an entire class of assets or of a selection of assets is required to be carried out on a systematic basis. An increase in net book value as a result of revaluation is taken directly to revaluation reserves while a decline is charged to the profit and loss account.

U.S. GAAP

Financial Statements Presentation and Disclosure

Companies filing U.S. GAAP financial statements with the SEC are required to present three years' statements of operations and stockholders' equity, and other comprehensive income and cash flow statements and two years' balance sheets.

An option is also available under Form 20-F to file consolidated financial statements under Indian GAAP, including reconciliation of net income and stockholders' equity under Indian GAAP to net income and stockholders' equity under U.S. GAAP.

Changes in accounting policies

Retrospective application requiring the entity to adjust each affected component of equity for the earliest period presented and comparative income statement presented, except where impracticable to do so. Transition provisions are generally specified in new standards and may be different.

Revaluation of property, plant and equipment

Upward revaluation is not permitted. Downward valuations are required when future undiscounted cash flows are less than the carrying value of the asset.

Indian GAAP

Unrealised gains/losses on investments

All investments are stated in the balance sheet as seven types of classifications being (a) Securities of Central and State Governments, (b) Shares of banks and financial institutions, (c) Bonds, debentures and other securities of banks and financial institutions, (d) Units of Mutual Funds and Other units, (e) Shares, bonds, debentures, and other securities of other entities, (f) Investment in Subsidiaries, associate, and joint ventures and (g) Others.

These investments are categorised into “Held to Maturity”, “Available for Sale” and “Held for Trading”. “Held to Maturity” securities are carried at their acquisition cost or at amortised cost if acquired at a premium over the face value. “Available for Sale” and “Held for Trading” securities are valued periodically according to the RBI guidelines. Net depreciation, if any, within each category of investments is recognised in the profit and loss account. The net appreciation, if any, under each classification is ignored.

Amortisation of premium/discount on the purchase of investments

Under Indian GAAP, premium over the face value of fixed rate and floating rate investments classified under the HTM category is amortised over the period remaining to maturity on a constant yield to maturity basis.

Allowances for credit losses

All credit exposures, including overdues arising from crystallised derivative contracts, are classified according to the RBI guidelines into performing and NPAs. Furthermore, NPAs are classified into substandard, doubtful and loss assets for provisioning based on the criteria stipulated by the RBI. Provisions are made in accordance with the RBI guidelines. For restructured assets, a provision is made in accordance with the guidelines issued by the RBI, which require the diminution in the fair value of the assets to be provided at the time of restructuring.

In addition to the specific provisioning made on NPAs, the Issuer maintains general provisions to cover potential credit losses of standard assets in accordance with the RBI guidelines.

U.S. GAAP

Unrealised gains/losses on investments

Investments are categorised into “Held to Maturity”, “Available for Sale” or “Trading” based on management’s intent and ability. While “Trading” and “Available for Sale” securities are valued at fair value, “Held to Maturity” securities are valued at cost, adjusted for amortisation of premiums and accretion of discount. The unrealised gains and losses on “Trading” securities are taken to the income statement, while those of “Available for Sale” securities are reported as a separate component of stockholders’ equity, net of applicable taxes, until realised. In case a security is assessed to be other than temporarily impaired, the unrealised losses are recognised in an income statement.

Amortisation of premium/discount on the purchase of investments

Premium/discount amortisation is permitted for all categories of investments.

Allowances for credit losses

Loans are tested for impairment and placed on a non-accrual basis (i.e. interest income is not accrued) when based on current information and events, management estimates that the collection of outstanding interest and principal amounts are doubtful. The impairment of a loan is measured based on the present value of the loan’s discounted rate, or at the observable market price of the loan, or at the fair value of the collateral if the loan is collateral dependent. The impairment is recognised if the measured value is less than the recorded investment in the impaired loan.

The allowances on the performing portfolios are established after considering historical and projected default rates and loss severities.

Indian GAAP

Loan origination fees/costs

Loan origination fees are recognised upfront on their becoming due. Loan origination costs are taken to the profit and loss account in the year in which they are accrued/incurred.

Derivatives

Derivatives are disclosed as off-balance sheet exposures. The derivatives are bifurcated as trading or hedge transaction. Trading derivatives are revalued at the balance sheet date with the resulting unrealised gain/loss being recognised in the profit and loss account and correspondingly in other assets or other liabilities respectively. Hedging derivatives are accounted for on an accrual basis/at fair value pursuant to the principles of hedge accounting.

Revenue Recognition

Revenue is recognized when the requirements as to contractual performance have been satisfied, it is probable that the economic benefits will flow to the institution and the revenue can be reliably measured.

Employee Benefits

AS 15 (Revised) requires the use of projected unit credit method to determine benefit obligation. The discount rate for obligations is based on market yields of government securities.

All actuarial gains and losses have to be recognised immediately in the profit and loss account.

Deferred Taxes

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future. However, where there is

U.S. GAAP

Loan origination fees/costs

Loan origination fees (net of certain loan origination costs) are deferred and recognised as an adjustment to yield over the life of the loan.

Derivatives

All derivatives are required to be recognised as assets or liabilities on the balance sheet and measured at fair value with changes in fair value being recognised in earnings. Fair values are based on quoted market prices, or absent quoted market prices, based on valuation technique, which may take into account available current market and contractual prices of the similar instrument as well as time value underlying the positions. If a derivative qualifies as a hedge, depending on the nature of the hedge, the effective portion of the hedge's change in fair value is either offset against the change in fair value of the hedged asset, liability or firm commitment through income or held in equity until the hedge item is recognised in income. The ineffective portion of a hedge is immediately recognised in income.

Revenue Recognition

Revenue involving the sales of services is recognized when certain criteria have been met, including whether persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the sales price is fixed or determinable and, collectability is reasonably assured.

Employee Benefits

Obligation for defined benefit plans must be measured using projected unit credit method.

Immediate recognition of actuarial gains or losses is not required, but is recognised as a component of Other Comprehensive Income.

Deferred Taxes

Income taxes are accounted for according to the provisions of FASB ASC 740, "Income Taxes". FASB ASC 740 requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the consolidated financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based

Indian GAAP

unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets.

Deferred tax is not created on undistributed earnings of subsidiaries and affiliates.

Deferred tax assets are recognised subject to a valuation allowance based upon management's judgment as to whether realisation is considered more likely than not that the assets will be realised.

Deferred tax assets are reviewed as of each balance sheet date and written down or written up to reflect the amount that is reasonably certain to be realised.

Employee Stock Option Plan

According to the guidance note on Accounting for Employee Share-based payments, effective for all share-based grants made after April 1, 2005, employee share-based plans are classified into equity settled, cash settled and employee share-based payments plans with cash alternatives. Any plan falling into the above categories can be accounted for adopting fair value method or intrinsic value method as of the grant date. An enterprise using the intrinsic value method is required to make fair value disclosures.

Listed companies are also to observe the specific guidance by the market regulator.

Accounting for subsidiaries and affiliates

Under Indian GAAP, the Issuer is required to present both unconsolidated and consolidated financial statements. Under unconsolidated financial statements, financial position and results of operations of controlled entities are not consolidated, but are reflected on the basis of cost subject to consideration of impairment.

The Issuer is also required to consolidate subsidiaries where it controls the ownership, directly or indirectly, of more than one-half of the voting power or controls the composition of the board of directors with the objective of obtaining economic benefits from their activities. The Issuer does not prepare consolidated accounts but discloses their proportionate share of its interest in its joint venture's balance sheet and profit & loss account in the abridged form by way of a note in its financial

U.S. GAAP

on the difference between the financial reporting and tax basis of assets and liabilities, using enacted tax rates in force.

Deferred tax is created on undistributed earnings of subsidiaries and affiliates.

Deferred tax assets are recognised subject to a valuation allowance based upon management's judgment as to whether realisation on assets is considered more likely than not.

Employee Stock Option Plan

Under U.S. GAAP, share based payments are accounted for under FASB ASC 718, "Compensation – stock compensation", employee stock-based compensation plans have to be accounted for in income statement using the fair value method.

Accounting for subsidiaries and affiliates

U.S. GAAP mandates preparation of consolidated financial statements.

Consolidation of subsidiaries is required where the Issuer, directly or indirectly, holds more than 50.00% of the voting rights or exercises control. Entities where the Issuer holds 20.00% to 50.00% of the voting rights and/or has the ability to exercise significant influence are accounted for under the equity method, and the pro rata share of their income (loss) is required to be included in the income statement. The Issuer will be required to consolidate Variable Interest Entities (VIEs) where the Issuer is determined to be the primary beneficiary under FASB ASC 810 and FASB ASC Topic 323.

Indian GAAP

statement as the Investment in joint venture is of strategic nature. The Bank accounts for investments in associates under the equity method of accounting.

Accounting for Securitisation

The gain on a securitisation transaction is recognised over the period of underlying securities issued by the special purpose vehicle as prescribed under the RBI guidelines. The losses, if any, are charged off immediately. The float income is accrued as it is earned under Indian GAAP.

U.S. GAAP**Accounting for Securitisation**

Under U.S. GAAP, any gain or loss on the sale of the financial asset is accounted for in the income statement at the time of the sale according to ASC Topic 860, “Transfers and Servicing Financial Assets and Extinguishment”.

Transition to Indian Accounting Standards (Ind AS)

As on the date of this Offering Circular, the balance sheet and profit and loss account of the Issuer have been prepared in the form and manner provided in the NABFID Act, the RBI AIFI Directions and according to the generally accepted accounting principles in India.

While RBI is yet to issue guidelines for Ind AS implementation for AIFIs, the Issuer has constituted a steering committee comprising members from cross-functional areas to initiate the implementation process of the Issuer’s transition from Indian GAAP to Ind AS. The Issuer’s Ind AS implementation plan focuses on technical evaluation of GAAP differences, selection of accounting policies and choices, evaluation of system changes and data requirements including that of expected credit losses, business impact analysis and skill development. The Issuer is in process of evaluating the system changes to meet the overall information required for implementing the Ind AS.