

**TATA CLEANTECH CAPITAL LIMITED**

**ANNUAL REPORT 2014-15**

## DIRECTORS' REPORT

### TO THE MEMBERS OF TATA CLEANTECH CAPITAL LIMITED

The Directors present their Fourth Annual Report and the Audited Financial Statements for the Financial Year ("FY") ended March 31, 2015.

#### 1. BACKGROUND

Tata Cleantech Capital Limited ("TCCL") is registered with the Reserve Bank of India ("RBI") as a Systemically Important Non Deposit Accepting Non Banking Financial Company and engaged in the business of providing finance and advisory services for projects in renewable energy, energy efficiency, waste management and water management. TCCL is a venture between TCL and International Finance Corporation ("IFC"), Washington D.C., USA, in the ratio of 80.50:19.50.

#### 2. INDUSTRY OVERVIEW & OUTLOOK

Renewable Energy ("RE") continued to play the most dominant role within Cleantech Industry worldwide in general and more specifically in India.

During FY 2014-15, India added 4089 Mega Watts ("MW") of capacity as against a target of 3700 MW. Wind Energy saw the highest installations at 2312 MW, followed by Solar Energy 1112 MW.

RE is increasingly adopting its rightful role in the overall electricity sector in India. Energy security, vast potential and rapid drop in capital cost aided by sustained policy pushed by a successive government, has played a pivotal role in the sector gaining unprecedented attention from stakeholders within and outside India. FY 2014-15 was significant as the Government of India substantially revised the RE targets for Wind and Solar Installations by the year 2022.

Taking a cue, many State Governments have also revised their RE Targets and focused their efforts towards building an overall conducive environment entailing an attractive policy regime, adequate evacuation infrastructure and faster decision-making. Investors and developers have responded well by announcing multiple fresh projects and big investments in these states.

Another heartening development is the renewed focus on harnessing the potential of distributed generation of RE. This will help in lifting a large section of Indian rural population out of energy poverty.

The RE sector thus assumes significance as it has the ability to help the nation achieve its goal of greater inclusion, garner greater employment opportunities and create a new age entrepreneurial ventures. With sustained focus, India can also become a part of the global pool of specialized RE human capital.

#### 3. REVIEW OF BUSINESS OPERATIONS

During FY 2014-15, TCCL focused on consolidating its strengths of origination and evaluation of projects in its mandated areas of businesses, expanded its sphere of relationships with leading Independent Power Producers, Technology Providers, Erection Procurement and Construction Players and other leading Financial Institutions and participated in direct as well as consortium lending projects. TCCL sanctioned loans for projects being set-up in new emerging renewable energy destination states, such as Madhya Pradesh and continued to strengthen and leverage its relationship with leaders in various stages of the value chain. TCCL has entered into a Memorandum of Understanding with Energy Efficiency Services Limited, a Joint Venture of NTPC Limited, Powergrid Corporation of India Limited, Power Finance Corporation and Rural Electrification Corporation to facilitate implementation of energy efficiency projects.

TCCL purchased, at commercial terms, a loan portfolio aggregating ₹ 350 crore, in March 2015, related to renewable/non-conventional energy, water management, energy efficiency, etc. from Tata Capital Financial Services Limited ("TCFSL"), a fellow subsidiary. In addition, two loans aggregating ₹ 30 crore were purchased at book value, during the quarter ended June 30, 2014, based on a Memorandum of Understanding.

At the end of FY 2014-15, TCCL had a loan book of ₹ 671.19 crore, across 28 transactions. TCCL's Gross Income for the FY ended March 31, 2015 stood at ₹ 28.45 crore and its Net Profit After Tax at ₹ 6.49 crore. The loan portfolio consists of projects in the areas of Wind Energy, Solar Energy, Small Hydro Energy, Off-grid Solar, Waste Management, Water Management and Energy Efficiency.

#### 4. FINANCIAL RESULTS

The performance of the Company for the FY ended March 31, 2015 is summarized below:

(₹ in lakh)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>Total Income</b>	<b>2845</b>	1305
Total Expenditure	1853	851
<b>Net Profit/(Loss) before tax</b>	<b>992</b>	<b>454</b>
Provision for Tax (including deferred tax)	343	156
<b>Net Profit/(Loss) after tax</b>	<b>649</b>	<b>298</b>
Balance brought forward from the Previous Year	243	5
Amount available for appropriation	892	303
<b>Appropriations</b>		
Special Reserve Account	131	60
<b>Surplus/(Loss) carried to Balance Sheet</b>	<b>761</b>	<b>243</b>

During the year under review, the Company disbursed Loans amounting to ₹ 595.76 crore (FY 2013-14: ₹ 142.37 crore), representing an increase of over 318%. The Company's loan portfolio stood at ₹ 671.19 crore on March 31, 2015 (FY 2013-14: ₹ 132.14 crore), representing an increase of 408%. The Cost to Income ratio in FY 2014-15 was 40% as compared to 58.7% in the FY 2013-14. The asset quality was stable with no NPAs, as on March 31, 2015.

The Company's Gross Income for the FY ended March 31, 2015 increased to ₹ 28.45 crore from ₹ 13.05 crore in FY 2013-14, an increase of 118%. Interest expenses increased by 619% to ₹ 8.99 crore in FY 2014-15 from ₹ 1.25 crore, in the FY 2013-14.

Total Income (Net Interest Margin plus Other Revenue) of the Company increased by 64% from ₹ 11.80 crore in the FY 2013-14 to ₹ 19.38 crore in FY 2014-15. Net Interest Margin as a percentage of average assets stood at 7.9% for FY 2014-15. Total Income included Investment and Fee Income of ₹ 0.19 crore and ₹ 2.65 crore, respectively for FY 2014-15.

Operating Cost increased by 84.29% from ₹ 2.61 crore in FY 2013-14 to ₹ 4.81 crore in FY 2014-15. Manpower expenses for the FY 2014-15 were ₹ 4.26 crore as against ₹ 4.34 crore in FY 2013-14, a decrease of 1.8%.

The cumulative provisioning on the asset book as on March 31, 2015 was ₹ 2.05 crore, of which, standard asset provisioning amounted to ₹ 1.68 crore. The provision for taxation during FY 2014-15 was ₹ 3.43 crore.

The Net Profit After Tax for the year increased by 118% from ₹ 2.98 crore in the FY 2013-14 to ₹ 6.49 crore in FY 2014-15.

An amount of ₹ 1.31 crore is proposed to be transferred to Special Reserve Fund pursuant to Section 45-IC of the Reserve Bank of India Act, 1934 for FY 2014-15.

#### 5. SHARE CAPITAL

During FY 2014-15, the Authorised Share Capital of the Company increased from ₹ 100 crore to ₹ 500 crore, as approved by the Members of the Company, at the Extraordinary General Meeting of the Company held on February 5, 2015.

In FY 2014-15, the Company had offered and issued 20,90,90,909 Equity Shares of ₹ 10 each, at a premium of Re.1 per equity share, aggregating ₹ 229,99,99,999 to the Shareholders of the Company, on a rights basis, in the proportion to their existing paid up Equity Share Capital. On March 12, 2015 the Company allotted the aforesaid Equity Shares to the Shareholders of the Company.

Accordingly, the issued, subscribed and paid-up equity share capital of the Company increased from ₹ 80 crore to ₹ 289.09 crore consisting of 28,90,90,909 Equity Shares of ₹ 10/- each. This was held by TCL (80.50%) and IFC (19.50%).

## 6. DIVIDEND

In order to conserve the resources of the Company and to build up reserves and considering the business plan of the Company, the Board of Directors do not recommend any dividend on the Equity Shares of the Company for the FY ended March 31, 2015.

## 7. FINANCE

During FY 2014-15, the Company met its funding requirements through a combination of short term debt (comprising Commercial Paper and Inter-Corporate Deposit), long term debt (comprising Bank Loan) and equity infusion from TCL and IFC. The Company's aggregate debt outstanding as at March 31, 2015 was ₹ 365.16 crore.

The Debt Equity ratio of the Company as at March 31, 2015 was 1.2 times.

The Company has been regular in servicing all its debt obligations.

## 8. CREDIT RATING

During the year under review, the rating agencies reaffirmed/issued the below ratings to the Company:

Nature of Securities/Instrument	Rating
Bank Facility	CRISIL AA+
Non Convertible Debentures	CRISIL AA+
Commercial Papers	CRISIL A1+

## 9. RISK MANAGEMENT

Risk Management is an integral part of the Company's business strategy. The Risk Management oversight structure includes Committees of the Board and Senior Management Committees. The Board sets and approves the strategic plans and objectives for risk management and risk philosophy. The Risk Management process is governed by the Enterprise wide Risk Management Framework. Risk measurement and monitoring is an ongoing process along with sensitivity analysis to assess impact of event based risks as a proactive risk management measure which is supported by robust risk reporting framework.

The Risk Management Framework covers integrated risk management mainly comprising Credit Risk, Market Risk, Operational Risk, Fraud Risk and other Risks. The Credit Risk management structure includes credit policy and procedures for the business. The policies define prudential limits, portfolio criteria, exceptional approval metrics, etc., and cover risk assessment for new product offerings. Concentration Risk is managed by analyzing counterparty, industry sector, geographical region, single borrower and borrower group. While the Investment Credit Committee of the Board/Credit Committee approves counter - party credit exposures in line with the Delegation of Authority assigned by the Board of Directors, the Credit Monitoring Committee of the Company primarily focuses on post sanction monitoring.

The Risk Management Committee of the Board assists the Board in its oversight of various risks mentioned above. The Risk Management Committee reviews compliance with risk policies, monitors risk tolerance limits, reviews and analyzes risk exposures related to specific issues and provides oversight of risk across the organization.

In addition, the Finance and Asset Liability Supervisory Committee of the Board reviews the Liquidity and Interest rate risk profile of the organization on a periodic basis. Operational Risk is monitored on an ongoing basis through Key Risk Indicators. Fraud Risk is managed through a Fraud Risk Management Framework within the organization. A Risk Management Policy for the Company has been adopted by the Board.

## 10. INTERNAL CONTROL SYSTEMS

The Company's internal control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with laws and regulations. The internal control system is supported by an internal audit process for reviewing the adequacy and efficacy of the Company's internal controls, including its systems and processes and compliance with regulations and procedures. Internal Audit Reports are discussed with the Management and are reviewed by the Audit Committee of the Board which also reviews the adequacy and effectiveness of the internal controls in the Company.

The Company's internal control system is commensurate with the size, nature and operations of the Company.

**11. INTERNAL FINANCIAL CONTROLS**

During the course of FY 2014-15, the Management appointed an external consultant and formed a Cross Functional Team ("CFT") comprising Operating Managers, Internal Audit, Risk and Statutory Auditors to document and evaluate the effectiveness of the internal financial controls of the Company, broadly in accordance with the criteria established under the Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. The documentation of process maps, key controls and risk registers has been completed for key businesses and functions under the supervision of the CFT. Management testing was conducted on a sample basis and remedial action has been taken or agreed upon where control weaknesses were identified. The Management will put in place a more detailed testing plan for FY 2015-16. Based on the aforementioned, the Management believes adequate internal financial controls exist in relation to its Financial Statements.

**12. REGULATORY ACTION**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and operations of the Company in future.

**13. HUMAN RESOURCES**

The Company recognizes the value of its human capital and is continuously upgrading the skill levels of its workforce through regular internal and external training and management development programmes. The Company had 15 employees as at March 31, 2015.

**14. DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company is committed to providing and promoting a safe and healthy work environment for all its employees.

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a 'Prevention of Sexual Harassment' ("POSH") policy that is in line with the provisions of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 and the Rules framed thereunder for prevention and redressal of complaints of sexual harassment at the workplace, along with a structured reporting and redressal mechanism. An Internal Complaints Committee, known as the POSH Committee, has been constituted to inquire into complaints of sexual harassment and recommend appropriate action. The POSH Policy is displayed on the Company's Intranet and is also communicated to employees through e-mails and communication campaigns. Posters on the POSH Policy, giving contact details of the POSH Committee Members, are displayed in the Company's branch offices.

The Company has not received any complaint on sexual harassment during FY 2014-15.

**15. CORPORATE SOCIAL RESPONSIBILITY**

During FY 2014-15, the provisions of Section 135 of the Act were not applicable to the Company. During the year, the Company has voluntarily contributed to the Tata Relief Committee towards relief and rehabilitation measures in the flood affected areas of Jammu & Kashmir.

**16. COMPLIANCE**

The Company has complied with the RBI Systemically Important Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 (as may be amended from time to time) issued to Non Banking Financial Companies ("NBFCs") relating to accounting standards, prudential norms for asset classification, income recognition, provisioning norms and capital adequacy, as also the applicable circulars/guidelines/announcements/notifications issued by RBI to NBFCs.

The Company has also complied with the applicable provisions of the Companies Act, 2013, the Reserve Bank of India Act, 1934 and other applicable rules/regulations/guidelines, issued from time to time.

The Capital Adequacy Ratio ("CAR") of the Company was 38.41% as on March 31, 2015 against the CAR of 15%, as prescribed by RBI.

The Company has deployed "ComplianceCheck" ("Application"), an online platform to report and monitor compliances. The Application has features such as generation of compliance alerts, generation of compliance reports and updating the compliance tasks based on regulatory developments.

Detailed Compliance Reports are received from units/establishments across the Company. These reports are duly examined and submitted on a regular basis to the Chief Executive Officer and are placed before the Board by the Company Secretary.

## 17. DEPOSITS

The Company did not hold any public deposits at the beginning of the year nor has it accepted any public deposits during the year.

## 18. DIRECTORS

In accordance with the provisions of Section 152 of the Act and the Articles of Association of the Company, Mr. Pradeep C Bandivadekar, Non Executive Director, is liable to retire by rotation at the ensuing Annual General Meeting ("AGM") and is eligible for re-appointment.

Mr. Vittaldas Leeladhar, Chairman, was appointed as an Independent Director of the Company at the Extraordinary General Meeting of the Members of the Company held on February 5, 2015 for a term of up to three years or such lower retirement age as specified under the applicable laws, whichever is earlier.

In terms of the Shareholders Agreement between the Company, TCL and IFC, dated November 19, 2011, Mr. Nihar Shah, a nominee of IFC, was appointed as Additional Director of the Company on December 18, 2014 and holds office upto the date of the ensuing AGM of the Company. Mr. Nihar Shah is a Senior Investment Officer, at IFC having 17 years of broad experience across various infrastructure sub-sectors. The Company has received a Notice, as per the provisions of Section 160(1) of the Act, from a Member proposing Mr. Nihar Shah's appointment as Director of the Company.

As required under Section 149 of the Act read with Rule 3 and Rule 4 of the Companies (Appointment and Qualifications) Rules, 2014 ("Rules"), Ms. Padmini Khare Kaicker, Managing Partner at M/s B.K.Khare & Co., Chartered Accountants, was appointed as an Additional Director and Independent Director of the Company for a term of up to three years commencing from the date of her appointment i.e. March 11, 2015 or upto her attaining the maximum retirement age as may be specified under the applicable laws, whichever is earlier. Ms. Padmini Khare Kaicker has over 20 years of experience in the field of Chartered Accountancy practice. Ms. Padmini Khare Kaicker's appointment as Independent Director is subject to the approval of the Members at the ensuing AGM. The Company has received a Notice as per the provisions of Section 160(1) of the Act, from a Member proposing Ms. Padmini's appointment as Independent Director of the Company.

In accordance with the provisions of Section 149 of the Act and the Rules framed there under, the approval of the Members will be sought at the ensuing AGM of the Company for the appointment of Mr. Nihar Shah, as Director of the Company liable to retire by rotation and Ms. Padmini Khare Kaicker, as Independent Director of the Company, not liable to retire by rotation, for a term of up to three years commencing from the date of her appointment i.e. March 11, 2015 or upto her attaining the maximum retirement age as may be specified under the applicable laws, whichever is earlier.

The Company has received declarations from the Independent Directors viz. Mr. Vittaldas Leeladhar and Ms. Padmini Khare Kaicker, stating that they meet the criteria of independence as provided in Section 149(6) of the Act.

In the opinion of the Board, Mr. Vittaldas Leeladhar and Ms. Padmini Khare Kaicker fulfill the conditions specified in the Act and the Rules for appointment as Independent Directors and that they are independent of the Management.

The Members of the Company may refer to the Notice of the ensuing AGM of the Company, for brief resumes of Mr. Pradeep C Bandivadekar, Mr. Nihar Shah and Ms. Padmini Khare Kaicker.

## 19. EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of the Act, the Board has carried out an annual evaluation of its own performance, the individual Directors (including the Chairman) as well as an evaluation of the working of all Board Committees. The Board of Directors was assisted by the Nomination and Remuneration Committee ("NRC"). The performance evaluation was carried out by seeking inputs from all the Directors/Members of the Committees, as the case may be, and discussions with the Directors by the Chairman of the NRC. The criteria for evaluating the performance of the Board as a whole covered various aspects of the Board's functioning such as fulfillment of key responsibilities, structure of the Board and its composition, establishment and delineation of responsibilities of the Board Committees, effectiveness of Board processes, information and functioning, Board culture and dynamics, etc. The criteria for evaluation of individual Directors covered parameters such as attendance and contribution at meetings, guidance to Management, etc. The criteria for evaluation of the Board Committees covered areas related to degree of fulfillment of key responsibilities, adequacy of Board Committee composition, effectiveness of meetings, Committee dynamics, quality of relationship of the Committee with the Board and the Management, etc.

The feedback of the Independent Directors on their review of the performance of the Non-Independent Directors and the Board as a whole, the performance of the Chairperson of the Company and their assessment of the quality,



quantity and timeliness of flow of information between the Company Management and the Board, was taken into consideration by the Board in carrying out the performance evaluation.

## 20. POLICY ON APPOINTMENT AND REMUNERATION POLICY OF THE COMPANY

The Company has constituted a Nomination and Remuneration Committee (“NRC”) comprising Mr. Praveen P. Kadle, Non-Executive Director (Chairman), Ms. Padmini Khare Kaicker (Independent Director), Mr. Vittaldas Leeldhar (Independent Director) and Mr. Pradeep C. Bandivadekar (Non Executive Director). The NRC develops the competency requirements of the Board based on the industry and strategy of the Company, conducts a gap analysis and recommends the reconstitution of the Board, as and when required. It also recommends to the Board, the appointment of Directors having good personal and professional reputation and conducts reference checks and due diligence of all Directors before recommending them to the Board. Besides the above, the NRC ensures that the new Directors are familiarized with the operations of the Company and endeavours to provide relevant training to the Directors.

In accordance with the provisions of Section 178 of the Act, the Board of Directors has adopted a Policy on Board Diversity and Director Attributes and a Remuneration Policy. The Policy on Board Diversity and Director Attributes has been framed to encourage diversity of thought, experience, knowledge, perspective, age and gender in the Board. The Remuneration Policy for Directors, Key Managerial Personnel and all other employees is aligned to the philosophy on the commitment of fostering a culture of leadership with trust. The Policy aims to ensure that the level and composition of the remuneration of the Directors, Key Managerial Personnel and all other employees is reasonable and sufficient to attract, retain and motivate them to successfully run the Company. The Policy on Board Diversity and Director Attributes as also the Remuneration Policy of the Company are attached as Annexure A and Annexure B, respectively.

The Directors have also adopted the ‘Fit and Proper’ Policy for ascertaining the ‘fit and proper’ criteria to be adopted at the time of appointment of directors and on a continuing basis, pursuant to the Non Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015 issued by RBI.

## 21. KEY MANAGERIAL PERSONNEL

The appointments of Mr. Avijit Bhattacharya, Manager and Mr. Binoy K Parikh, Company Secretary, were formalized as the Key Managerial Personnel (“KMP”) of the Company, with effect from May 5, 2014. Mr. Manish Kambli, was appointed as Chief Financial Officer of the Company and KMP with effect from May 5, 2014.

## 22. DIRECTORS’ RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year;
- c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. they have prepared the annual accounts on a going concern basis and;
- e. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 23. CORPORATE GOVERNANCE

The Company recognizes its role as a corporate citizen and endeavors to adopt the best practices and the highest standards of Corporate Governance through transparency in business ethics, accountability to its customers, government and others. The Company’s activities are carried out in accordance with good corporate practices and the Company is constantly striving to better them by adopting the best practices.

The Company believes that good Corporate Governance practices enables the Management to direct and control the affairs of the Company in an efficient manner and to achieve the Company’s goal of maximizing value for all its stakeholders.

The Company has adopted Governance Guidelines on Board Effectiveness, a Code of Conduct for Prevention of Insider Trading, a Code of Corporate Disclosure Practices, Vigil Mechanism, a Fair Practices Code, an Affirmative

Action Policy, a Policy against Sexual Harassment in the Workplace, a Policy on Board Diversity and Director Attributes, Code of Conduct for Non-Executive Directors and Internal Guidelines on Corporate Governance.

**a) Board of Directors**

The Board of Directors, along with its Committees provides leadership and guidance to the Company's Management and directs, supervises and controls the activities of the Company.

The size of the Board is commensurate with the size and business of the Company. At present, the Board comprises five Directors viz. Mr. Vittaldas Leeladhar (Chairman and Independent Director), Ms. Padmini Khare Kaicker (Independent Director), Mr. Praveen P. Kadle (Non Executive Director), Mr. Pradeep C Bandivadekar (Non Executive Director) and Mr. Nihar Shah (Non Executive Director). The Board Meetings of the Company held during FY 2014-15 were chaired by Mr. Vittaldas Leeldhar, Independent Director.

During FY 2014-15, five Board Meetings were held. Details of Directors, their attendance at Board Meetings and at the previous Annual General Meeting of the Company are given below:

Name of Director	Director Identification Number	Category	Board Meetings Attended	Whether present at previous AGM held on June 30, 2014
Mr. Vittaldas Leeladhar	02630276	Independent Director	5	No
Mr. Praveen P Kadle	00016814	Non Executive Director	5	Yes
Mr. Pradeep C Bandivadekar	00059330	Non Executive Director	5	Yes
Mr. Nihar Shah (Refer Note No. 1)	06969270	Non Executive Director	2	–
Ms. Padmini Khare Kaicker (Refer Note No. 2)	00296388	Independent Director	–	–
Mr. Rajesh Sinha (Refer Note No. 3)	06603419	Non Executive Director	1	–

**Note:**

1. Mr. Nihar Shah was appointed as a Non Executive Director of the Company with effect from December 18, 2014 and two Board Meetings were held from the date of his appointment till March 31, 2015.
2. Ms. Padmini Khare Kaicker was appointed Independent Director of the Company with effect from March 11, 2015 and no Board Meetings were held from the date of her appointment till March 31, 2015.
3. Mr. Rajesh Sinha stepped down as a Director from the Board of the Company with effect from May 9, 2014.

None of the Directors of the Company drew any remuneration from the Company in the nature of salary, benefits, bonuses, pensions, etc. during FY 2014-15 except that Sitting Fees were paid to following Directors, in accordance with and within the limits specified under the Act, for meetings of the Board/Committees held during the year:

Name of Director	Amount (in ₹)
Mr. Vittaldas Leeladhar	4,65,000
Ms. Padmini Khare Kaicker	50,000
Mr. Nihar Shah (Refer Note No.1)	40,864
Mr. Rajesh Sinha - [Stepped down as a Director from the Board of the Company with effect from May 9, 2014] (Refer Note No. 1)	30,159



**Note:**

1. *The sitting fees in respect of Directors appointed by IFC, is paid in US Dollars to IFC, based on invoices raised by them for each Board/Committee Meetings.*
2. *Mr. Praveen P Kadle, Non Executive Director, had informed the Company that he would not like to take any sitting fees from the Company, since he is the Managing Director and CEO of TCL, the holding company.*
3. *Mr. Pradeep C Bandivadekar, Non Executive Director, had also informed the Company that he would not like to take any sitting fees from the Company, as he is in the employment of Tata Capital Financial Services Limited, a fellow subsidiary.*

None of the Non Executive Directors and Independent Directors had any pecuniary relationships or transactions with the Company during the year under review. No Commission is proposed to be paid to Non Executive Directors for FY 2014-15.

**b. Committees of the Board**

The Board has constituted Committees with specific terms of reference to focus on specific issues and ensure expedient resolution of diverse matters. These include the Audit Committee, Finance and Asset Liability Supervisory Committee, Risk Management Committee, Nomination and Remuneration Committee and Investment Credit Committee. The Company Secretary is the Secretary of all the aforementioned Committees. The Board of Directors and the Committees also take decisions by circular resolutions which are noted by the Board at its next meeting. The minutes of the meetings of all Committees of the Board are placed before the Board for discussion / noting.

**Audit Committee**

The Audit Committee comprises Ms. Padmini Khare Kaicker, Independent Director (Chairperson), Mr. Vittaldas Leeladhar, Independent Director and Mr. Pradeep C Bandivadekar, Non Executive Director, all of whom are financially literate and have relevant finance and / or audit exposure. The composition of the Audit Committee is in line with the provisions of Section 177 of the Act. All the Members have the ability to read and understand financial statements and have relevant finance and/or audit experience.

The Board has adopted an Audit Committee Charter which defines the composition of the Audit Committee, its authority, role, responsibilities and powers and reporting functions in accordance with the Act and the Guidelines issued by RBI. The Charter is reviewed from time to time. The Charter is available on the Company's website. Given below, *inter alia*, is a gist of the responsibilities of the Audit Committee:

- Recommend appointment and removal of the Auditors and their remuneration, nature and scope of audit
- Ensure adequacy of internal controls and compliances and recommend remedial measures
- Review adequacy of the Internal Audit function
- Review and monitor the auditors' independence and performance and effectiveness of the audit process
- Oversee financial reporting process and disclosure of financial information
- Examine the financial statements and the auditors' report thereon
- Evaluate internal financial controls and the risk management systems
- Act as a link between the Statutory Auditors, Internal Auditors and the Board of Directors
- Review accounting policies
- Monitor compliance with the Tata Code of Conduct
- Approve any transactions of the Company with related parties or any subsequent modifications thereof
- Scrutinise inter-corporate loans and investments
- Evaluate the valuation of undertakings or assets of the Company, if necessary
- Monitoring the end use of funds raised through public offers and related matters
- Review the findings of internal investigations / frauds / irregularities, etc
- Carry out additional functions as contained as per the regulatory requirements applicable to the Company or in the terms of reference of the Audit Committee
- Carry out the responsibilities under the Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices.

During FY 2014-15, six Audit Committee Meetings were held. The attendance of the Members of the Audit Committee at its Meetings held during FY 2014-15 is, given below:

Name of the Director	Category	Meetings	
		Held	Attended
Mr. Vittaldas Leeladhar [Refer Note No. 1]	Independent Director	6	5
Mr. Praveen P Kadle (between April 1, 2014 to March 16, 2015) [Refer Note No. 2]	Non Executive Director	6	5
Mr. Pradeep C Bandivadekar	Non Executive Director	6	6
Ms. Padmini Khare Kaicker (w.e.f. March 16, 2015) [Refer Note No. 3]	Independent Director	6	1
Mr. Rajesh Sinha (between April 1, 2014 upto May 9, 2014) [Refer Note No. 4]	Non Executive Director	6	1

**Note:**

1. Mr. Vittaldas Leeladhar stepped down as the Chairman of the Audit Committee with effect from March 16, 2015 and continues as a member of Audit Committee.
2. During the tenure of Mr. Praveen P Kadle in FY 2014-15 as a Member of Audit Committee, five Audit Committee Meetings were held.
3. Ms. Padmini Khare Kaicker was appointed as Member and Chairperson of the Audit Committee with effect from March 16, 2015 and only one Meeting was held between March 16, 2015 and March 31, 2015.
4. Mr. Rajesh Sinha stepped down as a Director from the Board of the Company with effect from May 9, 2014.

The Board has accepted all the recommendations made by the Audit Committee during the year.

Besides the Members of the Committee, meetings of the Audit Committee are attended by the Chief Executive Officer, Chief Financial Officer, Company Secretary, Statutory Auditors and Internal Auditor. The Internal Audit functionally reports to the Chairperson of the Audit Committee through the Chief Internal Auditor of Tata Capital Limited, the holding company.

The Chairman of the Nomination and Remuneration Committee attended the last Annual General Meeting of the Company.

**c. Manager**

The appointment of Mr. Avijit Bhattacharya, as Manager of the Company for a period of five years with effect from February 1, 2013, had been approved by the Board of Directors at their Meeting held on January 24, 2013 and by the Members at the Extraordinary General Meeting of the Company held on February 11, 2013. Mr. Bhattacharya's remuneration for FY 2014-15 is as prescribed under Para C of Section II of Part B of Schedule XIII to the erstwhile Companies Act, 1956 (read with the Provisos thereto). The Ministry of Corporate Affairs has, vide its circular No.07/2015 dated April 10, 2015 clarified that a managerial person appointed under the erstwhile Companies Act, 1956 may continue to receive remuneration for his remaining term in accordance with terms and conditions approved by the company as per the relevant provisions of Schedule XIII of the erstwhile Companies Act, 1956 even if the part of his remaining tenure falls after April 1, 2014.

Based on the recommendation of the Nomination and Remuneration Committee, the Directors of the Company at their Meeting held on April 21, 2015 approved an Incentive Remuneration of ₹ 34.26 Lakh payable to Mr. Bhattacharya for FY 2014-15. With this, the total remuneration of Mr. Bhattacharya for FY 2014-15 is ₹ 138.18 Lakh.

The terms and conditions, *inter alia*, of the appointment and remuneration of Mr. Bhattacharya, as per the Agreement dated July 30, 2013, executed by the Company and Mr. Bhattacharya, is as given below:

Remuneration	₹ 2,95,000/- per month upto a maximum of ₹ 4,50,000/- per month. The annual increments which will be effective 1st April each year, will be decided by the Board or any Committee thereof and will be merit based and take into account the Company's performance as well. Commission, if any, or Incentive Remuneration not exceeding ₹ 50,00,000/- to be paid based on certain performance criteria and such other parameters as laid down by the Board or Committee thereof, as may be considered appropriate from time to time. In addition to this, benefits, perquisites and allowances will be as per the Agreement.
Minimum Remuneration	Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Manager, the Company has no profits or its profits are inadequate, the Company will pay/provide to the Manager, remuneration for a period not exceeding 3 years by way of Salary, Benefits, Perquisites and Allowances and Incentive Remuneration as specified above.
Term & Termination	The Agreement with Mr. Bhattacharya may be terminated by Mr. Bhattacharya giving three months notice of such termination or the Company paying three months remuneration in lieu of such notice.
Stock Options	As at March 31, 2015, Mr. Bhattacharya held 2,23,278 Equity Shares of TCL, the holding company, acquired under the Employee Stock Option/Purchase Scheme ("ESOP Scheme") of TCL. In addition to the above, Mr. Bhattacharya has 26,667 vested options which can be exercised upto August 2016 and 26,666 vested options which can be exercised upto August 2017, for purchase of Equity Shares of TCL under the ESOP Scheme.
Other Terms	The said terms and conditions also include clauses pertaining to adherence with the Tata Code of Conduct, including no conflict of interest with the Company, non compete and maintenance of confidentiality.

**d) Other Information**

TCL has signed the Tata Brand Equity and Business Promotion ("BEBP") Agreement with Tata Sons Limited on behalf of its subsidiaries including TCCL, for subscribing to the TATA BEBP Scheme. The Company abides by the Tata Code of Conduct and the norms for using the Tata Brand identity.

The Company and its employees have adopted the Tata Code of Conduct. In addition, the Company has also adopted a Code of Conduct for its Non Executive Directors (NEDs). The aforesaid Codes have been posted on the Company's web-site.

Mr. Binoy K Parikh, Company Secretary, is the Compliance Officer of the Company.

**24 VIGIL MECHANISM**

The Company has established a Vigil Mechanism for its Directors and employees to report their genuine concerns or grievances. The said mechanism encompasses the Whistle Blower Policy, the Fraud Risk Management Process, the Tata Code of Conduct mechanism/Ethics, etc., and provides for adequate safeguards against victimization of persons who use such mechanism and also provides direct access to the Chairperson of the Audit Committee. The Vigil Mechanism has been put up on the Company's website.

**25. EXTRACT OF THE ANNUAL RETURN**

An extract of the Annual Return as prescribed under Section 92(3) of the Companies Act, 2013 ("Act") is attached as Annexure C.

**26. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management Discussion and Analysis Report is attached as Annexure D.

## 27. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

### (A) Conservation of energy:

- i. Steps taken / impact on conservation of energy;
- ii. Steps taken by the company for utilising alternate sources of energy ;
- iii. Capital investment on energy conservation equipments.

The nature of the activities of the Company does not give much scope for introducing measures for energy conservation and hence, there is nothing to report under the above.

### (B) Technology absorption:

- i. The efforts made towards technology absorption;
- ii. The benefits derived like product improvement, cost reduction, product development or import substitution;
- iii. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year):
  - (a) The details of technology imported;
  - (b) The year of import;
  - (c) Whether the technology been fully absorbed;
  - (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
- iv. The expenditure incurred on Research and Development.

Given the nature of the activities of the Company, the above would not be applicable to the Company.

### (C) Foreign exchange earnings and Outgo:

The Foreign Exchange earned in terms of actual inflows during the year under review was Nil and the Foreign Exchange outgo during the year under review in terms of actual outflows was ₹ 1.41 Lakh.

## 28. STATUTORY AUDITORS

M/s Deloitte Haskins & Sells, Ahmedabad ("DHS-A"), Chartered Accountants (ICAI Firm Registration Number: 117365W), who are the Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting ("AGM") and are eligible for re-appointment.

DHS-A were appointed as the Statutory Auditors of the Company at the AGM held on August 10, 2012, for FY 2012-13 and have been re-appointed thereafter, at every AGM of the Company. At the conclusion of the ensuing AGM of the Company, DHS-A will complete a period of three years as Auditors of the Company. As per the provisions of the Act, read with the Companies (Audit and Auditors) Rules, 2014, it is proposed to re-appoint DHS-A as the Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next AGM of the Company.

The Company has received a letter from DHS-A to the effect that their appointment, if made, would be in accordance with Section 139 of the Act and that, they are not disqualified for such appointment within the meaning of Section 141 of the Act.

As per the provisions of the Act read with the Companies (Audit and Auditors) Rules, 2014, it is proposed to re-appoint DHS-A as the Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next AGM of the Company.

## 29. ACCOUNTING STANDARDS FOLLOWED BY THE COMPANY

The Financial Statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act and the Guidelines prescribed by the RBI, as applicable.

**30. EXPLANATION ON STATUTORY AUDITORS REPORT**

There are no qualifications, reservations or adverse Framework or disclaimers made by Deloitte Haskins & Sells, Ahmedabad, in their Report dated April 21, 2015 on the Financial Statements of the Company for FY 2014-15.

**31. SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed M/s Parikh & Associates, a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company for the Financial Year ended March 31, 2015. The Secretarial Audit Report, in the prescribed Form No. MR-3, is annexed herewith as Annexure E. There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. Parikh & Associates in their Audit Report dated April 21, 2015 on the Secretarial and other related records of the Company for FY 2014-15.

**32. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The provisions of Section 186 of the Act pertaining to granting of loans to any persons or body corporate and giving of guarantees or providing security in connection with the loan to any other body corporate or persons are not applicable to the Company, since it is a Non Banking Financial Company, registered with Reserve Bank of India.

No investments were made during FY 2014-15.

**33. RELATED PARTY TRANSACTIONS**

The Company has adopted a Framework on Related Party Transactions for purpose of identification and monitoring of such transactions.

Details of material contracts or arrangements or transaction with Related Parties on an arm's length basis with respect to transactions covered under Section 188 (1) of the Act, in the prescribed Form No. AOC-2, is attached as Annexure F. Further, details of Related Party Transactions as required to be disclosed by Accounting Standard – 18 on "Related Party Disclosures" specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014, are given in the Notes to the Financial Statements.

During the year, the Company has not entered into any transactions with Related Parties which are not in its ordinary course of business or not on an arm's length pricing basis and which require disclosure in this Report in terms of the provisions of Section 188(1) of the Act.

**34. INFORMATION ON MATERIAL CHANGES AND COMMITMENTS**

There are no material changes or commitments affecting the financial position of the Company which have occurred after March 31, 2015.

**35. ACKNOWLEDGEMENTS**

The Directors would like to place on record their gratitude for the valuable guidance and support received from RBI and other government and regulatory agencies and to convey their appreciation to TCL, IFC and the Company's Bankers for the continuous support given by them to the Company. The Directors also place on record their appreciation of its employees for their commendable efforts, team work and professionalism.

**For and on behalf of the Board of Directors**

**Vittaladas Leeladhar**  
Chairman

Place: Mumbai  
Date: April 21, 2015

## BOARD DIVERSITY POLICY AND DIRECTOR ATTRIBUTES

### 1. PURPOSE

In terms of Section 178 of the Companies Act, 2013 (“Act”) and the Governance Guidelines on Board Effectiveness issued by Tata Sons Limited and adopted by the Board of Directors, the Nomination and Remuneration Committee (“NRC”) of the Board is, inter alia, required to formulate a Policy on Board Diversity and lay down the criteria for determining qualifications, positive attributes and independence of a director.

Diversity in the composition of the Board of Directors has become essential in view of the expansion of business, greater social responsibility, increasing emphasis on Corporate Governance, need for addressing concerns of diverse stakeholders and the necessity for managing risks in the business effectively. A Board composed of appropriately qualified and skilled people, with a broad range of experience relevant to the business, is important for effective corporate governance and sustained commercial success of a company.

In view of the above, Tata Cleantech Capital Limited (“TCCL” or “Company”) has framed this Policy on Board Diversity and Director Attributes (“Policy”) that encourages diversity of thought, experience, knowledge, perspective, age and gender in the Board. The Policy sets out the approach to diversity in the Board of Directors of the Company so as to ensure that the Board has an appropriate blend of functional and industry expertise.

This Policy has been adopted by the Board of Directors of the Company, based on the recommendations of the NRC.

### 2. OBJECTIVES OF THE POLICY

The Objectives of the Policy include:

- i. Board to drive diversity and have an appropriate blend of functional and industry expertise;
- ii. While recommending the appointment of a director to, inter alia, consider the manner in which the function and domain expertise of the individual contributes to the overall skill domain mix of the Board;
- iii. To help the Company build a better Board that can draw upon a wide range of perspectives, expertise, knowledge and experience;
- iv. To achieve an optimum and balanced Board, with a wide range of attributes;
- v. To encourage healthy and open discussion and promote independence of judgement in Board and Committee deliberations; and
- vi. To have an optimum mix of Executive, Non-Executive and Independent Directors, including Women Directors.

### 3. POLICY STATEMENT

To meet the above Objectives:

- i. The Board of TCCL will ensure that a transparent Board nomination process is in place that encourages diversity of thought, experience, skills, knowledge, perspective, age, nationality, gender, cultural and educational background;
- ii. It will be ensured that the Board has an appropriate blend of functional and industry expertise and skills;
- iii. The consideration and selection of candidates for appointment to the Board will be based on merit which shall include a review of any candidate’s integrity, experience, educational background, industry or related experience and more general experience;
- iv. Candidates that bring a diversity of background and opinion from amongst those candidates with the appropriate background and industry or related expertise and experience and having the ability to devote sufficient time to the affairs of the Company, should be considered for appointment to the Board; and
- v. While recommending the appointment of a Director, the NRC will consider the criteria as laid down under the Act and applicable Regulations/Guidelines issued by Statutory and Regulatory authorities, as also those issued by Tata Sons Limited, from time to time, and the manner in which the function and domain expertise of the individual will contribute to the overall skill-domain mix of the Board.

### 4. MEASURABLE OBJECTIVES

The NRC will largely rely on the regulatory provisions of the Act, and the Regulations/ Guidelines issued by the RBI as also the Guidelines circulated by Tata Sons Limited and review the measurable objectives for achieving diversity against these provisions and recommend the same to the Board for adoption. At any given point of time, the Board may seek to improve one or more aspects of its diversity and measure progress accordingly.

### 5. MONITORING AND REPORTING

The NRC will review the Policy periodically, which will include an assessment of the effectiveness of the Policy. The NRC will discuss any revision that may be required and recommend the same to the Board for approval.



## REMUNERATION POLICY

### 1. COMPENSATION PHILOSOPHY

Tata Cleantech Capital Limited ("Company") has adopted a Remuneration Policy based on a defined formal compensation philosophy of Tata Capital Limited, the holding company. In order to build a high performance culture, aligned to the Company's Vision and Goals, the Compensation Philosophy aims at providing a significant differential to superior performers and also segregating increments and performance payouts, based on the actual performance of various business verticals.

The aforementioned Compensation philosophy helps the Company to manage long term fixed cost, keep up with market compensation and attract the right talent to help drive its growth plans.

The performance of the Company and its Business Units / Functions is measured against annual budgets / targets, set as per the Balanced Score Card (BSC). Performance of individuals is measured against Key Result Areas (KRAs) set at beginning of year and after considering any revision of target during the year. The Annual Performance Rating would be considered for calculating the Performance Pay. Rating would be on a 5 point scale.

Consistent with the principle of differential influence that an employee may have on the overall performance of the Company, different weights are assigned for the Company's performance, the performance of Business Units / Functions and the performance of individuals. Thus, employees in entry level / junior management have greater weightage for individual performance while employees in senior leadership roles have maximum weightage for Company and Business Unit Performance.

### 2. REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

The philosophy for remuneration of Directors, Senior Leadership Team, Key Managerial Personnel ("KMP") and all other employees of the Company is based on the commitment to fostering a culture of leadership with trust. The Remuneration Policy is aligned to this philosophy.

This Remuneration Policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 ("Act"). In case of any inconsistency between the provisions of law and this Remuneration Policy, the provisions of law shall prevail and the Company shall abide by the applicable law. In case there are any changes in the law, the Company shall comply with the applicable amended provisions. While formulating this Remuneration Policy, the Nomination and Remuneration Committee ("NRC") has considered the factors laid down under Section 178(4) of the Act which are, as under:

- (a) *the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;*
- (b) *relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and*
- (c) *remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals"*

The key principles governing this Remuneration Policy are, as follows:

#### 2.1 Remuneration for Independent Directors and Non-Independent Non- Executive Directors

- (i) Independent Directors ("ID") and Non-Independent Non-Executive Directors ("NED") may be paid Sitting Fees (for attending the meetings of the Board and of Committees of the Board of which they may be Members) and Commission within regulatory limits.
- (ii) Within the parameters prescribed by law, the payment of Sitting Fees and Commission will be recommended by the NRC for approval of the Board.
- (iii) Overall remuneration (Sitting Fees and Commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the Company (taking into consideration, the challenges faced by the Company and its future growth imperatives).

- (iv) Overall remuneration should be reflective of the size of the Company, complexity of the sector/ industry/ Company's operations and the Company's capacity to pay the remuneration.
- (v) Overall remuneration practices should be consistent with recognized best practices.
- (vi) Quantum of Sitting Fees may be subject to review on a periodic basis, as required.
- (vii) The aggregate Commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on Company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters, as may be decided by the Board.
- (viii) The NRC will recommend to the Board, the quantum of Commission for each director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent at Board and Committee meetings, individual contribution at the meetings and contributions made by directors, other than at Board and Committee meetings.
- (ix) In addition to the Sitting Fees and Commission, the Company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his / her role as a director of the Company. This could include reasonable expenditure incurred by the director for attending Board / Board Committee meetings, General Meetings, court convened meetings, meetings with Shareholders / Creditors / Management, site visits, induction and training (arranged by the Company for directors) and in obtaining professional advice from independent advisors in the furtherance of his / her duties as a director.

## **2.2 Remuneration for Managing Director ("MD") / Executive Directors ("ED") / Manager / CEO / KMP / rest of the employees <sup>(Note 1)</sup>**

- (i) The extent of overall remuneration to the MD / ED / KMPs / Manager / CEO /rest of the employees should be sufficient to attract and retain talented and qualified individuals suitable for their roles.

Hence, remuneration should be:

- market competitive (market for every role is defined as companies from which the company attracts talent or companies to which the company loses talent);
- driven by the role played by the individual;
- reflective of the size of the company, complexity of the sector / industry / Company's operations and the Company's capacity to pay;
- consistent with recognized best practices; and
- aligned to any regulatory requirements.

- (ii) In terms of remuneration mix or composition,

- the remuneration mix for the MD / ED / Manager / CEO should be as per the contract approved by the Shareholders. In case of any change which is beyond the remuneration approved by the Shareholders, the same would require the approval of the Shareholders.
- basic / fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
- in addition to the basic / fixed salary, the Company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The Company also provides all employees with a social security net (subject to limits) by covering medical expenses and hospitalization through re-imbursements or insurance cover and accidental death and dismemberment through personal accident insurance.
- the Company provides retirement benefits, as applicable.
- in addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the Company may provide MD/ ED / Manager / CEO such remuneration by way of Commission, calculated with reference to the Net Profits of the Company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the MD/ EDs / Manager / CEO would be based on the performance of the MD / ED / Manager / CEO as evaluated by the Board or the NRC and approved by the Board.

OR

- In addition to the basic/fixed salary, benefits, perquisites and allowances as provided above, the Company may provide to its MD / ED / Manager / CEO, such remuneration by way of an annual incentive remuneration / performance linked bonus subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board. An indicative list of factors that may be considered for determination of the extent of this component are:
  - Company's performance on certain defined qualitative and quantitative parameters, as may be decided by the Board from time to time,
  - Industry benchmarks of remuneration,
  - Performance of the individual.
- The Company will provide the rest of the employees, a performance linked incentive pay. The performance linked pay would be driven by the outcome of the performance appraisal process and the performance of the Company.

### 2.3 Remuneration payable to Director for services rendered in other capacity

No remuneration will be payable to the Directors for services rendered by such Director in any other capacity unless:

- (a) The services rendered are of a professional nature;
- (b) The NRC is of the opinion that the director possesses requisite qualification for the practice of the profession; and
- (c) Approval of the Central Government has been received, if required, for paying the same.

### 2.4 Loans to employees

The Company may grant loans to its employees on such terms and conditions as may be determined by the Board or any Committee of the Board, from time to time, in accordance with applicable laws.

### 2.5 Policy Implementation

The NRC is responsible for recommending the Remuneration Policy to the Board. The Board is responsible for approving and overseeing implementation of the Remuneration Policy.

**Note**<sup>1</sup> Excludes employees covered by any long term settlements or specific term contracts. The remuneration for these employees would be driven by the respective long term settlements or contracts

## Annexure C

### Form No. MGT-9

#### EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

- i) CIN: U65923MH2011PLC222430
- ii) Registration Date: September 27, 2011
- iii) Name of the Company: Tata Cleantech Capital Limited
- iv) a) Category: Company limited by shares  
b) Sub-Category of the Company: Indian Non - Government Company
- v) Address of the Registered office and contact details:  
One Forbes, Dr. V. B. Gandhi Marg, Fort, Mumbai - 400001, Maharashtra, India.  
Contact details:  
Direct Number: 022-6745 9000  
E-mail id: binoy.parikh@tatacapital.com
- vi) Whether listed company: No
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any – Not Applicable

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Non Banking Finance Company	64990	100%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sl. NO	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Tata Capital Limited	U65990MH1991PLC060670	Holding Company	80.50%	Section 2(46)-Holding Company read with Section 2(87) of the Companies Act, 2013

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year		No. of Shares held at the end of the year		% Change during the year
	Demat	Physical	Demat	Physical	
	Total	% of Total Shares	Total	% of Total Shares	
<b>A. Promoters</b>					
<b>(1) Indian</b>					
(a) Individual/HUF	-	-	-	-	-
(b) Central Govt	-	-	-	-	-
(c) State Govt (s)	-	-	-	-	-
(d) Bodies Corp.	-	6,44,00,000	80.50	23,27,18,182	261.36
(e) Banks / FI	-	-	-	-	-
(f) Any Other	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	-	<b>6,44,00,000</b>	<b>80.50</b>	<b>23,27,18,182</b>	<b>261.36</b>
<b>(2) Foreign</b>					
(a) NRIs - Individuals	-	-	-	-	-
(b) Other - Individuals	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-
(d) Banks / FI	-	-	-	-	-
(e) Any Other....	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	-	-	-	-	-
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	-	<b>6,44,00,000</b>	<b>80.50</b>	<b>23,27,18,182</b>	<b>261.36</b>
<b>B. Public Shareholding</b>					
<b>(1) Institutions</b>					
(a) Mutual Funds	-	-	-	-	-
(b) Banks / FI	-	-	-	-	-
(c) Central Govt	-	-	-	-	-
(d) State Govt(s)	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-
(g) FIs	-	-	-	-	-
(h) Foreign Venture Capital Funds	-	-	-	-	-
(i) Others (Multilateral Financial Institutions)	-	1,56,00,000	19.50	5,63,72,727	261.36
<b>Sub-total (B)(1):-</b>	-	<b>1,56,00,000</b>	<b>19.50</b>	<b>5,63,72,727</b>	<b>261.36</b>

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Non-Institutions</b>									
(a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh									
(c) Others (specify)									
<b>Sub-total (B)(2):-</b>									
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	-	1,56,00,000	1,56,00,000	19.50	-	5,63,72,727	5,63,72,727	19.50	261.36
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	-	8,00,00,000	8,00,00,000	100	-	28,90,90,909	28,90,90,909	100	261.36



**(ii) Shareholding of Promoters**

Sr. no.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Tata Capital Limited and its nominees	6,44,00,000	80.50%	NIL	23,27,18,182	80.50%	NIL	261.36
	<b>Total</b>	<b>6,44,00,000</b>	<b>80.50%</b>	<b>NIL</b>	<b>23,27,18,182</b>	<b>80.50%</b>	<b>NIL</b>	<b>261.36</b>

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Sr. no.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	6,44,00,000	80.50	6,44,00,000	80.50
2.	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):  The Company had issued equity shares of the Company on Rights Basis to the shareholders of the Company, in proportion to their existing share holding. Accordingly, on March 12, 2015, the Company allotted 16,83,18,182 equity shares of ₹10 each to Tata Capital Limited.	16,83,18,182	80.50	23,27,18,182	80.50
3.	At the End of the year	23,27,18,182	80.50	23,27,18,182	80.50

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. no.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	1,56,00,000	19.50	1,56,00,000	19.50
2.	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):  The Company had issued equity shares of the Company on Rights Basis to the shareholders of the Company, in proportion to their existing share holding. Accordingly, on March 12, 2015 the Company allotted 4,07,72,727 equity shares of ₹.10 each to IFC.	4,07,72,727	19.50	5,63,72,727	19.50
3.	At the End of the year ( or on the date of separation, if separated during the year)	5,63,72,727	19.50	5,63,72,727	19.50

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sr. no.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	No. of shares	No. of shares	No. of shares
1.	For Each of the Directors and KMP				
2.	At the beginning of the year	NIL	NIL	NIL	NIL
3.	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
4.	At the End of the year	NIL	NIL	NIL	NIL

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in crore)

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	–	48.83	–	48.83
ii) Interest due but not paid	–	–	–	–
ii) Interest accrued but not due	–	–	–	–
<b>Total (i+ii+iii)</b>	–	<b>48.83</b>	–	<b>48.83</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	25	291.33	–	316.33
• Reduction	–	–	–	–
<b>Net Change</b>	<b>25</b>	<b>291.33</b>	–	<b>316.33</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	25	340.16	–	365.16
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	0.21	–	–	0.21
<b>Total (i+ii+iii)</b>	<b>25.21</b>	–	–	<b>365.37</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in Lakh)

Sr. no.	Particulars of Remuneration	Name of Manager	Total Amount
		Mr. Avijit Bhattacharya	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	104.56 4.85	104.56 4.85
2.	Stock Option	–	–
3.	Sweat Equity	–	–
4.	Commission - as % of profit - others, specify...	– –	– –
5.	Others, please specify	–	–
	<b>Total (A)</b>	<b>109.41</b>	<b>109.41</b>
	<b>Ceiling as per the Act</b>	<b>57.25</b>	<b>57.25</b>

**B. Remuneration to other directors:**

(₹ in Lakh)

Sl. no.	Particulars of Remuneration Independent Directors	Name of Directors		Total Amount
		Mr. Vittaldas Leeladhar	Ms. Padmini Khare Kaicker	
1.	<ul style="list-style-type: none"> <li>• Fee for attending board / committee meetings</li> <li>• Commission</li> <li>• Others, please specify</li> </ul>	4.65 NIL	0.50 NIL	5.15
<b>Total (1)</b>		<b>4.65</b>	<b>0.50</b>	<b>5.15</b>
2.	Other Non-Executive Directors	<b>Mr. Rajesh Sinha *</b>	<b>Mr. Nihar Shah</b>	
	<ul style="list-style-type: none"> <li>• Fee for attending board / committee meetings</li> <li>• Commission</li> <li>• Others, please specify</li> </ul>	0.30** - -	0.41** - -	0.71 - -
<b>Total (2)</b>		<b>0.30</b>	<b>0.41</b>	<b>0.71</b>
<b>Total (B)=(1+2)</b>		<b>4.95</b>	<b>0.91</b>	<b>5.86</b>
<b>Total Managerial Remuneration (A+B)</b>				<b>115.27</b>
<b>Overall Ceiling as per the Act</b>				<b>126.00</b>

\* Mr. Rajesh Sinha resigned from the Board of the Company with effect from May 9, 2014

\*\* The sitting fees in respect of Directors appointed by IFC, is paid in US Dollars to IFC, based on invoices raised by them for each Board/Committee Meetings

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

(₹ in Lakh)

Sr. no.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	Company Secretary	Total
		Mr. Manish Kambli	Mr. Binoy K Parikh	
1.	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	29.02	15.09	44.11
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	0.82	-	0.82
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	- -	- -	- -
5.	Others, please specify	-	-	-
<b>Total</b>		<b>29.84</b>	<b>15.09</b>	<b>44.93</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: -**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### 1. INDUSTRY OVERVIEW & OUTLOOK

Please refer to Point No. 2 of the Directors Report on Page No. 1.

### 2. OPPORTUNITIES & THREATS

India is one amongst few growing economies in the world and therefore demand for electricity will continue to grow. Besides, Government, of India has laid out ambitious plans for power sector as a whole with promise to reach 24\*7 electricity to each household in the country. Even more encouraging is the recognition of Renewable Energy ("RE") potential to achieve this objective and therefore the plans to install 175 GW of RE by 2022.

This focus on RE will create exciting opportunities for the company as investments are expected to grow at brisk pace and the Company is geared to take advantage of these opportunities.

Biggest threat to these opportunities is the lack of commensurate, well developed capital market with adequate resources. Varied political support across many states and its institutions, few states being burdened with large share of high cost RE power and sporadic political will are other significant threats.

### 3. SEGMENT WISE OR PRODUCT WISE PERFORMANCE OF THE COMPANY

Please refer to Point No. 3 of the Directors Report on Page No. 1.

### 4. RISK AND CONCERNS

The biggest risk continues to be the overall poor financial health of State distribution and utility companies. Weak Transmission Infrastructure, problems with land acquisition in certain states, and delays in regulatory approvals are few other major concerns.

### 5. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Please refer to Point No. 4 of the Directors Report on Page No. 2.

### 6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Please refer to Point No. 10 of the Directors Report on Page No. 3.

### 7. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

Please refer to Point No. 13 of the Directors Report on Page No. 4.

ANNEXURE - E

**Form No. MR - 3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015**

(Pursuant to Section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,  
 The Members,  
 Tata Cleantech Capital Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Tata Cleantech Capital Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Tata Cleantech Capital Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by Tata Cleantech Capital Limited for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under
- (ii) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (iii) Other laws as are and to the extent applicable to the Company as per the representations made by the Company.

Secretarial Standards of The Institute of Company Secretaries of India with respect to board and general meetings are not in force as on the date of this report.

During the period under review and as per the explanations given and the representations made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors at least seven days in advance to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings were taken unanimously.

We further report that as represented by the Company and relied upon by us there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc :

- (a) The Company made an issue of 20,90,90,909 Equity Shares of Re. 10/- each at a premium of Re. 1/- per Equity Share on Rights basis to the existing Shareholders of the Company. The shares were allotted on 12<sup>th</sup> March, 2015.

**For Parikh & Associates**  
**Company Secretaries**

**Shalini Bhat**  
**(Partner)**

Mumbai,  
 April 21, 2015

FCS No: 6484 CP No: 6994

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To,

The Members

Tata Cleantech Capital Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Parikh & Associates  
Company Secretaries**

**Shalini Bhat  
(Partner)**

FCS No: 6484 CP No: 6994

Mumbai,  
April 21, 2015



ANNEXURE - F

Form No. AOC- 2

Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis - Not Applicable.
2. Details of material contracts or arrangement or transactions at arm's length basis:

Sr. No.	Name of the Related Party	Nature of Relationship	Nature of contracts arrangements transactions during the year	Amount	Duration of the contracts /arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Amount paid as advances, if any
1	Tata Capital Limited ("TCL")	Holding Company	a) Issue of Equity Shares made during the year b) ICDs accepted during the year c) ICDs repaid back during the year	18,515 57,245 30,568	Equity Share Capital raised in FY 2014-15 Tenor upto 1 year Tenor upto 1 year	168,318,182 Equity shares of ₹ 10 each, at a premium of Re. 1 per share were issued, subscribed and fully paid up during the year. Cost of Funds for previous month plus 25 bps Cost of Funds for previous month plus 25 bps Cost of Funds for previous month plus 25 bps	- - -
2	Tata Capital Financial Services Limited ("TCFSL")	Fellow Subsidiary	a) Loan processing fees paid b) Assignment of portfolio	490 38,003	For FY 2014-15 For FY 2014-15	Management fees paid for Transfer of Portfolio by Tata Capital Financial Services Limited to Company based on Independent valuation report and Memorandum of Understanding. Based on the Memorandum of Understanding entered into between the companies on July 23, 2013, two loans aggregating ₹ 30 crore were purchased at book value from TCFSL during the quarter ended June 2014. Based on the Independent valuation report and Memorandum of Understanding, a loan portfolio aggregating ₹ 350 crore was purchased at commercial terms by the Company from TCFSL in March 2015.	- -
3	Tata Consultancy Services Limited	Subsidiary of ultimate holding company	a) IT outsourcing expenses c) Referral fees received	78 108	For FY 2014-15 For FY 2014-15	Service Level agreement for Information technology services including Hardware and Software support for payment based on 4.8% of Net Interest Margin plus Other Revenue between Company and Tata Consultancy Services Limited Referral fees received for Portfolio shared with Tata Capital Financial Services Limited based on Memorandum of Understanding.	- -

Note: Appropriate approvals have been taken for all Related Party Transactions

For and on behalf of the Board of Directors

Mumbai,  
April 21, 2015

Vittaladas Leeladhar  
(Chairman)

## INDEPENDENT AUDITORS' REPORT

### TO THE BOARD OF DIRECTORS OF TATA CLEANTECH CAPITAL LIMITED

#### Report on the Financial Statements

We have audited the accompanying Financial Statements of TATA CLEANTECH CAPITAL LIMITED ("the Company"), which comprises the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and the explanatory information.

#### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on long term contract. The Company does not have any outstanding derivative contracts as at the year end.
  - iii. As at the year end, there were no amounts that were required to be transferred, to the Investor Education and Protection Fund by the Company.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm Registration No. 117365W)

**G. K. Subramaniam**  
Partner  
(Membership No. 109839)

Mumbai,  
April 21, 2015

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. In respect of the Company's fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us no material discrepancies were noticed on such verification.
2. According to the information and explanations given to us, the Company is engaged in the business of providing finance and advisory services for renewable energy, energy efficiency & water management projects which do not require it to hold any inventories. Accordingly, the provisions of paragraph 3 (ii) of the Order are not applicable to the Company.
3. The Company has not granted, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Act.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. The nature of the Company's business is such that it does not involve purchase of inventories and sale of goods. During the course of our audit, we have not observed any major weaknesses in such internal control system.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits. Therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
6. In our opinion, the provisions of clause 3 (vi) of the Order are not applicable to the Company as the Company is not engaged in the production of goods or in providing services covered by the Companies (Cost Records and Audit) Rules, 2014.
7. According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has been generally regular in depositing undisputed dues in respect of Provident Fund, Income Tax, Profession Tax, Service Tax and other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
  - (c) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Wealth Tax, Custom Duty, Excise Duty and Cess which have not been deposited on account of any dispute.
  - (d) There are no amounts payable in respect of Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.
8. According to the information and explanations given to us, the Company has not been registered for a period not less than five years. Therefore, the provisions of clause 3 (viii) of CARO are not applicable to the Company.

9. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a bank. Further, in our opinion and according to information and explanations given to us, the Company did not have any amount outstanding to financial institutions or debenture holders.
10. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
11. According to the information and explanations given to us, the term loans availed during the year by the Company has been applied for the purpose for which it was obtained.
12. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm Registration No. 117365W)

**G. K. Subramaniam**  
Partner  
(Membership No. 109839)

Mumbai,  
April 21, 2015

## BALANCE SHEET AS AT MARCH 31, 2015

(₹ in Lakh)

	Note No.	As at March 31, 2015	As at March 31, 2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share Capital	3	28,909	8,000
(b) Reserves and Surplus	4	3,044	304
		<b>31,953</b>	<b>8,304</b>
<b>2 Non - current liabilities</b>			
(a) Long-term borrowings	5	1,944	–
(b) Deferred tax liabilities (net)	6	133	22
(c) Long-term provisions	7	144	28
		<b>2,221</b>	<b>50</b>
<b>3 Current liabilities</b>			
(a) Short-term borrowings	8	34,016	4,883
(b) Trade payables	9	184	208
(c) Other current liabilities	10	645	92
(d) Short-term provisions	11	41	32
		<b>34,886</b>	<b>5,215</b>
<b>TOTAL</b>		<b>69,060</b>	<b>13,569</b>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
– Tangible assets	12	29	33
(b) Long-term Loans and advances - financing activity	13	56,886	10,477
(c) Long-term Loans and advances - others	14	402	–
(d) Other non-current assets	15	671	105
		<b>57,988</b>	<b>10,615</b>
<b>2 Current assets</b>			
(a) Cash and bank balances	16	563	74
(b) Short-term Loans and advances - financing activity	13	10,233	2,737
(c) Other current assets	17	276	143
		<b>11,072</b>	<b>2,954</b>
<b>TOTAL</b>		<b>69,060</b>	<b>13,569</b>
See accompanying notes forming part of the financial statements	1-36		

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants

**G. K. Subramaniam**  
Partner

Mumbai  
Date: April 21, 2015

For and on behalf of the Board of Directors

**Vittaladas Leeladhar**  
(Chairman)

**Nihar Shah**  
(Director)

**Manish Kambli**  
(Chief Financial Officer)

**Praveen P. Kadle**  
(Director)

**Padmini Khare Kaicker**  
(Director)

**Binoy K. Parikh**  
(Company Secretary)

**Pradeep C. Bandivadekar**  
(Director)

**Avijit Bhattacharya**  
(Manager)



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

(₹ in Lakh)

	Note No.	For the Year ended March 31, 2015	For the Year ended March 31, 2014
<b>I</b> Revenue from operations	18	2,561	1,303
<b>II</b> Investment income	19	19	–
<b>III</b> Other income	20	265	2
<b>IV Total Revenue (I+II+III)</b>		<b>2,845</b>	<b>1,305</b>
<b>V Expenses</b>			
Finance costs	21	899	125
Employee benefit expenses	22	426	434
Other operating expenses	23	481	261
Depreciation	12	9	4
Amortisation of expenses	17(a)	38	27
<b>Total expenses</b>		<b>1,853</b>	<b>851</b>
<b>VI Profit before tax (IV-V)</b>		<b>992</b>	<b>454</b>
<b>VII Tax expense:</b>			
(i) Current tax		243	134
(ii) MAT Credit Entitlement		(12)	–
(iii) Deferred tax		112	22
Total Tax expense		343	156
<b>VIII Profit for the year (VI-VII)</b>		<b>649</b>	<b>298</b>
<b>IX Earnings per equity share:</b>			
(i) Basic (in ₹)	28	0.71	0.38
(ii) Diluted (in ₹)		0.71	0.38
Face Value per share (Amount in ₹)		10	10
See accompanying notes forming part of the financial statements	1-36		

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants**G. K. Subramaniam**  
PartnerMumbai  
Date: April 21, 2015

For and on behalf of the Board of Directors

**Vittaladas Leeladhar**  
(Chairman)**Nihar Shah**  
(Director)**Manish Kambli**  
(Chief Financial Officer)**Praveen P. Kadle**  
(Director)**Padmini Khare Kaicker**  
(Director)**Binoy K. Parikh**  
(Company Secretary)**Pradeep C. Bandivadekar**  
(Director)**Avijit Bhattacharya**  
(Manager)

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

(₹ in Lakh)

	Note No.	For the Year ended March 31, 2015	For the Year ended March 31, 2014
<b>1 CASH FLOW USED IN OPERATING ACTIVITIES</b>			
Profit before tax		992	454
<b>Adjustments for :</b>			
Amortisation of share/debenture issue expenses/loan processing expenses		38	27
Interest expenses		652	125
Discounting charges on commercial paper		247	-
Interest income		(2,363)	(1,095)
Interest income on fixed deposits		-	(2)
Profit on sale of investment		(19)	-
Contingent provision against standard assets		135	33
Contingent provision against restructured advances		37	-
Provision for employee benefits		1	14
Depreciation		9	4
<b>Operating Profit before working capital changes and adjustments for interest received, interest paid and dividend received</b>		(271)	(440)
Adjustments for:			
Increase/(Decrease) in current liabilities and provisions		(48)	302
(Increase) in loans and advances - financing activity		(53,800)	(13,180)
(Increase) in other current assets		(488)	(201)
<b>Cash used in operations before adjustments for interest received, interest paid and dividend received</b>		(54,607)	(13,519)
Interest paid		(819)	(125)
Interest received		2,258	1,063
<b>Cash used in operations</b>		(53,168)	(12,581)
Taxes paid		(377)	(126)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>		(53,545)	(12,707)
<b>2 CASH FLOW USED IN INVESTING ACTIVITIES</b>			
Purchase of fixed assets (including capital advances)		(284)	(37)
Purchase of mutual fund units		49,600	-
Proceeds from sale of mutual fund units		(49,619)	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		(303)	(37)

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

(₹ in Lakh)

	Note No.	For the Year ended March 31, 2015	For the Year ended March 31, 2014
<b>3 CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of equity share capital		23,000	7,750
Share issue expenses		(227)	(8)
Debenture issue expenses		(10)	—
Proceeds from long-term borrowings		2,500	—
Net proceeds from short-term borrowings		29,074	4,883
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>54,337</b>	<b>12,625</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>489</b>	<b>(118)</b>
<b>CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR</b>		<b>74</b>	<b>192</b>
<b>CASH AND CASH EQUIVALENTS AS AT THE END OF YEAR</b>		<b>563</b>	<b>74</b>
See accompanying notes forming part of the financial statements	1-36		

In terms of our report attached

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(Company Secretary)**Pradeep C. Bandivadekar**  
(Director)**Avijit Bhattacharya**  
(Manager)

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS ENDED MARCH 31, 2015

### 1. CORPORATE INFORMATION

Tata Cleantech Capital Limited is a wholly owned subsidiary of Tata Capital Limited and a Systemically Important Non Deposit Accepting Non-Banking Finance Company("NBFC"), holding a Certificate of Registration from the Reserve Bank of India ("RBI") received on October 19, 2012. The Company is engaged in the business of providing finance and advisory services for renewable energy, energy efficiency & water management projects.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### i. Basis for preparation of accounts

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

Current assets do not include elements which are not expected to be realised within one year and current liabilities do not include items which are due after one year.

#### ii. Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses for the reporting period. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods. Example of such estimates includes provision for non - performing loans, provision for employee benefit plans and provision for income taxes.

#### iii. Revenue recognition

##### a. Income on Loan transactions

Income on loan transactions is accounted for by using the internal rate of return method. Consequently, a constant rate of return on net outstanding amount is accrued over the period of the contract, except that no income is recognised on non-performing assets as per the prudential norms for income recognition issued by the RBI for NBFCs. Interest income on such assets is recognised on receipt basis.

Upfront/processing fees collected from the customer for processing loans are primarily towards documentation charges. This is accounted as income when the amount becomes due provided recovery thereof is certain.

Service charges are collected at the time of inception of the contract. This is accounted over the tenure of the loan in the proportion of interest earned to total interest receivable during the tenure of loan.

Income from sale/assignment of loan assets is recognised at the time of sale.

##### b. Income from Current and Long-term Investments

Income from dividend on shares of corporate bodies and units of mutual funds is accounted on accrual basis when the Company's right to receive dividend is established.

Interest income on bonds and debentures is accounted on accrual basis.

##### c. Income from Advisory Services

Fees for financial advisory services are accounted based on stage of completion of assignments, when there is reasonable certainty of its ultimate realisation.

**iv. Provisions for Standard/Non Performing Assets and Doubtful Debts**

The Company provides an allowance for loan receivables based on the prudential norms issued by the RBI relating to income recognition, asset classification and provisioning for non-performing assets.

In addition, the Company provides for Restructured Assets including (Standard Assets) as required by the directions issued by the RBI.

**v. Investments**

Investments are classified into long-term investments and current investments.

**a. Long-term investments**

Long-term investments are stated at cost. Provision for diminution is made to recognise a decline, other than temporary, in the value of such investments.

**b. Current investments**

Current investments are stated at the lower of cost or market value, determined on an individual investment basis.

**vi. Fixed Assets**

Fixed Assets are stated at cost less depreciation, which comprises of purchase consideration and other directly attributable costs of bringing the assets to their working condition for the intended use.

**vii. Depreciation**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of vehicles, in whose case the life of the assets has been assessed based on the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement etc.

All capital assets with individual value less than Rs 5,000 are depreciated fully in the year in which they are purchased.

Estimated useful life considered by the Company for:

Asset	Estimated Useful Life
Vehicles	4 years

**viii. Deferred revenue expenditure**

Share issue expenses are amortised over a period of 36 months from the month in which the Group has incurred the expenditure.

Ancillary costs in the nature of loan processing charges and debenture issue expenses are amortised over the tenor of the loan/debenture from the month in which the Company has incurred the expenditure.

Sourcing costs are amortised over the average tenor of the loan which varies based on products financed.

Loan sourcing cost is amortised over the tenure of the loan.

**ix. Employee Benefits**

Employee benefits include provident fund, superannuation fund, employee fund insurance scheme, gratuity fund, compensated absences and long service awards.

**Defined contribution plans**

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement of Profit and Loss in the year in which they occur. The contributions as specified under the law are paid to the provident fund set up as irrevocable trust by the Company. The Company is generally liable for annual contributions and any shortfall in the fund assets based on the government specified minimum rates of return and recognises such contributions and shortfall, if any, as an expense in the year incurred.

The Company's contribution to superannuation fund and employee state insurance scheme is considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

#### **Defined benefit plans**

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

#### **Short-term employee benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the year in which the employee renders the related service. The cost of short-term compensated absences is accounted as under :

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

#### **Long-term employee benefits**

Compensated absences which are not expected to occur within twelve months after the end of the Year in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligations at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. Long term service awards are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

### **x. Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when the Company has present obligations, as result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of obligation. Contingent liabilities are not recognised but disclosed in the financial statements. A Contingent asset is neither recognised nor disclosed in the financial statements.

### **xi. Taxation**

#### **Income Tax**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax corresponds to the net effect of tax on all timing differences, which occur as a result of items being allowed for income tax purposes during a year different from when they were recognised in the financial statements.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

**xii. Service tax input credit**

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

**xiii. Operating Cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

**xiv. Business segment**

The Company is engaged in the business of asset financing. There being only one business segment and geographical segment, the segment information is not provided.

**xv. Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit/(loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**xvi. Earnings Per Share**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.



## NOTES TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2015

### 3. SHARE CAPITAL

(₹ in Lakh)

PARTICULARS	As at March 31, 2015	As at March 31, 2014
<b>AUTHORISED</b>		
500,000,000 (as at March 31, 2014 : 100,000,000 shares) Equity shares of ₹ 10 each	50,000	10,000
	50,000	10,000
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>		
289,090,909 (as at March 31, 2014 : 80,000,000 shares) Equity shares of ₹ 10 each fully paid up	28,909	8,000
<b>Total</b>	<b>28,909</b>	<b>8,000</b>

#### 3. (a) Reconciliation of number of shares outstanding

PARTICULARS	No. of Shares	₹ in Lakh
Opening Equity Share Capital as on April 01, 2013	2,500,000	250
<b>Additions during the year</b>		
Preferential Allotment	77,500,000	7,750
Closing Equity Share Capital as on March 31, 2014	80,000,000	8,000
<b>Additions during the year</b>		
<b>Rights issue</b>	<b>209,090,909</b>	20,909
Closing Equity Share Capital as on March 31, 2015	<b>289,090,909</b>	<b>28,909</b>
Equity Face Value ₹ 10 fully paid up		

#### 3. (b) Rights, preferences and restrictions attached to shares.

The Company has issued only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors' is subject to the approval of shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

During the year, the Company has issued 209,090,909 Equity Shares of ₹ 10 each, at a premium of ₹ 1 on March 12, 2015 (F.Y. 2013-14, 77,500,000 Equity Shares of ₹ 10 each were issued at par on April 5, 2013).

#### 3 (c) Investment by Tata Capital Limited (Holding company) and International Finance Corporation

Name of Company	Particulars of Issue	No. of Equity shares	₹ In Lakhs
Tata Capital Limited	Opening Balance as on April 1, 2013	2,500,000	250
	a) Purchased	61,900,000	6,190
	Closing Balance as on March 31, 2014	64,400,000	6,440
	a) Purchased	168,318,182	16,832
	Closing Balance as on March 31, 2015	232,718,182	23,272
International Finance Corporation	Opening Balance as on April 1, 2013	–	–
	a) Purchased	15,600,000	1,560
	Closing Balance as on March 31, 2014	15,600,000	1,560
	a) Purchased	40,772,727	4,077
	Closing Balance as on March 31, 2015	56,372,727	5,637

#### 3. (d) List of Shareholders holding more than 5% Equity shares as at

Name of Shareholder	March 31, 2015		March 31, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Tata Capital Limited (Including shares held jointly with nominees)	232,718,182	80.50%	64,400,000	80.50%
International Finance Corporation	56,372,727	19.50%	15,600,000	19.50%

## 4. RESERVES AND SURPLUS

(₹ in Lakh)

PARTICULARS	As at March 31, 2015	As at March 31, 2014
<b>(a) Securities Premium Account</b>		
Opening balance	–	–
Add: Premium on issue of equity shares	2,091	–
<b>Closing balance</b>	<b>2,091</b>	<b>–</b>
<b>(b) Special Reserve Account</b>		
Opening balance	61	1
Addition during the year	131	60
<b>Closing balance</b>	<b>192</b>	<b>61</b>
<b>(c) Surplus in Statement of Profit &amp; Loss</b>		
<b>Opening balance</b>	<b>243</b>	<b>5</b>
Add: Profit for the year	649	298
Profit available for appropriation	892	303
Less: Appropriation		
– Transfer to special reserve	131	60
<b>Closing Balance</b>	<b>761</b>	<b>243</b>
<b>TOTAL</b>	<b>3,044</b>	<b>304</b>

**Note:**

The amounts appropriated out of the Surplus in the Statement of Profit and Loss are as under:

₹ 131 Lakhs (Previous Year: ₹ 60 Lakhs) to Special Reserve as prescribed by section 45-IC of the Reserve Bank of India Act, 1934, being 20% of the profits after taxes for the year.

## 5. LONG TERM BORROWINGS

PARTICULARS	As at March 31, 2015	As at March 31, 2014
<b>Term Loans</b>		
<b>Secured</b>		
Term Loan from bank (Refer Note No. 5.1 below )	1,944	–
<b>TOTAL</b>	<b>1,944</b>	<b>–</b>

## 5.1. Terms of repayment of term loans: (as per terms of agreements)

Loan from bank is secured by way of hypothecation of Company stock and book debts and is repayable in 9 quarterly instalment starting from 1st November 2015. Rate of interest payable on term loan is 10.03%.

## 6. DEFERRED TAX LIABILITIES

The component of deferred tax liabilities arising out of timing differences are as under:

(₹ in Lakh)

PARTICULARS	As at March 31, 2015	As at March 31, 2014
<b>Deferred Tax Liabilities</b>		
a) On loan sourcing cost	206	35
b) Debenture issue expenses	3	–
<b>Deferred Tax Assets</b>		
a) Contingent Provision for Standard Assets	(58)	(11)
b) Provision for restructured asset	(13)	–
c) Disallowance u/s 40(a)	(4)	(2)
d) Timing difference in respect of depreciation on fixed assets	(1)	–
<b>Net Deferred Tax Liabilities</b>	<b>133</b>	<b>22</b>

**7. LONG-TERM PROVISIONS**

(₹ in Lakh)

PARTICULARS	As at March 31, 2015	As at March 31, 2014
(a) Contingent provision against standard assets (Refer Note No. 29)	142	26
(b) Provision for employee benefits	2	2
<b>TOTAL</b>	<b>144</b>	<b>28</b>

**8. SHORT-TERM BORROWINGS**

(₹ in Lakh)

PARTICULARS	As at March 31, 2015	As at March 31, 2014
<b>Other Loans and Advances</b>		
<b>Unsecured</b>		
(a) Commercial paper (Refer Note No. 8.1 below) [Net of unamortised discount of ₹ 44 lakh (as at March 31, 2014 : Nil)]	2,456	–
(b) Inter corporate deposit from related parties (Repayable on demand)	31,560	4,883
<b>TOTAL</b>	<b>34,016</b>	<b>4,883</b>

8.1. Discount on commercial paper is 8.73%.

**9. TRADE PAYABLES**

(₹ in Lakh)

PARTICULARS	As at March 31, 2015	As at March 31, 2014
(i) Accrued employee benefit expenses	91	115
(ii) Accrued expenses	88	72
(iii) Others	5	21
<b>TOTAL</b>	<b>184</b>	<b>208</b>

**Note:** The Company has received intimation from some “suppliers” regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Based on the intimation received, there are no amounts unpaid as at the year end.

**10. OTHER CURRENT LIABILITIES**

(₹ in Lakh)

PARTICULARS	As at March 31, 2015	As at March 31, 2014
<b>(a) Current maturities of long-term debt</b>		
<b>Secured</b>		
Term loan from bank (Refer Note No. 5.1. above)	556	–
<b>(b) Interest accrued but not due on borrowings</b>	<b>21</b>	<b>-</b>
<b>(c) Other Payables</b>		
(i) Statutory remittances	68	17
(ii) Security deposit received	–	75
<b>TOTAL</b>	<b>645</b>	<b>92</b>

## 11. SHORT-TERM PROVISIONS

(₹ in Lakh)

PARTICULARS	As at March 31, 2015	As at March 31, 2014
(a) Provision for employee benefits	15	14
(b) Provision for tax, net of advance tax	–	11
(c) Contingent provision against Standard Assets (Refer Note No. 29)	26	7
<b>TOTAL</b>	<b>41</b>	<b>32</b>

## 12. FIXED ASSETS

(₹ in Lakh)

Particulars	Gross Block				Accumulated depreciation				Net Carrying Value
	Opening balance as at April 1, 2014	Additions / Adjustments	Deletions	Closing balance as at March 31, 2015	Opening balance as at April 1, 2014	Depreciation/ Amortisation for the year	Dele-tions / Adjust- ments	Closing balance as at March 31, 2015	As at March 31, 2015
<b>TANGIBLE FIXED ASSETS</b>									
Vehicles	37	5	–	42	4	9	–	13	29
	–	37	–	37	–	4	–	4	33
Total	37	5	–	42	4	9	–	13	29
	–	37	–	37	–	4	–	4	33
Capital work-in-progress									–
<b>TOTAL</b>									<b>29</b> <b>33</b>

\*Previous year figures are given in Italics

## 13. LOANS AND ADVANCES - FINANCING ACTIVITY

(₹ in Lakh)

PARTICULARS	As at March 31, 2015	As at March 31, 2014
<b>NON-CURRENT</b>		
<b>Secured Loans</b>		
(i) Considered good	56,923	10,477
(ii) Considered doubtful	–	–
	56,923	10,477
Less: Provision for doubtful loans	–	–
Less: Provision against restructured standard assets	37	–
<b>TOTAL</b>	<b>56,886</b>	<b>10,477</b>
<b>CURRENT</b>		
<b>Secured Loans</b>		
(i) Considered good	10,233	2,737
(ii) Considered doubtful	–	–
	10,233	2,737
Less: Provision for doubtful loans	–	–
<b>TOTAL</b>	<b>10,233</b>	<b>2,737</b>
<b>TOTAL-LOANS AND ADVANCES - FINANCING ACTIVITY</b>	<b>67,119</b>	<b>13,214</b>

**14. LOANS AND ADVANCES - OTHERS (UNSECURED - CONSIDERED GOOD)**

(₹ in Lakh)

<b>PARTICULARS</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>
(a) Capital advances	279	–
(b) Advance tax, net of provision for tax	123	–
<b>TOTAL</b>	<b>402</b>	<b>–</b>

**15 OTHER NON-CURRENT ASSETS**

(₹ in Lakh)

<b>PARTICULARS</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>
(a) Deferred revenue expenditure (to the extent not written off or adjusted) (Refer Note 17(a) below)	146	21
(b) Unamortised loan sourcing cost	517	84
(c) Prepaid expenses	8	–
<b>TOTAL</b>	<b>671</b>	<b>105</b>

**16. CASH AND BANK BALANCES**

(₹ in Lakh)

<b>PARTICULARS</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>
(a) Cash on Hand	–	–
(b) Balance with banks - in current accounts	563	74
<b>TOTAL</b>	<b>563</b>	<b>74</b>

**Note:** Of the above, the balance that meet the definition of Cash and Cash Equivalents as per AS 3 Cash Flow Statement is ₹ 462 Lakh (As at March 31, 2014 - 74 Lakh).

**17. OTHER CURRENT ASSETS**

(₹ in Lakh)

<b>PARTICULARS</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>
(i) Gratuity assets (Net)	27	37
(ii) Service tax receivable	13	–
(iii) Deferred revenue expenditure (to the extent not written off or adjusted) (Refer Note 17(a) below)	100	26
(iv) Unamortised loan sourcing cost	79	22
(v) Prepaid expenses	5	–
(vi) Other receivables from related parties	36	57
(vii) MAT credit entitlement	12	–
(viii) Other assets	4	1
<b>TOTAL</b>	<b>276</b>	<b>143</b>

## 17. (a). Deferred Revenue Expenditure (to the extent not written off or adjusted)

(₹ in Lakh)

PARTICULARS	As at	
	March 31, 2015	March 31, 2014
<b>(a) Unamortised share issue expenses</b>		
Opening balance	47	66
Add: expenses incurred during the year	227	8
Less: written off during the year	38	27
<b>Closing balance</b>	<b>236</b>	<b>47</b>
<b>(b) Unamortised debenture issue expenses</b>		
Opening balance	–	–
Add: expenses incurred during the year	10	–
Less: written off during the year*	–	–
<b>Closing balance</b>	<b>10</b>	<b>–</b>
<b>TOTAL</b>	<b>246</b>	<b>47</b>

(\* Amount less than ₹ 50,000/- rounded off to ₹ Nil Lakh)

(₹ in Lakh)

PARTICULARS	As at March 31, 2015		As at March 31, 2014	
	Non-Current	Current	Non-Current	Current
(a) Unamortised share issue expenses	139	97	21	26
(b) Unamortised debenture issue expenses	7	3	–	–
<b>Total</b>	<b>146</b>	<b>100</b>	<b>21</b>	<b>26</b>
<b>Grand Total</b>		<b>246</b>		<b>47</b>

**NOTES TO AND FORMING PART OF THE STATEMENT OF PROFIT & LOSS  
FOR YEAR ENDED MARCH 31, 2015**

**18. REVENUE FROM OPERATIONS**

(₹ in Lakh)

PARTICULARS	For the year ended March 31, 2015	For the year ended March 31, 2014
(a) Interest income		
(i) From secured loans	2,363	863
(ii) From unsecured loans ( inter-corporate deposit)	–	232
(b) Others	198	208
<b>TOTAL</b>	<b>2,561</b>	<b>1,303</b>

**19. INVESTMENT INCOME**

(₹ in Lakh)

PARTICULARS	For the year ended March 31, 2015	For the year ended March 31, 2014
Profit on sale of mutual fund investments [current investment]	19	–
<b>TOTAL</b>	<b>19</b>	<b>–</b>

**20. OTHER INCOME**

(₹ in Lakh)

PARTICULARS	For the year ended March 31, 2015	For the year ended March 31, 2014
(a) Interest income on fixed deposits	–	2
(b) Sourcing fees	257	–
(c) Advisory income	8	–
<b>TOTAL</b>	<b>265</b>	<b>2</b>

**21. FINANCE COST**

(₹ in Lakh)

PARTICULARS	For the year ended March 31, 2015	For the year ended March 31, 2014
(a) Interest expense		
(i) On fixed period loans	104	–
(ii) On inter-corporate deposit	542	121
(iii) On others	6	4
(b) Discounting charges		
– On commercial paper	247	–
<b>TOTAL</b>	<b>899</b>	<b>125</b>

**22. EMPLOYEE BENEFIT EXPENSES**

(₹ in Lakh)

PARTICULARS	For the year ended March 31, 2015	For the year ended March 31, 2014
(a) Salaries, wages and bonus	350	425
(b) Contribution to provident and other funds	51	(7)
(c) Staff welfare expenses	25	16
<b>TOTAL</b>	<b>426</b>	<b>434</b>



**23. OTHER OPERATING EXPENSES**

(₹ in Lakh)

<b>PARTICULARS</b>	<b>For the year ended March 31, 2015</b>	<b>For the year ended March 31, 2014</b>
(a) Advertising & publicity	10	4
(b) Audit fee	5	3
(c) Contingent provision against standard assets	135	33
(d) Contingent provision against restructured advances	37	–
(e) Expenditure on corporate social responsibility	5	–
(f) Donations	1	1
(g) Directors sitting fees	6	4
(h) Insurance charges	4	1
(i) Information technology expenses	78	47
(j) Legal and professional fees	50	57
(k) Loan processing fees	60	14
(l) Rent	28	27
(m) Rates & taxes	7	6
(n) Stamp charges	4	–
(o) Service provider charges	2	32
(p) Telephone, telex and leased line	4	2
(q) Travelling and conveyance	44	28
(r) Other expenses	1	2
<b>TOTAL</b>	<b>481</b>	<b>261</b>

**23. (a) Auditors' Remuneration (excluding Service Tax):**

(₹ in Lakh)

<b>PARTICULARS</b>	<b>For the year ended March 31, 2015</b>	<b>For the year ended March 31, 2014</b>
Audit fees	4	2
Tax audit fees	1	1
<b>TOTAL</b>	<b>5</b>	<b>3</b>

**23. (b) Expenditure in Foreign Currency**

(₹ in Lakh)

<b>PARTICULARS</b>	<b>For the year ended March 31, 2015</b>	<b>For the year ended March 31, 2014</b>
Directors sitting fees	1	1
Travelling and conveyance	1	3
<b>TOTAL</b>	<b>2</b>	<b>4</b>

## 24. Contingent Liabilities and Commitments:

Contingent liabilities and commitments are Nil (as at March 31, 2014 - Nil).

## 25. Employee benefits

### Defined Contribution Plans

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. The Company offers its employees defined contribution plans in the form of provident fund, family pension fund and superannuation fund. Provident fund and family pension fund cover all regular employees while the contribution to superannuation fund is at the option of the employee. Contributions towards superannuation are paid into a superannuation fund. The superannuation fund is managed by independent agencies while provident fund is managed by a Trust fund set by the the Company. While both the employees and the Company pay predetermined contributions into the provident fund, contributions into the family pension fund and the superannuation fund are made by only the Company. The contributions are based on a certain proportion of the employee's salary. The provident fund set up as a Trust by the Company manages the contributions from the Company and other participating subsidiaries. As of March 31, 2015, the accumulated members' corpus of the Company is ₹ 203 lakh whereas the total fair value of the assets of the fund and the total accumulated members' corpus is ₹ 12,871 lakh and ₹ 11,904 lakh respectively. In accordance with an actuarial valuation, there is no deficiency in the interest cost as the present value of the expected future earnings on the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest of 8.75% for the first year and 8.60% thereafter. The actuarial assumptions include discount rate of 7.80%."

The Company recognised a charge of ₹ 15 lakh (previous year : ₹ 14 lakh) for provident fund and family pension fund contribution and ₹ 20 lakh (previous year ₹ 16 lakh) for contribution towards the superannuation fund in the Statement of Profit and Loss.

### Defined Benefits Plans

The Company offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount) (included as part of Contribution to provident and other funds in Note No. 22 Employee Benefit Expense). Benefits under the defined benefit plans are typically based on years of service and the employee's compensation (generally immediately before separation). The gratuity scheme covers all regular employees. Commitments are actuarially determined at year-end. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term that is almost equivalent to the average balance working period of employees. Actuarial valuation is done based on "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are charged to the Statement of Profit and Loss.

## Reconciliation of Benefit Obligations and Plan Assets

(₹ in Lakh)

Particulars	2014-15	2013-14
<b>Change in Defined Benefit Obligation</b>		
Opening defined benefit obligation	84	–
Current service cost	7	6
Interest cost	8	7
Employees transferred	(17)	94
Actuarial losses / (gain)	12	(23)
Benefits paid	(1)	–
Closing defined benefit obligation	93	84
<b>Change in the Fair Value of Assets</b>		
Opening fair value of plan assets	121	–
Acquisition cost / transfer in	(17)	94
Expected return on plan assets	10	–
Contributions by employer	–	–
Actuarial gains / (losses)	1	27
Benefits paid	–	–
Closing fair value of plan assets	115	121
<b>Reconciliation of present Value of the obligation and the Fair value of the plan Assets</b>		
Fair value of plan assets at the end of the year	115	121
Present value of the defined obligations at the end of the year	93	84
Funded status [surplus / (deficit)]	22	37
Unrecognised past service cost	–	–
Net asset recognised in the balance sheet	22	37
<b>Net Gratuity cost for the year ended March 31, 2015</b>		
Service cost	7	6
Interest on defined benefit obligation	8	7
Expected return on plan assets	(10)	–
Net actuarial loss recognised in the year	11	(50)
Net gratuity cost	16	(37)
<b>Actual Contribution and benefit payments for the year</b>		
Actual benefit payments	(1)	–
Actual Contribution	–	–
<b>Categorization of plan assets is as follows</b>		
<b>Investment Pattern</b>		
Insurer managed funds:		
Government securities	43%	40%
Deposit & money market securities	6%	19%
Debentures / bonds	49%	32%
Equity shares	0%	9%
Others- cash receivable & payable	2%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>

Particulars	2014-15	2013-14
<b>Assumptions</b>		
Discount rate	7.80%	9.30%
Expected rate of return on plan assets	8.00% p.a.	8.00% p.a.
Salary escalation rate	7.50% p.a for first 5 years and 5% thereafter.	7.50% p.a for first 5 years and 5% thereafter.
Mortality rate	Indian Assured Lives Mortality (2006-08) (modified) Ult.	Indian Assured Lives Mortality (2006-08) (modified) Ult.
Withdrawal rate	0-2 years - 10% 3-4 years - 5% 5-9 years - 2.5% 10 years and more - 1%	0-2 years - 10% 3-4 years - 5% 5-9 years - 2.5% 10 years and more - 1%

(₹ in Lakh)

Particulars	2014-15	2013-14	2012-13	2011-12	2010-11
Experience adjustment					
– On plan liabilities	4	8	–	NA	NA
– On plan assets	(115)	27	–	NA	NA
Present value of benefit obligation	(93)	(84)	–	NA	NA
Fair value of plan assets	115	121	–	NA	NA
Excess of (obligation over plan assets)	23	36	–	NA	NA
Actuarial gain/(loss) due to change on assumptions	(16)	15	–	NA	NA

The estimate of future salary increase, considered in the actuarial valuation, takes into account inflation, seniority, promotion, and other relevant factors. The above information is certified by the actuary.

The contributions expected to be made by the Company during the financial year 2015-16 is ₹ 25 Lakh.

#### Long Term Service Awards :

Long Term Service award is an employee benefit in recognition for their loyalty and continuity of service for five years and above, the same is actuarially valued (unfunded). The Long Term Service awards expense for financial year 2014-15 is ₹ 0.23 Lakh (Previous year ₹ 0.32 Lakh) and the provision as at March 31, 2015 is ₹ 2.05 Lakh (Previous year ₹ 1.83 Lakh)

#### 26. Segment Reporting

The Company is engaged in the business of asset financing. There being only one “business segment” and “geographical segment”, the segment information is not provided.

#### 27. Disclosure as required by Accounting Standard (AS) – 18 on “Related Party Disclosures”

##### i. List of related parties and relationship:

Ultimate Holding Company	Tata Sons Limited
Holding Company	Tata Capital Limited
Fellow Subsidiaries (with which the company had transactions)	Tata Capital Financial Services Limited TC Travel and Services Limited Tata Capital Housing Finance Limited
Subsidiaries of ultimate holding company (with which the company had transactions)	Nishkalp Infrastructure Services Limited Tata Consultancy Services Limited Tata AIG General Insurance Co Limited Tata Consulting Engineers Limited e-Nxt Financials Limited
Key Management Personnel	Mr. Avijit Bhattacharya

**ii. Transactions with related parties:**

(₹ in Lakh)

Sr. No.	Party Name	Nature of transaction	2014-15	2013-14
1	Tata Sons Limited	a) Expenses : – Brand equity contribution b) Liability: – Balance payable	7  (7)	3  (3)
2	Tata Capital Limited	a) Expenses : – Insurance – Interest expenses on ICD b) Liability: – Equity shares issued during the year – Share Premium received during the year – ICD accepted during the year – ICD repaid during the year – ICD outstanding payable	1  542  16,832  1,683  57,245 30,568 31,560	–  121  6,190  –  7,216 2,333 4,883
3	Tata Capital Financial Services Limited	a) Expenses: – Reimbursement of expenses – Rent – Loan processing fee – Leave and LTSA of transferred employees b) Income: – Income referral fees – Interest income on ICD c) Asset: – ICD given during the year – ICD received during the year – Assignment of portfolio – Balance receivable	34 26 490 –  108 –  – – 38,003 36	39 26 114 17  155 232  7,900 7,900 7,935 41
4	Tata Capital Housing Finance Limited	a) Expenses : – Stipend b) Liability: – Balance payable	–  –	–  –
5	e-Nxt Financials Limited	a) Expenses : – Service provider charges	1	–
6	Nishkalp Infrastructure Services Limited	a) Income: – Reimbursement of expenses b) Asset: – Balance receivable	11  –	9  1
7	Tata AIG General Insurance Co Limited	a) Expenses : – Insurance	1	1
8	Tata Consulting Engineers Limited	a) Expenses : – Professional charges	–	6
9	Tata Consultancy Services Limited	a) Expenses : – IT outsourcing expenses b) Liability: – Balance payable	78  21	15  15
10	TC Travel and Services Limited	a) Expenses : – Travel related expenses b) Asset: – Balance receivable*	21  –	1  –
11	Tata Power Solar System Ltd.	Loan given Loan Outstanding	5,000 5,000	–
11	Key Management Personnel	Remuneration to KMP	138	117

\*Less than ₹ 50,000/-

**28. Earnings per Share (EPS):**

(₹ in Lakh)

Particulars		2014-15	2013-14
Profit after tax for Basic EPS	₹ in Lakh	649	298
Weighted average number of Equity shares used in computing Basic EPS	Nos	91,457,036	79,150,685
Face value of equity shares	Rupees	10	10
Basic earnings per share	Rupees	0.71	0.38
Diluted earnings per share	Rupees	0.71	0.38

**29. Movement in Contingent provision against Standard Assets during the year is as under:**

(₹ in Lakh)

Particulars	2014-15	2013-14
Opening Balance	33	–
Additions during the year	135	33
Utilised during the year	–	–
Closing Balance	168	33

**30. Asset Liability Management**

Maturity pattern of certain items of Assets and Liabilities (Based on RBI Guidelines)

For the year 2014-15

(₹ in Lakh)

Particulars	Liabilities			Assets		
	Borrowings from Banks	Market Borrowings	Foreign Currency Borrowings	Advances	Investments	Foreign Currency Assets
1 day to 30/31 days (One month)	–	–	–	204	–	–
Over One months to 2 months	–	–	–	209	–	–
Over 2 months upto 3 months	2,456	–	–	1,148	–	–
Over 3 months to 6 months	–	5,000	–	1,160	–	–
Over 6 months to 1 year	556	26,560	–	7,375	–	–
Over 1 year to 3 years	1,944	–	–	10,882	–	–
Over 3 years to 5 years	–	–	–	10,333	–	–
Over 5 years	–	–	–	35,809	–	–
<b>Total</b>	<b>4,956</b>	<b>31,560</b>	<b>–</b>	<b>67,119</b>	<b>–</b>	<b>–</b>

**For the year 2013-14**

(₹ in Lakh)

Particulars	Liabilities			Assets		Foreign Currency Assets
	Borrowings from Banks	Market Borrowings	Foreign Currency Borrowings	Advances	Investments	
1 day to 30/31 days (One month)	–	–	–	587	–	–
Over One months to 2 months	–	–	–	114	–	–
Over 2 months upto 3 months	–	–	–	329	–	–
Over 3 months to 6 months	–	–	–	606	–	–
Over 6 months to 1 year	–	4,883	–	1,095	–	–
Over 1 year to 3 years	–	–	–	4,302	–	–
Over 3 years to 5 years	–	–	–	1,986	–	–
Over 5 years	–	–	–	4,195	–	–
<b>Total</b>	<b>–</b>	<b>4,883</b>	<b>–</b>	<b>13,214</b>	<b>–</b>	<b>–</b>

**31. Capital to Risk Asset Ratio (CRAR)**

Particulars	As at March 31, 2015	As at March 31, 2014
CRAR (%)	38.41%	55.46%
CRAR - Tier I Capital (%)	38.19%	55.24%
CRAR - Tier II Capital (%)	0.22%	0.22%
Amount of Subordinated Debt Raised as Tier II Capital	Nil	Nil
Amount raised by issue of Perpetual Debt Instruments	Nil	Nil

**32. Disclosure of details as required by Revised Para 13 of Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007, earlier Para 9BB of Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1999.**
**Liabilities Side:**

(₹ in Lakh)

Particulars	Amount Outstanding		Amount Overdue	
	31.03.15	31.03.14	31.03.15	31.03.14
1) Loans and advances availed by NBFC inclusive of interest accrued thereon but not paid				
a) Debentures: (other than those falling within the meaning of public deposit)				
– Secured	–	–	–	–
– Unsecured	–	–	–	–
b) Deferred Credits	–	–	–	–
c) Term Loans	2,500	–	–	–
d) Inter-corporate loans and borrowing	31,560	4,883	–	–
e) Commercial Paper	2,456	–	–	–
f) Other loans	–	–	–	–
g) Loan from Bank	–	–	–	–
– Working Capital Demand Loan	–	–	–	–
– Overdraft	–	–	–	–



**Assets side:**

(₹ in Lakh)

Particulars	Amount Outstanding	
	2014-15	2013-14
2) Break up of loans and advances including bills receivables (other than those included in (3) below)		
– Secured	67,119	13,214
– Unsecured	–	–
3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
a) Lease assets including lease rentals under sundry debtors:		
– Financial Lease	–	–
– Operating Lease	–	–
b) Stock on hire including hire charges under sundry debtors		
– Assets on hire	–	–
– Repossessed assets	–	–
c) Other loans counting towards Asset Financing Company activities		
– Loans where assets have been repossessed	–	–
– Other loans	–	–
4) Break up of Investments		
Current Investments:		
<b>a) Quoted:</b>		
– Shares: Equity	–	–
Preference	–	–
– Debentures and Bonds	–	–
– Units of Mutual Funds	–	–
– Government Securities	–	–
– Others	–	–
<b>b) Unquoted:</b>		
– Shares: Equity	–	–
Preference	–	–
– Debentures and Bonds	–	–
– Units of Mutual Funds	–	–
– Government Securities	–	–
– Others (Pass through certificate)	–	–
Long-Term Investments:		
<b>a) Quoted:</b>		
– Shares: Equity (Net of provision)	–	–
Preference	–	–
– Debentures and Bonds	–	–
– Units of Mutual Funds	–	–
– Government Securities	–	–
– Others	–	–
<b>b) Unquoted:</b>		
– Shares: Equity	–	–
Preference	–	–
– Debentures and Bonds	–	–
– Units of Mutual Funds	–	–
– Government Securities	–	–
– Others	–	–

## 5) Borrower group-wise classification of assets financed as in (2) and (3) above

(₹ in Lakh)

Particulars	Amount net of provisions					
	Secured		Unsecured		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
a) Related parties						
(i) Subsidiaries	-	-	-	-	-	-
(ii) Companies in the same group	5,000	-	-	-	5,000	-
(iii) Other related parties	-	-	-	-	-	-
b) Other than related parties	62,119	13,214	-	-	62,119	13,214
<b>TOTAL</b>	<b>67,119</b>	<b>13,214</b>	<b>-</b>	<b>-</b>	<b>67,119</b>	<b>13,214</b>

## 6) Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted)

(₹ in Lakh)

Particulars	Market Value/Break up or fair value or NAV		Book Value (Net of Provisions)	
	2014-15	2013-14	2014-15	2013-14
a) Related parties				
i) Subsidiaries	-	-	-	-
ii) Companies in the same group	-	-	-	-
iii) Other related Parties	-	-	-	-
b) Other than related parties	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 7) Other Information

(₹ in Lakh)

Particulars	2014-15	2013-14
a) Gross Non-Performing Assets		
1) Related parties	-	-
2) Other than related parties	-	-
b) Net Non-Performing Assets		
1) Related parties	-	-
2) Other than related parties	-	-
c) Assets acquired in satisfaction of debt	-	-

33. Disclosure of Restructured Accounts Mar 15

Sl No	Type of Restructuring		Under CDR Mechanism				Under SME Debt Restructuring Mechanism				Others				Total			
	Asset Classification	Details	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	
1	Restructured accounts as on 1st April, 2014 (Opening figures)*	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Amt. outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	1	-	-	-	-	1	
		Amt. outstanding	-	-	-	-	-	-	730	-	-	-	730	-	-	-	-	730
		Provision thereon	-	-	-	-	-	-	-	-	-	-	37	-	-	-	-	37
3	Upgradations of restructured accounts to Standard category	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Amt. outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Restructured advances which ceases to attract higher provisioning and/ or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Amt. outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Amt. outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6	Write-offs of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Amt. outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
7	Restructured accounts as on 31st MAR, 2015 (Closing figures)*	No. of borrowers	-	-	-	-	-	-	-	-	-	1	-	-	-	-	1	
		Amt. outstanding	-	-	-	-	-	-	730	-	-	-	730	-	-	-	-	730
		Provision thereon	-	-	-	-	-	-	-	-	-	-	37	-	-	-	-	37

\* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable)

**34 As per RBI Notification No. DNBR. 019/CGM (CDS)-2015 dated April 10, 2015, Additional Disclosures are required in the Annual Financial Statements as follows**

**(i) Registration**

Issuing Authority	Registration No., if any	Date of registration	Valid upto	Registered as
Reserve Bank of India	N-13.02032	19-9-12	–	NBFC-ND-SI

**(ii) Ratings assigned by credit rating agencies and migration of ratings during the year**

(i) Rating Assigned to	Commercial Paper, Debentures, Bank Loan
(ii) Date of Rating	8/12/2014
(iii) Rating Valid up to	17/12/2015
(iv) Name of the Rating Agency	Crisil Limited
(v) Rating of products	
(a) Commercial Paper	A1+
(b) Debentures	AA+/Stable
(c) Others	AA+/Stable

**(iii) Penalties levied by RBI**

RBI has not levied any penalties on the Company during the year.

(iv) Off Balance Sheet exposure is ₹ 17,942 lakh (Loans sanctioned tenor more than 1 year)

**(v) Provisions and Contingencies**

(₹ In Lakh)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	FY -14-15	FY -13-14
Provisions for depreciation on investment	–	–
Provision towards NPA	–	–
Provision towards restructured standard assets	37	–
Provision made towards Income tax	343	156
Other provision and contingencies (with details)	–	–
Provision for standard assets	135	33
<b>Total</b>	<b>515</b>	<b>189</b>

**(vi) Concentration of Advances & Exposures**

(₹ In Lakh)

Particulars	FY -14-15	FY -13-14
Total advances to twenty largest borrowers	64,377	13,214
Percentage of advances to twenty largest borrowers to total advances of the NBFC	96.00%	100.00%

- (vii) The Company has ₹ Nil exposure to Non Performing Assets(NPAs). Accordingly the disclosure on Concentration of NPAs” and “Sector wise NPAs” “Movement of NPAs” are not applicable
- (viii) The Company does not have any Joint Ventures and Subsidiaries abroad. The Company has not sponsored any SPVs. Accordingly there is no disclosure applicable
- (ix) The Company had Nil Complaints at the beginning of the year. No Complaints were received during the year.
- (x) The Exposure to a single borrower and group of borrower does not exceed the limit stipulated by the RBI Concentration norms applicable to NBFCs.
- (xi) No exposure to unsecured advances during the year. (Previous year NIL)
- (xii) The disclosure of the Concentration of Deposits taken is not applicable since the Company is not in the business of accepting deposits being a Systemically Important Non Deposit Accepting NBFC.
- (xiii) No exposure to Capital market during the year. (Previous year NIL)
35. Based on management reporting to risk committee and to the RBI through prescribed returns, the Company has reported Rs. Nil frauds (Previous year : ₹ Nil)
36. Previous year’s figures have been regrouped / reclassified wherever necessary to correspond with the current year’s classification / disclosure.

For and on behalf of Board of Directors

**Vittaladas Leeladhar**  
(Chairman)

**Praveen P. Kadle**  
(Director)

**Pradeep C. Bandivadekar**  
(Director)

**Nihar Shah**  
(Director)

**Padmini Khare Kaicker**  
(Director)

**Avijit Bhattacharya**  
(Manager)

**Manish Kambli**  
(Chief Financial Officer)

**Binoy K. Parikh**  
(Company Secretary)

Mumbai  
Date: April 21, 2015