



TATA CLEANTECH CAPITAL LIMITED

Annual Report 2021-22

Corporate Information

Board of Directors	Ms. Varsha Purandare Ms. Padmini Khare Kaicker Mr. Sujit Kumar Varma Mr. Rajiv Sabharwal Mr. Manish Chourasia
Chief Financial Officer	Mr. Behzad Bhesania
Company Secretary	Mr. Rajesh Gosia
Statutory Auditors	M/s. Mukund M. Chitale & Co.
Registered Office	11 th floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013
Corporate Identification Number	U65923MH2011PLC222430

Contents

Board's Report	1
Management Discussion and Analysis	84
Corporate Governance Report	93
Audited Financial Statements	
Independent Auditors Report	117
Financials for FY 2021-22	134

BOARD'S REPORT**To the Members,**

The Board has pleasure in presenting the 11th Annual Report and the Audited Financial Statements for the Financial Year ("FY") ended March 31, 2022.

1. BACKGROUND

Tata Cleantech Capital Limited ("Company" or "TCCL") is registered with the Reserve Bank of India ("RBI") as a Systemically Important Non-Deposit Accepting Non-Banking Financial Company. TCCL engages in the business of providing cash flow based finance and advisory services for projects in Renewable Energy, Energy Efficiency, Waste Management, Water Management and other Infrastructure Projects. TCCL is a joint venture between Tata Capital Limited ("TCL") and International Finance Corporation ("IFC"), Washington D.C., USA, with equity holding in the ratio of 80.50:19.50. The Company has been registered with the RBI as an Infrastructure Finance Company since October 15, 2015.

The Company is headquartered in Mumbai and operates from 4 locations spread across Mumbai, Thane, Delhi and Hyderabad.

2. FINANCIAL RESULTS

(Rs. in crore)

Particulars	FY 2021-22	FY 2020-21
Gross Income	704.18	668.68
Less:		
Finance Costs	352.43	378.22
Net loss on fair value changes	-	-
Impairment of investment in Associates	-	-
Impairment on Financial Instruments	27.80	27.97
Employee Benefits Expense	30.65	22.10
Depreciation, Amortisation and Impairment	1.08	1.02
Other expenses	23.57	18.68
Profit Before Tax	268.65	220.69
Less: Provision for Tax	64.84	52.96
Profit After Tax	203.81	167.73
Other comprehensive income	(0.82)	8.39
Less: Tax on other comprehensive income	(0.20)	(2.11)
Other comprehensive income after tax	(0.62)	6.28
Less: Non-controlling interest	-	-

Total comprehensive income for the year	203.19	174.01
Amount brought forward from previous year	358.95	234.50
Amount available for appropriation	562.14	408.51
Appropriations:		
Special Reserve Account	56.99	49.56
Debenture Redemption Reserve	-	-
Interim Dividend on Equity Shares (Including Tax on Dividend)	-	-
Ind AS 116 transition impact net of tax	-	-
Surplus carried to Balance Sheet	505.15	358.95

During FY 2021-22, the Company disbursed loans amounting to Rs. 5,392 crore (FY 2020-21: Rs. 2,448 crore). The Company's loan portfolio stood at Rs. 7,840 crore as on March 31, 2022 (FY 2020-21: Rs. 6,281 crore). The Cost to Income ratio in FY 2021-22 was 15.4% as compared to 14.3%, in FY 2020-21. TCCL has maintained the best in class asset quality with only one project being a Non-Performing Asset ("NPA"), as on March 31, 2022.

Gross Income increased by 5% and stood at Rs. 704 crore (FY 2020-21: Rs. 669 crore). Interest expense decreased by 7% to Rs. 352 crore in FY 2021-22, from Rs. 378 crore in FY2020-21.

Total Income (Net Interest Margin plus Other Revenue) of the Company increased by 21% from Rs. 285 crore, in FY 2020-21 to Rs. 345 crore, in FY 2021-22. Net Interest Margin as a percentage of average assets stood at 5.3% for FY 2021-22.

Operating Cost increased by 22% from Rs.18 crore in FY 2020-21 to Rs. 22 crore in FY 2021-22. Manpower expenses for FY 2021-22 were Rs. 31 crore as against Rs. 23 crore in FY 2020-21, an increase of 35%.

The Company's Net Profit After Tax ("NPAT") for the year increased by 21% from Rs. 168 crore in FY 2020 -21 to Rs. 204 crore in FY 2021-22.

As required under Section 451C of the RBI Act, 1934, 20% of the profits are required to be transferred to a Special Reserve Account. Accordingly, an amount of Rs. 40.76 crore (FY 2020-21: Rs. 33.55 crore), being 20% of the profits, has been transferred to the said Reserve for FY 2021-22. Further, pursuant to Section 36(i)(viii) of the Income Tax Act, 1961, Rs. 16.23 crore (FY 2020-21: Rs. 16.01 crore) has been transferred to the Special Reserve Fund for FY 2021-22. An amount of Rs. 505 crore has been carried to the Balance Sheet as Surplus.

3. SHARE CAPITAL

The Authorized Share Capital of the Company is Rs. 500 crore comprising 50,00,00,000 Equity Shares of Rs. 10/- each.

The Issued, Subscribed and Paid-up Equity Share Capital of the Company as on March 31, 2022, was Rs. 459,28,56,390 consisting of 45,92,85,639 Equity Shares of Rs. 10/- each, which was held by TCL and IFC in the ratio of 80.50:19.50, respectively.

During FY 2021-22, the Company offered, issued and allotted 7,12,70,000 Equity Shares Rs. 10 each on September 28, 2021, at a premium of Rs. 33.5 per Equity Share, aggregating Rs. 310,02,45,000, on a 'Rights Basis' to IFC and TCL.

4. DIVIDEND

In order to conserve the resources of the Company and considering the Business Plan of the Company, the Board of Directors have not recommended any dividend on the Equity Shares of the Company for the Financial Year ended March 31, 2022.

5. REVIEW OF BUSINESS OPERATIONS OF THE COMPANY

During FY 2021-22, the Company has surged ahead and consolidated on the strong foundations laid over the past six years. This is reflected in the accelerated growth of business of the Company across solar, wind, small hydro, electric mobility, energy efficiency, water management coupled with other infrastructure sectors, such as roads and transmission. The Company's portfolio has grown by 25% to Rs. 7,840 crore in FY 2021-22, despite the tough year marked by unprecedented global supply chain disruption in last six years. The Company's loan portfolio consists of projects in the areas of Wind Energy, Solar Energy, Rooftop Solar and other cleantech sector comprising 80% of the funded asset book. The balance portfolio consists of projects in the areas of transmission, roads and other Infrastructure sector. 62% of the funded asset book, comprises operational projects.

Building on the excellent work carried out in liability diversification, the Company raised \$15 million line of credit from global investors. Further, the Company also had facilities from Japan International Cooperation Agency ("JICA") (\$76 million) and from CDC Group Plc (formerly the Commonwealth Development Corporation) (\$30 million). The Company has augmented long term sources of funds cumulating to Rs. 2,860 crore between April 2021 to March 2022. Share of long-term borrowing out of the total borrowings stands at 77% in FY 2022-23, on a residual maturity basis.

The Company further deepened its footprint in the Techno Commercial advisory services by executing assignments with multilaterals, international government authorities and prestigious global institutions. The Company successfully advised the Ministry of Foreign Affairs ("MFA"), Government of Denmark, on the challenges and opportunities in financing the Indian clean technology sector. Large Danish / Scandinavian investors including pension and infrastructure funds are considering investments in the vibrant and large Indian clean technology sector.

The Company also completed an assignment for Asian multilateral Institution to act as a catalyst to crowd in the private sector capital in clean energy. Currently, the Company is executing an assignment for establishing public private partnership for transfer of leading-edge clean technology developed under the Indo-UK Project Sunrise to Indian companies / organizations who are contemplating entering this sector given the Government of India's emphasis on expanding manufacturing activities in sunrise sectors. It is also advising a leading Indian bank on reducing its pan India carbon footprint by use of green power at its facilities.

In addition to the above, continuing with its focus on Risk diversification, the Company continued to enhance the business volumes in the risk distribution vertical despite rising market challenges. It concluded debt syndication for selected transactions of a few developers in FY 2021-22.

The Company has published its second White Paper in Cleantech segment, 'Indian Renewable Open Access Landscape'. The Company also conducted a market webinar for knowledge dissemination on Open Access market which was followed by a panel discussion with industry experts.

Further, the Company has strengthened its footprint in Electric Buses, Energy Efficiency and water treatment projects.

The Company's Managing Director became a part of a panel led by Niti Aayog for creating policy framework for electric vehicles. He is also a co-chair of the International Solar Alliance Committee to raise US\$ 1 trillion. Further, he also became a member of India – EU collaboration framework to fight global warming. Adding on to the coveted list of accolades, the Company has won the Green Urja Awards 2022 and has been selected as the Top Private Financing Institutions for Renewable Energy & Energy Efficiency in FY 2021-22. The award was organized by the Indian Chamber of Commerce ("ICC").

6. FINANCE

During FY 2021 - 22, the Company met its funding requirements through a combination of Short Term debt (comprising Commercial Papers, Inter Corporate Deposits ("ICDs") and Bank Loans) and Long Term debt (comprising Non-Convertible Debentures ("NCDs"), Subordinated Debt, Loans from Financial Institution, Bank Loans and External Commercial Borrowings ("ECBs")).

The Company had issued NCDs on a private placement basis, during FY 2021-22, under the following categories:

(Rs. in crore)	
Category	Amount
Secured Redeemable NCDs	860.00

The aggregate debt of the Company outstanding as at March 31, 2022 was Rs. 6,734.32 crore (of which, Rs. 1,719.61 crore was payable within one year). The Debt Equity ratio as on March 31, 2022 was 4.05 times.

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

7. CREDIT RATING

During the year under review, Rating Agencies reaffirmed / issued ratings to the Company, as under:

NATURE OF SECURITIES / INSTRUMENT	RATING AGENCY	RATING
Bank Loan	CRISIL	CRISIL AAA/Stable
Secured Redeemable NCDs and Subordinated Debt	CRISIL and CARE	CRISIL AAA/Stable and CARE AAA; Stable
Secured Redeemable NCDs – Market Linked NCDs	CRISIL	CRISIL PP-MLD AA+/Stable
Perpetual NCDs	CRISIL and CARE	CRISIL AA+/Stable and CARE AA+; Stable
Commercial Papers	CRISIL / ICRA	CRISIL A1+ and ICRA A1+

8. RISK MANAGEMENT

The Company has built a robust risk management framework with strong risk fundamentals and continues to monitor the internal and external risks arising out of macro-economic factors, regulatory changes and geo-political scenario. The Board of Directors has set the tone at the top by laying down and approving the strategic plans and objectives for Risk Management and Risk Philosophy. The Risk Management Committee of the Board has the responsibility relating to monitoring and reviewing risks.

A comprehensive Enterprise Risk Management (“ERM”) Framework has been adopted by the Company which uses defined Key Risk Indicators based on quantitative and qualitative factors. A two-dimensional quantitative data management tool - Heat Map has been implemented, which enables the management to have a comprehensive view of various identified risk areas based on their probability and impact.

Changes in internal and external operating environment, digitalization, technological advancements and agile way of working have increased the significance of Fraud, Information & Cyber Security and Operational Risks. The Company continues to focus on increasing operational resilience and mitigation of these risks.

9. INTERNAL FINANCIAL CONTROLS

The Management had reviewed the design, adequacy and operating 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 Organisations of the Treadway Commission (“COSO”). Entity Level Control framework document based on COSO 2013 framework has been documented. The documentation of process maps, key controls, standard operating procedures and risk registers has been completed for all businesses and functions.

Further, during FY 2021-22, Management testing has been conducted on a sample basis for all key processes. The Internal Audit team has also conducted a review of the Internal Financial Controls. Remedial action has been taken or agreed upon with a finite closure date for controls where weaknesses were identified. There are no material unaddressed internal financial controls related observations outstanding as at March 31, 2022. Based on the above, the Board believes that adequate Internal Financial Controls exist and are operating effectively.

10. INFORMATION TECHNOLOGY SUPPORT

In the Company, the Information Technology (“IT”) always emphasizes on driving initiatives which are digitally advanced and can enhance the businesses processes. The IT team works seamlessly with Information Security function to ensure that all the required security controls towards IT are getting adhered.

Further, the Company has invested in solutions to ensure safe and secure ‘Work from Anywhere’ environment for all employees. This has been used very effectively during the lockdown imposed due to COVID-19 pandemic. As a part of continuous improvement, the Company continued to automate the manual processes. With progressive automation, the Company continues to witness a meaningful improvement in operational efficiency. The Company has also invested into cutting edge technologies to set up the Data Lake which acts as a backbone to provide no touch reporting across business functions.

As a best industry practice, the IT Policies and Procedures are reviewed and amended periodically which gives a confidence to be compliant for any new requirements (applicable for IT) from Regulatory Bodies.

11. TATA BUSINESS EXCELLENCE MODEL

Tata Capital continues to enhance its capabilities and processes in keeping with market and regulatory changes, using the framework of the Tata Business Excellence Model (“TBEM”) (based on Baldrige Criteria, USA), which covers aspects of Leadership and Governance, Strategic Planning, Customer Focus, Measurement, Analysis and Knowledge Management, Workforce Focus and Operations Focus. Tata Capital participated in its seventh TBEM external assessment conducted by the Tata Business Excellence Group, a division of Tata Sons Private Limited, between July to December 2020. The assessment team, post the assessment, had provided feedback to the Company and had placed in the 551-650 score band, which indicates the level of “Emerging Industry Leader” with an absolute score of 593. This reflects a significant improvement in the journey of Excellence.

The assessment provided the Company and its Businesses with important granular feedback in terms of its current strengths and opportunities for improvements to work towards in the coming year. Key strengths indicated in the TBEM 2020 Assessment were Aggressive and Sustainable Growth Aspirations, Count on us (Customer Centricity), Operational Excellence, Enterprise Risk Management and Managing Partners and Suppliers.

In FY 2021-22, Tata Capital chose not to undergo TBEM Assessment and instead work upon the feedback of TBEM 2020 Assessment. In FY 21-22, TCCL had taken a break from TBEM Assessment to work upon the feedback of TBEM 2020 Assessment. The Company has implemented many improvement initiatives involving people, process, digitization and technology over the last few years. These include strong relationship

management, process simplification, re-engineering and automation for improving its operational focus in order to enhance customer satisfaction and improve internal efficiencies with an objective to gain a competitive advantage. Many practices of Tata Capital have been recognized as Group wide Best Practices consistently in the last many years.

12. CORPORATE SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (“CSR”) is deeply rooted in the Tata Group’s business philosophy laid down by its Founder, Mr. Jamsetji N. Tata over a century ago. The Group companies have a sense of responsibility towards making use of their existing resources and knowledge to not only make profits, but also solve social and environmental issues.

The Company too follows the Group’s belief that our society can truly progress if every individual is included and empowered in the story of development. To guide us in this journey, the Company has a well-defined CSR policy which outlines the thrust areas of development viz. Education, Skill Development, Health and Climate Action, as adopted by the CSR Committee of the Board. The CSR policy of the Company is available on the Company’s website, <https://www.tatacapital.com/content/dam/tata-capital/tccl/CSR%20Policy.pdf>. As per the provisions of Section 135 of the Companies Act, 2013 (“Act”), the Company has constituted a CSR Committee.

For FY 2021-22, the CSR budget of the Company was Rs. 383.00 lakh, this being two percent of the average net profit of the Company, in the three immediately preceding financial years, calculated as per Section 198 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The budget was spent towards projects and programmes covered under Schedule VII to the Act, approved by the CSR Committee and the Board of Directors. The Annual Report on CSR activities is annexed herewith as Annexure ‘A’.

During the year, the Company had voluntarily undertaken an Impact Assessment for its Project Ecosphere and the Impact Assessment Report is attached to the Annual Report on CSR.

To conceptualise and implement the projects, the Company follows a robust process, including appraising and selecting technically sound NGOs, planning the project based on baseline assessment, creating a project plan for implementation and monitoring appropriate evaluation mechanisms and impact assessment. This helps to bring the desired positive and measurable results for the target beneficiaries.

Additionally, the Company adheres to the Tata Group’s Tata Affirmative Action Programme based on the framework defined by Confederation of Indian Industries. The framework focusses on upliftment of Scheduled Castes and Scheduled Tribes and identifies 4Es as key areas of development i.e. Education, Employability, Employment and Entrepreneurship. In addition to the 4Es, the Company also adheres to ‘Essentials’ as another category, to provide for basic services like shelter, water and electricity.

13. COMPLIANCE

The Company is registered with the RBI as a Non-Deposit Accepting – Non-Banking Financial Company. The Company has complied with and continues to comply with all applicable laws, rules, circulars and regulations, including the Master Directions – Non-Banking Financial Companies – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time.

With respect to provisioning of non-performing assets, the Company follows stricter norms than those prescribed by RBI. The Capital to Risk Assets Ratio of the Company is 23.23% as on March 31, 2022, which is more than the prescribed minimum of 15%.

The NCDs issued by the Company on a private placement basis are listed on the National Stock Exchange of India Limited. Accordingly, the Company has also complied with and continues to comply with SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time. Further, SEBI vide its notification no. SEBI/LAD-NRO/GN/2021/47, issued on September 7, 2021, amended the SEBI Listing Regulations and made Regulations 15 to 27 applicable to the Debt Listed Companies having an outstanding value of listed Non-Convertible debt securities of Rs. 500 crore and above i.e. High Value Debt Listed Entity (“HVDLE”), on comply or explain basis till March 31, 2023. Accordingly, Company has been classified as a HVDLE and the aforementioned Regulations have become applicable to the Company.

14. 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 under review.

15. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The provisions of Section 186 of the Act pertaining to granting of loans to any persons or bodies corporate, giving of guarantees or providing security in connection with loans to any other bodies corporate or persons and acquiring by way of subscription, purchase or otherwise, the securities of any other body corporate, are not applicable to the Company, since the Company is an NBFC.

The details of investments made by the Company are given in the Notes to the Financial Statements.

16. DISCLOSURE OF GREEN BONDS ISSUED BY THE COMPANY

The Company had raised Rs. 180 crore (about \$25 million) through its maiden green bond with a tenor of five years, from FMO (Nederlandse Financierings - Maatschappij voor Ontwikkelingslanden N.V.), the Netherlands based Development bank during the financial year 2018-19.

The Green Bonds are listed on the NSE. The bonds have been rated CRISIL AAA/Stable and the proceeds of the bond have been exclusively applied to finance eligible Green

Projects.

The green bond market plays a key role in funding projects that contribute to environmental sustainability. Like FMO, TCCL too is committed to mobilize green investments in India's sunrise sectors, with the overall objective to be a contributor to achieving India's Nationally Determined Contribution and Sustainable Development Goals targets towards climate change.

Use of Proceeds: This maiden green bond issue has financed eligible green projects in the renewable energy space. TCCL's portfolio mainly consists of large project finance investments in renewable energy sectors like wind and solar. Having a strong renewable energy portfolio, the funds raised through green bonds have been appropriately utilised to confirm with the green bond principles.

Management of Proceeds: The proceeds from the Bonds were used to finance the following projects.

Sr. No.	Project Entity	Project Location	Sector	Capacity(in MW)	Estimated Positive E&S Impact* - CO2 Emissions Reduction	Amount Disbursed (Rs. in crore)
1	Clean Solar Power (Gulbarga)	Karnataka	Solar	220 (20.54 Plant Load Factor ("PLF"))	2,54,434 tCO2/yr (0.878 t CO2/MWh)	98.35
2	Surajkiran Renewable	Telangana	Solar	57.5 (19.04 PLF)	84,027 tCO2/yr (0.878 t CO2/MWh)	87.705

*IMPACT: Through financing solar power plants, these bonds contribute to a positive environmental impact. The total CO2 emission reduction for individual projects have been calculated based on methodology defined by Central Electricity Authority, Ministry of Power, Government of India in the document 'CO2 Baseline Database for the Indian Power Sector User Guide Version 13.0 June 2018' by capturing project Capacity Utilization Factor ("CUF") estimates, installed project capacity and resultant annual unit generation.

17. DIRECTORS

During FY 2021-22 there has been no change in the composition of Board of Directors of the Company.

Based on the recommendation of the Nomination and Remuneration Committee ("NRC"), the Board of Directors vide its Resolution dated April 5, 2022, passed by circulation had approved the appointment of Mr. Lodewijk Govaerts, nominated by International Finance Corporation, as an Additional Director, and as a Non – Executive Director of the Company w.e.f April 10, 2022, or from such later date upon receipt of his Director Identification Number ("DIN"), prior approval of the RBI and approval of the Members of the Company. Subsequently, Mr. Govaerts was allotted DIN No. 0009581838 by the Ministry of Corporate Affairs on April 22, 2022. The Company has

made an application to RBI seeking their approval for the said appointment of Mr. Govaerts as a Director and the same is awaited.

The Board of Directors vide Circular Resolution passed on May 4, 2022, approved the appointment of Mr. Sujit Kumar Varma (DIN: 09075212), as an Additional Director and an Independent Director of the Company with effect from May 5, 2022, to hold office up to the ensuing Annual General Meeting (“AGM”) and as an Independent Director, for an initial term of three years commencing from May 5, 2022 up to May 4, 2025, subject to the approval of the Members of the Company. The Company has received a Notice from a Member, as per the provisions of Section 160 of the Companies Act, 2013 proposing the appointment of Mr. Varma as a Director of the Company.

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Rajiv Sabharwal (DIN: 00057333), NED, is liable to retire by rotation at the ensuing AGM and is eligible for re-appointment.

The Members of the Company may refer to the accompanying Notice of the AGM for the brief Resume of Mr. Sabharwal and Mr. Varma.

Pursuant to the ‘Fit and Proper’ Policy adopted by the Company under the RBI Master Directions for NBFCs, the Company has received the ‘Fit and Proper’ declaration from Mr. Sabharwal and Mr. Varma for their re-appointment/appointment as a Director of the Company, which have been taken on record by the Nomination and Remuneration Committee (“NRC”).

The Company has received declarations from the Independent Directors viz. Ms. Varsha Purandare (DIN: 05288076) and Ms. Padmini Khare Kaicker (DIN: 00296388) stating that, they meet the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) Listing Regulations

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and that they hold the highest standards of integrity. In terms of Section 150 of the Act, read with the Companies (Appointment & Qualification of Directors) Rules, 2014, the Independent Directors of the Company have registered themselves with the data bank of Independent Directors created and maintained by the Indian Institute of Corporate Affairs (“IICA”), Manesar.

18. NUMBER OF MEETINGS OF THE BOARD

Six meetings of the Board were held during the year. For details of meetings of the Board, please refer to the Corporate Governance Report, which forms part of this Annual Report.

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

Pursuant to the provisions of the Act and the SEBI Listing Regulations, the Board has carried out an annual evaluation of its own performance and of the individual Directors as well as an evaluation of the working of all the Committees of the Board. The Board of Directors was assisted by the NRC. The performance evaluation was carried out by seeking inputs from all the Directors / Members of the Committees, as the case may be.

The Board of the Company followed the criteria as specified in the Guidance Note on the Board Evaluation issued by Securities and Exchange Board of India (“SEBI”) for evaluating the performance of the Board as a whole, Committees of the Board, Individual Directors and the Chairman. The criteria for evaluation of the Board as a whole, *inter alia*, covered parameters such as Structure of the Board, Meetings of the Board, Functions of the Board and Board & Management. The criteria for evaluation of Individual Directors covered parameters such as knowledge and competency, fulfillment of functions, ability to function as a team, etc. The criteria for evaluation of the Board Committees covered areas related to mandate and composition, effectiveness of the committee, structure of the committee and meetings, etc.

The feedback of the Independent Directors on their review of the performance of Non-Independent Directors and the Board as a whole, the performance of the Chairman of the Company and the assessment of the quality, quantity and timeliness of flow of information between the Company, the Management and the Board was taken into consideration by the Board in carrying out the performance evaluation.

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

The NRC develops the competency requirements of the Board based on the industry and the 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 endeavors to provide relevant training to the Directors.

In accordance with the provisions of Section 178 of the Act, the Board of Directors have 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 and to have in place, a transparent Board nomination process.

The Remuneration Policy for Directors, KMPs and all other employees is aligned to the philosophy on the commitment of fostering a culture of leadership with trust.

The Remuneration Policy aims to ensure that the level and composition of the remuneration of the Directors, KMP and all other employees is reasonable and sufficient to attract, retain and motivate them to successfully run the Company.

Salient features of the Remuneration Policy, *inter alia*, includes:

- Remuneration in the form of Sitting Fees and Commission to be paid to Independent Directors and Non-Independent Non-Executive Directors, in accordance with the provisions of the Act and as recommended by the NRC;

- Remuneration to Managing Director / Executive Directors / KMP and all other employees is reasonable and sufficient to attract, retain and motivate them to run the Company successfully and retain talented and qualified individuals suitable for their roles, in accordance with the defined terms of remuneration mix or composition; and
- No remuneration would be payable to Directors for services rendered in any other capacity unless the services are of a professional nature and the NRC is of the opinion that the Director possesses requisite qualification for the practice of the profession and approval of the Central Government has been received, if required, for paying the same.

The Policy on Board Diversity and Director Attributes as also the Remuneration Policy of the Company are made available on the Company's website at <https://www.tatacapital.com/content/dam/tata-capital/tccl/TCCL-Board%20Diversity%20Policy%20and%20Director%20Attributes> and <https://www.tatacapital.com/content/dam/tata-capital/tccl/TCCL-%20Remuneration%20Policy.pdf>, respectively.

The Company has also adopted a 'Fit and Proper' Policy for ascertaining the 'fit and proper' criteria for the appointment of Directors and on a continuing basis, pursuant to the RBI Master Directions issued for NBFCs. The Company has received the 'Fit and Proper' declarations from all the Directors of the Company in April 2022, which have been taken on record by the NRC.

21. KEY MANAGERIAL PERSONNEL

Mr. Manish Chourasia, Managing Director, Mr. Behzad Bhesania, Chief Financial Officer and Mr. Rajesh Gosia, Company Secretary, are the KMPs of the Company.

22. DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors, including audit of internal financial controls over financial reporting by the Statutory Auditors and the reviews performed by the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2021-22.

Accordingly, 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 for FY 2021-22, Indian Accounting Standards ("IND AS") as per the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2016, notified under Section 133 of the Companies Act, 2013 (the "Act"), other relevant provisions of the Act, guidelines issued by Regulators as applicable to an NBFC and other accounting principles generally accepted in India have been followed and that there are no material departures therefrom;
- b) they had 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 and cash flows of the Company for the year;
- c) they had 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 had prepared the annual accounts on a going concern basis;
 - e) they had laid down internal financial controls to be followed by the Company and that such internal financial controls were adequate and operating effectively; and
 - f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

The Financial Statements of the Company have been prepared in accordance with Ind AS, as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Act.

There were Nil frauds reported by the Auditors under Section 143(12) of the Act.

23. VIGIL MECHANISM

The Company has established a Vigil Mechanism for its Directors and employees to report their concerns or grievances. The said mechanism, *inter alia*, encompasses the Whistle Blower Policy, the Fraud Risk Management Process, the mechanism for reporting of ethical concerns under the TCOC and the ABAC Policy and it provides for adequate safeguards against victimization of persons who use it.

The Vigil Mechanism provides access to Tata Capital's Ethics Committee for reporting concerns and grievances. It also provides access to the Compliance Officer under the Company's ABAC Policy and to the Chairperson of the Company's Audit Committee / the Chief Ethics Counsellor under the Company's Whistle Blower Policy. Information regarding the mechanism and the channels for reporting concerns are communicated to the relevant stakeholders. The Whistle Blower Policy, Vigil Mechanism, TCOC and the ABAC Policy documents are available on the website of the Company, www.tatacapital.com.

24. 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. A 'Prevention of Sexual Harassment' Policy, which is in line with the statutory requirement, along with a structured reporting and redressal mechanism, including the constitution of Internal Complaints Committee in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("the POSH Act") is in place.

During FY 2021-22, there were no complaints received under the provisions of the POSH Act.

25. AUDIT COMMITTEE

The details pertaining to the composition of the Audit Committee are included in the Corporate Governance Report, which forms part of this Annual Report.

26. STATUTORY AUDITORS

M/s B S R & Co. LLP, Chartered Accountants (“BSR”) (ICAI Firm Registration Number: 101248W/W-100022) were appointed as the Statutory Auditors of the Company at the Annual General Meeting (“AGM”) of the Company held on August 21, 2017, for a term of five consecutive years commencing from conclusion of the sixth AGM upto the conclusion of the eleventh AGM to be held in the year 2022. The Reserve Bank of India (“RBI”) vide its Circular dated April 27, 2021 issued Guidelines for Appointment of Statutory Central Auditors (“SCAs”) / Statutory Auditors (“SAs”) of Commercial Banks (excluding Regional Rural Banks), Urban Co-operative Banks (“UCBs”) and Non-Banking Financial Companies (“NBFCs”) (including Housing Finance Companies) (“RBI Guidelines”).

In terms of the aforementioned RBI Guidelines, the Statutory Auditors who have completed a tenure of 3 years cannot continue to hold office as Statutory Auditors, even though they may not have completed their present tenure as approved by the Members of the said entity. Accordingly, BSR resigned as Statutory Auditors of the Company with effect from November 12, 2021.

Pursuant to the RBI Guidelines and based on the recommendation of the Audit Committee, the Board of Directors at its Meeting held on October 19, 2021, approved the appointment of Mukund M. Chitale & Co, Chartered Accountants (ICAI Firm Registration Number. 106655W), as the Statutory Auditors of the Company with effect from November 12, 2021, for a period of three consecutive years viz. FY 2021-22, FY 2022-23 and FY 2023-24, subject to the approval of the Members of the Company. Pursuant to Section 139(8)(i) of the Companies Act, 2013 and RBI Guidelines, the Members at the Extraordinary General Meeting (EGM) of the Company held on November 12, 2021, approved the appointment of Mukund M. Chitale & Co, Chartered Accountants as the Statutory Auditors of the Company to hold office with effect from conclusion of EGM held on November 12, 2021 till the conclusion of the Eleventh AGM of the Company.

The Board has recommended for the approval of the Members the appointment of Mukund M. Chitale & Co, Chartered Accountants as the Statutory Auditors of the Company, for further period of two years i.e. for FY 2022-23 and FY 2023-24. The Members of the Company may refer to the accompanying Notice of the AGM of the Company.

27. ACCOUNTING STANDARDS FOLLOWED BY THE COMPANY

The Financial Statements of the Company have been prepared in accordance with Ind AS, as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Act and the RBI Master Directions.

The Financial Statements have been prepared on an accrual basis under the historical cost convention. The Accounting Policies adopted in the preparation of the Financial Statements have been consistently followed in the previous year.

28. EXPLANATION ON STATUTORY AUDITORS’ REPORT

There are no qualifications, reservations or adverse remarks or disclaimers made by

Mukund M Chitale & Co, Chartered Accountants, Statutory Auditor of the Company, in their Report dated April 20, 2022 on the Financial Statements of the Company for FY 2021-22.

29. 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 had appointed M/s. Parikh & Associates, a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company for FY 2021-22. The Secretarial Audit Report, in the prescribed Form No. MR-3, is annexed as Annexure 'B'.

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. Parikh & Associates in their Secretarial Audit Report dated April 20, 2022, on the Secretarial and other related records of the Company, for FY 2021-22.

30. INFORMATION ON MATERIAL CHANGES AND COMMITMENTS

There are no material changes or commitments affecting the financial position of the Company which have occurred between March 31, 2022 and May 16, 2022 being the date of this Report.

31. SIGNIFICANT AND MATERIAL ORDERS

During the period under review, there were no significant or material orders passed by any regulator or court or tribunal impacting the going concern status and Company's operations in future.

32. RELATED PARTY TRANSACTIONS

The Company has adopted a Policy and a Framework on Related Party Transactions ("RPTs") for the purpose of identification, monitoring and approving such transactions in line with the requirements of the Act and the SEBI Listing Regulations. During the year under review, the RPT Policy had been amended to, *inter alia*, include the amendments of the SEBI Listing Regulations. The said Policy is available on the Company's website <https://www.tatacapital.com/content/dam/tatacapital/tcccl/POLICY%20ON%20RELATED%20PARTY%20TRANSACTIONS.pdf>.

All the RPTs that were entered into during FY 2021-22, were in the ordinary course of business or on an arm's length basis. There were no transactions which required disclosure under section 134(3)(h) of the Act. Hence, the prescribed Form AOC-2 does not form part of this report.

During the year, in terms of Regulation 23(4) of the SEBI Listing Regulations, the Company had entered into material RPTs with Tata Capital Financial Services Limited, fellow subsidiary company for transfer of assets (loans). The said transactions were in the ordinary course of business and on an arm's length basis. Pursuant to the aforesaid Regulation, all material RPTs require approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not. Tata Capital Limited ("TCL") and International

Finance Corporation (“IFC”) are the only shareholders of the Company with shareholding of 80.50% and 19.50% respectively, in the Company. Since, TCL and IFC are related parties of the Company, the requirement of only unrelated shareholders voting to approve material RPTs cannot be met. Hence, owing to the impossibility of complying with this voting requirement, the shareholders’ approval could not be sought for the material RPTs.

The details of RPTs as required to be disclosed by Indian Accounting Standard – 24 on “Related Party Disclosures” specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, are given in the Notes to the Financial Statements.

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

(A) Conservation of energy:

i. Steps taken / impact on conservation of energy:

The operations of the Company, being Financial Services related, require normal consumption of electricity. The Company is taking every necessary step to reduce its consumption of energy.

At Tata Capital regular Electrical audits as part of Energy Conservation activity are conducted and suggested measures are implemented to achieve and improve energy efficiency.

Several Office premises have been retrofitted with LED lights to conserve electricity, as LED lights consume less electricity as compared to the conventional CFL bulbs. Air Conditioners’ temperature across all Offices are maintained at the optimum ambient temperature (24-25 degree celsius) resulting into savings of energy and also at some premises outgoing air conditioner duct design has been modified to provide better energy efficiencies.

ii. Steps taken by the Company for utilising alternate sources of energy:

A solar panel has been installed at the Company’s office at Thane which produces close to 750 watts of energy and which self illuminates and provides power to the garden and security lights on the campus from dusk to dawn. The garden lights at the Thane office are being retrofitted with Light Emitting Diode (“LED”) bulbs that consume less electricity as compared to conventional incandescent or Compact Fluorescent Light (“CFL”) bulbs.

iii. Capital investment on energy conservation equipments:

In view of the nature of the activities carried on by the Company, there is no capital investment on energy conservation equipments.

(B) Technology absorption:

Given the nature of the activities of the Company and not being involved in any industrial or manufacturing activities, the above is not applicable to the Company.

(C) Foreign Exchange Earnings and Outgo:

During FY 2021-22, the Foreign Exchange earned in terms of actual inflows was Rs. 0.84 crore and the Foreign Exchange Outgo in terms of actual outflows was Rs. 2.69 crore.

34. ANNUAL RETURN

The Annual Return as prescribed under Section 92(1) of the Act and the Companies (Management and Administration) Rules, 2014, in the prescribed Form No. MGT-7, is available on the website of the Company at <https://www.tatacapital.com/content/dam/tata-capital/tccl/TCCL%20-%20Extract%20of%20Annual%20Return%20-%20Form%20MGT%209.pdf>.

35. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed analysis of the Company's performance is discussed in the Management Discussion and Analysis Report, which forms an integral part of this Annual Report.

36. CORPORATE GOVERNANCE

The Report on Corporate Governance for the year under review, including the disclosures as stipulated under Regulation 34 read with Schedule V of the SEBI Listing Regulations and the Master Circular – Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015, along with the certificate of the Practicing Company Secretary certifying compliance with conditions of Corporate Governance forms part of this Annual Report.

37. SECRETARIAL STANDARDS

The Company is in compliance with SS - 1 i.e. Secretarial Standard on Meetings of the Board of Directors and SS - 2 i.e. Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India.

38. UNCLAIMED AMOUNT

Pursuant to the provisions of Section 124 of the Act, the unclaimed amount on NCDs needs to be transferred to the Investor Education and Protection Fund ("IEPF") after completion of seven years from the date it becomes due for payment. During FY 2021-22, no amount was required to be transferred to the IEPF.

39. ACKNOWLEDGEMENTS

The Directors would like to place on record their gratitude for the valuable guidance and support received from the RBI, SEBI, Registrar of Companies and from other Government and Regulatory agencies and to convey their appreciation to TCL, the holding company, IFC, the members, customers, bankers, lenders, vendors and all other business associates for the continuous support given by them to the Company. The Directors also place on record their appreciation for all the employees of the Company for their commitment, team work, professionalism and their resilience and dedication demonstrated by them during this period of COVID – 19 pandemic.

For and on behalf of the Board of Directors

Mumbai
May 16, 2022

Varsha Purandare
Chairperson
DIN: 05288076

Annexure A

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY
("CSR") ACTIVITIES**

1. Brief outline on CSR Policy of the Company.

Vision: To create shared value for the community at large in line with the Tata Group's core purpose.

Purpose: We endeavour to improve the lives of the community, especially the socially and economically underprivileged communities, by making a long term, measurable and positive impact through projects in the areas of

- i. Education
- ii. Climate Action
- iii. Health
- iv. Skill Development

Sectors and Issues: In sectors and issues pertaining to the purpose mentioned above.

For details of the CSR Policy along with projects and programs, kindly refer to <https://www.tatacapital.com/content/dam/tata-capital/tccl/CSR%20Policy.pdf>

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Ms. Varsha Purandare	Independent Director	2	2
2.	Ms. Padmini Khare Kaicker	Independent Director	2	2
3.	Mr. Rajiv Sabharwal	Non – Executive Director	2	2
4.	Mr. Manish Chourasia	Managing Director	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

Composition of CSR Committee:

https://www.tatacapital.com/content/dam/tata-capital/tccl/TCCL_CSR%20Committee%20Composition.pdf

CSR Policy and CSR projects approved by the Board :

<https://www.tatacapital.com/content/dam/tata-capital/tccl/CSR%20Policy.pdf>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

Nil.

However, the Company has voluntarily conducted an Impact Assessment for its Project Ecosphere during the year. A copy of the Impact Assessment Report is attached as Annexure A.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs.)	Amount required to be set off for the financial year, if any (in Rs.)
		NIL	

6. Average net profit of the company as per section 135(5):

(Amount in Rs.)	
<u>Financial Year</u>	<u>Net Profit</u> (net of dividend)
FY 2018-19	1,44,57,41,791
FY 2019-20	2,02,56,86,690
FY 2020-21	2,27,01,84,332
Average Net Profit	1,91,38,70,938

7. (a) Two percent of average net profit of the company as per section 135(5):

Rs. 3,83,00,000 (rounded off)

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL

(c) Amount required to be set off for the financial year, if any: NIL

(d) Total CSR obligation for the financial year (7a+7b-7c): Rs. 3,83,00,000

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second provision to section 135(5).		
	Amount.	Date of Transfer.	Name of the Fund	Amount.	Date of Transfer.
3,83,00,000	NIL	Not Applicable	Not Applicable	NIL	Not Applicable

(b) Details of CSR amount spent against ongoing projects for the financial year: NIL

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1	Ecosphere	iv	Yes	MH	Palghar	1,00,00,000	No	Diganta Swaraj Foundation	CSR00001695
2.	The Green Switch	iv	No	JH	Simdega	1,28,23,810	No	Transform Rural India Foundation	CSR00000421
3.	The Green Switch	iv	Yes	MH	Thane	19,65,000	No	Keshav Srushti	CSR00002691
4	The Green Switch	iv	No	Karnataka	Uttara Kannada	85,50,000	No	Parijnan Foundation	CSR00012152
5.	The Green Switch - Sunrise	iv	Yes	MH	Palghar	42,44,094	No	Keshav Srushti	CSR00002691
	Amount spent on Impact assessment					7,13,696			
	Administrative Overheads					3400			
	TOTAL					3,83,00,000			

(d) Amount spent in Administrative Overheads: Rs. 3,400

(e) Amount spent on Impact Assessment, if applicable: Rs. 7,13,696

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 3,83,00,000

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	3,83,00,000
(ii)	Total amount spent for the Financial Year	3,83,00,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

9. a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.).	Date of transfer.	
				NIL			

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):NIL

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project – Completed /Ongoing.

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

(a) Date of creation or acquisition of the capital asset(s).

Please refer table below for details

(b) Amount of CSR spent for creation or acquisition of capital asset.

Please refer table below for details

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

Please refer table below for details

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

Please refer table below for details

Asset	Date of Creation	Amount of CSR spent for creation or acquisition of capital asset (Rs.)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).
The Green Switch – Parijnan Foundation	31 December 2021	85,50,000.00	Parijnan Foundation, Chitrapur, Shirali, Uttar Kannada, Karnataka, 581354	Solar panels with PV Capacity created: 60 kWp
The Green Switch – Project Oasis	31 March 2022*	38,42,494.00	Sunrise Khuded Village Energy Committee, Village – Khuded, Panchayat -, Jawhar taluka, Palghar District, Maharashtra	Community building, Freezer, bamboo Slicing machine, flour mill, rice husking machine, computer, Toilet
The Green Switch - Bandhanatoli	21 February 2022	22,39,428	Ujwal sour Oorja Samiti, Bandhna Toli, Baghdega Panchayat, Block Kersai , district - Simdega , State - Jharkhand	Solar off grid system for community with PV Capacity: 8.04 kWp
The Green Switch - Girang raut toli	07 March 2022	27,09,504	Krishna Sour Oorja samiti, Girang Raut toli, Barkibiura panchayat, Kurdeg Block, District - Simdga state - Jharkhand	Solar off grid system for community with PV Capacity: 9.38 kWp
The Green Switch - Dongapani	14 March 2022	32,09,492	Hira Sour Oorja samiti, Donga Pani Barkibiura panchayat kurdeg Block, District -Simdega State- Jharkhand	Solar off grid system for community with PV Capacity: 11.06 kWp
The Green Switch - Bhijaribari	14 March 2022	39,14,608	Surya Sour oorja samiti, Bhijri badi Hethma panchayat, Block Kurdeg, Dist Simdega, Jharkhand	Solar off grid system for community with PV Capacity: 13.07 kWp

Asset	Date of Creation	Amount of CSR spent for creation or acquisition of capital asset (Rs.)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).
The Green Switch – Dapurmal, Shahapur, Maharashtra	31 March 2022	18,65,000	Saur Urja Samiti Dapurmaal, Village -Dapurmal, Panchayat – Ajnup-Dapur, Block- Shahapur, District - Thane, State – Maharashtra	Solar off grid system for community with PV Capacity: 7.92 kWp
Project Ecosphere – Mokhada, Maharashtra	11 March 2022	45,00,000	Gram panchyat office, A/P Gonde Bk, Mokhada 401604, Maharashtra	solar pump systems, water filter, storage tanks, pipelines (Line 11,12)
Project Ecosphere – Mokhada, Maharashtra	10 March 2022	45,00,000	Gram panchyat office, A/P Gonde Bk, Mokhada 401604, Maharashtra	solar pump systems, water filter, storage tanks, pipelines (Line 13)
Project Ecosphere – Mokhada, Maharashtra	10 March 2022	10,00,000	Gram panchyat office, near health sub centre, saturli , Mokhada 401604, Maharashtra	Rain water harvesting , Storage tanks and pipelines

* assets are on site and will be commissioned by May 2022

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):

Not Applicable

Ms. Varsha Purandare (Chairperson CSR Committee, Independent Director)	Ms. Padmini Khare Kaicker (Member, CSR Committee, Independent Director)	Mr. Rajiv Sabharwal (Member, CSR Committee, Non-Executive Director)	Mr. Manish Chourasia (Member, CSR Committee, Managing Director)
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Impact Assessment of Project Ecosphere in Mokhada, Palghar



October, 2021



Contents

1		
1.	Introduction	6
2.	About the Programme.....	7
3.	Theory of change.....	8
4.	Research Methodology.....	10
4.1	Methodology.....	11
4.1.1	Secondary research.....	11
4.1.2	Primary research.....	11
4.2	Research Tools.....	11
4.3	Sampling	12
4.3.1	Background of the respondents.....	12
4.3.2	Health profile.....	14
4.3.3	Agricultural profile.....	14
4.3.4	Economic profile	15
5.	Key Findings.....	16
5.1	Efficiency of the Ecosphere programme.....	16
5.2	Effectiveness of the Ecosphere programme.....	16
7.	Efficiency Indicators	18
7.1	Mobilisation and involvement of community in the project.....	18
7.2	Involvement of other implementation partners for installation and construction of the structures.....	19
7.3	Training of community members for maintenance of the system	21
7.4	Support provided to farmers	21
7.5	Role of technology in sustainability of the programme	23
8.	Effectiveness indicators.....	24
8.1	Availability and access to drinking water:	24
	Case study: Upsarpanch of Poshera.....	37



8.2	Livelihood and migration status	38
8.3	Agricultural and irrigation status.....	40
	Case study: Group farming on line 5.....	45
9.	Ancillary stakeholders of the program	46
9.1	Availability and access to water for domestic and drinking purposes.....	46
9.2	Perceived quality and adequacy of water	48
10.	Challenges faced during implementation and usage	49
11.	Sustainability and future scope of the programme.....	49
11.1	Responsiveness to needs:.....	49
11.2	Capacity building of the community:.....	49
11.3	Government alignment of the programme:.....	50
12.	Recommendations.....	50
12.1	Enhancing sustainability of the benefits of the intervention	50
12.2	Institutionalisation of processes for sustenance of the intervention.....	51
12.2.1	Enhancing the monitoring process	51
12.2.2	Strengthening institutionalisation and knowledge sharing.....	51
12.3	Evaluation of the agriculture related intervention post the completion of one year.....	52
13.	Annexure.....	53

List of Figures

Figure 1: Location of the project, in Palghar district, Maharashtra.....	6
Figure 2: Theory of change	8
Figure 3: Occupation of the respondents.....	13
Figure 5: Gender composition of respondent's involvement in agriculture.....	15
Figure 5: Involvement in the intervention	19
Figure 6: Assistance received by households.....	21
Figure 12: Seeds received from DSF	22
Figure 8: Distance covered for water collection.....	24



Figure 9: Level of difficulty in accessing water.....	25
Figure 10: Time taken to collect water.....	26
Figure 11: Water collection responsibility	27
Figure 12: Usage of additional time saved.....	28
Figure 13: Drinking water collection point.....	28
Figure 14: Water collection point for domestic purpose.....	29
Figure 15: Adequacy of water available.....	30
Figure 16: Adequacy of drinking water post intervention.....	31
Figure 17: Adequacy of water for domestic purposes post intervention	31
Figure 18: Challenges faced during water collection	32
Figure 19: Perceived need for water purification.....	33
Figure 20: Perceived need for purification of drinking water post intervention.....	33
Figure 21: Water purification methods used by community members.....	34
Figure 22: Adults diagnosed in the last 6 months.....	35
Figure 23: Reasons for migration.....	38
Figure 24: Months of migration.....	39
Figure 25: Access to irrigation.....	40
Figure 26: Modes of irrigation	41
Figure 27: Duration of irrigation availability	41
Figure 28: Type of crops grown.....	42
Figure 29: Percentage of monthly income from agriculture	43
Figure 30: Annual agricultural expenses	43
Figure 31: Average monthly income.....	44
Figure 32: Benefits of agricultural interventions	44
Figure 33: Drinking water collection point 2	46



Figure 34: Domestic water collection point.....47

Figure 35: Duration to collect water47

Figure 36: Challenges reported during water collection.....48

Figure 38: Challenges regarding usage of irrigation infrastructure.....49

List of Images

Image 1: Houdh and drinking water filter in Poshera, line 5.....9

Image 2: Floaters attached to the water pump Image 3: Solar panels for line 5, Poshera20

Image 4: HDPE sheet lined houdh on line 1, Poshera Image 5: Chilli plantation on line 5, Poshera.....23

Image 6: Upsarpanch of Poshera37

Image 7: Groundnut farming by farmers on line 5, Poshera.....45

Image 8: Map line for Burangewadi.....53

Image 9: Map of line 4 for Damsewadi and Fanaspada53

Image 10: Map of line 5 for Poshera.....53

Image 11: Maps of line 1, farmers with land here reside Image 12: Maps of line 2, farmers with land here reside in Poshera in Poshera 53



1. Introduction

Tata Cleantech Capital Limited (TCCL) undertakes CSR in the sectors of health, education, climate action and, entrepreneurship and skill development. TCCL has undertaken Project Ecosphere as their CSR initiative, focusing on improving the water security of villages in Mokhada, Palghar. Between 2019-20, a total of INR 1 crore of CSR funds has been spent on the programme by TCCL¹. TCCL partnered with implementing agencies [Diganta Swaraj Foundation \(DSF\)](#) and [Avesta Solar](#) for the execution of the programme.

Registered in 2017, DSF is a non-governmental organisation that primarily works towards addressing the health, education, water, livelihood and governance needs of tribal communities. DSF is committed to the idea of empowering and supporting tribal youth and is currently engaged in various programmes in the Mokhada taluka² of Palghar district in Maharashtra. Avesta Solar is a social enterprise, working towards providing access to water and affordable electricity to urban and rural populations in Maharashtra.

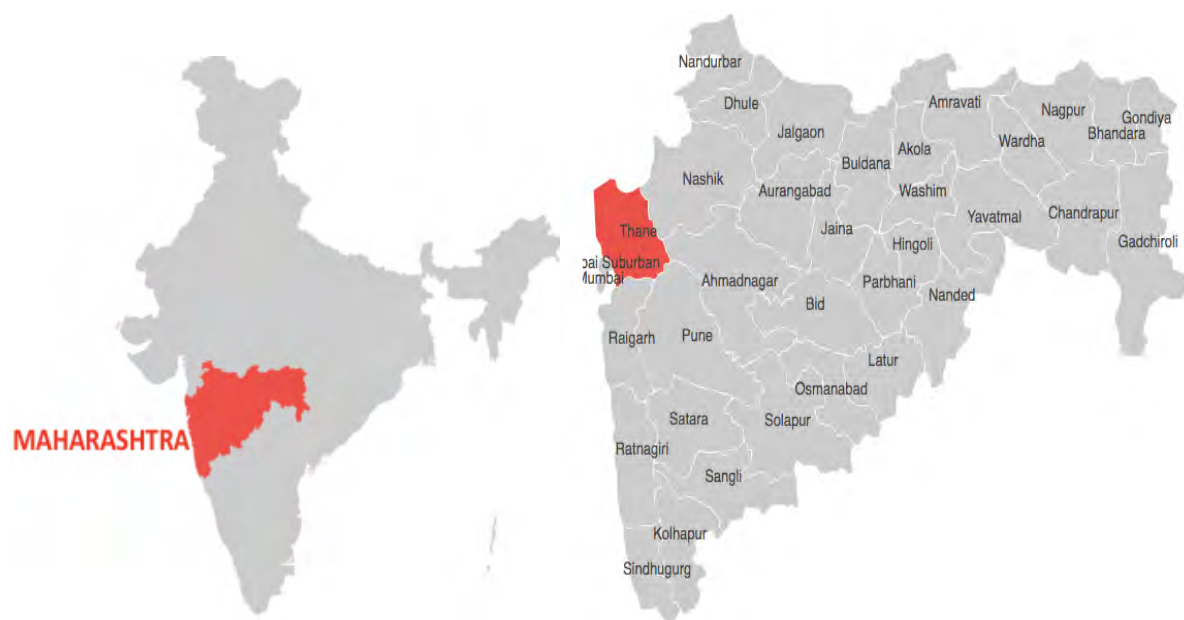


Figure 1: Location of the project, in Palghar district, Maharashtra

Mokhada taluka in Palghar has a population of 83,453, of which 92.08% individuals belong to Scheduled Tribes (ST)³. The region has multiple villages which experience 'water stress', which is defined on the basis of the availability, accessibility and quality of water for drinking, domestic and irrigation purposes⁴. DSF, with the support of Tata Cleantech Capital Limited

¹ [TCCL company profile. Ministry of Corporate Affairs portal. GOI](#)

² [A taluka is a local unit of administrative division in some states of India that is usually translated to "township". It is a sub-district of the area within a district including the designated city, town, hamlet, or other populated place that serves as its administrative centre, with possible additional towns, and usually a number of villages.](#)

³ [Thane District, Census 2011](#)

⁴ [Status assessment and planning for water security in Mokhada block, IIT Bombay](#)



(TCCL) and Avesta Solar⁵, have implemented 'Project Ecosphere' - a water and agriculture enhancement programme in the water-stressed region of Mokhada. The primary intervention of the programme is to provide water for drinking, domestic use and irrigation purposes to nearby villages using a solar power-enabled pump. The project will be completed in 3 phases. DSF has worked in the villages of Poshera and Gonde within the Mokhada taluka for the first and one part of the second phase of implementation. This report is based on the findings from the impact assessment of the first phase and one village (Gonde) as per the plan for the second phase.

2. About the Programme

According to a study conducted by IIT Bombay in 2019, the villages of Poshera and Gonde within Mokhada experience water stress. The hilly terrain of the area added to the hardships experienced by villagers who had to travel long distances to collect water on a daily basis. Despite Mokhada receiving a high annual rainfall of 2,400 millimetres⁶ and having 4 rivers flowing through it, many villages within it experience water stress on account of difficulties in water accessibility and poor quality. This is due to two main reasons:

- The rocky terrain of the region, majorly consisting of basalt rock⁷, does not allow much scope for groundwater recharge during monsoons via percolation.
- Three dams which provide water to the cities of Mumbai have been constructed over rivers in Palghar⁸. However, pipelines allowing the local communities of the area to access the water have not been installed.

As per the 2011 Census, the majority of Mokhada's population is involved in agriculture (89.74%) as their main occupation. The lack of availability of water for agriculture purposes during non-monsoon months, coupled with the health impacts of consuming unsafe water, has resulted in increased migration of villagers to larger cities such as Vasai, Bhiwandi, Panvel and Nashik, where they work as labourers at brick kilns, stone mines and as sugarcane harvesters⁹. This has also resulted in adverse effects on children's education as they often migrate with their parents in the middle of the school year¹⁰.

Hence, Project Ecosphere was conceptualised with the primary objectives of:

⁵ [Avesta Solar, is a Social Enterprise with a mission to provide affordable & sustainable Solutions, in the areas of Electricity & Water, for Drinking, Agriculture & Livelihood.](#)

⁶ [Mumbai's burgeoning water needs leave nearby villages parched: city's wasted and free supply more than Nagpur's daily need, Firstpost 2020](#)

⁷ [Centre for Technology Alternatives for Rural Areas \(CTARA\), IIT Bombay,2012](#)

⁸ [Solar energy brings water to parched Maharashtra villages, Scroll 2016](#)

⁹ [When Katkaris migrate in search of work, their problems follow, Citizens for Justice and Peace \(CJP\) 2021](#)

¹⁰ [Palghar: Parents migrate to earn bread, undernourishment kills children, Indian Express, 2019](#)



- Improving access to water for drinking, domestic and agricultural purposes and reducing the difficulty of collecting water daily from long distances through the provision of community water filters and water tanks.
- Enabling a transition from subsistence-based cultivation only in the monsoon to year-round agriculture by providing solar-powered lift irrigation and creating a sustainable source of income from farming by providing farmers with seeds/saplings, and agricultural training.

3. Theory of change

The theory of change¹¹ proposed by the programme was, "Enabling accessibility to water for potable and irrigation purposes improves health and well-being of community, increases livelihood opportunities in the village, and encourages reverse migration."

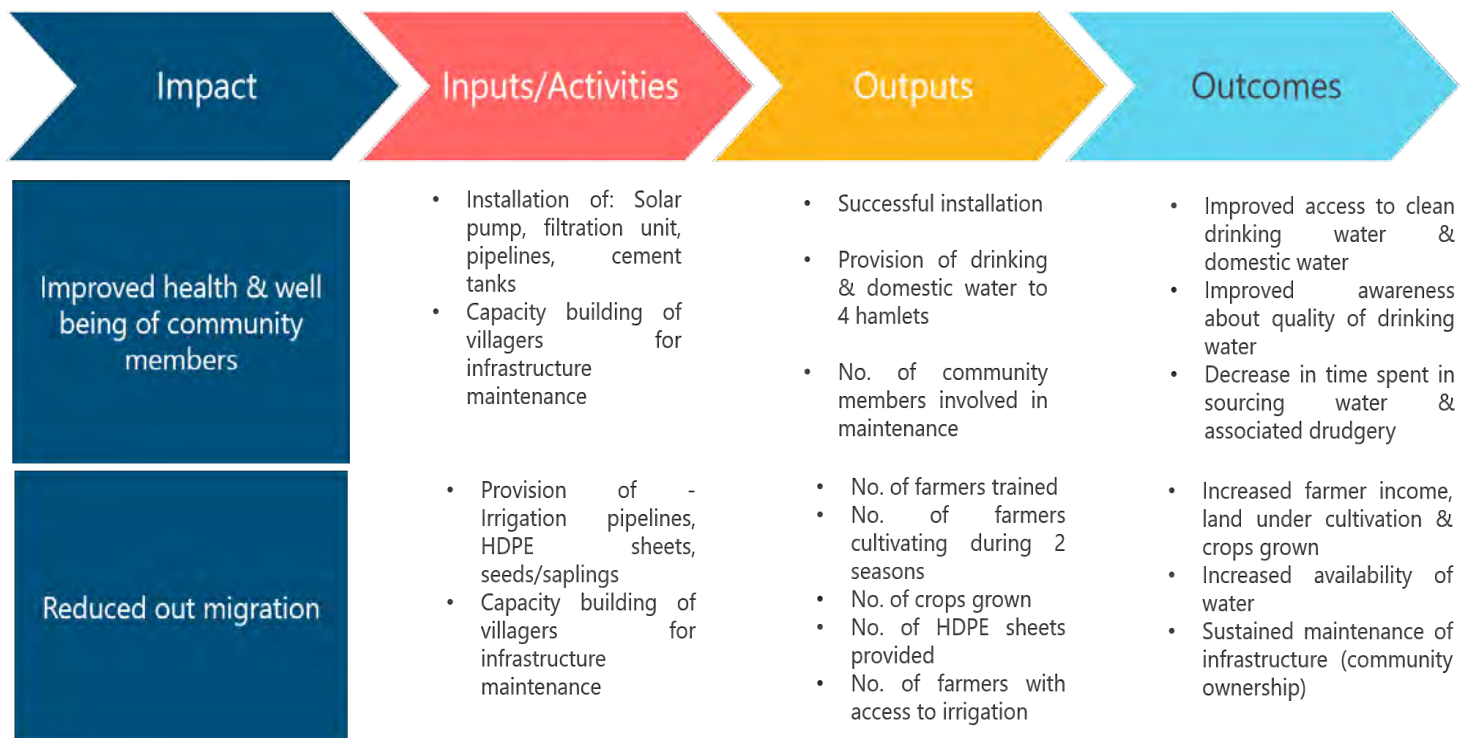


Figure 2: Theory of change

¹¹ The theory of change was developed by Samhita in consultation with TCCL, Avesta Solar and DSF.



Image 1: Houdh and drinking water filter in Poshera, line 5

Thus far, the project has been implemented in Gonde village and Poshera village in the hamlets¹² of Gonde, Poshera, Burangewadi, Fanaspada and Damsewadi¹³. The first phase of the programme commenced in January 2020 and the programme intends to conclude in 2022. The project aims to introduce the intervention to a total of 9 hamlets across 5 villages in Mokhada. The intervention was designed after a baseline survey in the above-mentioned villages to understand the status of village resources. The survey uncovered that water accessibility is at the centre of health, sanitation and livelihood issues experienced by the communities.

The natural catchment area of the Wagh dam, located in Poshera village was identified as a suitable perennial water source which could meet the water-related requirements of the villages. Avesta Solar conceptualised a solar-based solution wherein water from the Wagh dam could be used to meet the requirements of the community. The solar lift system includes 4 sets of solar panels near the water catchment area of the dam and a floater within the dam which holds the water pump (powered by the solar panels).

Water pumped from the dam flows through pipelines supplying water to:

- Filtration units providing drinking water
- Cement tanks providing water for domestic use also known as *houdhs*
- Farm lands for irrigation from a tank located at a height, thus allowing the use of gravity to supply water to irrigation pipelines of farmers

At present, the line wise intervention of the project is as follows:

¹² A hamlet is a type of rural settlement which is smaller than a village. In Maharashtra hamlets are known as "*padas*".

¹³ Hamlet Radyachapada in Poshera village is an ancillary beneficiary of the project as members of their community are also utilising the water collection points introduced by this intervention, but are not included within the scope of the project.



Line number	Hamlet	Intervention	Number of farmers on the line	Number of filters and tanks/houdhs
1	Poshera	Water for irrigation	36	
2	Poshera	Water for irrigation	42	
3	Burangewadi	Water for drinking, domestic use and irrigation	24	1 filter and 2 <i>houdhs</i>
4	Damsewadi, Fanaspada	Water for drinking, domestic use and irrigation	32	2 filters and 3 <i>houdhs</i>
5	Poshera	Water for drinking, domestic use and irrigation	17	1 filter and 4 tanks/ <i>houdhs</i>
6	Gonde	Water for irrigation	15	

Table 1: Line wise distribution of water

4. Research Methodology

The overall aim of Samhita's approach to the impact assessment is to 'prove and improve',



Prove

1. The **efficiency of processes** used to deliver interventions and create impact.
2. The **effectiveness of programmes** in terms of programme outcomes, social outcomes and improvements in lives of end beneficiaries.



Improve

1. By providing actionable suggestions and recommendations for improving programme design and implementation, thereby strengthening the social impact



4.1 Methodology

The study adopted a mix methods approach to collecting primary data using quantitative and qualitative methods. All of the data was collected on field in Mokhada by following strict COVID-19 related guidelines and safety protocols issued by the state of Maharashtra.

4.1.1 Secondary research

This step included desk review and analysis of published documents, peer-reviewed and grey literature, census studies and analysis of relevant secondary sources related to block and village level data. Additionally, programme documents shared by DSF and Avesta Solar regarding design and scope of the programme, documentation and MIS data were reviewed in detail.

The rationale for using secondary information is to capture village level data on demographics, healthcare, education, agriculture production, groundwater level and infrastructure which helped to identify the vulnerability, diversity of income, and accessibility to resources. This information helped in formulating the household questionnaires, benchmarking and comparing the data collected through primary research.

4.1.2 Primary research

This included interacting with key stakeholders to assess the impact of the programme, contribution of stakeholders, challenges and best practices. The primary research was carried out adopting both qualitative and quantitative methodologies. A tablet-based, digitised **quantitative** survey was administered with the community members. The survey was created and administered using SurveyCTO¹⁴.

Qualitative methodology helped to gather more in-depth data that was useful to validate and add to the findings from the quantitative methodology.

4.2 Research Tools

The study covered the following stakeholders, using various research tools -

- **Key Informant Interviews (KII):** In- depth interviews were conducted in person with individuals who held key positions of responsibility in the implementation of the programme and community leaders. These included interviews with the field staff and the PHC doctor.
- **Focus Group Discussions (FGD):** FGDs were utilised for many stakeholders to dive deeper into their perspectives and also assess the similarities and differences in thinking on certain issues. They were done with different farmer groups on line 1, 5 and 6, the *Sarpanch* and staff from local Zilla Parishad School, *gram sabha* members, ASHA and ICDS workers and villagers.

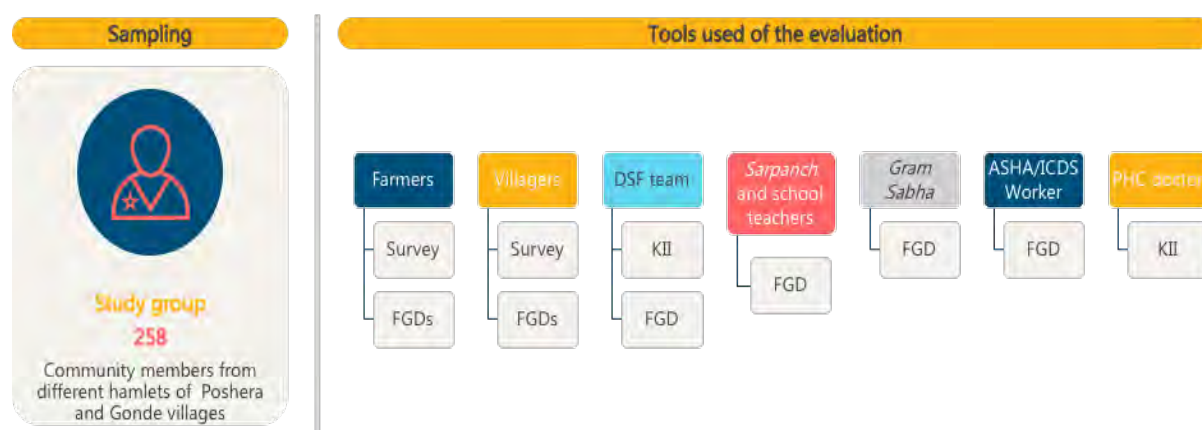
¹⁴ [SurveyCTO](#) is a tool used by Samhita for designing surveys and collecting data.



- **Surveys:** Quantitative surveys were conducted with residents of the hamlets within which the programme was implemented, for the purpose of gathering demographic and socio-economic information. This tool also collected data on parameters such as the accessibility of water for drinking, domestic and irrigation, impact of provision of seeds on farmer's livelihoods.

4.3 Sampling

Purposive sampling was applied to ensure that there was adequate representation from all the hamlets. The proposed sample, at 95% confidence level, was 255. As part of a pilot study, 3 additional surveys were conducted. 258 community members were surveyed, of which 45% were women.



4.3.1 Background of the respondents

This section highlights on the socio-economic condition of the respondents.

Responses from 25 respondents from Radyachapada were analysed separately, due to their status as ancillary stakeholders of the programme. Thus, responses of 233 out of 258 respondents were studied as the primary cohort. For the intervention related to water for drinking and domestic purposes, only responses from 218 respondents were studied. Responses of 15 respondents belonging to Gonde village were not included, as Gonde only received the irrigation-related intervention.

A total of **233 community** members were surveyed from the two villages of Poshera and Gonde. The hamlets of Damsewadi, Burangewadi, Fanaspada belong to the village of Poshera. The main hamlet of Poshera was also part of the village, and it is the largest hamlet in the village, hence the highest number of respondents have been included from Poshera. Poshera village has 16 hamlets/padas and 13 members including the *sarpanch*¹⁵ in the *panchayat*. It is a women-led *panchayat* and the *sarpanch* and *upsarpanch* are women.

¹⁵ [Gram Panchayat is a basic village-governing institute in Indian villages. It is a democratic structure at the grass-roots level in India. The head of the panchayat is called the Sarpanch.](#)



Since the village of Gonde received support related to irrigation and agriculture, and 15 farmers were practising agriculture on that line, only they have been included as per the sampling for the survey.

45% of the respondents were female and 55% were male. A purposive sample was used to reflect the experiences of women as most of the responsibility of collection of water fell on them.

Location of respondents (N=233)	
Poshera	31%
Damsewadi	24%
Burangewadi	23%
Fanaspada	16%
Gonde	6%

Table 2: Location of respondents

The average age of the cohort was 38.4. The highest number of respondents, 48%, were between the ages of 25-40, followed by 32% who were between the ages of 41-60.

29% of the respondents reported themselves to be illiterate, followed by 24% who had studied till class 10th and 21% who had studied till class 5 and 14% who had studied till class 12. 89% of the respondents were engaged in agriculture and 70% worked on their own farm. From the qualitative discussions it was found that the youth of the community were actively involved in agriculture.

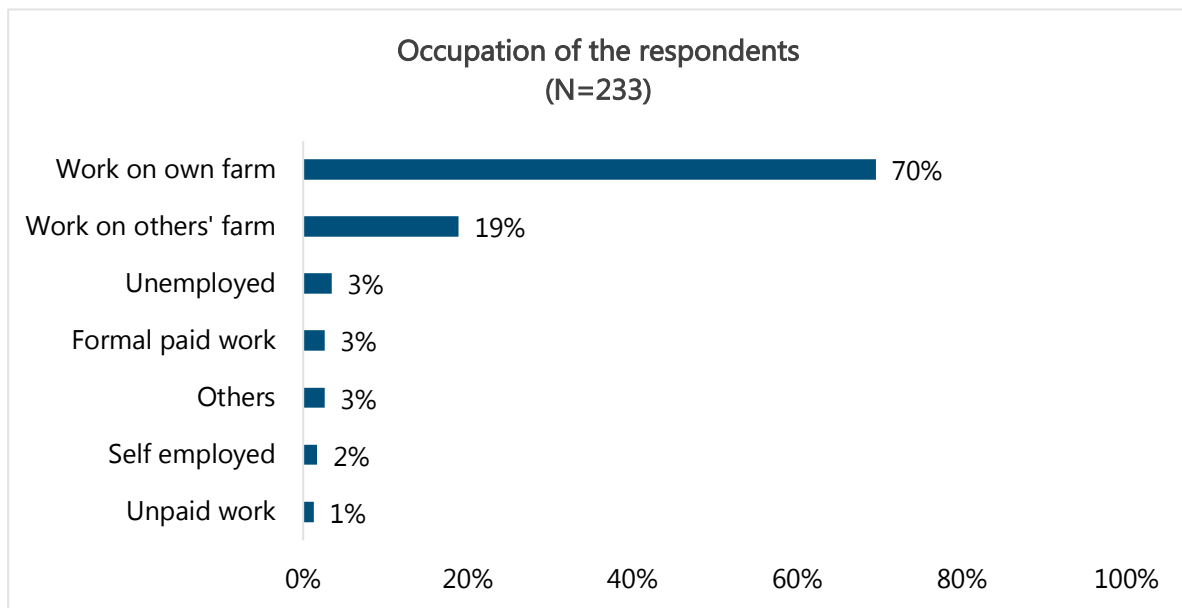


Figure 3: Occupation of the respondents

The average family size was 5.6, which is higher than the average of rural Thane which is 4.8¹⁶. The average number of children per family was 1.7 which is lower than the national fertility rate of 2.22.¹⁷

¹⁶ [Normal households by household size, Thane, Census 2011](#) (The census was undertaken in the year 2011, before Palghar district was separated from Thane in 2014)

¹⁷ [Fertility rates in India from 2009-2019](#)



The respondents predominantly belonged to the same region, i.e., 75% were native residents and 100% of the respondents owned the house they were living in. Many families were living in the project locations for many generations. 85% of the respondents had electricity as the primary source of light in their house and 15% were dependent on kerosene. 53% of the respondents owned cattle.

71% of the respondents had toilets in their household. 65% reported they always used the toilets they had access to and 30% reported they never used them. Before the intervention there was a very high incidence of water-borne diseases in the community.

4.3.2 Health profile

Moranda Primary Health Care (PHC) is the closest primary health care centre to Poshera and Gonde and is 20-30 minutes away. However, Poshera village also has a sub health centre within the village. More than half of the respondents (53%) reported that they travel more than 30 minutes to reach their nearest medical service provider, while 23% reported that they can reach their medical service provider after traveling for 20-30 minutes.

Almost half of the respondents reported that people in their households go for a health check only if they have an illness, while 20% reported that members of their family go for a health check-up twice a year. 18% reported that they go for a health check-up once a year, while 15% reported that members of their family go for a health check-up more than twice a year.

For menstrual hygiene, almost half of the women surveyed reported using sanitary napkins, and 44% reported using homemade cloth pads. However, 11% reported that they do not use any products.

It was evident from the survey responses that the incidence of COVID-19 was low in the community. Only 1 respondent reported a case of COVID-19 in their family.

4.3.3 Agricultural profile

48% of the respondents involved in agriculture worked on their farms alone and 33% worked with their family members or spouses. 19% were also able to employ people besides working on their farms by themselves.

As per Palghar's Comprehensive District Agriculture Plan (C-DAP)¹⁸, 89.74% of Mokhada's population is involved in agriculture as their main occupation¹⁹ which can be corroborated from the respondent sample in this study.

57% of the cohort reported they had been practising agriculture for more than 25 years and 13% reported to be practising for generations. 15% had been practising agriculture between

¹⁸ [Palghar's Comprehensive District Agriculture Plan \(C-DAP\)](#)

¹⁹ [Census of India, 2011](#)



2 to 10 years. Due to lack of income generation activities in the cities and towns, people had moved back to their villages to take up farming.

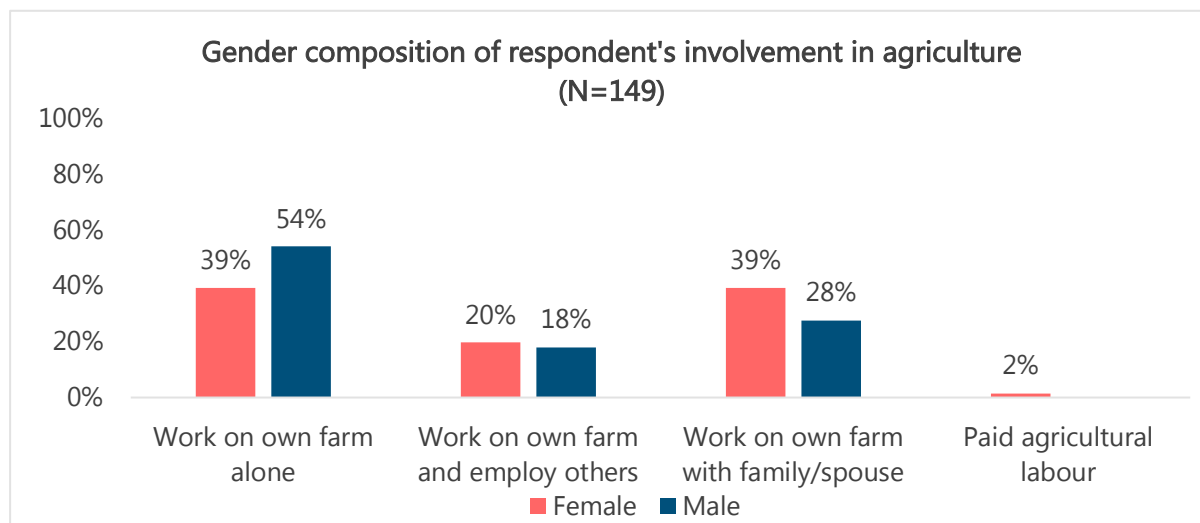


Figure 4: Gender composition of respondent's involvement in agriculture

Women were very active in agriculture in the community, 39% reported that they worked with their family members in their own farms and an equal number of women reported they worked on their own farms by themselves.

4.3.4 Economic profile

92% of the respondents reported they were below poverty line or yellow ration card holders. 6% reported they were saffron ration card holders and 1% reported they were white ration card holders.²⁰ Major expenses undertaken in the past year were reported to be due to health-related expenses and marriage expenses by 12% and 10% of the respondents, respectively. These were also the primary reasons for loan uptake in the last year.




11% of respondents had taken a loan in the last year. The primary cause for loan taken was for marriage expenses, taken by 42% of respondents. 23% had taken a loan for business expenses, 19% had taken a loan for health expenses. Despite 88% reporting that they have a bank account, 42% still reported that they took loans from informal sources without interest, and 31% from informal sources with interest. This aspect, along with 64% reporting that they did not undertake any major expenses may indicate a low amount of savings or disposable income along with lack of financial literacy.

²⁰ [In the state of Maharashtra, yellow colour ration cards are issued only to families who fall under the Below Poverty Line \(BPL\) category. Families having a yearly income of more than INR. 15,000 and less than 1 lakh can apply for the saffron smart ration card. Families having an annual income of INR 1 Lakh or above can apply for white smart ration cards.](#)



5. Key Findings

5.1 Efficiency of the Ecosphere programme

<p>Community mobilisation and awareness</p>	<ul style="list-style-type: none"> • 100% of respondents were aware of the project • 72% came to know about the project from DSF team members • Community members approached the DSF team to introduce water-related interventions in their villages 	
<p>Community participation</p>	<ul style="list-style-type: none"> • 90% of respondents performed <i>shramdaan</i> or donated their labour for the construction of project infrastructure • Construction of pipelines for Phase 1 of the project, which covered an area of 10.5km, was completed within a year, including pandemic-induced delays • DSF held frequent meetings with the community members to make the process participatory 	
<p>Technical assistance and maintenance provided</p>	<ul style="list-style-type: none"> • DSF provided training to youth in the community to clean the drinking water filter • The women of the hamlets have made a schedule among themselves to clean the tank provided for domestic water • Volunteers have been identified to manually switch on and shut off the solar pump as required 	

5.2 Effectiveness of the Ecosphere programme

<p>Access to water</p>	<ul style="list-style-type: none"> • 81% reported that pre-intervention it was extremely difficult to access water, whereas post the intervention 86% reported that they face no difficulties in accessing water • Pre-intervention only 3% reported that the distance from the water collection point was at a distance between 0-250M, whereas post the intervention, 88% reported that the distance of the water collection point is between 0-250M
<p>Challenges and time saved during water collection</p>	<ul style="list-style-type: none"> • Pre-intervention only 1% reported that it took them less than 10 minutes to collect water, whereas post the intervention 74% reported that it took them less than 10 minutes to collect water • Pre-intervention 83% said they experienced physical exhaustion during the water collection process, whereas post the intervention 89% said they experienced no challenges
<p>Perceived quality of water</p>	<ul style="list-style-type: none"> • Pre-intervention 46% reported that they thought water purification was highly required whereas post the intervention 70% reported that it was not required






Disease burden	<ul style="list-style-type: none">• Almost 50% did not report having any diagnosed diseases in the last 6 months while the remaining 50% reported having common illnesses• Extremely few cases of water borne diseases were reported in the last 6 months
Access to irrigation	<ul style="list-style-type: none">• Pre-intervention, 83% said they had no access to irrigation whereas 62% said they now have access to irrigation
Duration of access to irrigation availability	<ul style="list-style-type: none">• Pre-intervention, 15% reported that irrigation was available for 12 months, whereas 52% reported that irrigation was available for 12 months
Variety of crops grown	<ul style="list-style-type: none">• Pre-intervention crops such as rice, pulses, finger millets were grown whereas since the intervention crops such as cashew, jasmine, mango, groundnut are being grown additionally
Type of farming practiced	<ul style="list-style-type: none">• Farmers were mainly involved in subsistence-based cultivation, but DSF has introduced initiatives for group farming and cultivating horticulture crops for selling to larger markets. 33% of the famers reported they sold their produce in the local market and 17% reported they sold their produce to the APMC market
Migration status	<ul style="list-style-type: none">• Between 46-88% of those who reported migrating shared that they migrated during the non-monsoon season between December to April• 98% reported that their reason for migration was due to an absence of employment opportunities in the village



7. Efficiency Indicators

Qualitative and quantitative interactions and observations were conducted to evaluate the efficiency of the processes used to deliver Project Ecosphere. The following efficiency indicators were used to rate the mobilisation, delivery and overall quality of the processes followed, and to understand the future scope and sustainability prospects of the programme.

-  Highly efficient process
-  Satisfactory process
-  Process that needs improvement

efficiency of the processes used to deliver Project Ecosphere. The following efficiency indicators were used to rate the mobilisation, delivery and overall quality of the processes followed, and to understand the future scope and sustainability prospects of the programme.

7.1 Mobilisation and involvement of community in the project



100% of the community members surveyed reported that they were aware of the intervention. During qualitative interactions community members shared that they learnt of DSF’s work through residents of neighbouring villages such as Gumbadwada in Mokhada. The community members approached DSF with their needs. DSF also conducted multiple meetings with the villagers during the planning of the project to make the process participatory in nature. The placement of the drinking water filters and the community tanks/*houdhs* in every hamlet were decided by the community members in these meetings.



“We saw the work of Swaraj Foundation in the villages of our friends and relatives and we approached them as we wanted similar facilities at our own village. Our drinking water situation was very bad, women would queue from 2 am to collect water. We would like if more of our neighbouring villages get this benefit.”

-Community member, Poshera

72% of the respondents reported that they were made aware of DSF and the project by DSF team members, 49% learnt about the interventions from the other villagers and 31% learnt about the same from their village meetings.

The turnaround time for most of the lines was one and a half year from the planning stage to the final installation of the structures, in spite of pandemic-induced delays. The participatory planning process ensures a greater sense of ownership and responsibility towards the project adding to its success.²¹

²¹ [Effectiveness of Participatory Approaches, Asian Development Bank, 2004](#)

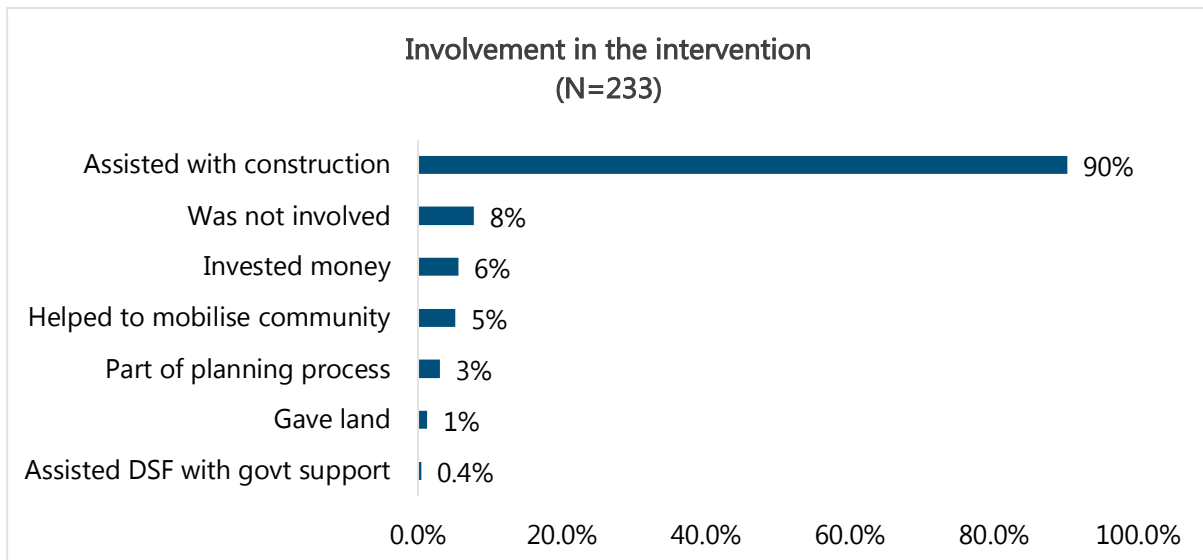


Figure 5: Involvement in the intervention

In the first phase of the project, the total length of the water pipeline was 10.5 km. Majority of the digging work for the trenches was supported by the community members, who donated their labour for the same by means of *shramdaan*²². 90% of respondents reported they helped with the construction work involved in the installation of the pipelines while some villagers also donated their private land to install the filter and community tanks in the village. In some areas, community members chose to pay for a JCB excavator to assist with the construction instead of using their physical labour, hence 6% reported they had spent money for the project.

The severity of water stress and the poor quality of water available previously had adversely affected community health and well-being. **94% reported they agreed that the intervention that been beneficial for them.** The benefits of the interventions related to agriculture had not fully been realised as one complete agricultural season had not been completed since the implementation of the project, however, as per qualitative discussions, the farmers expressed that they did not want to migrate after monsoon this year as there was water available and they would like to be in the village and farm during the non-monsoon months with the irrigated water available.

7.2 Involvement of other implementation partners for installation and construction of the structures



The various technical components of the ecosphere projects were²³:

- Solar panels for each line with an inverter
- Pump for each line attached to a floater
- Tanks for the lifted water in each line at the source

²² *Shramdaan* refers to voluntary contribution of physical effort for the benefit of one's community

²³ A technical assessment of programme infrastructure was not conducted by Samhita.



- Water filtration unit and taps in the hamlets provided with water for drinking purpose
- Community tank/*houth* in the hamlets provided with water for domestic purpose
- Water tank in the hamlets provided with water for drinking and domestic purpose to hold the lifted water
- HDPE sheet lined tank on farm land to store irrigated water
- Pipelines laid for the project



Image 2: Floaters attached to the water pump



Image 3: Solar panels for line 5, Poshera

As per table 1, we observe that there are 6 water lines functioning at present. The team from Avesta Solar was involved in the successful installation of the solar related structures, despite all odds posed by the rocky terrain of Mokhada and absence of immediately accessible electricity connections at the installation sites.

Avesta Solar were the joint implementation partners for the project along with DSF and were involved since the inception of the project. They conducted the initial baseline study with DSF to map the needs of the community. The efficiency and sustained functioning of such a solar power-based water pump project is dependent on the quality and longevity of the solar structure and involvement of a technically sound organisation with expertise in solar power.

Masonry work for construction of the community tanks was outsourced, and the solar structures were installed by Avesta but all other construction was done by the community members. SkyJuice Foundation²⁴ an Australia-based non-profit provided the water filtration unit for drinking water. The filter provides 10,000 litres of water per day and uses ultra-filtration technology which is more efficient than RO-UV filters, as these filters have very less water wastage and are provided with a 10-year warranty.

²⁴ [SkyJuice Foundation is an Australian non profit providing water solutions for humanitarian projects and disaster relief.](#)

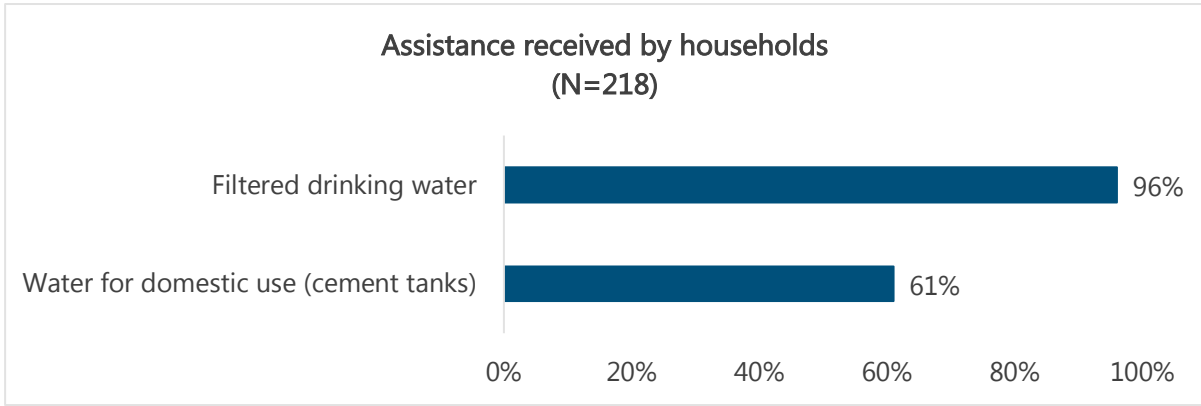


Figure 6: Assistance received by households

96% of the respondents reported that they were using water for drinking from the filter installed by DSF and 61% reported that they were using water for domestic use from the cement tanks/*houdhs* installed by DSF.

7.3 Training of community members for maintenance of the system



DSF provided training to a few youths from each hamlet to clean the drinking water filter. The community members maintained a logbook to keep a record of when the filter was cleaned. On line 5, in the Poshera main village, the water released after cleaning the filter was used to grow vegetables like okra, thus reducing wastage.

The women of the hamlets had made a schedule to clean the tank provided for domestic water (*houdhs*) and were guided by DSF about the cleaning process. This cleaning took place every 4-5 days. The team also trained farmers to manually operate the solar pumps as per water requirements. At present the pump has to be manually switched off when the full capacity is reached.

7.4 Support provided to farmers



DSF provided farmers with seeds/saplings to encourage them to cultivate crops to sell to a larger market. The lack of water availability for agriculture post monsoons had restricted the community in doing so and they were also restricted in their knowledge regarding the type of crops which could be grown on a larger scale in the region.

During the survey, 48% of the respondents reported they received seeds/saplings for agriculture and water for irrigation. 24% reported they received agricultural training and 6% reported they received the HDPE sheet-lined tanks dug in the soil in their farmlands to store the irrigated water. 1% reported to have received help with developing market linkages.

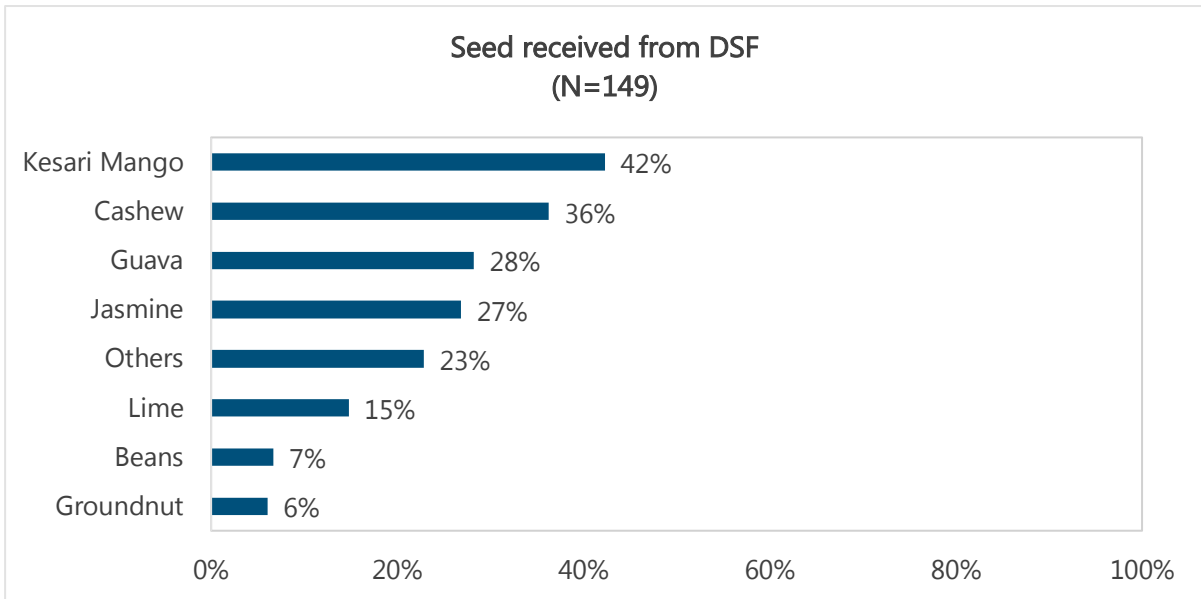


Figure 7: Seeds received from DSF

DSF's knowledge partner IIT Bombay made recommendations regarding crops which would be agro-climatically suited to be grown in the region. The seeds and saplings were mostly sought from the Konkan division of the Krishi Vigyan Kendra and a nursery has been sanctioned on line 3 by the agricultural department so that the farmers are able to grow their own seeds and saplings.

Kesari mangoes were grown in the area, and DSF encouraged more farmers to grow the same along with the cultivation of jasmine buds. They are currently being sold to markets in Nashik and Mumbai. Jasmine buds need to be plucked daily and are labour-intensive but provide good returns around INR 800 per kilogram. Saplings for trees like cashew were provided as they take a longer time to grow and can provide monetary returns in the long term. Guava was chosen as another crop as it has a shorter flowering time of 20-28 weeks and can give faster returns.

Crops like groundnut and chili were chosen as they required a shorter cultivation time (90-100 days in kharif season for groundnut and 75 days for chillies). These two crops were common to farmers practising group farming. Since the direction of the pipeline was pre-decided, not all farmers close to a given line of water had direct access to the irrigation. Some farmers collectively grew crops for sale on land with access to the irrigation in groups.

Cultivating crops for sale in large groups can enable them to sell larger quantities at a given time, share profits and also share the burden of expenses such as transportation.



Image 4: HDPE sheet lined houth on line 1, Poshera



Image 5: Chilli plantation on line 5, Poshera

Group farming as a practise has been adopted by farmers in an around Mokhada. Common crops for group farming are bitter gourd, onions, amaranth leaves and jasmine flowers among other vegetables. Some farmers are also engaged in sericulture.²⁵



“Due to plantation activity and irrigation people have to stay back to look after the farms, this will help in providing employment opportunity in the village”

- ZP teacher, Poshera

DSF had facilitated the formation of a farmer producer organisation (FPO) based in Mokhada’s agricultural market, to further strengthen the farmers with market linkages so that they could fetch better prices for their produce.

Apart from the above interventions associated with the intervention, DSF also provided a speaker to the *Zilla Parishad* school in Poshera which enabled classes to be broadcasted during the lockdown so that children’s learning could be enabled. They distributed cloth sanitary pads to women and girls within the community as well.

7.5 Role of technology in sustainability of the programme



The design of the solar structures and the efficiency of the filtration unit are the key components of the sustainability of the project. More than 100 solar micro irrigation and

²⁵ [Group farming in Maharashtra, DNA, 2017](#)



drinking water related projects in the district of Palghar are defunct due to irregular maintenance and failure of the solar structures which are at the core of the intervention.

The regular preventative maintenance done as by Avesta and the appointment of a company representative within close proximity to the site is useful for the same. The promptness of the response by Avesta's representatives was appreciated by community members as they were able to access the site within 24 hours.

The water filtration unit provided with the tap providing drinking water was provided by the Australian non-profit Sky Juice foundation. This filters the water at the source and works using an ultra-filtration mechanism. Community members reported that post the intervention their dependency on water filtration had reduced.

8. Effectiveness indicators

8.1 Availability and access to drinking water:

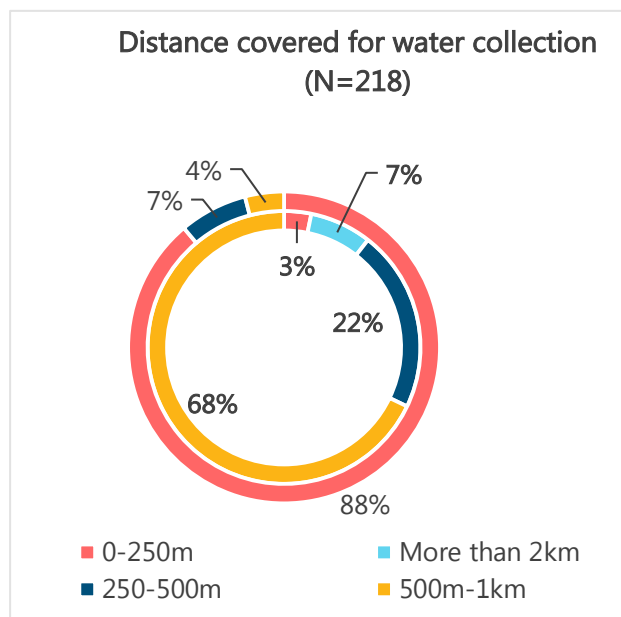


Figure 8: Distance covered for water collection

Distance from water collection point reported as 0-500m (N=218)

Hamlet	Pre intervention	Post intervention
Burangewadi	34%	100%
Damsewadi	16%	100%
Fanaspada	25%	100%
Poshera	25%	86%

Table 3: Distance from water collection point reported as 0-250m

In Figure 8, the outer circle represents the distance travelled during the evaluation period (during the evaluation period implies as of September 2021) and the inner circle represents the distance travelled before the intervention. The filtered water taps for drinking water and the community tanks (*houdhs*) for water for household purposes was given to four hamlets in phase one of the project: Poshera, Fanaspada, Burangewadi and Damsewadi.

Overall, 68% reported that the distance of the water collection point used to be 500-1KM, and after the intervention 88% had reported that the distance is 0-250M. A higher percentage of 95% reported that the distance of the water collection point was between 0-



500M during the evaluation period, while before the intervention this was reported by only 25%. This reduction has been reported across all 4 hamlets, with those in Damsewadi and Fanaspada reporting the greatest decrease in distance travelled. 13% of respondents from Poshera village reported that the distance of the water collection point was between 500M-1KM for them during the evaluation period. The potential reason for the same could be that Poshera is the largest hamlet and at present 4 *houdhs* are spread across the hamlet but there is only one water filter which is located at more than 250 metres from the households on the fringes of Poshera. As part of the programme a second water filtration unit is to be installed in Poshera, however the installation was pending at the time when this study was conducted. Hence, water collection points introduced through the intervention are at a substantial distance from some households within the hamlet.

The level of difficulty reported during water collection has also reduced after the intervention as 86% reported that they face no difficulties, while before the intervention 81% reported that they found the process of collecting water extremely difficult.

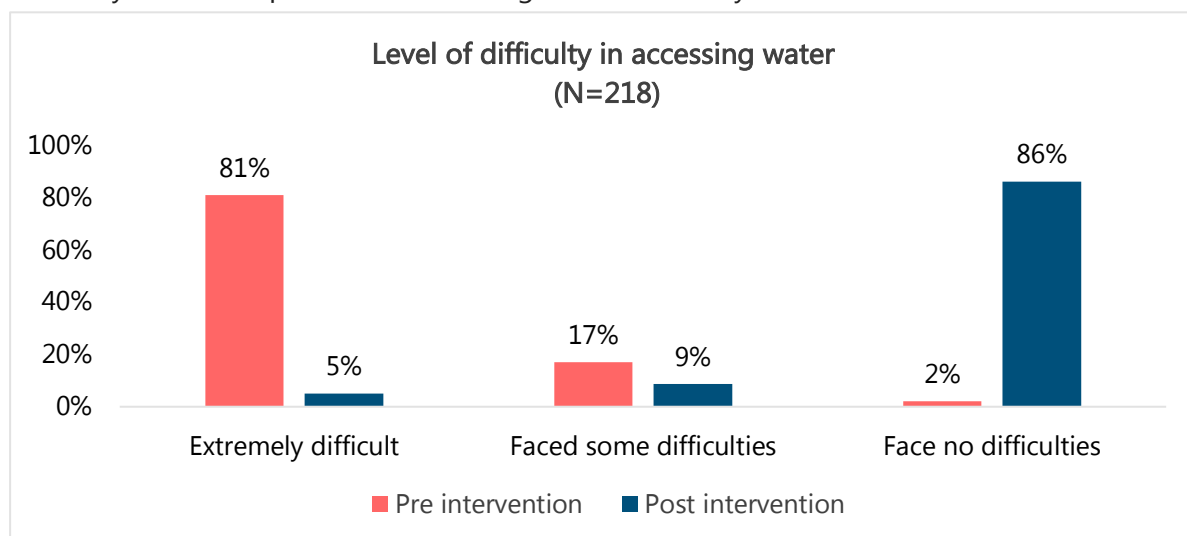


Figure 9: Level of difficulty in accessing water

The time taken to collect water had also reduced with the reduction in distance. During the evaluation period 74% reported that it took them less than 10 minutes to collect water, whereas 63% percent had reported it took them 30 minutes to 2 hours to collect water before the intervention. This duration was reported for only a single trip, however on a daily basis 3-4 trips were made to collect water by an individual. Hence on average an individual would spend around 1.5-2 hours per day while collecting water before the intervention.

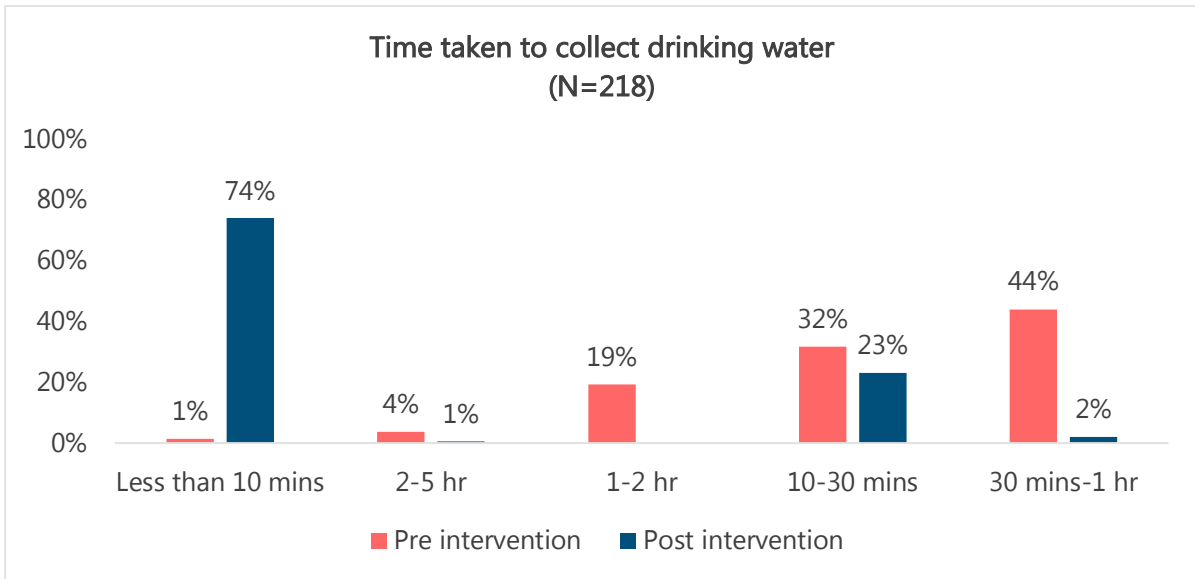


Figure 10: Time taken to collect water



"We would go to fetch water around 3 am, and stand in line. Daily one would have to go 3-4 times to fetch water. If guests or relatives are at home, we might have to go 7-8 times as well!"

- **Women community member from Poshera**

The responsibility of water collection for domestic and drinking purposes disproportionately falls on women, female youth and children, especially in rural India. This burden is significantly heightened during times of limited water availability²⁶. Often having to make multiple trips to fetch water in a day, women and girls often do not have a choice but to give up on their education and income earning opportunities so that they are able to provide sufficient water for their families. 96% of respondents from reported that the collection of water was undertaken by the adult women of the household, followed by the female child.

²⁶ [India's water crisis: It is more acute for women, Down to Earth, 2021](#)

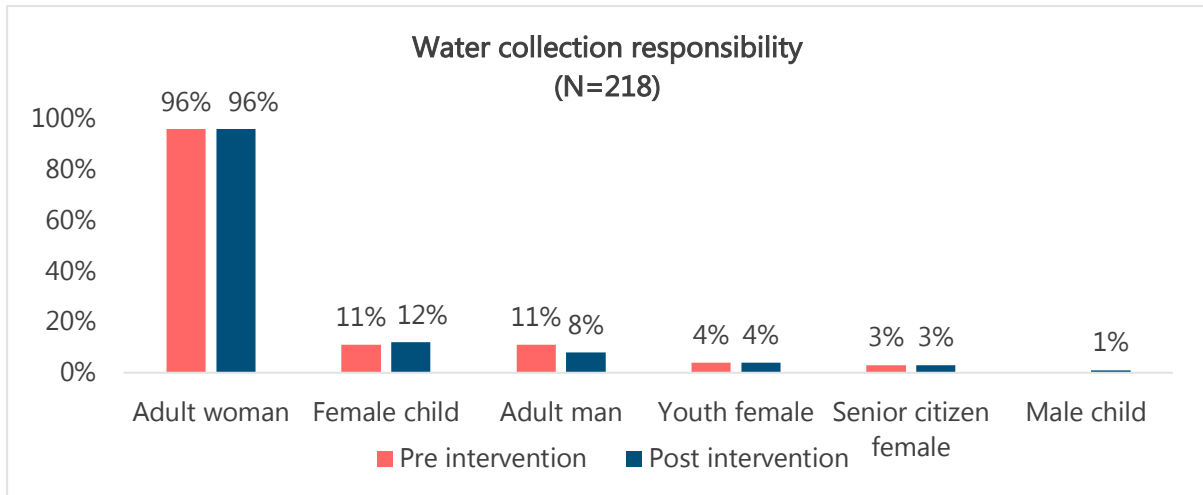


Figure 11: Water collection responsibility

In addition to this, women and girls also face safety risks such as the threat of rape, and absence of accessible sanitation facilities during their journey for water collection²⁷. A systemic review of 42 studies conducted in Low and Middle Income Countries (LMICs) (including India) by BMJ Global Health in 2018 found that those collecting water faced both direct and indirect impacts of the activity. Direct impacts in the form of tiredness, exhaustion and pain are experienced and indirect impacts in the form of health risks for their unborn children and abuse during their journeys²⁸.

Since the intervention, community members reported that a lot of time was saved and they were able to use that additional time to spend with their children and focus on their education. 52% reported they were able to utilise this time saved for sleeping and resting. During focus group discussions the women from the community shared that before the intervention they had to fetch water from 2 AM onwards on a daily basis, after which they had to attend to household chores and work on their farm. During the evaluation period they also reported being able to devote more time to farming from the additional time saved.

²⁷ [How women suffer the most from water stress, Mint, 2016](#)

²⁸ [Is water carriage associated with the water carrier's health? A systematic review of quantitative and qualitative evidence, BMJ Global Health, 2018](#)

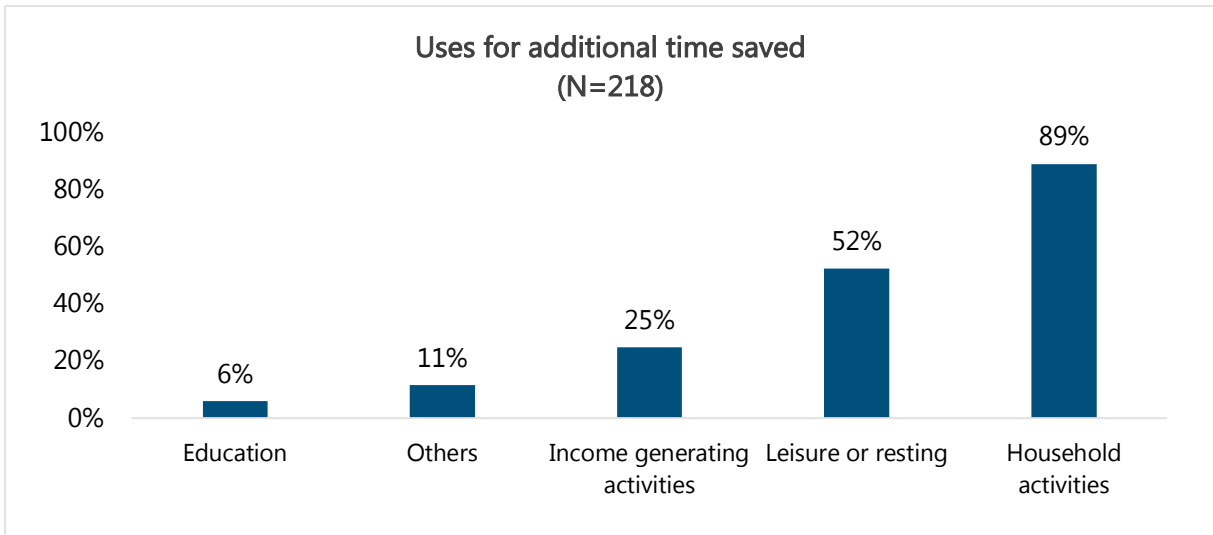


Figure 12: Usage of additional time saved



"Earlier all our time used to go in worrying about water, we had to go at nights or early morning to fetch the water. Now we can sleep peacefully as we can get water at any time of the day"

- Woman community member from Burangewadi



"15 days after delivery women had to start going to fetch water, now this filter and houth is such a relief to the women."

- Woman community member from Damsewadi

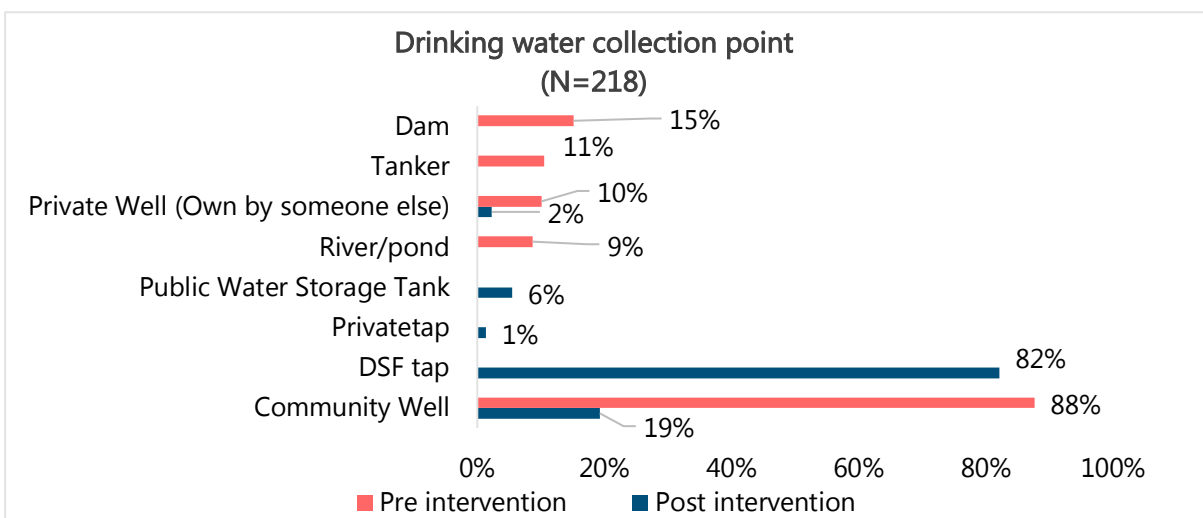


Figure 13: Drinking water collection point



As per a 2012 IIT Bombay report²⁹, an uncovered well has been the source of water for 78% of Mokhada's population. At present, community members have shifted from community wells to the filtered water tap provided by DSF to collect drinking water. Before the intervention they accessed drinking water from multiple sources including community wells, dam, tankers, river, private wells, but after the intervention 82% only used the tap provided by DSF to for drinking water.



"It has become so convenient now, when going to work on the farm, everyone can just fill a water bottle and carry with themselves. Earlier it was very hard to find drinking water near the farm. Many times, people would dig small pits in the soil and if they found some water, drink it directly. This is making people fall sick."

- Woman community member from Damsewadi

During the evaluation period, community members reported that the DSF *houdh* is more accessible, and that they have shifted from using community well to the *houdh* to collect water for household purposes. However, 23% were also using the community well to access water. Similar to the situation for drinking water, community members were using multiple sources to collect water for domestic use such as dam, river, well and tankers. The Wagh dam was built in 1998 but there have been no schemes to lift water and provide to the nearby villages before Project Ecosphere.

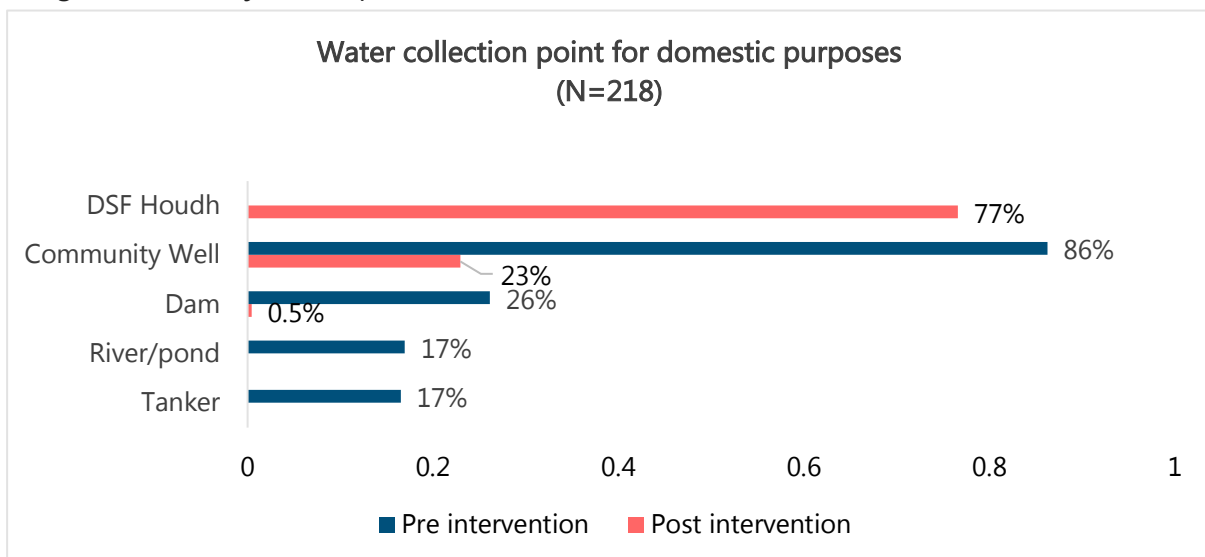


Figure 14: Water collection point for domestic purpose

²⁹ [Centre for Technology Alternatives for Rural Areas \(CTARA\), IIT Bombay, 2012](#)



“There is a massive tanker lobby here. There are 60 plus piped water connection schemes but only 2 are working at the moment.”

- DSF Team member

Respondents reported a shift in the adequacy of water availability before and after the intervention. Before the intervention, 90% reported that the water available for drinking and domestic purposes was less than required, while 97% reported that since the intervention the water available to them was as much or more than their requirement.

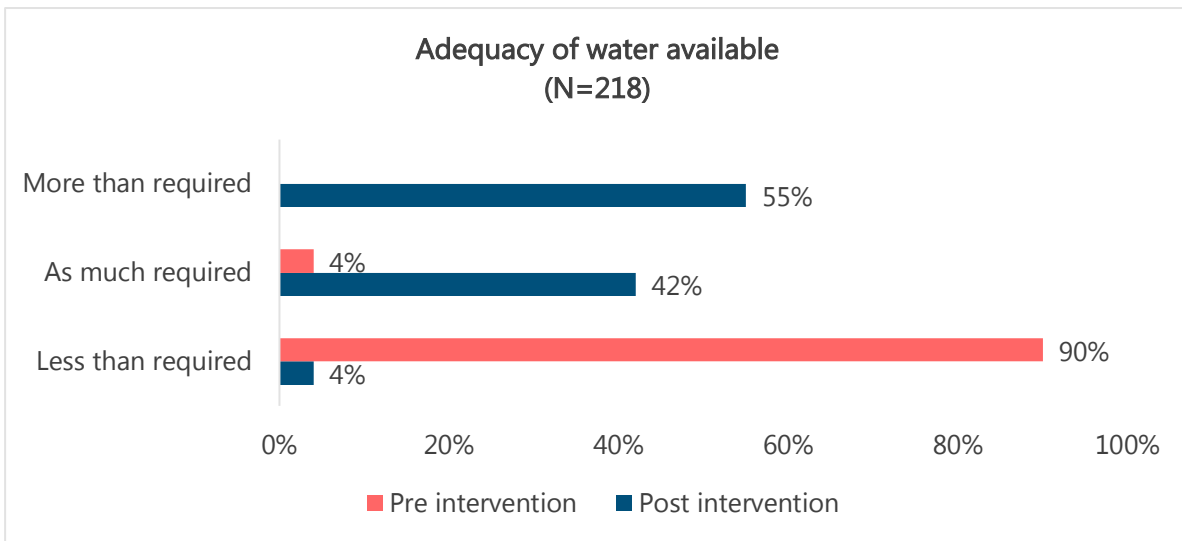


Figure 15: Adequacy of water available

The programme aiming at improving accessibility of water has reached 80% of the sample surveyed as they reported that the drinking water available from the DSF tap met their requirements (i.e. was more than or as much as required).

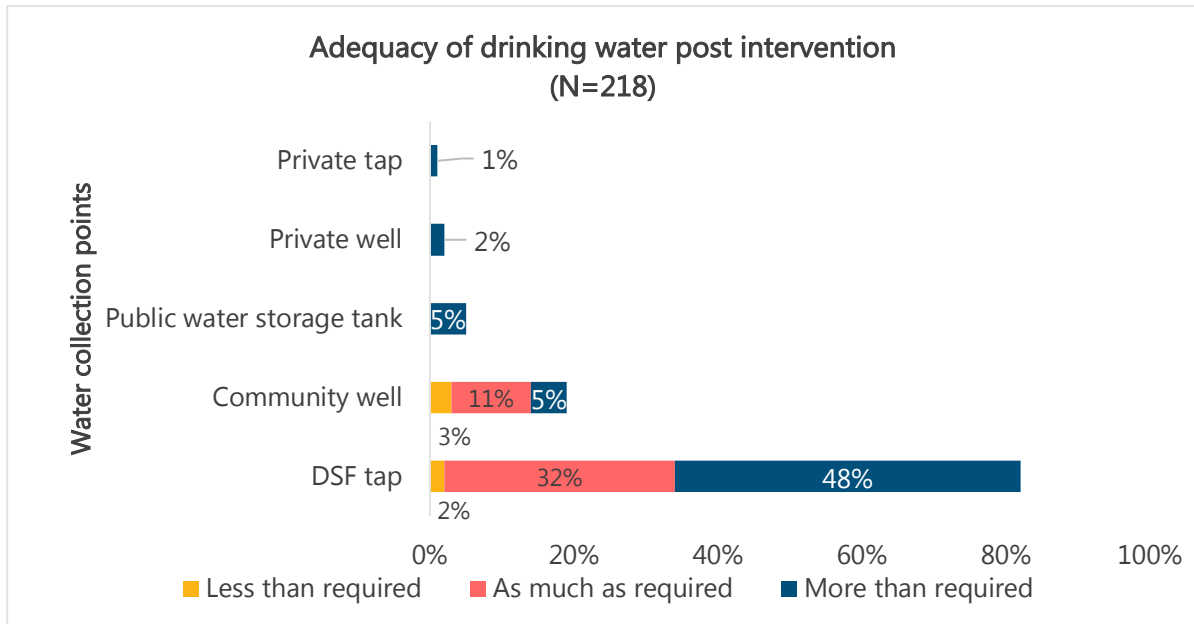


Figure 16: Adequacy of drinking water post intervention

73% collecting water for domestic purposes from the DSF *houdh* reported that the quantity of water available met their requirements (i.e. was more than required or as much as required). However, 4% of those collecting water from the DSF *houdh* reported that the water available for domestic purposes is less than what is required.

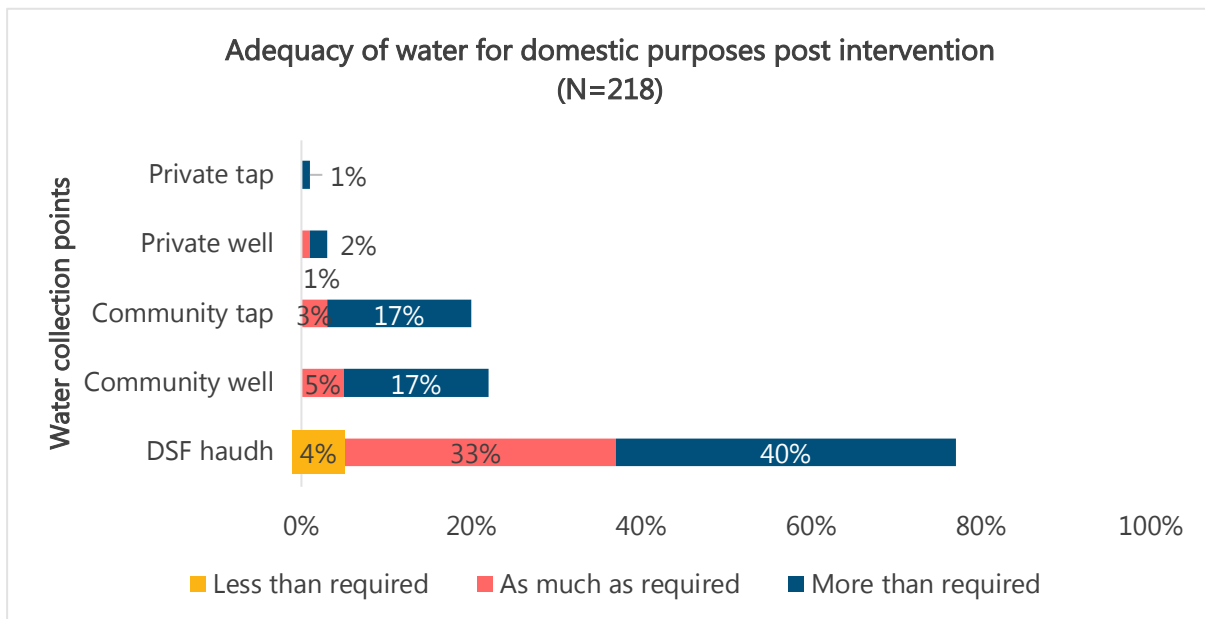


Figure 17: Adequacy of water for domestic purposes post intervention

83% of respondents reported that during water collection, physical exhaustion was one of the challenges they experienced. Additionally, they reported that due to the strenuous water collection process they used to experience knee pain, back pain, chronic joint pain, and many reported that as a result of the time taken for water collection, they had limited time to carry out household work and other activities. Since the intervention, 89% reported that they do not face any challenges during water collection. While before the intervention, 2% reported



that their children had to drop out of school as a consequence of the water collection point being at a considerable distance, since the intervention none of the respondents reported any such dropouts owing to children getting engaged in water collection for household needs.

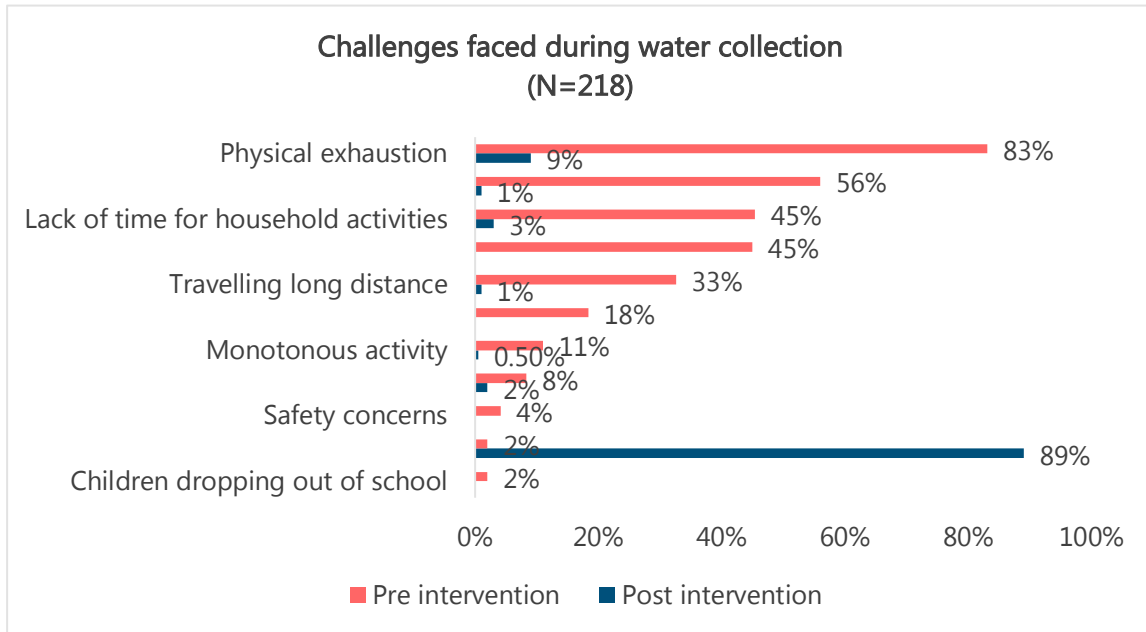


Figure 18: Challenges faced during water collection



“There have been many difficulties while collecting water in the past, women have gotten insect bites and body pain which is common. Unfortunately, a couple of women have slipped and died in the process of collecting water as well.”

-Sarpanch, Poshera

Before the intervention 46% of respondents reported that purification of water for drinking purposes was highly required, whereas after the intervention 70% respondents reported that purification of water for drinking purposes is not required. After the intervention, 28% of respondents still reported that purification of water for drinking purposes is still required.

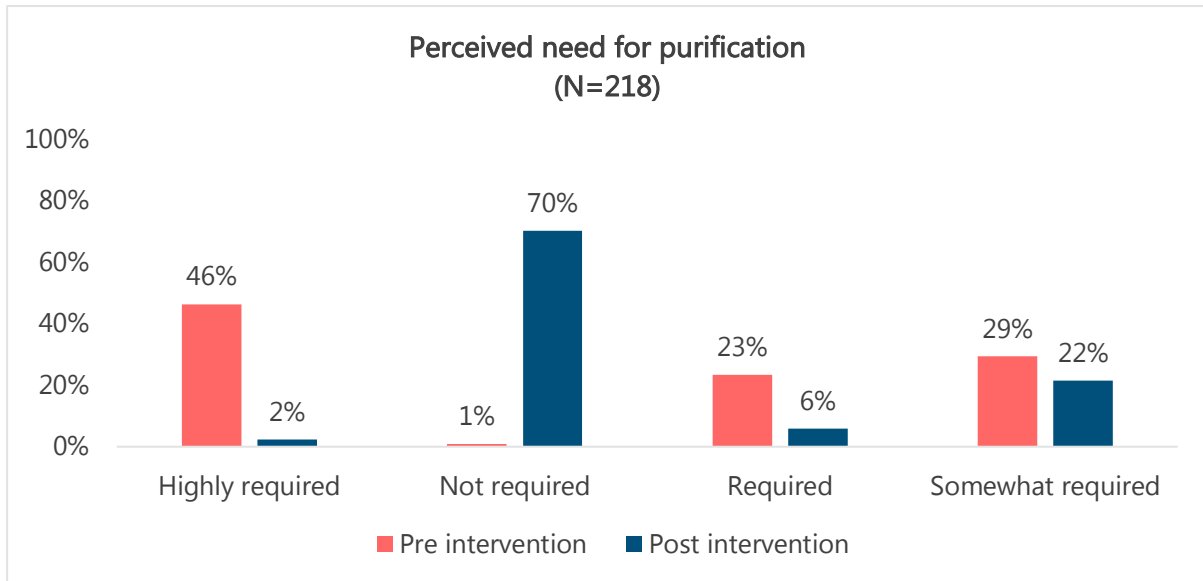


Figure 19: Perceived need for water purification

The collection point for drinking water has influenced the extent of purification required as can be seen in the graph below. Since the intervention, 65% of those collecting drinking water from the DSF tap have reported that purification was not required, while 17% collecting water from the DSF tap have reported that they believe that purification is required at varying degrees. Some community members reported they used alum to purify drinking water.

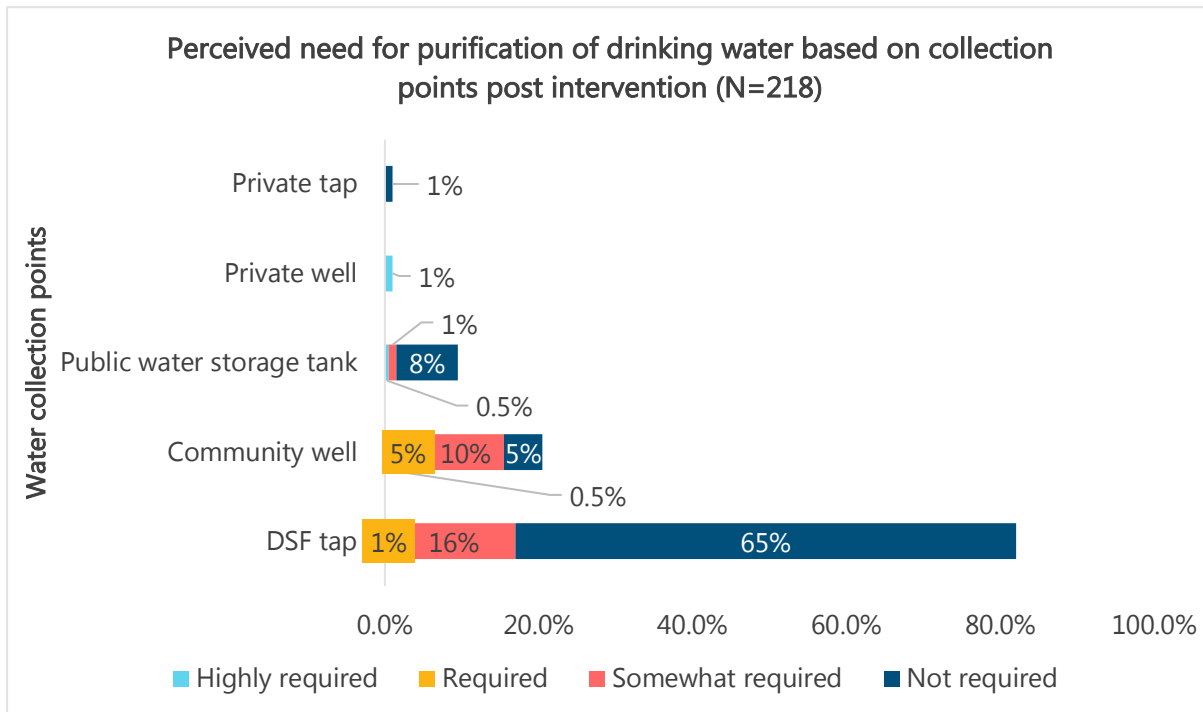


Figure 20: Perceived need for purification of drinking water post intervention

During on-field interactions, the panchayat shared that they provide Mediclors (a chlorine-based water disinfectant) drops during the monsoon season to community members for



them to purify their drinking water. However, due to its bitter taste people were reluctant to use it, that led to the incidence of water-borne diseases.

Water purification methods commonly reported to be in use before the intervention were the use of chemicals such as aluminium 'alum', chlorine, bleach (69%), straining of water using a cloth (65%) and boiling of water (32%)- all of which were water purification methods typically found to be in use in rural areas³⁰.

Before the intervention only 3% of respondents reported that they do not use any water purification methods, while after the intervention 66% of respondents are reporting that they do not use any purification methods. A decrease in the usage of all purification techniques in the present compared to before the intervention can be seen. As the tap provided by DSF for drinking water had a filter attached to the source in qualitative interactions with the community members, they reported that they did not feel the need to purify the water to drink and most consumed it directly.

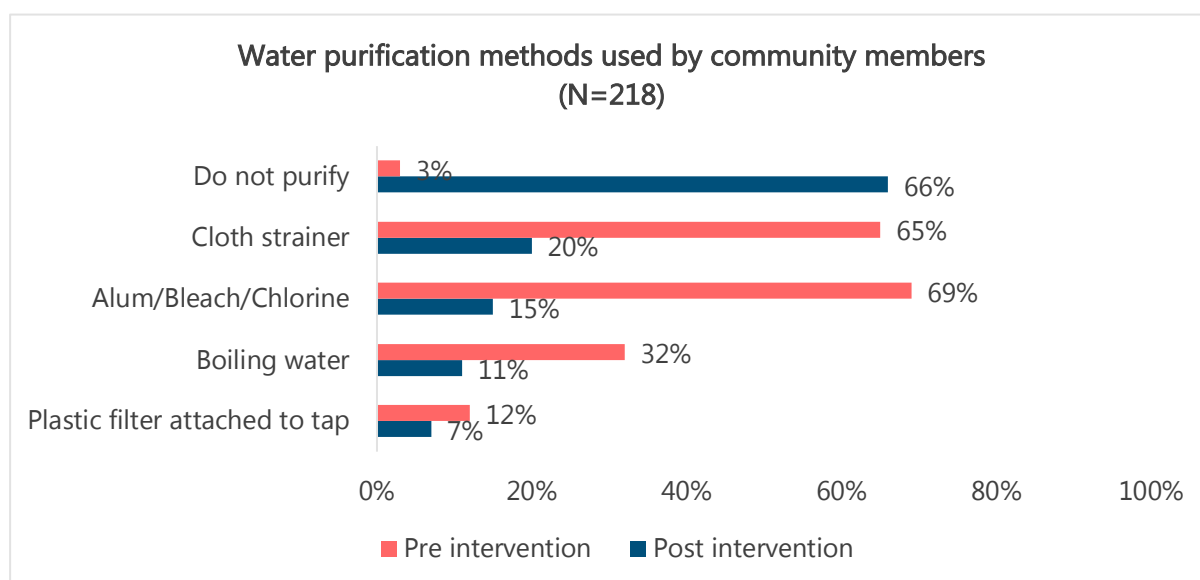


Figure 21: Water purification methods used by community members

Due to a variety of factors surrounding water collection and sanitation practices, a high prevalence of water borne diseases such as typhoid, cholera, diarrhea, and hepatitis were seen in Palghar district³¹- especially during the monsoon season³². In order to understand the prevalence of water borne and other diseases since the introduction of the intervention,

³⁰ [A review of traditional water purification methods used in rural areas, Indian Journal of Environmental Protection, 2016](#)

³¹ [Maharashtra arms itself for war against virus during monsoon, Outlook India, 2020](#)

³² [Waterborne diseases claim 30 lives, affect over 6,000](#)



respondents were asked to report the diseases with which they had been diagnosed in the last six months, as well as those that their children had been diagnosed with³³.

More than 50% of respondents reported that they had not been diagnosed with any diseases in the last six months, while 46% reported that they had been diagnosed with common illnesses such as common cold, flu, coughs etc.

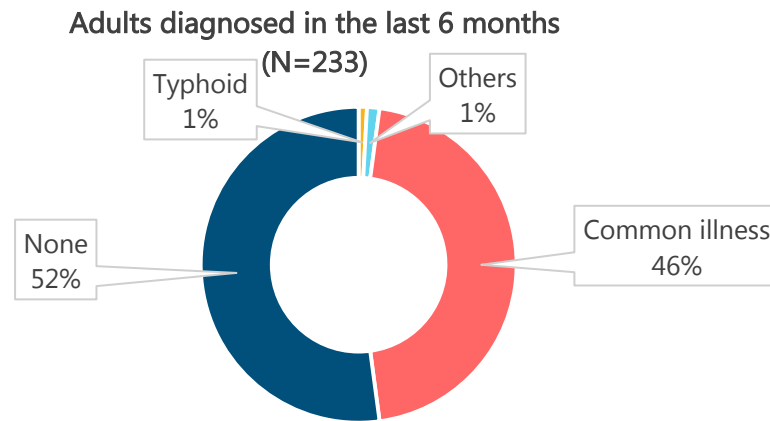


Figure 22: Adults diagnosed in the last 6 months

Parents of children surveyed reported that 44% of their children were not diagnosed with any diseases in the last six months and 56% were diagnosed with common illnesses. During on field interactions health workers and community members also reported that they have seen a huge decrease in the number of waterborne diseases since the intervention, especially during the monsoon season.

Due to the poor quality of water, water borne diseases and skin disease were rampant in the community. During the monsoons, the panchayat would provide Mediclors and some cleaning agents to have clean drinking water, however those interventions were not sufficient to prevent diseases. In the summer wells would dry up and people were forced to use river water, which would be contaminated as cattle would bathe there and that also led to spread of diseases.



"There used to be extremely high prevalence of water borne diseases every year, but this year we can clearly see the difference. Very few people have fallen sick due to waterborne diseases. I would say its zero."

-ASHA worker

³³ Respondents were not asked about the diseases they had been diagnosed with before the intervention due to memory biases that have been found to limit accurate recall ([Answering autobiographical questions: The impact of memory and inference on surveys. Science, 1987](#))



"We are able to grow more leafy greens and vegetables now, due to abundance of water, it is not just farming for sustenance. This is good for our health as well, as we are getting better nutrition now."

Woman community member, Burangewadi



8.2 Livelihood and migration status

During focus group discussions with community members, they shared that in addition to seasonal migration many families have members who stay in the village but travel to nearby cities such as Thane on a daily basis for daily wage labour.

79% of survey respondents reported that they stay within the village throughout the year, 17% reported that they migrate for a few months every year for their livelihood, while 3% reported that they migrate outside the village for the entire year for their livelihoods.

Of those that migrate outside the village, 98% reported that they do so due to a lack of employment opportunities in the village. 25% reported that their reason for migration is due to the seasonal nature of the agriculture in the village and 6% reported their reason is the low agricultural returns.

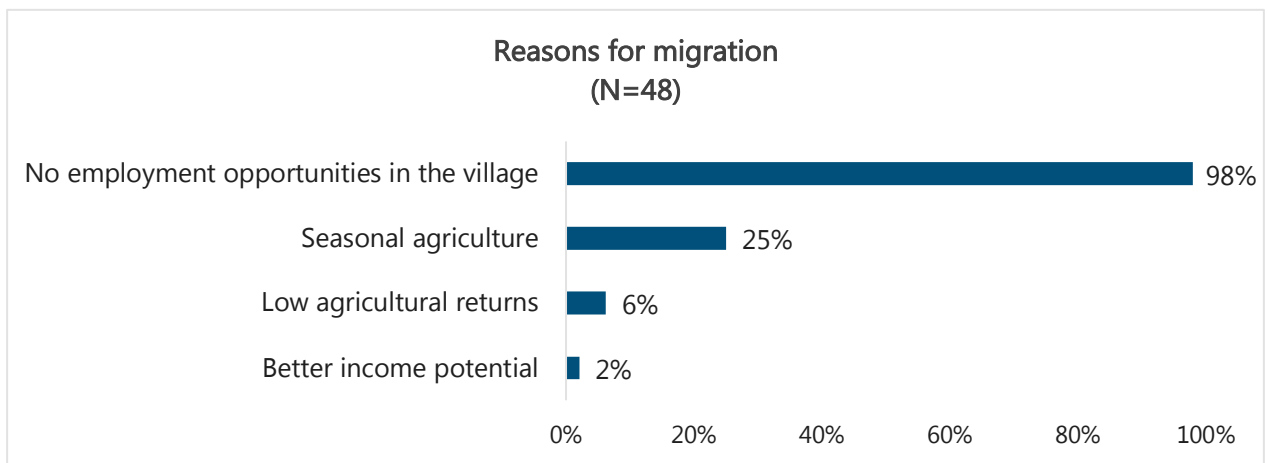


Figure 23: Reasons for migration

Due to water stress, which is prominent during non-monsoon months, communities in Mokhada face severe hardships and risks on a daily basis in order to fetch drinking water and domestic water for their families on a daily basis. There was also insufficient availability and access to water for irrigation purposes during non-monsoon months thus farmers have been unable to grow crops in more than one season. 89.74% of Mokhada's population is involved in agriculture as their main occupation, of which 60.38% work as agricultural labourers. Thus, during the non-monsoon months a large proportion of those with agriculture as their main occupation have no choice but to migrate outside Mokhada in order to support themselves and their families³⁴.

Migration patterns reported by respondents were similar to the larger trends³⁵ mentioned above, with more than 38% of respondents reporting that they migrate during non-monsoon seasons starting from December and continuing till May. More than 80% of respondents reported that they migrate away from their village between January to March,

³⁴ [Migration at peak in parched Maharashtra villages, DNA, 2019](#)

³⁵ [Palghar District Disaster Management Plan, Government of Maharashtra, 2020-21](#)



while the least number of respondents reported migrating immediately before and during the monsoon season between June to September.

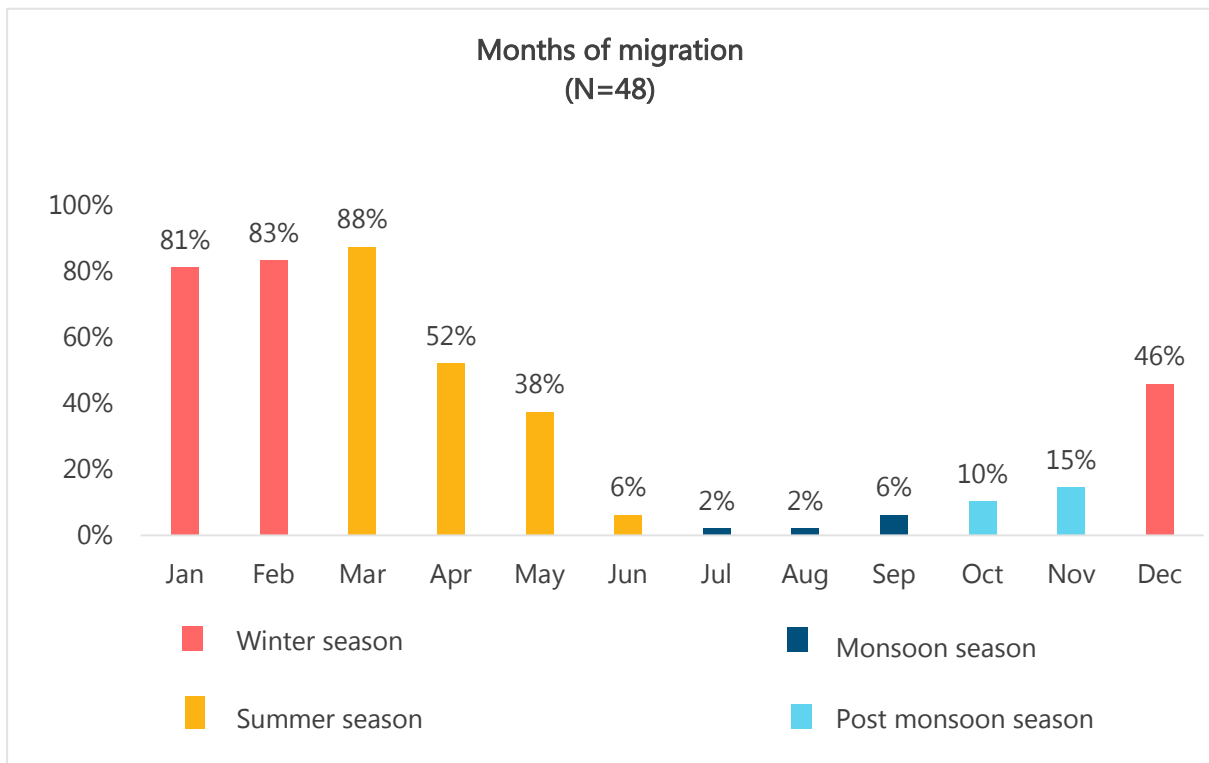


Figure 24: Months of migration



"Not all members of a family would migrate sometimes only 1-2 members would migrate. A lot of times people just travel daily to big cities and come back at night. It is very difficult. You spend INR 60-100 on travel and you may earn INR 250-300 per day. But sometimes they will not pay you and you end up spending more than you earn in one day."

Community member, Poshera

The overall community of farmers in Poshera and Gonde have not experienced one full year of practicing agriculture i.e, experiencing monsoon and non-monsoon months with access to irrigation, agricultural training, saplings/seeds provided by the intervention. It is likely that any changes in farming outcomes as well as changes in migration patterns will only be visible at a minimum completion of one year of the intervention. Post the completion of six months of the intervention respondents have not reported any changes in their migration patterns. However, during focus group discussions with farmers of the communities, many farmers reported that they were considering the possibility of utilizing the irrigation made available to them during non-monsoon seasons for cultivation instead of migrating for work in the year 2021 itself.



8.3 Agricultural and irrigation status

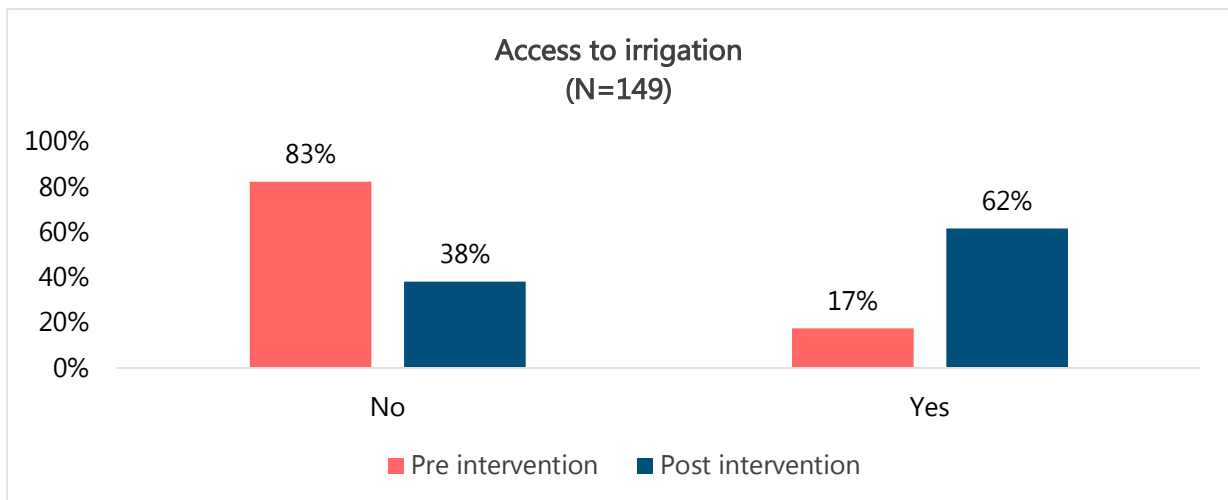


Figure 25: Access to irrigation

Farmers in Poshera, were dependent on rainwater for irrigation thus were restricted to cultivating during a limited period. In Gonde, many farmers had access to irrigation in non-monsoon months but they used diesel water pumps which led to unaffordable electricity bills.



"Diesel pump for electricity would cost between INR 500-INR 2000 for a single use. It is very helpful that we can avail water free of cost even after monsoon this year."

-Farmer from line 2 in Gonde

Before the intervention, 83% of the farmers surveyed reported they did not have access to irrigation, however at present 62% reported that they were able to access a form of irrigation besides rainwater. 38% have reported they are unable to access any irrigation besides rain water, however some of them might be practising group farming, as the route of the lift irrigation pipeline is fixed and may not personally reach every farm, but multiple farmers can reap benefits of the intervention. Some farmers are cultivating crops on other's land and will be paying them some form of rent.



"I do not receive the pipeline water in my farm, I am currently farming on my friends farm. We have not decided how I will be paying him rent, it will most likely be a combination of cash and the produce we grow. We are waiting to harvest the crop in November and then we will come to an agreement about the payment."

-Farmer from Poshera

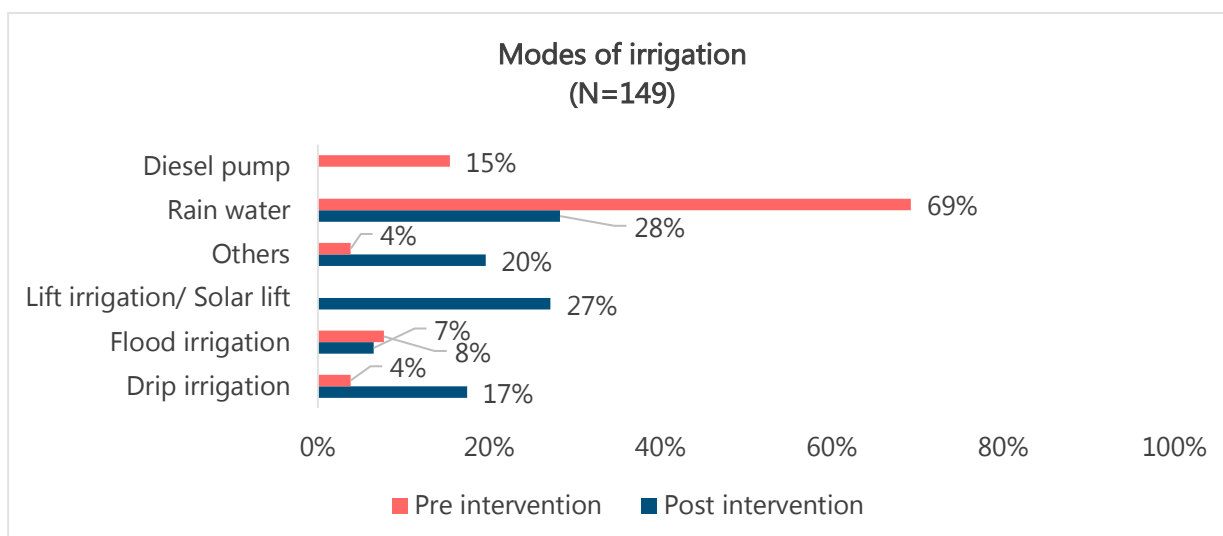


Figure 26: Modes of irrigation

69% of the farmers depended on rainwater for irrigation before the intervention and at present only 28% are depended on rainwater for irrigation. In the present, 27% are using the water from the lift irrigation as their mode of irrigation, and 17% are using drip irrigation. 15% reported the usage of diesel pumps for irrigation before the intervention, while none have reported using diesel at present.

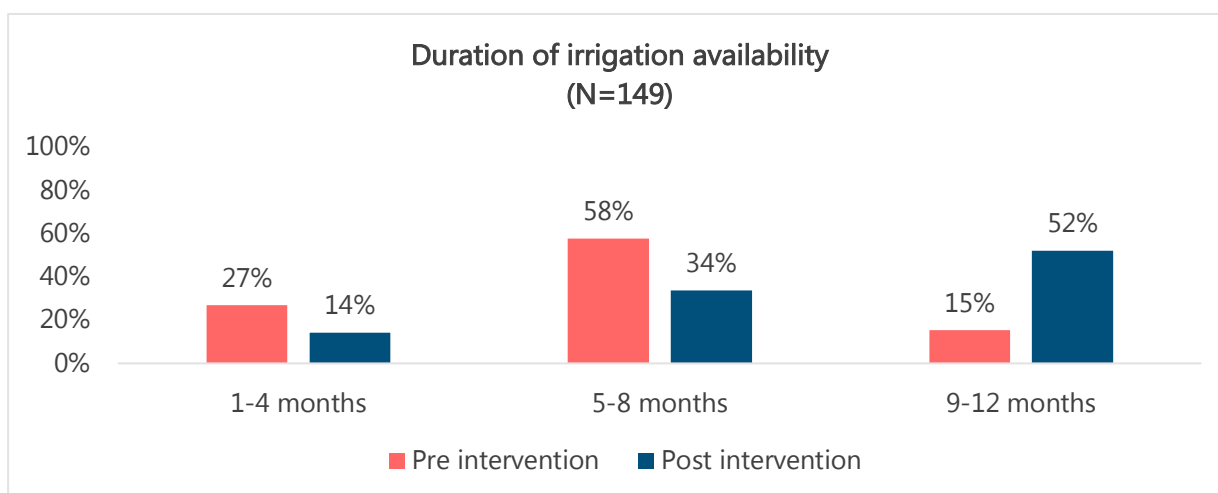


Figure 27: Duration of irrigation availability

Before the intervention, the average availability of irrigation was reported as 5-8 months by 58% of respondents. At present 52% of the respondents are able to access irrigation for 9-12 months. At present kharif crops (monsoon crops) are the most common crop grown like rice and *nagli* (*nachni*, finger millet). These are the most commonly crops of Palghar³⁶. However, has been an uptake in growing *rabi* (winter) crops from 12% to 21% and *zaid* crops (summer) from 6% to 9% as farmers are shifting towards cultivating in multiple seasons. From the qualitative study it was learnt that in the non-monsoon season people would often leave

³⁶ [Maharashtra Agriculture Contingency Plan for Palghar](#)



their cattle lose and it destroyed many crops, which was another reason for lack of farming during the non-monsoon season after unavailability of adequate irrigation.

The variety of crops cultivated were similar before and after the intervention as most of the seeds/saplings provided by DSF were for trees or crops which will take a longer time to cultivate. The changes in agricultural income, variety of crops grown and increase in agricultural productivity may be observed next year, after farmers experience one monsoon agricultural season in its entirety. At present, rice and finger millets are the most cultivated crops. According to the farmers via qualitative interactions, in the monsoon season, green vegetables are most suitable to grow. Vegetables like bitter gourd, lady's finger, brinjal are also being grown this year in addition to green leafy vegetables. The cultivation of jasmine, *Kesari* mango and groundnut has increased after the intervention as these seeds/saplings were provided by DSF and new crops like chilli are also being cultivated.

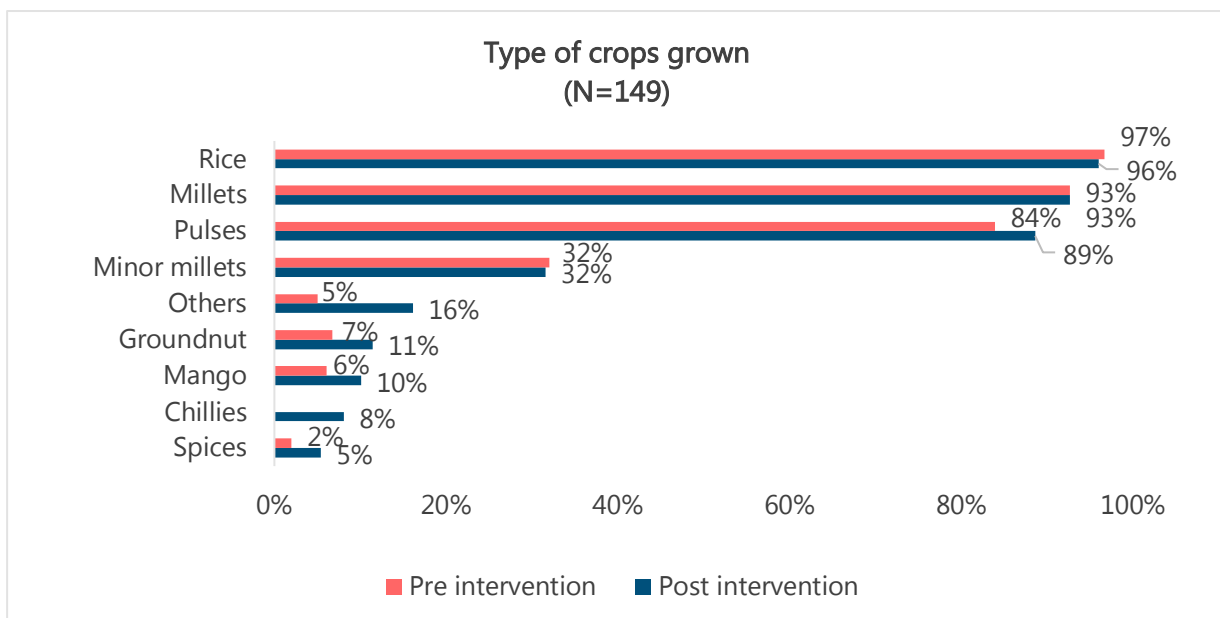


Figure 28: Type of crops grown

The intervention may create a shift in the cultivation pattern of farmers, by introducing them to new crops as mentioned above so that with availability of water beyond monsoons farmers can grow crops which can be sold to larger markets like Nashik, and Mumbai and not just used for subsistence. Practices like group farming are essential here, as the farmers prefer to not use any chemicals such as fertilisers or pesticides which restricts the quantity of the produce. The rationale of the farmers is that, historically they have never used fertilisers or pesticides and at present they do not want to introduce such chemicals to the food they grow, consume and sell. However recently some farmers have begun using urea to grow rice, as it is subsidised³⁷ and a few farmers in Gonde reported that they use some fertilisers in the vegetables they sell like lady's finger, bitter gourd, brinjal etc.

³⁷ [Cabinet approves hike in DAP fertiliser subsidy, Business Standard, June 2021](#)

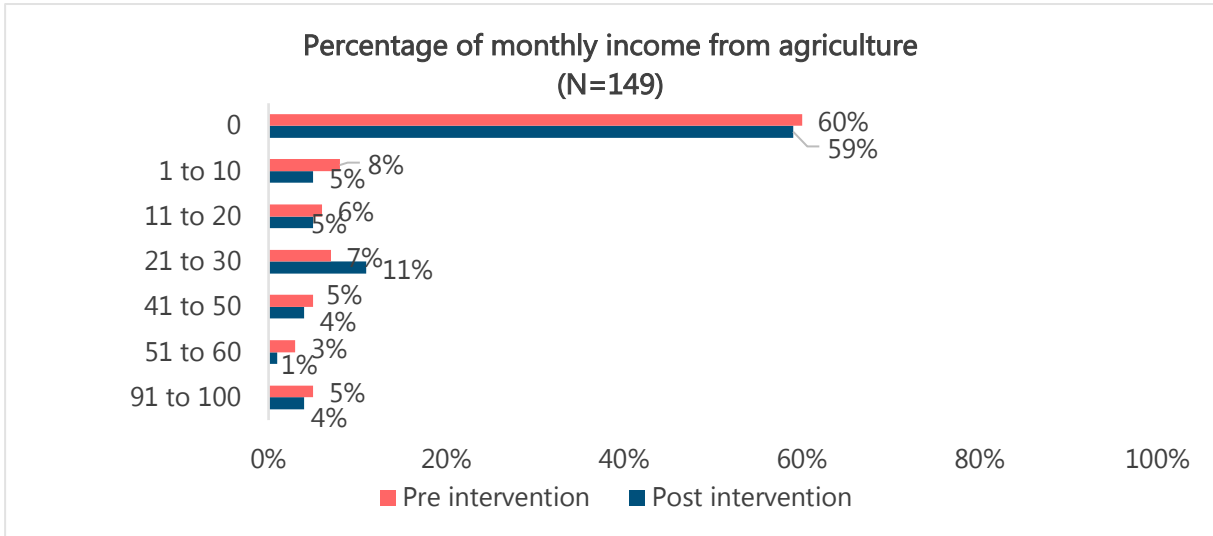


Figure 29: Percentage of monthly income from agriculture

Nearly 60% of farmers reported that agriculture did not contribute to their monthly income (before and after the intervention) which is likely to be because majority of the farmers practice farming only for subsistence purposes. Annual agricultural expenses were reported to be within INR 10,000 by 50% of the respondents (before and after the intervention). Most of the respondents who were farmers have not completed one full year of practising agriculture i.e., experiencing monsoon and non-monsoon months hence the changes in income composition or expenses may not be evident currently.

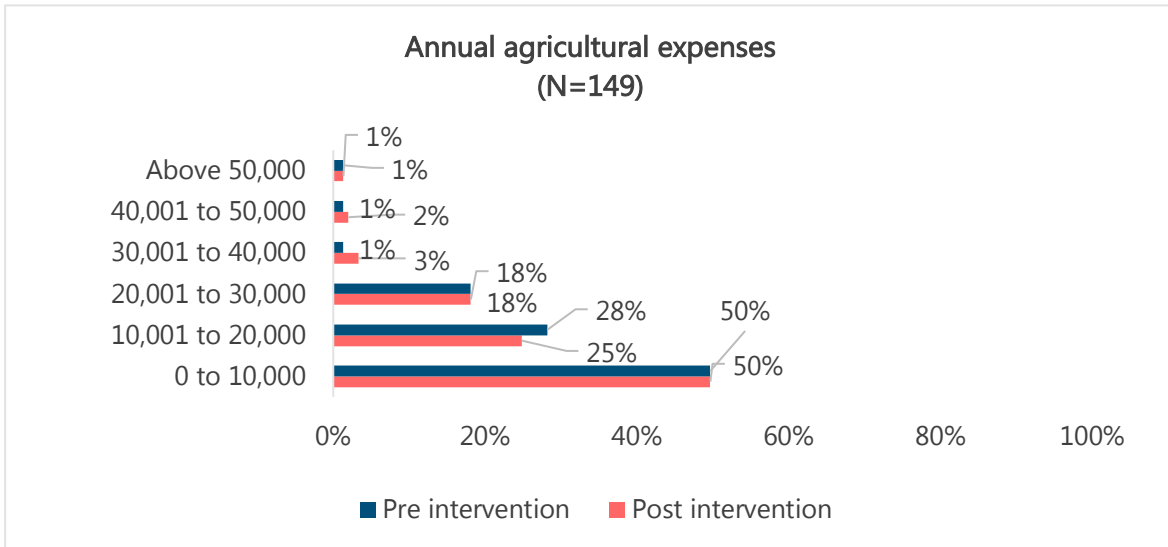


Figure 30: Annual agricultural expenses

Nearly 51 % of the farmers reported that they practised subsistence agriculture before the intervention. After the intervention, there was a marginal increase in farmers selling their produce in an APMC market, to middle men or businessmen, from 15% to 17%, 32% to 33% and 13%-14% respectively.

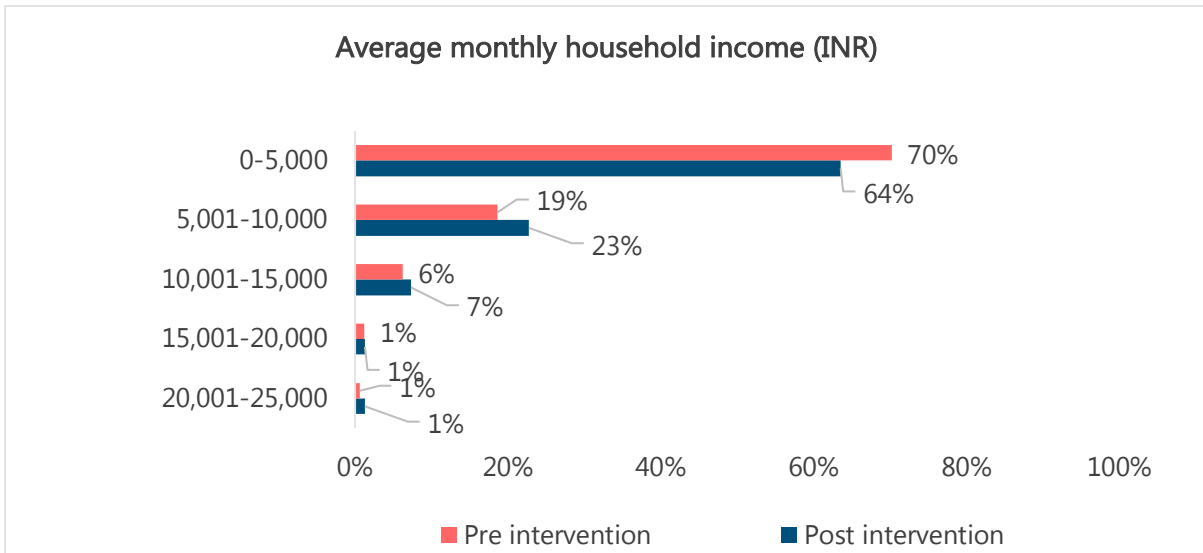


Figure 31: Average monthly income

The highest percentage of respondents reported that their average monthly household income was within INR 5,000. Post the intervention they was a rise in respondents' income in the INR 50001-10.000 range and in the INR 10,001, -15,000 range. 27% experienced no change in income.

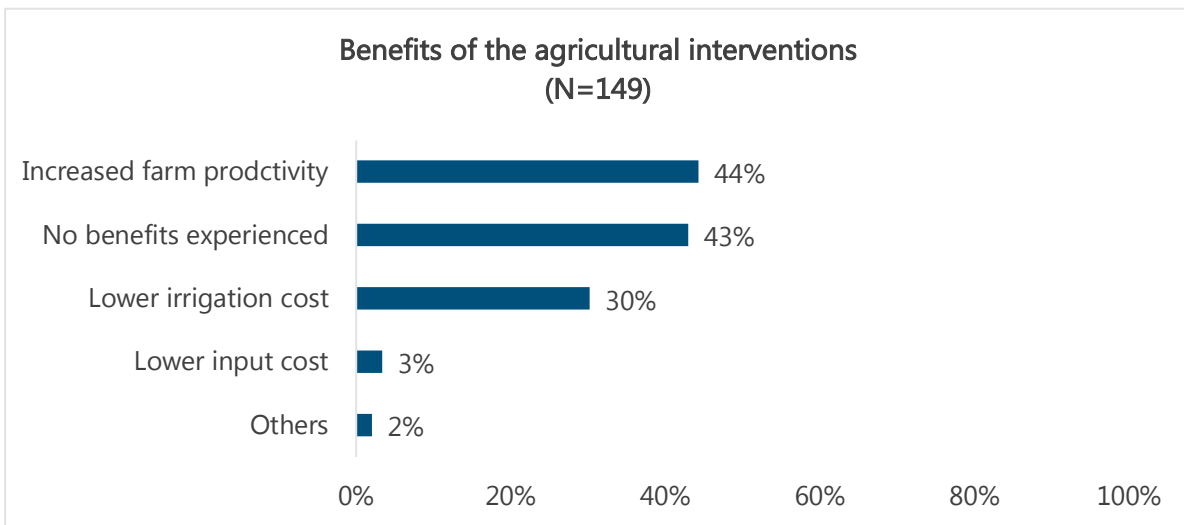


Figure 32: Benefits of agricultural interventions

44% of farmers reported that it had increased their farm productivity and 30% reported that it had lowered the irrigation cost. In Gonde, the farmers were previously accessing year-round irrigation but had to pay for a diesel pump for the same. With the solar powered lift, they are able to save what they would spend on diesel.



Case study: Group farming on line 5

The pandemic induced a lot of in migration in the community. Ganesh Pawar* name changed was one such villager from Poshera who had come back to his village after losing his job and was waiting for the country to open back up so that he may go to a city looking for work. His family was involved in agriculture and he had helped them while growing up, but was not interested in continuing with it as there was no scope of generating income by practising agriculture. However he was introduced to 9 other farmers from Poshera and DSF helped them start group farming of groundnut and chillis on line 5. For the first time in his life Ganesh has seen a potential to generate income from agriculture in his own village. He is now motivated to stay back and try to earn a living here. As the threat of COVID and poor living conditions for migrant workers rise in cities, he feels more comfortable trying to earn a living in his own village where he has grown up. The water lifted via the solar pumps cannot be provided to farms on all sides of the line due to geographical restrictions. Most farmers in Poshera do not use any fertilisers or pesticides to grown their crops, because of these reasons the productivity of individual farms is limited. Group farming provides a solution to these problems as multiple farmers may come together and be able to cultivate in more quantities such that it is viable to sell in larger markets. This helps to split profits and reduce cost for transportation. A lot of younger generation of farmers like Ganesh have adopted group farming because of this reason.

Number of farmers: 10

Line: 5

Location: Poshera



Image 7: Groundnut farming by farmers on line 5, Poshera

"I used to work at KFC, dominos during the off-season. I wanted to go back this time also, but during COVID couldn't go back. Now that we have water for irrigation even after the rainy season, I wish to stay back and continue with the farming"

-Line 5 farmer in Poshera



9. Ancillary stakeholders of the program

Radyachapada is a hamlet close to the main village of Poshera. Due to its proximity to the site, some community members are able to access the water filters, cement tanks (from line 5)³⁸. 25 residents of the Radyachapada hamlet were surveyed, of which 48% were women.

9.1 Availability and access to water for domestic and drinking purposes

88% of respondents stated that DSF has undertaken water related interventions in their hamlet. 28% reported using the filtration tap installed by DSF.

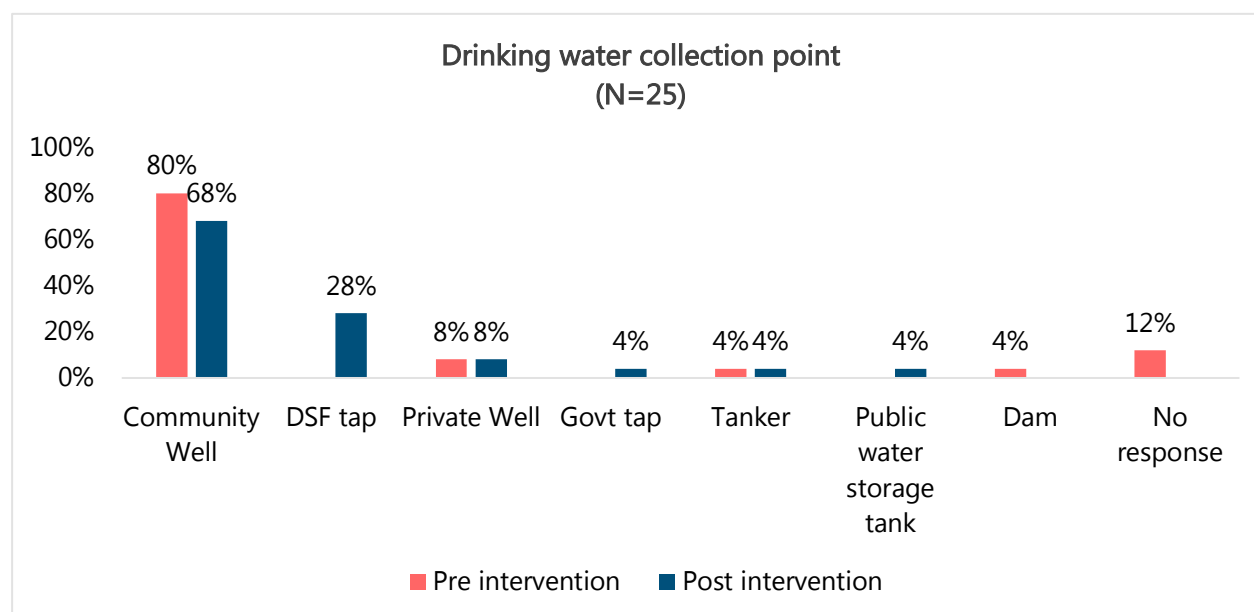


Figure 33: Drinking water collection point 2

Since the intervention, 40% reported that they visited the community well to collect water for domestic purposes, while 32% reported that they visited the DSF houth for the same. These findings indicate that while community members in Radyachapada began utilising water collection points organized by DSF- other collection points such as the community well were still in frequent use.

³⁸ A similar solar powered water project was done for Radyachapada by another organization but due to malfunction the community members were unable to use it for very long. One of the four *houth's* in Poshera main village was placed close to the Radyachapada so community members would be able to avail the benefit. Residents from Radyachapada were able to use the water for drinking and domestic use.

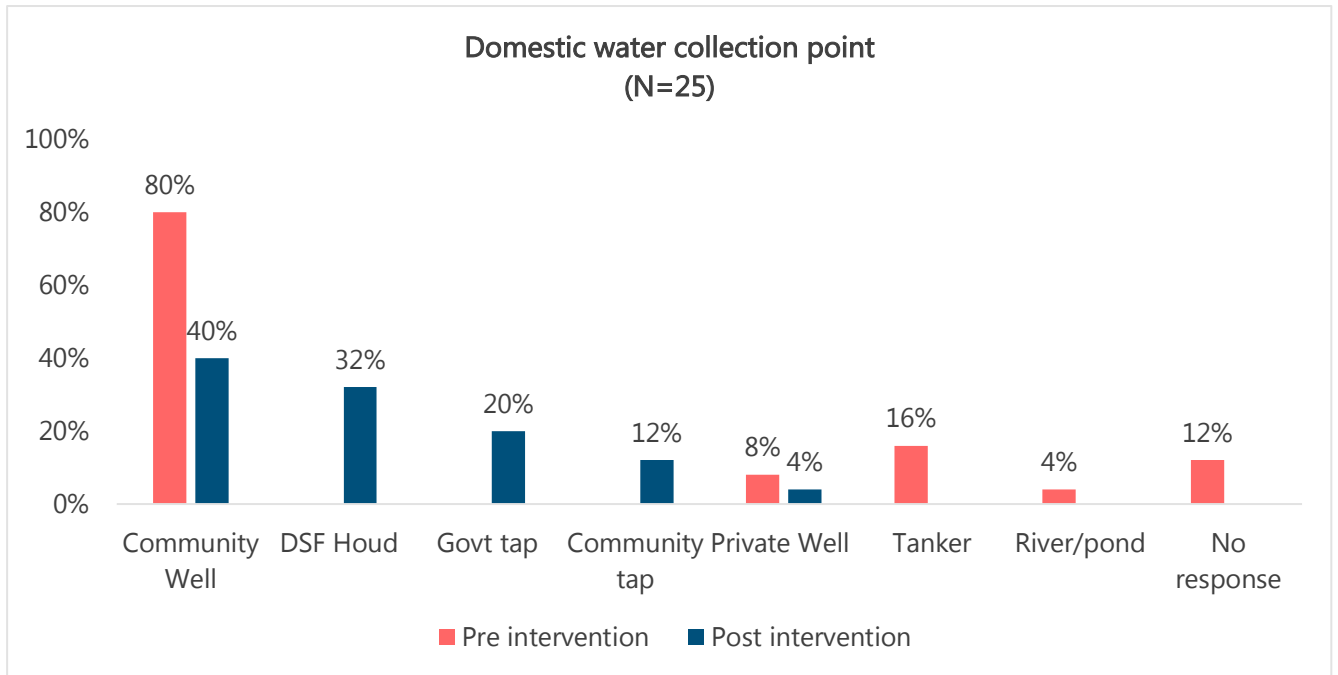


Figure 34: Domestic water collection point

Since the intervention, 85% of respondents reported that it took them less than 10 minutes or between 10-30 minutes to collect water.

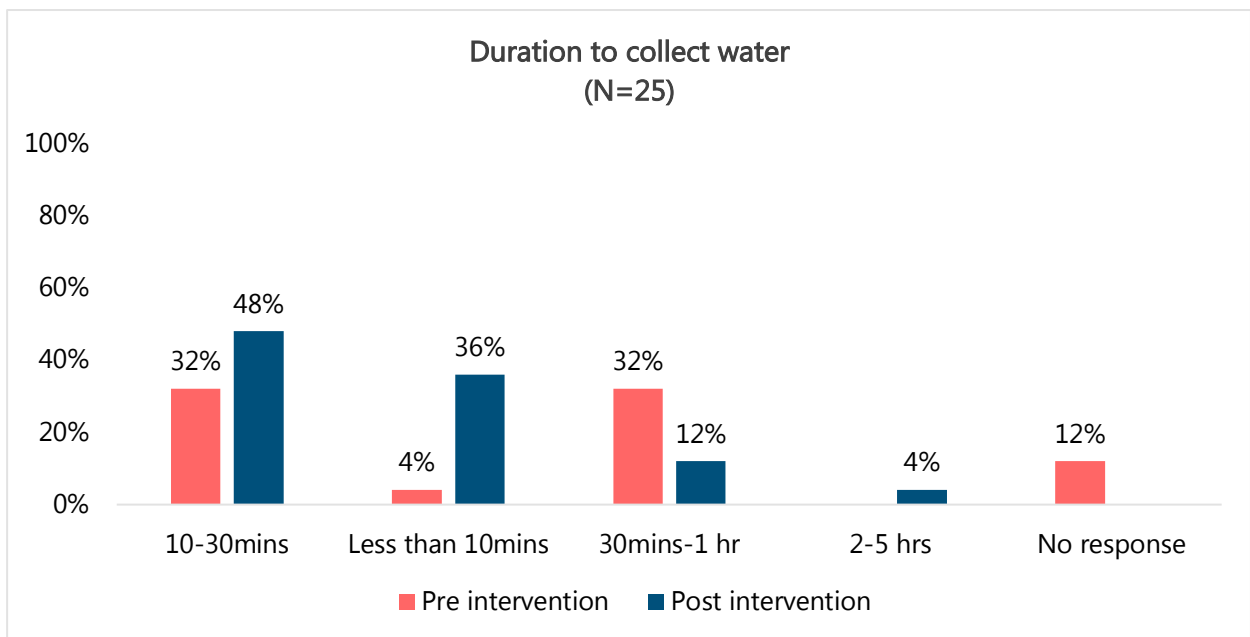


Figure 35: Duration to collect water

Overall, respondents also reported a decrease in the level of difficulty they experienced while collecting water, with 40% respondents sharing that since the intervention they were not facing any difficulties during water collection. However, 32% of respondents reported that the water collection process was still very difficult for them and 24% reported that they still were facing some difficulties.



During the evaluation period 60% respondents reported that they no longer face challenges during water collection, as compared to 12% who reported it before. An overall decrease was seen since the intervention with regards to the reporting of physical exhaustion, knee pain, back pain and lack of time for household activities.

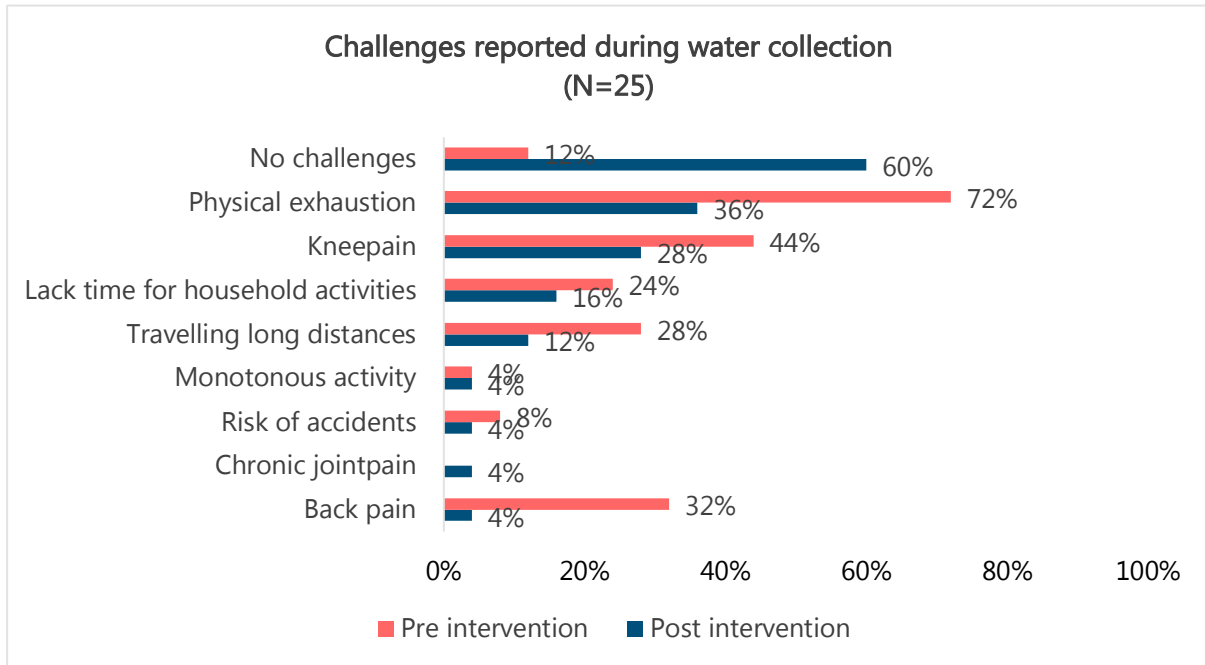


Figure 36: Challenges reported during water collection

48% reported that the distance they had to travel for water collection was 0-500m as compared to 28% who reported the same distance before the intervention.

9.2 Perceived quality and adequacy of water

Since the intervention 68% reported that the water available to them was as much as they required, while 16% even reported that more water than required was available. However, during the evaluation period 16% of respondents still reported that that less water than what they require was available to them.

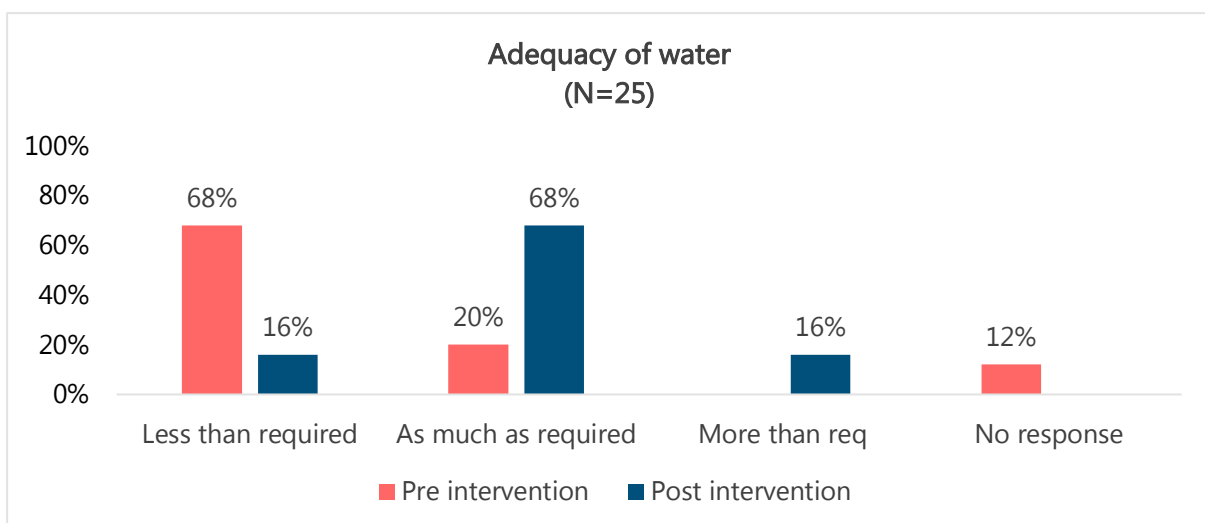


Figure 37: Adequacy of water 2



20% reported that purification of water was no longer required since the intervention however, 72% of respondents maintained that purification of water was either required or somewhat required in the present.

10.Challenges faced during implementation and usage

From the implementation perspective significant challenges faced were in the construction and installation phase of the project. The rocky terrain and the area being prone to heavy rainfall, coupled with COVID restrictions during the first lockdown made it very challenging for the installation of infrastructure. There was no readily available electricity hence the Avesta team had to do the entire construction using portable inverters.

91% reported they faced no challenges while using the irrigation infrastructure, while 6% reported they are not yet using the facility. As the intervention was completed just before monsoons most farmers were primarily using rain water for irrigation and will be using the lift irrigation after monsoon.

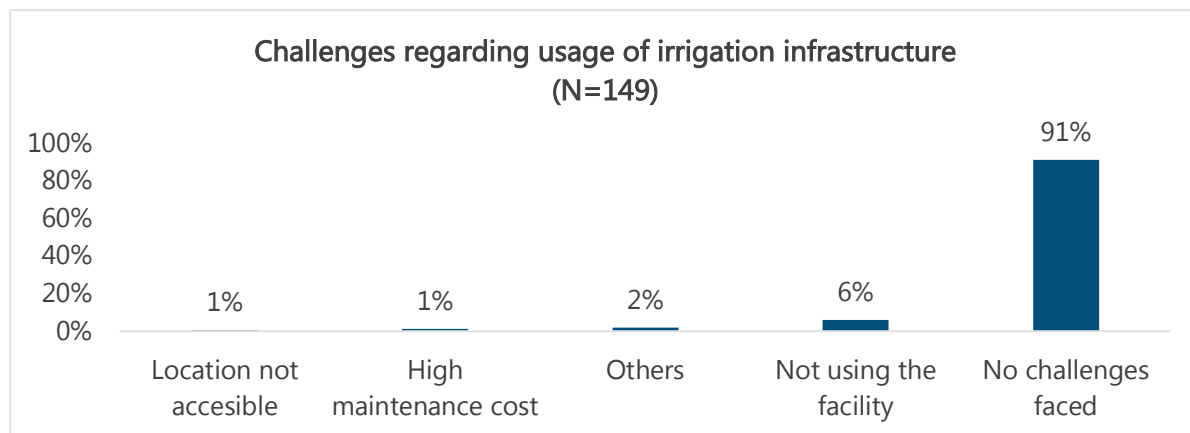


Figure 38: Challenges regarding usage of irrigation infrastructure

97% of the respondents reported they faced no challenges during the construction when they did *shramdaan*.

11.Sustainability and future scope of the programme

The sustainability of the programme can be assessed using the following criteria:

11.1 Responsiveness to needs:

The community members reached out to DSF, hence the needs of the community were put forth by themselves. This ensured that only the most immediate and pressing needs were addressed by the organisation. The community was involved in the construction of the pipeline and some members even donated land, hence there is a greater degree of ownership associated with the project.

11.2 Capacity building of the community:

DSF had trained various members of the community regarding maintenance and upkeep of the structures in order to encourage and enable community ownership. The FPOs and group



farming initiatives are proving promising to improve farmer's market linkages, and may help to increase their incomes from cultivation.

11.3 Government alignment of the programme:

Drip irrigation will ensure a more holistic programme and judicious use of the irrigated water thereby increasing efficiency of the project. At present very few farmers are practicing drip irrigation. However, they intend to support farmers to avail this facility from the government in later stages of the programme. DSF has also facilitated the sanctioning of a nursery by the agricultural department on line 3, this will benefit the programme and help the farmers to develop seeds and saplings by themselves and scale up their activities.

12. Recommendations

12.1 Enhancing sustainability of the benefits of the intervention

Supporting farmer linkages with the 'Pradhan Mantri Krishi Sinchan Yojna-More crop per drop' scheme³⁹ could help enhance the benefits provided through the intervention- by enabling farmers to utilise drip irrigation on their farms. Presently many farmers have gained access to water for irrigation during non-monsoon months through the intervention, yet are still lacking the appropriate machinery to irrigate their farms while ensuring water is efficiently used and there is less wastage.

Micro irrigation systems have been increasingly adopted through government schemes by farmers in Maharashtra. Compared to other methods of irrigation, drip irrigation has been found to save up to 35-40% water, increase the production and quality of crops cultivated, and reduce the hardship of labour. Drip irrigation also helps save electrical energy which is used to lift water from wells/other sources⁴⁰.

During focus group discussions farmers shared that they were looking for more efficient ways to irrigate their farms, and could be supported by DSF in gaining access to government schemes for irrigation. During our interactions in September 2021, DSF shared that they have already helped farmers who are part of the intervention send in applications to the government for the provision of infrastructure required for drip irrigation.

During focus group discussions farmers from Poshera and Gonde emphasized overgrazing by cattle as a problem affecting their crops. In the non-monsoon months farming activity is limited in the area, and a lot of people migrate to nearby cities for daily wage work. In such cases their cattle are often left for grazing in the nearby farm lands. According to the

³⁹ [Pradhan Mantri Krishi Sinchan Yojana-More crop per drop \(Micro Irrigation Component\), Government of Maharashtra](#)

⁴⁰ [Water conservation and saving in agriculture, Water Resources Department, Government of Maharashtra](#)



community members, planting of prickly plants and cacti were not successful to keep out cattle as rodents would chew those plants.

Farmers recommended increasing community awareness regarding cattle grazing in a manner that does not damage crops, and the installation of fences/barbed wires. Solutions from other areas in Maharashtra like Ralegaon Siddhi suggest over grazing of cattle may be prevented by a consensus as a community.

12.2 Institutionalisation of processes for sustenance of the intervention

12.2.1 Enhancing the monitoring process

A streamlined follow-up and monitoring mechanism could be planned to ensure regular cleaning and maintenance of the infrastructure introduced by the intervention is undertaken by the community members. To aid with community ownership and accountability, a log book mechanism has been introduced and that is used by community members to make entries about the cleaning schedule being followed for the community tanks and filtration units. The appointment of a community member as a Single Point of Contact (SPOC) for each irrigation pipeline, community tank and filtration unit could be considered. Having a SPOC would help in maintaining regular channels of communication between DSF and the community.

12.2.2 Strengthening institutionalisation and knowledge sharing

The model of the Ecosphere project conceptualised by DSF, Avesta Solar and Tata Cleantech Capital Limited may be institutionalised by making the project process related documentation available for public perusal. DSF may create awareness in other villages to disseminate the knowledge gathered from this experience to create thought leaders in other communities who may try to bring forth similar interventions in their communities with the support of interested organisations.

India has seen many instances of interventions implemented as pilot projects being adopted and scaled up by the government and other organisations. A prominent example of the same is the *Kalanjiam* Community Banking Programme which was a programme initiated to link women members of Self Help Groups (SHGs) to banking facilities. The programme was unique in the sense that it encouraged the involvement of the entire community in local banking structures. The widespread adoption of this programme across Indian states was made possible due to knowledge sharing on the part of the implementers, leading to benefits at a greater scale⁴¹.

As per an IIT Bombay report, more than 70% of villages in Mokhada experience moderate to high water stress for similar reasons⁴² and could greatly benefit from the introduction of a project like Project Ecosphere. Making the project process documents

⁴¹ [Microfinance for poverty reduction: The Kalanjiam way](#)

⁴² [Status assessment and planning for water security in Mokhada Block, IIT Bombay](#)



available in the public domain could help fill the information gap of innovative and viable interventions tackling water stress and aid the adoption of similar projects at scale.

12.3 Evaluation of the agriculture related intervention post the completion of one year

Evaluating the impact of the interventions related to agriculture undertaken through Project Ecosphere (such as the provision of access to irrigation, agricultural training and seeds/saplings) require a long-term engagement with the community. Most of the activities taken up as part of Project Ecosphere are aimed at sustainable impact. In this regard, the recommendation is to take up another impact study to evaluate the impact of the programme 1 year after completion of the program, in September 2022.

Due to the lack of access to water for irrigation purposes during non-monsoon months (starting from December and continuing till May), community members were migrating to nearby cities for livelihoods. Since the provision of access to water for irrigation in early-mid 2021 through Project Ecosphere, the farmers are yet to experience their first non-monsoon period with access to water. Thus, impacts of Project Ecosphere are likely to only be visible by mid-2022, where changes in agricultural income and changes in migration can be assessed.

Yearly impact assessments have been found to be a helpful practice in monitoring projects, identifying parameters along which improvements can be made and ways in which projects can address the needs of communities in depth. For the same reason, periodic impact assessments are recommended. The below mentioned indicators could be measured during the next impact assessment and this template can be used to monitor the programme on a periodic basis.

Aspects of the intervention	Indicators
Availability and access to drinking water	<ol style="list-style-type: none">1. Improved access to clean drinking water2. Decrease in time spent fetching water3. Decrease in drudgery while fetching water
Agricultural livelihoods	<ol style="list-style-type: none">1. Increase in income of farmers2. Increase in land under cultivation3. Improved farming techniques4. Increase in availability of water for irrigation5. Increase in variety of crops grown
Out-migration	<ol style="list-style-type: none">1. Decrease in out migration
Community ownership	<ol style="list-style-type: none">1. Sustained maintenance of infrastructure by the community



13. Annexure

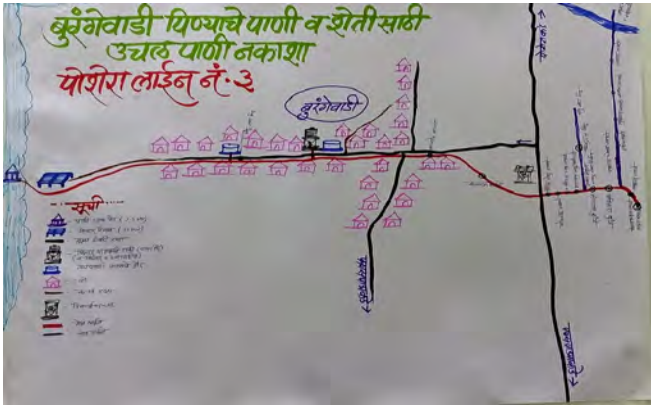


Image 8: Map line for Burangewadi



Image 9: Map of line 4 for Damsewadi and Fanspada

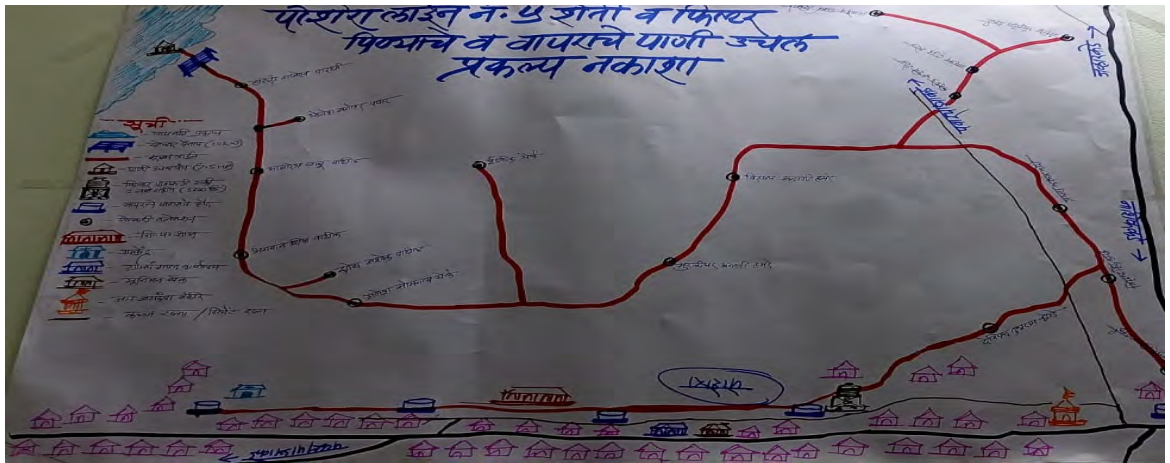


Image 10: Map of line 5 for Poshera

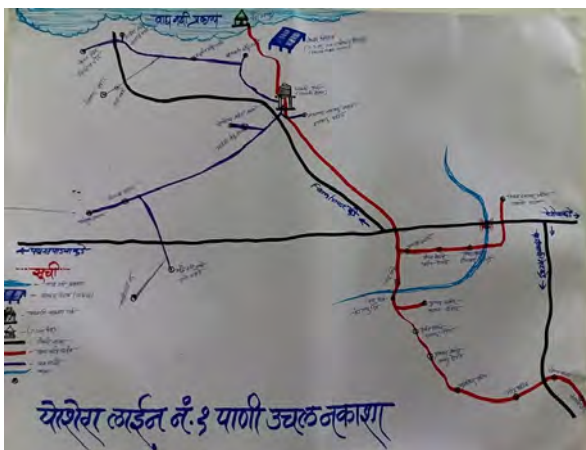


Image 11: Maps of line 1, farmers with land here reside in Poshera



Image 12: Maps of line 2, farmers with land here reside in Poshera



Type of housing (N=233)	
Semi pucca	52%
Pucca with burnt bricks	42%
Kutcha	5%
Did not know	1%
Ration card status (N=233)	
Yellow	92%
Saffron	6%
Do not have a ration card	2%
White	1%
Primary source of light (N=233)	
Electricity	85%
Kerosene	15%
Caste (N=233)	
Ma Thakur	15.9%
MahadeoKoli	42.1%
Katkari	23.6%
Did not say	8.2%
Muslim	3.9%
Warli	3.9%
Thakur	1.7%
Hindu	0.4%
Kokana	0.4%

Distance of water collection point	0-250m		250-500m		500-1km		More than 2km	
	Pre	Post	Pre	Post	Pre	Post	Pre	Post
Hamlet								
Burangewadi	2%	98%	32%	2%	66%	0%	0%	0%
Damsewadi	0%	100%	16%	0%	71%	0%	13%	0%
Fanaspada	3%	92%	22%	8%	70%	0%	5%	0%
Poshera	7%	69%	18%	17%	63%	13%	10%	1%
Total	3%	88%	22%	7%	68%	4%	7%	1%



Technical components of the solar structure:

The following aspects of the key components of the structure are crucial for the longevity of this project:

- Use of floaters attached to pumps: This is done for easy access and maintenance which is a unique feature of the Ecosphere project when compared to other solar based water projects in Palghar.
- Use of armored cables: This was needed to as the terrain is rocky and normal or submersible cables would be damaged under such conditions.
- Use of Grundfos⁴³ Pump: This was to meet the extremely high requirement of daily water (1 lakh litres per day) quantity. An added benefit is that in Grundfos pumps the inverter and pump are connected to each other which is more efficient.
- Use of REC solar panels: The panels give a warranty of 25 years and have the lowest degradation⁴⁴ in the industry. The panels were placed divided into 2 parts with 2 junction boxes behind the panel. In the case of a shadow falling on panel the other part can keep generating power.

⁴³ [Grundfos is the largest pump manufacturer in the world, based in Denmark.](#)

⁴⁴ All solar panels slowly degrade over time, i.e., producing less electricity from the same amount of sunlight. Solar panels primarily degrade because of normal wear and tear over time from exposure to UV rays and adverse weather conditions.

Annexure B**FORM No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022**

(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 Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information to the extent provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and the Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31st March, 2022, 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 the Company for the financial year ended on 31st March, 2022 according to the applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; (Not applicable to the Company during the audit period);
- (c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the Company during the audit period);
- (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period);
- (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 and amendments from time to time; (Not applicable to the Company during the audit period) and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period).
- (v) Other laws specifically applicable to the Company, namely:
 - a) All the Rules, Regulations, Directions, Guidelines and Circulars issued by the Reserve Bank of India applicable to Non-Deposit Accepting Non-Banking Financial Companies which are specifically applicable to the Company.
 - b) Credit Information Companies (Regulation) Act, 2005 and Rules.
 - c) The Prevention of Money Laundering Act, 2002 and the Prevention of Money Laundering (Maintenance of Records, etc.) Rules, 2005.
 - d) SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- (ii) The Listing Agreement entered by the Company with National Stock Exchange of India Limited with respect to Non-Convertible Debentures issued by the Company read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc.

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.

We report that as regards the compliance of Regulations 19(2), 20 and 23 of SEBI LODR, 2015 made applicable to the Company effective September 7, 2021 on a comply or explain basis until March 31, 2023, the Company has been providing the necessary explanation in the quarterly compliance report on Corporate Governance submitted to the Stock Exchange under Regulation 27(2)(a) of SEBI LODR, 2015.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, 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 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 etc.

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

- a) Issued and allotted 7,12,70,000 Equity Shares of Rs. 10/- each at a premium of Rs. 33.5/- per share on Rights basis;
- b) Issued 8600 Secured Redeemable Non-Convertible Debentures of an aggregate amount of Rs. 860 crore;
- c) Redeemed 750 Secured Redeemable Non-Convertible Debentures of an aggregate amount of Rs. 75 crore;
- d) Issued 21,500 Commercial Papers of an aggregate amount of Rs. 1075 crore; and
- e) Redeemed 20,500 Commercial Papers of an aggregate amount of Rs. 1025 crore.

For Parikh & Associates
Company Secretaries

Place: Mumbai
Date: April 20, 2022

Signature:
Anuja Shah
Partner
ACS No: 52937 CP No: 21367
UDIN: A052937D000172012
PR No.: 1129/2021

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.

Place: Mumbai
Date: April 20, 2022

For Parikh & Associates
Company Secretaries

Signature:
Anuja Shah
Partner
ACS No: 52937 CP No: 21367
UDIN: A052937D000172012
PR No.: 1129/2021

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. **INDUSTRY OVERVIEW AND OUTLOOK**

India’s power demand has grown at a Compound Annual Growth Rate (“CAGR”) of 5.1% till FY 2018-19 but remained stagnant in FY 2019-20 due to economic slowdown. With the breakdown of COVID-19 pandemic the power demand dropped down by 1.2% in FY 2020-21. However, in FY 2021-22 with reduced impact of pandemic and increasing industrial activities, power demand observed a rise of about 7.8% in FY 2021-22.

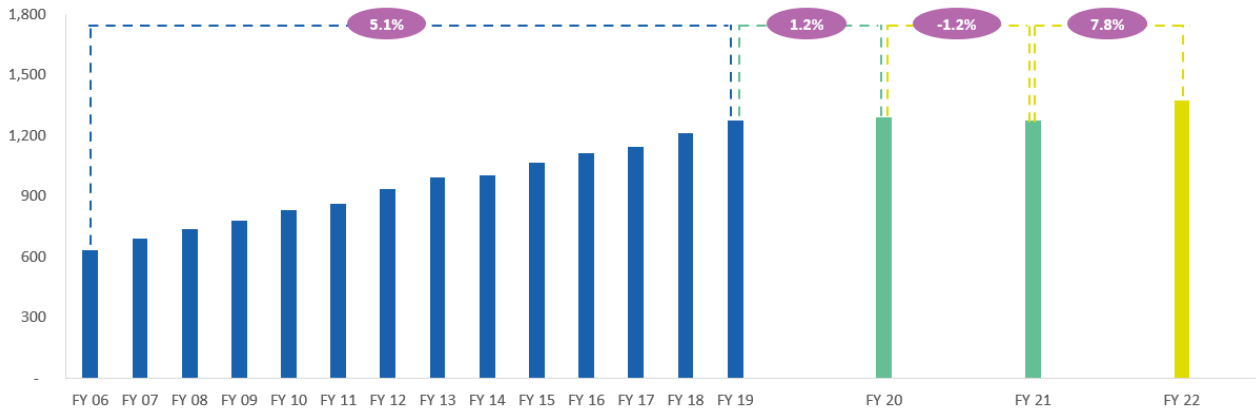


Figure 1: India’s yearly power demand Source: CEA

The increase in power demand was observed not only in India but also across the globe. This increased demand was met primarily from coal and gas creating a surge in their prices internationally. The impact was seen in India as well with variable tariff of thermal power plants reaching to highest level over the decade. But this increase in demand has nudged state DISCOMs for signing long pending Power Sale Agreement (“PSA”) with Solar Energy Corporation of India Limited (“SECI”) / National Thermal Power Corporation Limited (“NTPC”) for purchase of renewable power. With more projects being added to the pipeline, the installations also picked up pace in FY 2021-22.

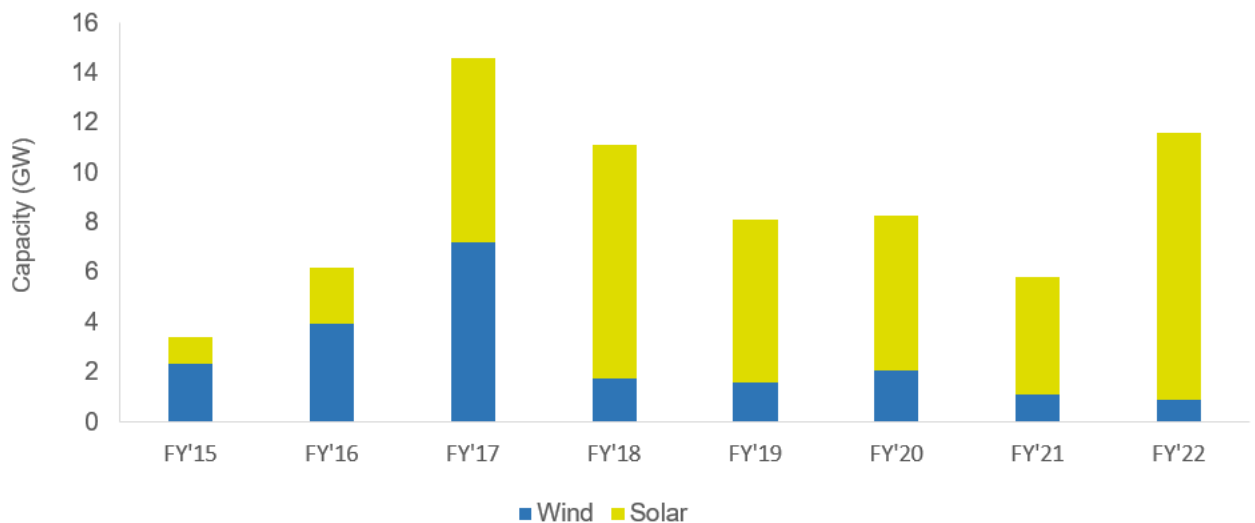


Figure 2: Annual renewable capacity addition in India
Source: CEA and MNRE

Supply chain of solar also suffered a myriad of challenges in last one and a half years. With one of the largest polysilicon facilities globally facing shutdown due to explosion, and closing of another due to flooding in China, supply crunch of polysilicon ensued. This supply crunch was followed by sudden increase in demand in first half of 2021. Further, control imposed due to coal shortage led to steep increase in polysilicon prices for most parts of 2021.

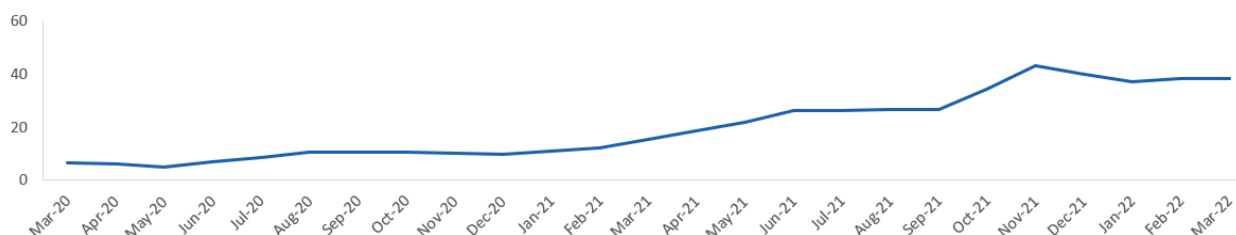


Figure 3: Polysilicon price trend (US\$/kg)

Source: PV Infolink and TCCL research

The increase in polysilicon prices also coincided with increase in price of other raw materials including glass and silver. Further, shipping woes and metal super cycle also added to increase costs. In FY 2022-23, prices are going to increase because of supply disruption due to COVID and imposition of 40% of Basic Custom Duty (“BCD”) on modules and 25% on cells imposed from April 2022.

Despite the challenges imposed on cost front, huge pipeline of over 50 Gigawatt (“GW”) is expected to propel the market forward. The fundamental of renewable market remains strong with increasing power demand, increasing cost of other conventional fossil fuels and string commitment of Indian government as highlighted in COP26.

Although renewable remains the foremost target segment, the Company has also been active in following segments:

- **Electric Vehicles:** E-buses will play crucial role in India’s quest for reducing its carbon emissions given the extent of dependence of Indian population on public transport. Hence, mass scale electrification of public transport is a key intervention in furthering the decarbonisation agenda. During the previous year, Electric Mobility within the public transport segment has taken off in India. This is mainly attributable to the value proposition offered in terms of being a reliable, cleaner and an increasingly cost-effective alternative to conventional public transport. Electric vehicle market has seen a boost due to improved viability with lower Total Cost of Ownership (“TCO”) and strong support from government policies including:
 - Faster Adoption and Manufacturing of Hybrid and Electric Vehicle (“EV”) [Faster Adoption and Manufacturing of Electric and Hybrid Vehicles (“FAME”)] subsidy

- National Electric Mobility Mission Plan
- Reduction in Goods and Service Tax (“GST”) for electric vehicles to 5% from 12%

The government has extended the FAME II scheme for 2 years and accordingly it shall remain in force until March 2024. Further, the government’s goal to achieve net-zero emissions by 2070 (as committed during the recently held COP26 summit) also provides a key signalling effect to various stakeholders on Electric Buses.

In effect, a combination of aforesaid factors is expected to further increase the adoption of Electric Buses in India. Sizeable tenders are lined-up for fiscal year 2023 as more state transport corporations / authorities migrate to Electric Buses. Going forward, it is envisaged that there would be increased stakeholder efforts to evolve scalable models and contract architecture to build an infrastructure for electric mobility in the country.

During the fiscal 2022, the government of India also approved the Production Linked Incentives (“PLI”) scheme for manufacturing Advanced Chemistry Cell (“ACC”) batteries at an estimated outlay of INR 18,100 crore. This is further expected to revolutionize the eco-system around the Electric mobility space.

- **Green Corridor:** With increasing solar and wind penetration, power transmission or Green Corridor is high on the priority list of government. This sector has established bankable business model and provides stable cash flows with low counterparty risk. The power ministry has laid out the roadmap to award transmission projects worth around US\$ 15 billion through the Tariff Based Competitive Bidding (“TBCB”) route. Further, for integration of 450 GW of renewables, the investment requirement would be over US\$ 200 billions
- **Energy Efficiency:** The National Mission for Enhanced Energy Efficiency (“NMEEE”), launched under the National Action Plan on Climate Change (“NAPCC”) has set ambitious targets for adoption of Energy Efficiency measures. Energy Efficiency initiatives will continue to play a crucial role in resource and energy optimization for corporates and Small and Medium Enterprises (“SMEs”).
- **City Gas Distribution (“CGD”):** The Government of India (“GOI”) has recently completed bidding process for 11th round for award of 52 Geographical Areas – this will provide a fillip to India’s ambitious gas transition and will enable CGD coverage for over 90% of population. GOI continues to support the CGD space as characterized by priority allocation of cheaper domestic gas to CGD [transport and domestic **Piped Natural Gas** (“PNG”) segments]. CGD segment is expected to play an important role in India’s energy transition.
- **Green Warehousing:** The demand for Grade A green warehouses (with better efficiencies and utilities) in the country continue to remain upbeat. Some of the factors leading to this demand pull include sustainability commitments by leading e-commerce companies (which are the potential lessees), streamlining of entire logistics supply chain including warehousing and evolution of hyperlocal delivery models

amongst others. Moreover, favourable policy measures also provide impetus to the sector (such as infrastructure status for warehousing).

- **Smart Meters:** Approximately 25 crore conventional meters need to be replaced by smart meters in the country over the next few years. Further, the Government of India is also supportive of this initiative given the critical role played in helping curb the Aggregate Technical and Commercial (“AT&C”) losses and bringing in more efficiencies in power distribution. Central government is offering budgetary support for 500 plus cities. This shall be a focus area for TCCL in the coming future.
- **Water Treatment:** Though India is home to 18% of world’s population, it has access to only about 2.5% of world’s land area and only 4% of water resources. With rising consumption, deteriorating water quality and inadequate management, India is likely to face water shortage by 2025. Announcement of Namami Gange programme administered by the National Mission for Clean Ganga (“NMCG”) and the evolution of Hybrid Annuity Model (“HAM”) in Water Treatment has opened the door for private sector investments.

2. SEGMENT WISE OR PRODUCT WISE PERFORMANCE OF THE COMPANY

During FY 2021-22, the Company has surged ahead and consolidated on the strong foundations laid over the past six years. This is reflected in the accelerated growth of business of the Company across solar, wind, small hydro, electric mobility, energy efficiency, water management coupled with other infrastructure sectors, such as roads and transmission. The Company’s portfolio has grown by 25% to Rs. 7,840 crore in FY 2021-22, despite the tough year marked by unprecedented global supply chain disruption in last six years. The Company’s loan portfolio consists of projects in the areas of Wind Energy, Solar Energy, Rooftop Solar and other cleantech sector comprising 80% of the funded asset book. The balance portfolio consists of projects in the areas of transmission, roads and other Infrastructure sector. 62% of the funded asset book, comprises of operational projects.

Building on the excellent work carried out in liability diversification, the Company raised \$15 million line of credit from global investors. Further, the Company also had facilities from Japan International Cooperation Agency (“JICA”) (\$76 billion) and from CDC Group Plc (formerly the Commonwealth Development Corporation) (\$30 million). The company has augmented long term sources of funds cumulating to Rs. 2,860 crore between April 2021 to March 2022. Share of long-term borrowing out of the total borrowings stands at 77% in FY 2021-22, on a residual maturity basis.

The Company further deepened its footprint in the Techno Commercial advisory services by executing assignments with multilaterals, international government authorities and prestigious global institutions. The company successfully advised the Ministry of Foreign Affairs (“MFA”), Government of Denmark, on the challenges and opportunities in financing the Indian clean technology sector. Large Danish/ Scandinavian investors including pension and infrastructure funds are considering investments in the vibrant and large Indian clean technology sector.

The Company also completed an assignment for Asian multilateral Institution to act as a catalyst to crowd in the private sector capital in clean energy. Currently the company is executing an assignment for establishing public private partnership for transfer of leading-edge clean technology developed under the Indo-UK Project Sunrise to Indian companies/ organizations who are contemplating entering this sector given the Government of India's emphasis on expanding manufacturing activities in sunrise sectors. It is also advising a leading Indian bank on reducing its pan India carbon footprint by use of green power at its facilities.

In addition to the above, continuing with its focus on Risk diversification, the Company continued to enhance the business volumes in the risk distribution vertical despite rising market challenges.

The Company has published its second White Paper in Cleantech segment, "Indian Renewable Open Access Landscape". The Company also conducted a market webinar for knowledge dissemination on Open Access market which was followed by a panel discussion with industry experts.

Further, the Company has strengthened its footprint in Electric Buses, Energy Efficiency and water treatment projects.

The Company's Managing Director became a part of panel led by Niti Aayog for creating policy framework for electric vehicles. He is also a Co-chair in International Solar Alliance committee to raise US\$ 1 trillion. Further, he also became a member of India – EU collaboration framework to fight global warming. Adding on to the coveted list of accolades, the Company has won the Green Urja Awards 2022 and has been selected as the Top Private Financing Institutions for Real Estate ("RE") EE in FY 2021-22. The award was organized by the Indian Chamber of Commerce ("ICC").

3. OPPORTUNITIES AND THREATS

Infrastructure sector is backbone to any economy. Infrastructure development is critical, especially for a developing country like India, for rapid economic growth and poverty reduction. However, infrastructure projects are typically characterized by long construction period, large capital expenditure, higher uncertainty of cashflows as they are spread over a longer tenor, evolving sectoral and technology risks, etc. Banks have traditionally faced asset-liability mismatch issues due to funding requirements over a longer period and lack of expertise in the infrastructure sector. On the other hand, NBFCs have played a very important role in growth of this sector. Creation of separate category of NBFCs like Infrastructure Finance Companies (IFCs), Infrastructure Development Funds (IDFs) etc. highlights the need for capital requirement in this sector. Furthermore, Government of India has launched 'National Infrastructure Pipeline (NIP)' for FY 2019-25 which targets to provide world-class infrastructure and attract investments into this sector. Though the sector is expected to be resilient in long term, it may face slowdown in short to medium term mainly due to challenges on account of the pandemic which severely impacted economic growth and financial position of Governments over the last two years. However, from Q2 FY22, credit growth has picked up significantly due to receding impact of COVID shutdowns, the pent-up demand in the economy and an uptick in multiple economic indicators. While the economy is on the path to recovery, there are certain headwinds that may impact the growth and credit offtake. The NBFC sector may get

impacted if elevated levels of inflation, crude oil prices and supply chain disruptions continue over a prolonged period. Borrowing rate is expected to rise in the wake of rate hikes announced by RBI in May 2022, which may lead to pressure on margins. Any loan re-pricing may lead to reduced demand as well as deterioration in credit quality of some assets which are facing stress. However, there's room for optimism – receding pandemic impact along with large vaccinated population, rising private investments, higher consumption levels and thrust on capital expenditure in Union Budget 2022 shall in tandem lead to a higher growth trajectory for the economy. This shall also translate into a better performance vis-à-vis the year gone by for most of the leading financial services institutions including NBFCs. With its strong parentage, brand recognition, liquidity and strong relationships with customers, Tata Cleantech Capital is poised to capitalize on this opportunity and we foresee an increase in market share. Further, we have a robust risk management framework with a deep understanding of underwriting and credit controls which shall help us mitigate the risk of deterioration in asset quality.

4. RISKS AND CONCERNS

TCCL follows a very robust risk management framework to identify, assess, monitor and mitigate various risks, to which company is exposed. Enterprise Risk Management framework of TCCL follows approach of three lines of defense. First line of defense is the Business units, Risk Management department is the second line of defense and third line of defense is Internal Audit department. Risk management is an integral part of the company's business strategy, which is driven by the Board of Directors at the highest level. Board is assisted by Risk Management Committee ("RMC") of the Board, which is responsible for formulating a detailed risk management policy, monitor and oversee implementation of the policy including evaluation of adequacy of risk management systems. There are various Board and Management Committees, which discharges responsibilities, as part of comprehensive risk management. These committees include, Audit Committee, Investment Credit Committee, Finance and Asset Liability Supervisory Committee, Management Credit Committee, Credit Committee, Credit Monitoring Committee, Operational Risk Management Committee, Fraud Risk Management Committee and Information Technology and Strategy Committee.

The Risk Management process is governed by the comprehensive Enterprise Risk Management Framework, which lays down guidelines for risk identification, assessment and monitoring as an ongoing process that is supported by a robust risk reporting framework. To review and monitor organization wide risk policies, heat map approach is being used. Heat map covers all key risk areas - Credit Risk, Market Risk, Information Technology, Information Security, People, Outsourcing, Process, Business continuity and Reputational Risk and reporting of identified and assessed risk is done basis score card parameters and thresholds.

The Credit Risk policy defines framework for borrower assessment criteria, risk assessment of various infrastructure sectors, product-wise risk assessment, various caps, prudential limits, guidelines on internal credit ratings, general credit norms and deviation matrix. Credit approving authorities approve credit exposure in line with the Delegation of Power and Authority assigned by the Board of Directors. All credit proposals are appraised by credit team, followed by an independent assessment by the risk team. Post disbursement monitoring of accounts and portfolio is carried out by Credit Monitoring team,

which includes progress review of under construction projects, performance tracking of operational projects, tracking of counterparty credit profile, tracking of regulatory developments in relevant sectors, periodic review of accounts and compliance with the approval terms. Portfolio risk management covers dynamic review of movement in risk profile of counterparty, in addition to review of movement in borrower's risk profile. Continuous monitoring of portfolio helps in identifying early warning signal with respect to any account and in case of deterioration in risk profile, corrective action is taken to minimize the risk.

Market Risks (interest rate and liquidity) are regularly monitored through its tolerance limits and triggers guided by the Market Risk Policy. Management of forex risk is also guided by Market Risk Policy. Quantitative techniques, such as sensitivity analysis and stress testing are being used for liquidity and interest rate risk assessment. The Finance and Asset Liability Supervisory Committee of the Company reviews liquidity risk, interest rate risk and forex risk profile of the organization on a regular basis.

The Company has a well-defined Operational Risk Management Policy. Ongoing monitoring of Key Risk Indicators ("KRI") is done and corrective actions are implemented on KRI exceptions. An oversight committee of Senior Management representative's viz. the Operational Risk Management Committee meets periodically to review the operational risk profile of the organization. Fraud risk governance is guided by Fraud Risk Management Policy, which emphasizes on instituting a pro-active fraud risk management culture and a preventive and detective fraud risk framework. Tata Capital has adopted a "Framework for Improving Critical Infrastructure Cyber Security" published by the National Institute of Standards and Technology and complies with the regulatory guidelines. Various measures are adopted to effectively protect against phishing, social media threats and rogue mobile systems. There has been consistent focus on data privacy risk monitoring. Business continuity and disaster recovery drill is being conducted for testing of business continuity for the scenario where employees are required to work from remote locations.

The Risk Management Practices of Tata Capital are compliant with ISO 31000:2018, which is the International Standard for Risk Management that lays down Principles, Guidelines and Framework for Risk Management in an organization.

5. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Despite global supply chain disruption, TCCL has had a profitable year aided by expanding Net Interest Margins, prudent product mix, efficient liability management, focused management of operating costs and tightened credit policies/underwriting norms for containing credit costs.

Performance highlights of FY 2021-22 are, as under:

- The total loan book stood at Rs. 7,840 crore as at March 31, 2022.
- Cost to Income ratio declined from 14.3% in FY 2020-21 to 15.4% in FY 2021-22.
- TCCL has maintained the best-in-class asset quality with only one project being a Non-Performing Asset ("NPA"), as on March 31, 2022.

- Profit before tax increased from Rs. 221 crore for FY 2020-21 to Rs. 269 crore for FY March 31, 2022.
- Net profit after tax increased Y-o-Y by 21% to Rs. 204 crore.

6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

TCCL'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 design, adequacy and efficacy of the Company's internal controls, including its systems and processes and compliance with the 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. TCCL's internal control system is commensurate with its size and the nature of its operations.

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

Tata Cleantech Capital Limited had 74 permanent employees as at March 31, 2022.

Tata Capital firmly believes that Human Capital is its most important asset. During the past two years of the COVID-19 pandemic, the health, safety and wellbeing of our employees and their families remained our top priority. A series of engagement interventions across identified key themes were undertaken to assist employees deal with the sudden and unprecedented changes brought about during this period.

The Company has embarked on its journey of "Happiness at the workplace" which has enabled to look at employee engagement in a more holistic way.

Continuing with its journey of "Happiness at the workplace", Tata Capital conducted the Employee Engagement and Happiness Survey - 2022. The company had an impressive participation rate of 91% and the Engagement score was 80% which was higher than the comparative benchmarks identified. This survey was an important step in the Company's journey to create a more positive and an even more joyful workplace by continuously seeking employee feedback. As a critical step post the survey, action planning is being ensured and several initiatives are being deployed to further strengthen engagement across Tata Capital.

During the period under review, Tata Capital has experienced unprecedented changes and this meant that adapting to the new norm was critical. The Company continued to deploy robust learning programs through Instructor Led Virtual Training ("ILVT") sessions complimented by digital learning to ensure continuous development of the employees. Learn, unlearn and relearn continues to be the Company's mantra.

The Advanced Learning Management System and the Learning App at Tata Capital continue to be a central depository and source to promote anytime, anywhere learning. We have now added and built the learning library with even more functional and

behavioral modules that are byte sized, relevant and applicable with dedicated digital learning campaigns to enhance the Learner Engagement and a higher e-learning coverage.

In addition, several leadership development programs were conducted in collaboration with reputed partners.

Corporate Governance Report

I. Company's Philosophy on Corporate Governance

The Company recognises its role as a corporate citizen and endeavours to adopt the best practices and the highest standards of corporate governance through transparency in business ethics, accountability to its customers, investors, regulators and other stakeholders. The Company's activities are carried out in accordance with good corporate practices and the Company is constantly striving to better these practices by adopting best practices.

The Company believes that governance practices enable the Management to direct and control the affairs of the Company in an efficient manner and to achieve the Company's goal of maximising value for all its stakeholders. The Company will continue to focus its resources, strengths and strategies to achieve its vision, while upholding the core values of transparency, integrity, honesty and accountability, which are fundamental to Tata companies.

As a part of the Tata Group, the Company has a strong legacy of fair, transparent and ethical governance practices. The Corporate Governance philosophy is further strengthened with the adherence to the Tata Business Excellence Model as a means to drive excellence, the Key Performance Metrics for tracking progress on long-term strategic objectives and the Tata Code of Conduct ("TCOC"), which articulates the values, ethics and business principles and serves as a guide to the Company, its Directors and employees, supplemented with an appropriate mechanism to report any concern pertaining to non-adherence to the TCOC. In addition, the Company has adopted a Vigil Mechanism, a Fair Practice Code, an Affirmative Action Policy, a Policy against Sexual Harassment at the Workplace, a Fit and Proper Policy for ascertaining the fit and proper criteria of the directors at the time of appointment and on a continuing basis, a Policy on Board Diversity and Director Attributes, a Code of Conduct for Non-Executive Directors, Internal Guidelines on Corporate Governance, an Occupational Health and Safety Management System, Anti-Bribery and Anti-Corruption Policy and Whistle blower Policy.

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

II. Board of Directors:

- a) As on March 31, 2022, the Company had 4 (four) Directors. Out of the 4 (four), 2 (two) are Independent, Non-Executive Directors; 1 (One) is Non-Independent, Non-Executive Director and 1 (one) is Executive Director (Managing Director). The composition of the Board of Directors of the Company is in compliance with the Companies Act, 2013 ("Act") and Securities and Exchange Board of India (Listing and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") (as applicable to high value debt listed entity). The profile of Directors can be found on the Company's website www.tatacapital.com.
- b) None of the Directors of the Board hold Directorships in more than 7 (seven) equity listed companies. Further, none of the Independent Directors ("IDs") of the Company serves as an ID in more than 7 (seven) equity listed companies. None of the IDs serve as a whole-time director/managing director in any listed entity. None of the Director holds directorship in more than 20 (twenty) Indian companies, with not more than 10 (ten) public limited companies. None of the Directors is a member of more than 10 committees or acts as

chairperson of more than 5 committees (being Audit Committee and Stakeholders Relationship Committee, as per Regulation 26(1) of SEBI Listing Regulations across all the public limited companies in which he/she is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2022 have been made by the Directors.

- c) Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act and that they are independent of the management. Further, the Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.
- d) 6 (Six) Board Meetings were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days. The said meetings were held on: April 21, 2021, June 02, 2021, July 22, 2021, September 23, 2021, October 19, 2021 and January 21, 2022. The necessary quorum was present for all the meetings.
- e) The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year under review and at the last Annual General Meeting (“AGM”), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairpersonships / Memberships held by them in other public limited companies as on March 31, 2022 and list of core skills / expertise / competencies identified by the Board of Directors are given herein below:

Name of the Director (DIN)	Category	Skills / Expertise / Competencies	Number of Board Meetings attended during FY 2021-2022	Whether attended last AGM held on June 23, 2021	Number of Directorships in other Public Companies*		Number of Committee positions held in other Public Companies**		Directorships in other listed entity (Category of Directorship)
					Chairperson	Member	Chairperson	Member	
Ms. Varsha Purandare (Chairperson & Independent Director) (05288076)	Independent, Non-Executive	Leadership, Strategy, Credit, Forex, Risk, Treasury, Capital Markets, Investment Banking, Private Equity,	6	No	-	9	4	9	1) Orient Cement Limited# 2) Tata Capital Limited (Debt Listed)# 3) Tata Capital Financial Services Limited (Debt Listed)# 4) Shaily Engineering Plastics Limited# 5) The Federal Bank Limited# 6) Deepak Fertilisers and Petrochemicals

		Governance, Regulatory Affairs							Corporation Limited# 7) TMF Holdings Limited (Debt Listed)# 8) Tata Motors Finance Limited (Debt Listed)# 9) Tata Motors Finance Solutions Limited (Debt Listed)#
Mr. Rajiv Sabharwal (00057333)	Non-Independent, Non-Executive	Leadership, Strategy, Finance, Risk, Treasury, Credit, Private Equity, Governance, Regulatory Affairs, Retail Banking, Banking Operations.	6	Yes	2	5	1	3	1) Tata Capital Housing Finance Limited (Debt Listed)@ 2) Tata Capital Limited (Debt Listed)@ 3) Tata Capital Financial Services Limited (Debt Listed)@ 4) Tata Realty and Infrastructure Limited (Debt Listed)@
Ms. Padmini Khare Kaicker (00296388)	Independent, Non-Executive	Leadership, Strategy, Finance, Governance, Regulatory Affairs, Capital Market and Merger & Acquisitions	6	Yes	-	4	4	4	1) Kotak Mahindra Investments Limited (Debt Listed)@ 2) Rallis India Limited # 3) Tata Chemicals Limited # 4) JB Chemicals and Pharmaceuticals Limited #
Mr. Manish Chourasia (03547985)	Managing Director	Leadership, Strategy, Finance, Governance, Regulatory Affairs, Capital Market and Merger & Acquisitions	5	Yes	-	-	-	-	-

Notes:

@ Non-Independent, Non-Executive, # Independent, Non-Executive

*Excludes directorship in the Company, private companies, foreign companies and companies under Section 8 of the Act.

*** Pertains to memberships/chairpersonships of the Audit Committee and Stakeholders' Relationship Committee of Indian public companies (excluding the Company) as per Regulation 26(1)(b) of the Listing Regulations.*

- f) The Board believes that the skills / competencies / expertise, as mentioned in the table are required for the business of the Company and the Directors of the Company possess these skills / competencies / expertise for it to function effectively.
- g) During FY 2021-2022, 1 (one) meeting of the Independent Directors was held on March 24, 2022, wherein all the Independent Directors attended the meeting. The Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors, Board as a whole and the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors.
- h) The Board periodically reviews the compliance reports pertaining to all laws applicable to the Company. During FY 2021-2022, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.
- i) None of the Directors are related inter-se.
- j) None of the Non- Executive Directors hold any shares in the Company. The Company has not issued any convertible instruments.

III. Committees of the Board

The Board has constituted Committees with specific terms of reference to focus on specific areas. These include the Audit Committee, the Nomination and Remuneration Committee, the Risk Management Committee, the Finance and Asset Liability Supervisory Committee, the Information Technology Strategy Committee, the Investment Credit Committee, the Corporate Social Responsibility Committee, the Stakeholders Relationship Committee, Working Committee, Referral Committee and Asset Purchase Committee.

The Company Secretary is the Secretary of all the aforementioned Committees. The Board of Directors and the Committees also take decisions by resolutions passed through circulation which are noted by the Board / respective Committees of the Board at their next meetings. The Minutes and the gist of minutes of meetings of all Committees of the Board are placed before the Board of Directors for noting.

i. Audit Committee

Composition, Meetings and Attendance

During FY 2021-22, 6 (Six) meetings of the Audit Committee were held on the following dates: April 21, 2021, July 22, 2021, September 16, 2021, October 19, 2021, January 21, 2021 and March 07, 2022.

The composition of the Audit Committee as on date of this Report and the attendance details of meetings during FY 2021-22 is, given below:

Name of the Member(s)	Category	No. of Meetings	
		Held during tenure	Attended
Ms. Padmini Khare Kaicker	Chairperson and Independent Director	6	6
Ms. Varsha Purandare	Independent Director	6	6
Mr. Sujit Kumar Varma*	Independent Director	-	-
Mr. Rajiv Sabharwal	Non-Executive Director	6	5

*Mr. Sujit Kumar Varma was appointed as a member of Audit Committee with effect from May 05, 2022, accordingly, his attendance for the audit committee meetings held during FY 2021-22 is NIL

The composition of the Audit Committee is in line with the provisions of Section 177 of the Act and the Regulation 18 of the SEBI Listing Regulations. All the Members have the ability to read and understand financial statements and have relevant finance and / or audit experience.

The previous AGM of the Company was held on June 23, 2021 and was attended by Ms. Padmini Khare Kaicker, Chairperson of the Audit Committee.

Terms of reference

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, SEBI Listing Regulations and directions issued by Reserve Bank of India ("RBI"). The Charter is reviewed, from time to time and is available on the website of the Company, www.tatacapital.com.

The responsibilities of the Audit Committee, *inter alia*, include:

- Review of the financial reporting process, the system of internal financial controls, the audit process, the Company's process for monitoring compliance with laws and regulations and the Tata Code of Conduct;
- To recommend the appointment and removal of the Auditors and their remuneration and discuss with the Auditors, the nature and scope of their audit before commencement;
- To examine the financial statements, the financial results and the Auditor's Report thereon;
- To review and evaluate the Company's financial and risk management systems;
- To review the adequacy and performance of Risk Based Internal Audit function;
- To perform activities and carry out functions as laid down in the Framework for Related Party Transactions adopted by the Board;
- To review findings of internal investigations, frauds, irregularities, etc.; and
- To review the functioning of and compliance with the Company's Whistle Blower Policy.

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 Managing Director, the Chief Financial Officer, the Company Secretary, the Statutory Auditors and the Head - Internal Audit. The Head-Internal Audit of the Company reports to the Audit Committee to ensure independence of operations.

ii. Nomination and Remuneration Committee (“NRC”)

Composition, Meetings and Attendance

During FY 2021-22, 2 (Two) meetings of the NRC were held on the following dates: April 19, 2021 and June 02, 2021.

The composition of the NRC as on date of this Report and the attendance details of meetings during FY 2021-22 is, given below:

Name of the Member(s)	Category	No. of Meetings	
		Held during tenure	Attended
Mr. Sujit Kumar Varma*	Chairman and Independent Director	-	-
Mr. Rajiv Sabharwal*	Non- Executive Director	2	2
Ms. Varsha Purandare	Independent Director	2	2
Ms. Padmini Khare Kaicker	Independent Director	2	2

**Mr. Rajiv Sabharwal ceased to be a Chairman of NRC w.e.f May 5, 2022. Mr. Sujit Kumar Varma was appointed as a Chairman of the NRC in place of Mr. Rajiv Sabharwal with effect from May 05, 2022. Accordingly, his attendance for the NRC meetings held during FY 2021-22 is NIL. Mr. Rajiv Sabharwal would continue as a Member of NRC.*

The composition of the NRC is in line with the provisions of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations, as on the date of this Report.

The previous AGM of the Company was held on June 23, 2021 and was attended by Mr. Sabharwal, former Chairperson of the NRC.

Terms of reference

The responsibilities of the NRC, *inter alia*, include:

- To formulate the criteria for determining qualifications, fit and proper status, positive attributes and independence of a director and recommend to the Board, a policy relating to the remuneration for the directors, Key Managerial Personnel, the Executive Team and other employees;
- To specify the manner and criteria for effective evaluation of performance of Board, its Committees and individual Directors including Independent Directors;
- To devise a policy on diversity of Board of Directors;
- To identify persons who are qualified to become directors and who may be appointed in Senior Management in accordance with the criteria laid down and

- recommend to the Board, their appointment and removal;
- To decide whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
 - To recommend to the Board, all remuneration, in whatever form, payable to Senior Management; and
 - To decide Commission payable to the Directors, subject to prescribed limits and approval of shareholders.

Performance Evaluation Criteria for Independent Directors

The performance evaluation criteria for Independent Directors is based on various factors which includes participation and contribution by a director, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behaviour and judgment.

iii. Risk Management Committee (“RMC”)

Composition, Meetings and Attendance

During FY 2021-22, 4 (Four) meetings of the RMC were held on the following dates: May 26, 2021, August 02, 2021, November 01, 2021 and February 03, 2022.

The composition of the RMC as on date of this Report and the attendance details of meetings during FY 2021-22 is, given below:

Name of the Member(s)	Category	No. of Meetings	
		Held during tenure	Attended
Mr. Sujit Kumar Varma*	Chairman and Independent Director	-	-
Ms. Varsha Purandare*	Independent Director	4	4
Ms. Padmini Khare Kaicker*	Independent Director	-	-
Mr. Rajiv Sabharwal	Non-Executive Director	4	4
Mr. Manish Chourasia	Managing Director	4	4

**Ms. Varsha Purandare ceased to be a Member of the RMC with effect from May 05, 2022 and Mr. Sujit Kumar Varma was appointed as a Chairman of the RMC in place of Ms. Varsha Purandare with effect from May 5, 2022. Ms. Padmini Khare Kaicker was appointed as a Member w.e.f May 5, 2022. Accordingly, the attendance of Mr. Sujit Kumar Varma and Ms. Padmini Khare Kaicker for the RMC meetings held during FY 2021-22 is NIL.*

The composition of the RMC is in line with the provisions of Regulation 21 of SEBI Listing Regulations.

Terms of reference

The responsibilities of the RMC, *inter alia*, include:

- To assist the Board in its oversight of various risks;
- To review and analyse risk exposure related to specific issues and provide oversight of risk across the Company;
- To formulate a detailed Risk Management Policy and oversee the implementation of the same, including evaluating the adequacy of risk management systems;
- To ensure whether appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company; and
- To review the appointment, removal and terms of remuneration of the Chief Risk Officer.

iv. Finance and Asset Liability Supervisory Committee (“ALCO”)

Composition, Meetings and Attendance

During FY 2021-22, 4 (Four) meetings of the ALCO were held on the following dates: May 26, 2021, August 02, 2021, November 10, 2021 and February 03, 2022.

The composition of the ALCO as on date of this Report and the attendance details of meetings during FY 2021-22 is, given below:

Name of the Member(s)	Category	No. of Meetings	
		Held during tenure	Attended
Ms. Varsha Purandare	Chairperson and Independent Director	4	4
Mr. Rajiv Sabharwal	Non-Executive Director	4	4
Mr. Manish Chourasia	Managing Director	4	4

Terms of reference

The responsibilities of the ALCO, *inter alia*, include to oversee:

- Asset Liability Management;
- Debt composition and plan of the Company for fund raising; and
- Resource Raising Policy of the Company.

v. Information Technology Strategy Committee (“ITSC”)

Composition, Meetings and Attendance

During FY 2021-22, 3 (Three) meetings of the ITSC were held on the following dates: April 21, 2021, August 18, 2021 and February 15, 2022.

The composition of the ITSC as on date of this Report and the attendance details of meetings during FY 2021-22 is, given below:

Name of the Member(s)	Category	No. of Meetings	
		Held during tenure	Attended
Mr. Sujit Kumar Varma*	Chairman and Independent Director	-	-
Ms. Padmini Khare Kaicker*	Independent Director	3	3
Ms. Varsha Purandare	Independent Director	3	3
Mr. Rajiv Sabharwal	Non-Executive Director	3	3
Mr. Manish Chourasia	Managing Director	3	2

*Ms. Padmini Khare Kaicker ceased to be a Member w.e.f May 5, 2022. Mr. Sujit Kumar Varma was appointed as a Chairman of the ITSC in place of Ms. Padmini Khare Kaicker with effect from May 05, 2022. Accordingly, the attendance of Mr. Sujit Kumar Varma for the ITSC meetings held during FY 2021-22 is NIL.

Mr. Nilesh Bafna, Business Chief Information Officer is also a Member of the Committee.

Terms of reference

The responsibilities of the ITSC, *inter alia*, include:

- To approve the IT strategy and policy documents;
- To institute an effective governance mechanism and risk management process for all outsourced IT operations and to do all such acts as may be required under the IT Directions in respect of the outsourced IT operations; and
- To recommend the appointment of IT / Information Systems ("IS") Auditor; and
- To review the IT / IS Audit report and provide its observation / recommendations to the Board.

vi. Corporate Social Responsibility ("CSR") Committee

During FY 2021-22, 2 (Two) meetings of the CSR were held on the following dates: May 05, 2021 and March 25, 2022.

The composition of the CSR Committee as on date of this Report and the attendance details of meetings during FY 2021-22 is, given below:

Name of the Member(s)	Category	No. of Meetings	
		Held during tenure	Attended
Ms. Varsha Purandare	Chairperson and Independent Director	2	2
Ms. Padmini Khare Kaicker	Independent Director	2	2
Mr. Rajiv Sabharwal	Non-Executive Director	2	2
Mr. Manish Chourasia	Managing Director	2	2

Terms of reference

The responsibilities of the CSR Committee, *inter alia*, include:

- To formulate and recommend to the Board, a CSR Policy which shall include the guiding principles for selection, implementation and monitoring of activities to be undertaken by the Company as specified in Schedule VII of the Act (“CSR Activities”);
- To formulate and recommend to the Board an Annual Action Plan in pursuance of the CSR Policy and in accordance with the applicable Rules. Recommend alteration in such Plan to the Board of Directors, at any time during the financial year, based on the reasonable justification to that effect;
- To recommend the amount of expenditure to be incurred on CSR activities;
- To monitor the CSR Policy of the Company from time to time and instituting a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company;
- To oversee the Company’s conduct with regard to its corporate and societal obligations and its reputation as a responsible corporate citizen; and
- To oversee activities impacting the quality of life of the beneficiaries of the CSR projects.

vii. Investment Credit Committee (“ICC”)

During FY 2021-22, 23 (Twenty Three) meetings of the ICC were held on the following dates: April 16, 2021, April 27, 2021, May 06, 2021, May 12, 2021, May 27, 2021, July 02, 2021, July 10, 2021, July 30, 2021, August 26, 2021, September 01, 2021, September 27, 2021, September 27, 2021, October 20, 2021, October 29, 2021, November 15, 2021, December 03, 2021, December 17, 2021, January 20, 2021, January 21, 2022 (adjourned), February 03, 2022, February 10, 2022, March 12, 2022, March 23, 2022, March 28, 2022 and April 06, 2022 (adjourned).

The composition of the ICC as on date of this Report and the attendance details of meetings during FY 2021-22 is, given below:

Name of the Member(s)	Category	No. of Meetings	
		Held during tenure	Attended
Ms. Varsha Purandare	Chairperson and Independent Director	23	23
Mr. Sujit Kumar Varma*	Independent Director	-	-
Ms. Padmini Khare Kaicker*	Independent Director	23	18
Mr. Rajiv Sabharwal	Non-Executive Director	23	23
Mr. Manish Chourasia	Managing Director	23	23

*Mr. Sujit Kumar Varma was appointed as a member w.e.f May 05, 2022. Accordingly, the attendance of Mr. Sujit Kumar Varma for the ICC meetings held during FY 2021-22 is NIL. Ms. Padmini Khare Kaicker ceased to be a Member w.e.f May 5, 2022.

Terms of reference

The responsibilities of the ICC, *inter alia*, include:

- To approve / modify / disapprove financing / credit proposals (in line with credit policy), as per the authority granted by the Board to the Investment Credit Committee from time to time, in terms of the Board approved Delegation of Authority matrix ("DOA");
- To approve of investments by way of Debentures / Commercial Paper, equity shares and preference shares, in terms of the Board approved treasury investment policy;
- To approve or modify or disapprove all Policies and Scheme notes on recommendation of the Credit Committee or such other Committees as may be formed pursuant to the Board approved DOA;
- To periodically review proposals approved by the Credit Committee or such other Committees as may be formed pursuant to the Board approved DOA, from time to time; and
- To approve the transactions pertaining to other lending activities such as Investments or Deposits, including Assignment of Portfolio with any related party, in terms of the Board approved Framework for Related Party Transactions.

viii. Stakeholders Relationship Committee (constituted with effect from May 5, 2022)

Composition and Meetings

Pursuant to Regulation 20 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") (as amended from time to time), a listed entity shall constitute a Stakeholders Relationship Committee ("SRC") to specifically look into the various aspects of the interest of shareholders, debenture holders and other security holders.

Accordingly, the Board of Directors of the Company based on the recommendation of Nomination and Remuneration Committee vide its Circular Resolution passed on May 04, 2022 constituted a SRC with effect from May 05, 2022.

The composition of the SRC as on date of this Report is, as under:

Name of the Member(s)	Category
Mr. Sujit Kumar Varma	Chairman and Independent Director
Mr. Rajiv Sabharwal	Independent Director
Mr. Manish Chourasia	Managing Director

There was no meeting of the SRC Committee held during FY 2021-22 since it was constituted w.e.f May 5, 2022.

The responsibilities of the SRC, *inter alia*, is to consider and resolve the grievances / complaints of security holders of the Company.

a) **Name, designation and address of the Compliance Officer under SEBI Listing Regulations:**

Mr. Rajesh Gosia
 Company Secretary
 11th Floor, Tower A, Peninsula Business Park,
 Ganpatrao Kadam Marg,
 Lower Parel, Mumbai 400 013
 Mobile No.: 9029035812

b) Details of Complaints received from the Debenture holders and redressed during the FY 2021-22 are, as follows:

Sr. No.	Description	Opening at the beginning of the Financial Year	Received during the Financial Year	Resolved during the Financial Year	Closing at the end of the Financial Year
1.	Complaints	Nil	Nil	Nil	Nil
	Total	Nil	Nil	Nil	Nil

c) During FY 2021-22, no complaints were received from the Equity Shareholders of the Company.

ix. **Working Committee:**

Composition and Meetings

The composition of the Working Committee as on date of this Report is, given below:

Name of the Member(s)	Category
Ms. Padmini Khare Kaicker	Chairperson and Independent Director
Mr. Rajiv Sabharwal	Non- Executive Director
Mr. Manish Chourasia	Managing Director

There was no meeting of the Working Committee held during FY 2021-22.

Terms of reference

The responsibilities of the Working Committee, *inter alia*, include exploring and evaluating market appetite, potential pricing, structure of the proposed issuance and timing, negotiation of various other terms in connection with the issuance of masala bonds, foreign currency bonds and non-convertible debentures to Public.

x. Asset Purchase Committee:

Composition and Meetings

The composition of the Asset Purchase Committee as on date of this Report is, given below:

Name of the Member(s)	Category
Ms. Varsha Purandare	Chairperson and Independent Director
Ms. Padmini Khare Kaicker	Independent Director

No Meeting of the Asset Purchase Committee was held during FY 2021-22.

Terms of Reference

Examination of proposals of the purchase of Assets by the Company from Tata Capital Limited and / or its affiliates as per the Shareholders Agreement executed between TCL, IFC and TCCL.

xi. Referral Committee:

Composition and Meetings

The composition of the Referral Committee as on date of this Report is, given below:

Name of the Member(s)	Category
Ms. Varsha Purandare	Chairperson and Independent Director

No Meeting of the Referral Committee was held during FY 2021-22.

Terms of Reference

To review all referrals of the Company Opportunities, Co-Investment Opportunities by the Company as per the Shareholders Agreement.

IV. Remuneration of Directors

a. Non-Executive Directors:

The Company paid Sitting fees to the Independent Directors (“IDs”) for attending meetings of the Board and the Committees of the Board and will pay Commission for the FY 2021-22, within the maximum prescribed limits to the IDs who were Directors of the Company during FY 2021-22, as recommended by the NRC and approved by the Board at their meetings held on May 16, 2022. The details of the same are, as under:

Name	Sitting Fees paid for attending Board and Committee Meetings held during FY 2021-22	Commission to be paid for FY 2021-22
Ms. Varsha Purandare, Independent director and Chairperson	11,40,000	30,00,000
Ms. Padmini Khare Kaicker, Independent director	8,60,000	20,00,000

Note: #In line with the Group Guidance Note, no payment is made towards commission to Non-Executive Directors of the Company, who are in full-time employment with any other Tata Company.

Mr. Rajiv Sabharwal, Non-Executive Director, is the Managing Director & CEO of TCL, with effect from April 1, 2018, therefore his remuneration is borne by TCL and he did not draw any remuneration from the Company. No sitting fees are paid to Mr. Rajiv Sabharwal.

The Remuneration Policy of the Company which, *inter alia*, lays down the criteria of making payments to non-executive directors is available on the website of Company at www.tatacapital.com.

None of the NEDs and IDs had any pecuniary relationships or transactions with the Company during the year under review.

b. Managing Director

Terms of Appointment and remuneration of Mr. Manish Chourasia, Managing Director:

Period of Contract	August 21, 2020 to August 20, 2025
Notice Period and Severance Fees	The Contract with the Managing Director may be terminated earlier by either party giving the other Party six months’ notice of such termination or the Company paying six months’ remuneration and other pro-rated incentive / commission (at the discretion of the Board), in lieu of such notice. There is no separate provision for payment of Severance fees.
Employee Stock Options (“ESOP”)	Rs. 81,49,720
Salary for FY 2021-22	Rs. 1,73,19,590

Incentive Remuneration for FY 2021-22 to be paid in FY 2022-23	Rs. 1,25,00,000
Perquisites and allowances	Rs. 15,36,000
Retirement benefits	Rs. 24,29,010

V. General Body Meetings

i. General Meeting

a. Annual General Meeting

Financial Year	Date	Time	Venue	Special Resolutions passed
2018-2019	June 17, 2019	11:45 a.m.	11 th Floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013.	i. Re-appointment of Mr. Vittaldas Leeladhar as an Independent Director ii. Appointment of Dr. Ajay Mathur as a Non-Executive Director iii. Loan to the TCL Employee Welfare Trust
2019-2020	August 17, 2020	10:30 a.m.	Meeting conducted through Video Conference ("VC").	i. Appointment of Ms. Varsha Purandare as an Independent Director ii. Re-appointment of Mr. Manish Chourasia as the Managing Director of the Company iii. Alteration of Objects Clause in the Memorandum of Association of the Company
2020-2021	June 23, 2021	10:30 a.m.	Meeting conducted through VC.	Nil

b. Extraordinary General Meeting ("EGM"):

During FY 2021-22, 2 (Two) EGMs were held through VC on September 23, 2021 at 4.15 p.m. and November 12, 2021 at 10 a.m. At the EGM held on September 23, 2021, a special resolution was passed for Offer and Issue of Equity Shares on a Rights Basis. Further, at the EGM held on November 12, 2021, a special resolution was passed for approval of payment of Commission to Non-Executive Director and Independent Directors of the Company.

c. Whether any special resolution passed last year through postal ballot – details of voting pattern – None.

- d. Person who conducted the postal ballot exercise – Not applicable.
- e. Whether any special resolution is proposed to be conducted through postal ballot – None.
- f. Procedure for postal ballot – Not applicable.

VI. **Means of Communication:**

The 'Investor Relations' section on the Company's website (www.tatacapital.com) keeps the investors updated on material developments in the Company by providing key and timely information such as Financial Results, Annual Reports, Contact details of persons responsible for investor grievances, etc. The debenture holders can also send in their queries / complaints at the designated email address: compliance.ncd@tatacapital.com. Financial Results are normally published in Business Standard Newspaper.

VII. **General Information for Shareholders and Debenture holders**

The Company is registered with the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identity Number ("CIN") allotted to the Company by the Ministry of Corporate Affairs is U65923MH2011PLC222430.

- i. **Details of Debenture Trustees and the Registrar and Transfer Agents of the Company are, given below:**

Debenture Trustees
IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001. Website: www.idbitrustee.com , Tel: +91 22 4080 7000, Fax: +91 22 6631 1776. e-mail: itsl@idbitrustee.com
Registrar and Transfer Agents
Equity Shares and Non – Convertible Debentures issued on a Private Placement basis
TSR Consultants Private Limited (Formerly known as TSR Darashaw Consultants Private Limited) C-101, 1 st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400083 Website: www.tcplindia.co.in , Tel: +91 22 6656 8484, e-mail: csg-unit@tcplindia.co.in

- ii. **Annual General Meeting for FY 2021-22**

Date: June 27, 2022

Time: 11.30 a.m.

Venue: Through Video Conferencing.

- iii. **Financial Year:** April 01, 2021 to March 31, 2022

- iv. **Dividend Payment Date:** Not Applicable.

- v. **Listing on Stock Exchange and Listing Fees:**

The Non-Convertible Debentures issued by the Company on a private placement basis are listed on the National Stock Exchange of India Limited.

National Stock Exchange of India Limited, Exchange Plaza, C-1, Block G, Bandra Kurla Complex Bandra (East), Mumbai -400051

Listing Fees as applicable have been paid for FY 2021-22 and FY 2022-23.

vi. **Stock Code/Symbol**

NSE: Not Applicable*

vii. **Market price data- high, low during each month in last financial year:** Not Applicable*.

viii. **Performance in comparison to broad-based indices such as BSE, Sensex, CRISIL Index, etc:** Not Applicable*.

ix. **In case of securities are suspended from trading, the directors report shall explain the reason thereof.** – Not Applicable.

x. **Share transfer system**

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, securities can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. All the equity shares of the Company are in dematerialized form, hence, transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.

xi. **Distribution of equity shareholding as on March 31, 2022:**

The Company is a joint venture between TCL and International Finance Corporation (“IFC”), Washington D.C., USA, with equity holding in the ratio of 80.50:19.50, respectively.

xii. **Dematerialization of shares and liquidity:**

All the Equity shares of the Company are in dematerialized form as on March 31, 2022. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company’s equity shares is INE857Q01011.

xiii. **Outstanding Global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity:** Not Applicable*.

xiv. **Commodity price risk or foreign exchange risk and hedging activities:**

The Company is exposed to foreign currency exchange rate fluctuation risk for its foreign currency borrowing. The Company’s borrowings in foreign currency are governed by RBI guidelines. The Company hedges its entire External Commercial Borrowing (“ECB”) exposure for the full tenure of the ECB as per Board approved policy. Further, the Company is not exposed to commodity price risk.

xv. **Plant locations:** Not Applicable*.

xvi. **Address for correspondence:**

11th Floor, Tower A,
Peninsula Business Park, Ganpatrao Kadam Marg,
Lower Parel, Mumbai 400013.

- xvii. **List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal:**

Details pertaining to Credit Ratings obtained by the Company are included in the Directors' Report.

- xviii. **Transfer of Unclaimed / Unpaid Amounts to the Investor Education and Protection Fund:**

During the year under review, no amount was due for transfer to Investor Education and Protection Fund.

**The equity shares of the Company are not listed on the Stock Exchange and hence certain details are not applicable to the Company.*

VIII. Other Disclosures:

Particulars	Details and Web link
Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large.	There are no material related party transactions during the year under review that have potential conflict with the interest of the Company.
Details of non - compliance by the Company, penalty, strictures imposed on the Company by the Stock Exchange, or Securities and Exchange Board of India or any statutory authority on any matter related to capital markets, during the last three years.	Nil
Details of establishment of vigil mechanism / whistle blower policy, and affirmation that no personnel has been denied access to the Audit Committee.	The Company has a Whistle Blower Policy and has established necessary Vigil Mechanism for Directors and employees to report concerns about unethical behaviour. No person has been denied access to the Audit Committee.
Details of compliance with mandatory requirements and adoption of the non-mandatory requirements.	Details of compliance with non-mandatory and mandatory requirements are mentioned in Point No. X and XI of this report, respectively.
Web link where policy for determining 'material' subsidiaries is disclosed.	The Company does not have any subsidiary company.
Web link where policy on dealing with related party transactions.	The Company has a policy on dealing with related party transactions which is disclosed on its website at https://www.tatacapital.com/content/dam/tata-capital/tccl/POLICY%20ON%20RELATED%20PARTY%20TRANSACTIONS.pdf
Disclosure of commodity price risks and commodity hedging activities.	Not Applicable

Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of SEBI Listing Regulations.	Not Applicable.										
Certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.	The Company has obtained certificate from M/s Parikh & Associates, Practising Company Secretaries that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. The same is reproduced at the end of this report and marked as Annexure I .										
Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof.	During FY 2021-22, all the recommendations of the various Committees of the Board were accepted by the Board.										
Total fees for all services paid by the listed entity to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.	<p>M/s B S R & Co. LLP, Chartered Accountants (“BSR”) (ICAI Firm Registration Number: 101248W/W-100022) resigned as the Statutory Auditors with effect from November 12, 2021 due to the ineligibility to continue as statutory auditors in terms of RBI circular dated April 27, 2021.</p> <p>In view of the above, M/s Mukund M. Chitale & Co. Statutory Auditors (ICAI Firm Registration Number. 106655W) was appointed as the Statutory Auditors of the Company With effect from November 12, 2021.</p> <p>The particulars of payment of Statutory Auditors’ fees is, given below:</p> <table border="1" data-bbox="815 1384 1460 1637"> <tr> <td data-bbox="815 1384 1141 1496">Audit Fees for examining and auditing the Financial Statements</td> <td data-bbox="1144 1384 1460 1496">Rs. 17 lakh</td> </tr> <tr> <td data-bbox="815 1496 1141 1529">Tax Audit Fees:</td> <td data-bbox="1144 1496 1460 1529">Rs. 2 lakh</td> </tr> <tr> <td data-bbox="815 1529 1141 1597">Certification and other services</td> <td data-bbox="1144 1529 1460 1597">Rs. 4 lakh</td> </tr> <tr> <td data-bbox="815 1597 1141 1637">Total</td> <td data-bbox="1144 1597 1460 1637">Rs. 23 lakh</td> </tr> </table> <p>(The above payments excluding out-of pocket, travelling and living expenses and Goods and Service tax).</p> <p>Further, no fees were paid to any entity in the network firm/network entity of which the Statutory Auditor is a part.</p>			Audit Fees for examining and auditing the Financial Statements	Rs. 17 lakh	Tax Audit Fees:	Rs. 2 lakh	Certification and other services	Rs. 4 lakh	Total	Rs. 23 lakh
Audit Fees for examining and auditing the Financial Statements	Rs. 17 lakh										
Tax Audit Fees:	Rs. 2 lakh										
Certification and other services	Rs. 4 lakh										
Total	Rs. 23 lakh										
Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:	Number of complaints filed during	Number of complaints disposed of during the financial year	Number of complaints pending as on								

	the financial year		end of the financial year.
	Nil	Nil	Nil
Disclosure by listed entity of Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount.	Nil		
Familiarization Program	Details of familiarisation programmes imparted to Independent Directors is disclosed on its website at www.tatacapital.com		

- IX.** Non-compliance of any requirement of corporate governance report of sub-paras above, with reasons thereof shall be disclosed:

Related Party Transactions (“RPTs”)

In terms of Regulation 23(4) of the SEBI Listing Regulations, all material RPTs require approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not. In this connection, it is submitted that the the entire shareholding of the Company is held by Tata Capital Limited (“TCL”) and International Finance Corporation (“IFC”) in the ratio of 80.50:19.50 Accordingly, TCL and IFC are related parties of the Company and hence the requirement of only unrelated shareholders voting to approve material RPTs cannot be met. Hence, owing to the impossibility of complying with this voting requirement, the shareholders’ approval could not be sought for the material RPTs entered into by the Company during FY 2021-22.

Composition of Nomination and Remuneration Committee

The composition of the Nomination and Remuneration Committee (“NRC”) is in compliance with the provisions of the Companies Act, 2013. As per Regulation 19 of the SEBI LODR Regulations, which have been made applicable to High Value Debt Listed entities, the Company was required to reconstitute its NRC, within the specified timeline i.e. March 31, 2023, by appointing an Independent Director as the Chairperson of the NRC. Accordingly, the Company had reconstituted its NRC by appointing an Independent Director as the Chairperson of the NRC with effect from May 5, 2022

Constitution of the Stakeholders Relationship Committee

As per Regulation 20 of the SEBI LODR Regulations which have been made applicable to High Value Debt Listed entities, the Company was required to constitute Stakeholders Relationship Committee (“SRC”) by March 31, 2023. Accordingly, the Company constituted its SRC with effect from May 5, 2022.

- X. The corporate governance report shall also disclose the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted.**

The Company has adopted the following discretionary requirements as specified in Part E of Schedule II:

- i. The Company has adopted regime of financial statement with unmodified audit opinion.
- ii. The Company has appointed separate post of Chairman and the Managing Director such that Chairman is a Non-Executive Director and not related to the Managing Director.

- iii. The Internal Auditor of the Company directly reports to Audit Committee of the Company.

XI. The disclosures of the compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (a) to (i) of Regulation 62(1A) of SEBI Listing Regulations shall be made in the section on corporate governance of the annual report.

As on March 31, 2022, the Company is in compliance with all the mandatory requirements specified in Regulation 17 to 27 of SEBI Listing Regulations, except Regulation 19, 20 and 23, which have become applicable to the Company as a High Value Debt Listed Entity ("HVDLE") w.e.f September 7, 2021 on a 'comply or explain' basis until March 31, 2023. The Company has provided the necessary explanation in the quarterly compliance report on Corporate Governance submitted to the Stock Exchange under Regulation 27(2)(a) of SEBI Listing Regulations. .

XII. Declaration signed by the Managing Director stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management.

The Company has adopted a Code of Conduct for its employees including the Managing Director. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's website (www.tatacapital.com).

All the Directors on the Board and Senior Management Personnel of the Company have affirmed compliance with the respective Codes. A declaration signed by the Managing Director to this effect is reproduced at the end of this report and marked as **Annexure II**.

XIII. Compliance certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance shall be annexed with the directors' report.

The Company has obtained compliance certificate from the Practising Company Secretaries, M/s. Parikh and Associates on Corporate Governance. The same is reproduced at the end of this report and marked as **Annexure III**.

XIV. Disclosures with respect to demat suspense account/ unclaimed suspense account: Not Applicable.

CERTIFICATE

(pursuant to Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
Tata Cleantech Capital Limited
11th Floor, Tower A, Peninsula Business Park,
Ganpatrao Kadam Marg, Lower Parel,
Mumbai – 400013

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Tata Cleantech Capital Limited** having **CIN No. U65923MH2011PLC222430** and having registered office at 11th Floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	Name of Director	DIN	Date of Appointment in Company *
1.	Ms. Varsha Purandare	05288076	25/01/2020
2.	Mr. Rajiv Sabharwal	00057333	01/04/2018
3.	Ms. Padmini Khare Kaicker	00296388	11/03/2015
4.	Mr. Manish Chourasia	03547985	21/08/2015

*the date of appointment is as per the MCA Portal.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Parikh & Associates
Practising Company Secretaries

Anuja Shah
Partner
ACS: 52927 CP: 21367
UDIN: A052937D000505301
PR No.: 1129/2021
Mumbai, 16.05.2022

Annexure II**DECLARATION BY THE MANAGING DIRECTOR**

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that, all the Directors and Senior Management Personnel of the Company have affirmed compliance to the Code of Conduct for the financial year ended March 31, 2022.

For **Tata Cleantech Capital Limited**,

Manish Chourasia
Managing Director

Place: Mumbai

Date: 16.05.2022

Annexure III**PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE****TO THE MEMBERS OF
TATA CLEANTECH CAPITAL LIMITED**

We have examined the compliance of the conditions of Corporate Governance by Tata Capital Cleantech Limited ('the Company') for the year ended on March 31, 2022, as stipulated under Regulations 17 to 27, clauses (a) to (i) of sub-regulation (1A) of Regulation 62 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and as made applicable to the Company effective September 7, 2021 on a comply or explain basis until March 31, 2023, and the necessary explanation in the quarterly compliance report on Corporate Governance submitted to the Stock Exchange under Regulation 27(2)(a) of SEBI LODR, 2015.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2022 and had provided necessary explanation pertaining to compliance of Regulations 19(2), 20 and Regulation 23 of SEBI Listing Regulations in the quarterly compliance report on Corporate Governance submitted to the Stock Exchange under Regulation 27(2)(a) of SEBI Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Parikh & Associates
Practising Company Secretaries

Anuja Shah
Partner
ACS: 52927 CP: 21367
UDIN: A052937D000505323
PR No.: 1129/2021
Mumbai, 16.05.2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Tata Cleantech Capital Limited

Report on the Audit of Ind AS Financial Statements

1. Opinion

We have audited the accompanying Ind AS financial statements of Tata Cleantech Capital Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on Ind AS financial statements.

3. Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current year. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	Impairment of loans and advances to customers	
	Charge: Rs. 2,780 Lakhs for year ended March 31, 2022, Provision: Rs. 11,547 Lakhs at March 31, 2022	

	<p>Refer to the accounting policies in “Note 2(xi) (a) to the Ind AS Financial Statements: Impairment”, “Note 2(v) to the Ind AS Financial Statements: Significant Accounting Policies- use of estimates” and “Note 6 to the Ind AS Financial Statements: Loans, “Note 17 to the Financial Statements: Provisions”, “Note 40A to the Ind AS Financial Statements: Financial Risk Review – Credit Risk”, “Note 39 to the Ind AS Financial Statements: Risk Management Framework”, “Note 51 to the Ind AS Financial Statements: Impact of Covid 19”.</p>	
	<p>Subjective estimate</p> <p>Recognition and measurement of impairment of loans and advances involve significant management judgement.</p> <p>Under Ind AS 109, Financial Instruments, allowance for loan losses are determined using expected credit loss (“ECL”) estimation model. The estimation of ECL on financial instruments involves significant judgement and estimates. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Company’s estimation of ECL are:</p> <p>a) Data inputs – The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model.</p> <p>b) Model estimations – Inherently judgmental models are used to estimate ECL which involves determining Segmentation of Loan Book (“SLB”), Probabilities of Default (“PD”), Loss Given Default (“LGD”) and Exposures at Default (“EAD”). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Company’s modelling approach.</p> <p>c) Economic scenarios - Ind AS 109 requires the Company to measure ECL on an unbiased forward-</p>	<p>Our key audit procedures included:</p> <p>Design / controls</p> <p>We performed end to end process walkthroughs to identify the key systems, applications and controls used in the ECL processes. We tested the relevant manual (including spreadsheet controls), general IT and application controls over key systems used in the ECL process.</p> <p>Key aspects of our controls testing involved the following:</p> <p>i) Evaluating the appropriateness of the impairment principles used by management based on the requirements of Ind AS 109 and our business understanding.</p> <p>ii) Understanding management’s updated processes, systems and controls implemented in relation to impairment allowance process, particularly in view of Covid-19 scenario.</p> <p>iii) Testing the ‘Governance Framework’ controls over validation, implementation, and model monitoring in line with the RBI guidance.</p> <p>iv) Testing the design and operating effectiveness of the key controls over the completeness and accuracy of the key inputs, data and assumptions into the Ind AS 109 impairment models.</p> <p>v) Testing the design and operating effectiveness of the key controls over the application of the staging criteria.</p> <p>vi) Testing key controls relating to selection and implementation of material macro-economic variables and the controls over the scenario selection and application of probability weights.</p>

<p>looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them, including changes to methodology, especially when considering the current uncertain economic environment arising from COVID-19.</p> <p>d) Qualitative adjustments - Adjustments to the model-driven ECL results are recorded by management to address known impairment model limitations or emerging trends as well as risks not captured by models. Such overlay adjustments were assessed for each customer where the Company assessed a higher risk of default basis the borrower and promoters profile, project performance, counterparty and Debt Service Reserve Account (DSRA) available. The overlay provision represents approximately 39% of the ECL balances as at March 31, 2022 for the Stage 1 & 2 borrowers. These adjustments are inherently uncertain and significant management judgement is involved in estimating these amounts especially in relation to economic uncertainty as a result of COVID-19.</p> <p>The effect of these matters is that, as part of our risk assessment, we determined that the impairment of loans and advances to customers, has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the Ind AS financial statements as a whole, and possibly many times that amount. Management has made disclosures regarding ECL approach in the credit risk sections of the Ind AS Financial Statements. (Note 40 A (i)).</p>	<p>viii) Testing the design and operating effectiveness of the key controls over the completeness and accuracy of the key inputs or data used in assessment and identification of Significant Increase in Credit Risk ('SICR') and staging of the assets.</p> <p>ix) Testing management's controls over authorization and calculation of post model adjustments and management overlays.</p> <p>x) Testing management's controls on compliance with Ind AS 109 disclosures related to ECL.</p> <p>xi) Testing key controls operating over the information technology in relation to loan impairment management systems, including system access and system change management, program development and computer operations.</p> <p>xii) Evaluated the appropriateness of the Company's Ind AS 109 impairment methodologies and reasonableness of assumptions used (including management overlays).</p> <p>xiii) The reasonableness of the Company's considerations of the impact of the current economic environment due to COVID-19 on the ECL determination.</p> <p>Substantive tests</p> <p>The Key aspects of our testing included:</p> <p>i) Assessing appropriate application of accounting principles (including criteria for SICR), validating completeness and accuracy of the data and reasonableness of assumptions used in the ECL model / calculations.</p> <p>ii) Performing credit reviews on sample basis over loans given to corporate customers.</p> <p>iii) Assessing the appropriateness of changes made in macro-economic factors and management overlays to calibrate the risks that are not yet fully captured by the existing model.</p> <p>iv) Sample testing over key inputs, data and assumptions impacting ECL</p>
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		<p>calculations to assess the completeness, accuracy and relevance of data and reasonableness of economic forecasts, weights, and model assumptions applied.</p> <p>v) Performing test of details over calculation of ECL, in relation to the completeness, accuracy and relevance of data.</p> <p>vi) Test of details of post model adjustments, in order to assess the reasonableness of the adjustments by challenging key assumptions, inspecting the calculation methodology and tracing a sample of the data used back to source data.</p> <p>Assessing disclosures</p> <p>We assessed whether the disclosures appropriately disclose and address the uncertainty which exists when determining the ECL. In addition, we assessed whether the disclosure of the key judgements and assumptions made was sufficiently clear.</p>
2.	<p>Business model assessment</p> <p>Assessment of business model for classification and subsequent measurement of financial assets</p> <p>Financial assets classified at Amortised cost: Rs.7,47,246 lakhs as at March 31, 2022.</p> <p>Financial assets classified at Fair Value Through Other Comprehensive Income ('FVOCI'): INR 36,777 lakhs at March 31, 2022</p> <p>Refer to the accounting policies in 'Note 2.xi to the Ind AS Financial Statements: Financial Instruments' and 'Note 2.v to the Ind AS Financial Statements: Significant Accounting Policies - use of estimates and judgments'</p>	
	<p>Classification and subsequent measurement of Financial assets - Business model assessment</p> <p>Ind AS 109, Financial Instruments contains three principal measurement categories for financial assets i.e.:</p> <p>i) Amortised cost;</p>	<p>Our key audit procedures included:</p> <p>Design / controls</p> <p>i) Testing the 'Governance Framework' controls including assessing the design, implementation and operating effectiveness of key internal controls over management's intent of purchasing a financial asset and the approval mechanism for such stated intent</p>

	<p>ii) FVOCI; and iii) Fair Value through Profit and Loss ('FVTPL').</p> <p>A financial asset is classified into a measurement category at inception and is reclassified only in rare circumstances. The assessment as to how an asset should be classified is made on the basis of both the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.</p> <p>The term 'business model' refers to the way in which the Company manages its financial assets in order to generate cash flows. That is, the Company's business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets or both.</p>	<p>and classification of such financial assets on the basis of management's intent (business model).</p> <p>ii) For financial assets classified at amortised cost, we tested controls over the classification of such assets and subsequent measurement of assets at amortised cost. Further, we tested key internal controls over monitoring /of such financial assets to check whether there have been any subsequent sales of financial assets classified at amortised cost.</p> <p>Substantive tests</p> <p>i) Test of details over of classification and measurement of financial assets in accordance with management's intent (business model).</p> <p>ii) Re-computation of fair value gain on account of fair valuation of financial assets measured at FVOCI.</p> <p>iii) We selected a sample of financial assets to test whether their classification as at the balance sheet date is in accordance with management's intent.</p> <p>iv) We selected a sample (based on quantitative thresholds) of financial assets sold during the year to check whether there have been any sales of financial assets classified at amortised cost.</p>
3	Information technology ("IT")	
	<p>IT systems and controls</p> <p>The Company's key financial accounting and reporting processes are highly dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated.</p> <p>We have focused on user access management, change management, segregation of duties, system reconciliation controls and system</p>	<p>Our audit procedures to assess the IT system access management included the following:</p> <p>i)We tested a sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations.</p> <p>ii)We tested the design and operating effectiveness of key controls over user access management which includes granting access right, new user creation,</p>

	<p>application controls over key financial accounting and reporting systems.</p>	<p>removal of user rights and preventative controls designed to enforce segregation of duties.</p> <p>iii) For a selected group of key controls over financial and reporting system, we independently performed procedures to determine that these controls remained unchanged during the year or were changed following the standard change management process.</p> <p>iv)Evaluating the design, implementation, and operating effectiveness of the significant accounts- related IT automated controls which are relevant to the accuracy of system calculation, and the consistency of data transmission.</p> <p>v) Other areas that were independently assessed included password policies, system configurations, system interface controls, controls over changes to applications and databases and that business users, developers and production support did not have access to change applications, the operating system or databases in the production environment.</p> <p>vi) We obtained an understanding of the cyber security controls and user access management control in the work from home environment implemented by the organization.</p>
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4. Information other than the Ind AS financial statements and Auditor’s report thereon

The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Company’s Annual Report but does not include the Ind AS financial statements and our auditor’s report thereon. The Other information is expected to be made available to us after the date of our auditor’s report.

Our opinion on the Ind AS financial statements does not cover the other information and we will not express any form of assurance thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations.

5. Management's responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, Company's Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

6. Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with Standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

i) Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act,

we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

v) Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

7. Report on Other Legal and Regulatory Requirements

i) As required by the Companies (Auditor's report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

ii) As required by section 143 (3) of the Act, based on our audit 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 purpose of our audit of Ind AS Financial Statements.

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, Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of written representations received from the directors as on March 31, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure 2” to this report.

g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on the financial position in its Ind AS financial statements – Refer Note 30 to the Ind AS financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts- Refer Note 48(v) to the Ind AS Financial Statements;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has neither declared nor paid any dividend during the year.

9. Other Matter

The Ind AS financial statements of the Company for the year ended March 31, 2021, included in these Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those Ind AS Financial Statements on April 21, 2021. Our opinion is not modified in respect of this matter.

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Regn. No. 106655W

(S.M. Chitale)
Partner
M. No. 111383

UDIN: 22111383AKDZIL3860

Date: April 20, 2022
Place: Mumbai

Annexure 1 to the Independent Auditor's Report of even date on the Ind AS financial statements of Tata Cleantech Capital Limited

Referred to in paragraph [7(i)] under Report on Other Legal and Regulatory Requirements of our report of even date

According to the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i)
 - a) A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, Capital Work in Progress, Right-of-use Assets and Investment Property.
B) The Company has maintained proper records showing full particulars of intangible assets.
 - b) The Company has a program of verification of Property, Plant and Equipment, Capital Work in-Progress, Investment Property and Right-of-use Assets so to cover all the items once every 3 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 items of Property, Plant and Equipment were due for verification and 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.
 - c) The title deed of immovable property included in Investment Property is held in the name of the Company.
 - d) The Company has not revalued its Property, Plant and Equipment (including Right-of - Use assets) during the year.
 - e) No proceedings have been initiated or is pending against the Company during the year for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii)
 - a) The Company's business does not involve inventories and, accordingly, the requirements under clause 3(ii)(a) of the Order, are not applicable to the Company.
 - b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks and financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.
 - c) \
- (iii) The Company has made investments in, provided guarantees (letter of comfort) and granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, in respect of which:
 - a) The Company's principal business is to give loans, and hence reporting under clause 3(iii)(a) of the Order is not applicable to the Company.
 - b) The principal business of the Company is to give loans. The investments made, guarantees provided (letter of comfort) and the terms and conditions of grant of all loans

during the year are, in our opinion, prima facie, not prejudicial to the Company's interest. The Company has not provided any advances in the nature of loans or given security. The Company has during the year provided interest free loan of Rs. 40 lakhs to TCL Employee Welfare Trust (outstanding balance of Rs. 50 lakhs as at March 31, 2022). According to information and explanations provided to us by the management, the interest free loan is provided to the TCL Employee Welfare Trust towards welfare of employees and accordingly the terms and conditions of such loan are not prejudicial to the Company's interest.

- c) The Company has stipulated the schedule of repayment of principal and payment of interest. Since the principal business of the Company is to give loans, there are customers who are regular and do not have any overdue amount towards their loan and there are customers who have overdue of loan as at the balance sheet date.
- d) In respect of following loans granted by the Company, which have been overdue for more than 90 days at the balance sheet date, as explained to us, the Management has taken reasonable steps for recovery of the principal amounts and interest:

No. of cases	Principal amount overdue	Interest overdue	Total overdue	Remarks, if any
1 Borrower	Rs. 5,922 Lakhs	Rs. 1,444 Lakhs	Rs. 7,366 Lakhs	Note 1

Note 1: Out of Total Principal outstanding of Rs. 5,922 Lakhs, Rs. 866 Lakhs is overdue for more than 90 days. Interest overdue has been not recognised in the Ind AS financial statements as per Ind AS 109.

- e) The principal business of the Company is to give loans and hence reporting under clause (iii)(e) of the Order is not applicable.
- f) The Company has granted loans which are repayable on demand to TCL Employee Welfare Trust, the details of which are given below:

Particulars	All Parties	Promoters	Related Parties
Borrower Aggregate of loans - Repayable on demand (A) - Agreement does not specify any terms or period of repayment (B)	-	-	Rs. 50 Lakhs -
Total (A+B)	-	-	Rs. 50 Lakhs
Percentage of loans to the total loans	-	-	0.01%

- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans, made investments or provided guarantees and securities which attract the provisions of section 185 and section 186 of the Act. Accordingly, clause 3(iv) of the Order is not applicable to the Company.

- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Act, for the services of the Company.
- (vii) a) Undisputed statutory dues including provident fund, income-tax, goods and service tax, employees' state insurance, cess and other material statutory dues have been regularly deposited with the appropriate authorities. As explained to us, the Company did not have any dues of excise duty, service tax, duty of customs and value added tax.
- b) According to the information and explanations given to us, there were no undisputed dues in respect of provident fund, income-tax, goods and service tax, employees' state insurance, cess and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable. As explained to us, the Company did not have any dues of excise duty, service tax, duty of customs and value added tax.
- c) According to the records of the Company, the dues outstanding of income-tax, sales tax, goods and service tax, duty of customs, value added tax, service tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (Rs. Lakhs)	Period to which the amount relates [financial year]	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	449	April 2015 to March 2016	Assessing Officer

Note 1: No amount has been paid under protest against said demand of Income tax.

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during the year.
- (ix) a) The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to banks or financial institutions or government.
- b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained, other than temporary deployment pending application of term loans.
- d) On an overall examination of the Ind AS financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- e) The Company did not have any subsidiary or associate or joint venture during the year and hence reporting under clause (ix)(e) of the Order is not applicable to the Company.

- f) The Company did not have any subsidiary or associate or joint venture during the year and hence reporting under clause (ix)(f) of the Order is not applicable to the Company.
- (x) a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3 (x)(a) of the Order is not applicable to the Company.
 b) The Company has made preferential allotment of equity shares during the year. For such allotment of shares, the Company has complied with the requirements of Section 62 of the Companies Act, 2013, and the funds raised have been, prima facie, applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application of funds. The Company has not made any preferential allotment or private placement of (fully or partly or optionally) convertible debentures during the year.
- (xi) a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Ind AS financial statements and according to the information and explanations given by the management, we report that no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
 b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report by the Statutory Auditors of the Company.
 c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and upto the date of this report.
- (xii) The Company is not a nidhi company and hence reporting under clause 3 (xii)(a) to 3 (xii)(c) of the Order are not applicable to the Company.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the Ind AS financial statements, as required by the applicable accounting standards.
- (xiv) a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
 b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date of our audit report, in determining the nature, timing and extent of our audit procedures.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to in section 192 of the Act.
- (xvi) a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.
 b) The Company has conducted the Non-Banking Financial activities with a valid Certificate of Registration (CoR) from the Reserve Bank of India (RBI) as per the Reserve Bank of India Act, 1934. The Company has not conducted any Housing Finance activities and is not required to obtain CoR for such activities from the RBI.

- c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence reporting under paragraph 3 (xvi)(c) is not applicable to the Company.
 - d) According to the information and explanations given by the management, the Group does not have more than one CIC as part of the group.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been resignation of the Statutory Auditors of the Company during the year and we have taken into consideration the issues, objections or concerns raised by the outgoing auditors, if any.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Ind AS financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Regn. No. 106655W

(S.M. Chitale)
Partner
M. No. 111383

UDIN: 22111383AKDZIL3860

Date: April 20, 2022
Place: Mumbai

Annexure 2 to the Independent Auditor's Report of even date on the Ind AS financial statements of Tata Cleantech Capital Limited

Referred to in paragraph [8(ii)(f)] under Report on Other Legal and Regulatory Requirements of our report of even date

Report on the Internal Financial Controls With reference to Ind AS Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. We have audited the internal financial controls with reference to Ind AS Financial Statements of Tata Cleantech Capital Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to Ind AS Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India" (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to Ind AS Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Ind AS Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Ind AS Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Ind AS Financial Statements included obtaining an understanding of internal financial controls with reference to Ind AS Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to Ind AS Financial Statements.

Meaning of Internal Financial Controls with reference to Ind AS Financial Statements

4. A company's internal financial control with reference to Ind AS Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Ind AS Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls with reference to Ind AS Financial Statements

5. Because of the inherent limitations of internal financial controls with reference to Ind AS Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Ind AS Financial Statements to future periods are subject to the risk that the internal financial control with reference to Ind AS Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

6. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to Ind AS Financial Statements and such internal financial controls with reference to Ind AS Financial Statements were operating effectively as at March 31, 2022, based on the internal control with reference to Ind AS Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to Ind AS Financial Statements issued by the Institute of Chartered Accountants of India.

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Regn. No. 106655W

(S.M.Chitale)
Partner
M. No. 111383

UDIN: 22111383AKDZIL3860

Date: April 20, 2022
Place: Mumbai

Tata Cleantech Capital Limited

Balance Sheet

as at March 31, 2022

(Rs. in lakh)

PARTICULARS	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
I Financial assets			
a) Cash and cash equivalents	3	15,053	23,432
b) Bank balances other than (a) above		-	-
c) Derivative financial instruments	4	2,475	1,122
d) Receivables			
(i) Trade receivables	5	4	14
(ii) Other receivables		-	-
e) Loans	6	7,69,342	6,15,999
f) Investments	7	56,057	5,520
g) Other financial assets	8	314	289
Total Financial assets		8,43,245	6,46,376
II Non-financial assets			
a) Current tax assets (Net)	9	1,903	1,544
b) Deferred tax assets (Net)	9	3,077	2,419
c) Investment Property	10	201	212
d) Property, plant and equipment	10	91	57
e) Intangible assets under development	10	2	-
f) Other intangible assets	10	7	10
g) Right of use assets	37	32	96
h) Other non-financial assets	11	130	75
Total Non-financial assets		5,443	4,413
Total Assets		8,48,688	6,50,789
LIABILITIES AND EQUITY			
LIABILITIES			
I Financial liabilities			
a) Derivative financial instruments	4	4,176	1,937
b) Payables			
(i) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	12	8	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	12	737	807
(ii) Other payables			
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
c) Debt Securities	13	2,42,555	1,54,972
d) Borrowings (Other than debt securities)	14	3,78,070	3,22,207
e) Subordinated liabilities	15	52,807	53,036
f) Lease liabilities	37	29	84
g) Other financial liabilities	16	929	622
Total Financial liabilities		6,79,311	5,33,665
II Non-Financial liabilities			
a) Current tax liabilities (Net)	9	854	423
b) Provisions	17	609	221
c) Other non-financial liabilities	18	232	235
Total Non-financial liabilities		1,695	879

Tata Cleantech Capital Limited

Balance Sheet

as at March 31, 2022

(Rs. in lakh)

PARTICULARS	Note	As at March 31, 2022	As at March 31, 2021
II Equity			
a) Equity Share capital	19	45,929	38,802
b) Other equity	20	1,21,753	77,443
Total Equity		1,67,682	1,16,245
Total Liabilities and Equity		8,48,688	6,50,789

Summary of significant accounting policies

See accompanying notes forming part of the financial statements

2

3-57

As per our report of even date

For Mukund M. Chitale & Co.

Chartered Accountants

Firm's Registration No: 106655W

For and on behalf of the Board of Directors

Tata Cleantech Capital Limited

Saurabh M Chitale

Partner

Membership No: 111383

Rajiv Sabharwal

(Director)

DIN: 00057333

Padmini Khare Kaicker

(Director)

DIN: 00296388

Varsha Purandare

(Director)

DIN: 05288076

Manish Chourasia

(Managing Director)

DIN: 03547985

Mumbai

April 20, 2022

Behzad Bhesania

(Chief Financial Officer)

Rajesh Gosia

(Company Secretary)

Tata Cleantech Capital Limited

Statement of Profit and Loss

for the year ended March 31, 2022

(Rs. in lakh)

PARTICULARS	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
I Revenue from operations			
(i) Interest income	21	67,671	64,829
(ii) Fees and commission income	22	1,809	933
(iii) Net gain on fair value changes	23	928	1,061
		<u>70,408</u>	<u>66,823</u>
II Other income	24	10	45
III Total Income (I+II)		<u>70,418</u>	<u>66,868</u>
IV Expenses			
(i) Finance costs	25	35,243	37,822
(ii) Impairment on financial instruments	26	2,780	2,797
(iii) Employee benefit expenses	27	3,065	2,210
(iv) Depreciation, amortisation and impairment	10	108	102
(v) Other expenses	28	2,357	1,868
Total expenses (IV)		<u>43,553</u>	<u>44,799</u>
V Profit before exceptional items and tax (III-IV)		26,865	22,069
VI Exceptional Items		-	-
VII Profit before tax (V-VI)		26,865	22,069
VIII Tax expense			
(i) Current tax	9	7,121	5,697
(ii) Deferred tax	9	(637)	(401)
Total tax expense (i + ii)		6,484	5,296
IX Profit for the year (VII-VIII)		20,381	16,773

Tata Cleantech Capital Limited

Statement of Profit and Loss

for the year ended March 31, 2022

(Rs. in lakh)

PARTICULARS	<i>Note</i>	For the year ended March 31, 2022	For the year ended March 31, 2021
X Other Comprehensive Income			
(i) Items that will be reclassified subsequently to statement of profit and loss			
(a) Fair value (loss) / gain on financial assets carried at Fair Value Through Other Comprehensive Income (FVTOCI)		(931)	1,039
(b) Income tax relating to fair value gain / (loss) on financial assets carried at FVTOCI		234	(261)
(c) The effective portion of gains and loss on hedging instruments in a cash flow hedge reserve		849	(244)
(d) Income tax relating to effective portion of gains and loss on hedging instrument in a cash flow hedge		(214)	61
ii) Items that will not be reclassified subsequently to statement of profit and loss			
(a) Remeasurement of defined employee benefit plans		-	44
(b) Income tax relating to items that will not be reclassified to profit or loss		-	(11)
Total Other Comprehensive Income (i + ii)		(62)	628
XI Total Comprehensive Income for the year (IX+X) (Comprising Profit and Other Comprehensive Income for the year)		20,319	17,401
XII Earnings per equity share:			
(i) Basic (Rs.)		4.81	4.32
(ii) Diluted (Rs.)		4.81	4.32

Summary of significant accounting policies

2

See accompanying notes forming part of the financial statements

3-57

As per our report of even date

For Mukund M. Chitale & Co.
Chartered Accountants
Firm's Registration No: 106655W

For and on behalf of the Board of Directors
Tata Cleantech Capital Limited

Saurabh M Chitale
Partner
Membership No: 111383

Rajiv Sabharwal
(Director)
DIN: 00057333

Padmini Khare Kaicker
(Director)
DIN: 00296388

Varsha Purandare
(Director)
DIN: 05288076

Manish Chourasia
(Managing Director)
DIN: 03547985

Mumbai
April 20, 2022

Behzad Bhesania
(Chief Financial Officer)

Rajesh Gosia
(Company Secretary)

Tata Cleantech Capital Limited

Statement of Changes in Equity

for the year ended March 31, 2022

(Rs. in lakh)

A Equity share capital

Particulars	Rs. in Lakh
Balance as at April 1, 2020	38,802
Changes in equity share capital due to prior period errors	-
Restated balance as at April 1, 2020	38,802
Changes in equity share capital during the year	-
Balance as at March 31, 2021	38,802
Balance as at April 1, 2021	38,802
Changes in equity share capital due to prior period errors	-
Restated balance as at April 1, 2021	38,802
Changes in equity share capital during the year	7,127
Balance as at March 31, 2022	45,929

B Other equity

Particulars	Reserves and surplus						Other items of Other Comprehensive Income			Total other equity
	Securities premium	Special Reserve Account u/s 45-IC of Reserve Bank of India Act, 1934	Special Reserve Account u/s 36(1)(viii) of Income tax Act, 1961	Share options outstanding account	General Reserve	Retained earnings	Cost of hedge reserve	Remeasurement of defined benefit liability /asset	Fair value gain / (loss) on Financial Assets carried at FVTOCI	
Balance as at April 1, 2020	22,029	7,730	6,610	112	22	23,195	(119)	(58)	432	59,953
Changes in accounting policy / prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balance as at April 1, 2020	22,029	7,730	6,610	112	22	23,195	(119)	(58)	432	59,953
Profit for the year	-	-	-	-	-	16,773	-	-	-	16,773
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	(183)	33	778	628
Total	22,029	7,730	6,610	112	22	39,968	(302)	(25)	1,210	77,354
Share based payment expense	-	-	-	89	-	-	-	-	-	89
Transfer to Special Reserve Account	-	3,355	1,601	-	-	(4,956)	-	-	-	-
Balance as at March 31, 2021	22,029	11,085	8,211	201	22	35,012	(302)	(25)	1,210	77,443
Balance as at April 1, 2021	22,029	11,085	8,211	201	22	35,012	(302)	(25)	1,210	77,443
Changes in accounting policy / prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balance as at April 1, 2021	22,029	11,085	8,211	201	22	35,012	(302)	(25)	1,210	77,443
Profit for the year	-	-	-	-	-	20,381	-	-	-	20,381
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	635	-	(697)	(62)
Total	22,029	11,085	8,211	201	22	55,393	333	(25)	513	97,762
Share based payment expense	-	-	-	117	-	-	-	-	-	117
Premium on issue of Equity Shares	23,876	-	-	-	-	-	-	-	-	23,876
Share issue expenses	(2)	-	-	-	-	-	-	-	-	(2)
Transfer to Special Reserve Account	-	4,076	1,623	-	-	(5,699)	-	-	-	-
Balance as at March 31, 2022	45,903	15,161	9,834	318	22	49,694	333	(25)	513	1,21,753

Summary of significant accounting policies

See accompanying notes forming part of the financial statements

As per our report of even date

2
3-57

For **Mukund M. Chitale & Co.**

Chartered Accountants

Firm's Registration No: 106655W

For and on behalf of the Board of Directors

Tata Cleantech Capital Limited

Saurabh M Chitale

Partner

Membership No: 111383

Rajiv Sabharwal

(Director)

DIN: 00057333

Padmini Khare Kaicker

(Director)

DIN: 00296388

Varsha Purandare

(Director)

DIN: 05288076

Mumbai

April 20, 2022

Manish Chourasia

(Managing Director)

DIN: 03547985

Behzad Bhesania

(Chief Financial Officer)

Rajesh Gosia

(Company Secretary)

Tata Cleantech Capital Limited

Statement of Cash Flow

for the year ended March 31, 2022

(Rs. in lakh)

Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
1 CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		26,865	22,069
Adjustments for :			
Depreciation and amortisation		108	39
Finance cost		35,243	37,822
Interest income		(67,671)	(64,829)
Net gain on fair value changes			
- Realised		(921)	(1,058)
- Unrealised		(7)	(3)
Provision for leave encashment		(5)	5
Provision against trade receivables		1	(3)
Remeasurement of defined employee benefit plans through OCI		-	44
Share based payments- Equity-settled		117	89
Impairment loss allowance on financial instruments		2,779	2,800
Operating Loss before working capital changes and adjustments for interest received, interest paid and dividend received		(3,491)	(3,025)
Adjustments for :			
Decrease in trade receivables		9	1
Increase in loans		(1,51,932)	(90,687)
Increase in Other financial / non-financial assets		(56)	(13)
Decrease in other financial/ non financial liabilities / trade payables / provisions		242	54
Cash used in operations before adjustments for interest received, interest paid and dividend received		(1,55,228)	(93,670)
Interest paid		(28,134)	(36,927)
Interest received		62,784	63,455
Cash used in operations		(1,20,578)	(67,142)
Taxes paid (net off refunds)		(7,050)	(4,653)
NET CASH USED IN OPERATING ACTIVITIES (A)		(1,27,628)	(71,795)
2 CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment (including capital advances)		(66)	(16)
Proceeds from sale of property, plant and equipment		-	1
Purchase of Investments		(24,488)	(5,441)
Proceeds from sale of investments		20,100	-
Purchase of mutual fund units		(26,04,379)	(10,78,980)
Proceeds from redemption of mutual fund units		25,59,292	10,80,038
NET CASH USED IN INVESTING ACTIVITIES (B)		(49,541)	(4,398)

Tata Cleantech Capital Limited

Statement of Cash Flow

for the year ended March 31, 2022

(Rs. in lakh)

Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
3 CASH FLOW FROM FINANCING ACTIVITIES			
Payment of ancillary borrowing cost / share issue expenses		(320)	(663)
Proceeds from borrowings (other than debt securities)		2,93,019	3,53,899
Proceeds from Debt Securities		1,92,032	1,77,500
Proceeds from Subordinated liabilities		-	15,000
Repayment of Borrowings (other than debt securities)		(2,36,884)	(3,72,812)
Repayment of Debt Securities		(1,10,000)	(1,62,700)
Repayment of lease liabilities		(60)	(54)
Proceeds from issue of Equity Shares		31,003	-
NET CASH GENERATED FROM FINANCING ACTIVITIES (C)		1,68,790	10,170
NET DECREASE IN CASH AND CASH EQUIVALENTS (A + B + C)		(8,379)	(66,023)
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR		23,432	89,455
CASH AND BANK BALANCES AS AT THE END OF THE YEAR [REFER NOTE NO. 3.1]		15,053	23,432

Summary of significant accounting policies

2

See accompanying notes forming part of the financial statements

3-57

As per our report of even date

For Mukund M. Chitale & Co.

Chartered Accountants

Firm's Registration No: 106655W

For and on behalf of the Board of Directors

Tata Cleantech Capital Limited

Saurabh M Chitale

Partner

Membership No: 111383

Rajiv Sabharwal

(Director)

DIN: 00057333

Padmini Khare Kaicker

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DIN: 00296388

Varsha Purandare

(Director)

DIN: 05288076

Manish Chourasia

(Managing Director)

DIN: 03547985

Mumbai

April 20, 2022

Behzad Bhesania

(Chief Financial Officer)

Rajesh Gosia

(Company Secretary)

TATA CLEANTECH CAPITAL LIMITED

Notes forming part of the Financial Statements

1. CORPORATE INFORMATION

Tata Cleantech Capital Limited (the "Company") is a 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 has received the Certificate of Registration as a "Infrastructure Finance Company" from RBI dated October 15, 2015. The Company is engaged in the business of providing finance and advisory services for renewable energy, energy efficiency and water management projects. The Company is domiciled in India and incorporated under the Companies Act, 2013 and listed its non-convertible debentures with National Stock Exchange Limited.

2. BASIS OF PREPARATION

i. Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (IND AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2016, notified under Section 133 of the Companies Act, 2013 (the "Act") (as amended), other relevant provisions of the Act, guidelines issued by the Reserve Bank of India as applicable to an NBFCs and other accounting principles generally accepted in India. Any application guidance / clarifications / directions issued by RBI or other regulators are implemented as and when they are issued / applicable, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment. Accounting policies have been consistently applied except where a newly issued Ind AS is initially adopted or a revision to an existing Ind AS required a change in the accounting policy hitherto in use. The financial statements were authorised for issue by the Board of Directors (BOD) on April 20, 2022.

ii. Presentation of financial statements

The Balance Sheet, Statement of Profit and Loss and Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III of the Companies Act, 2013 (the 'Act'). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS.

A summary of the significant accounting policies and other explanatory information is in accordance with the Companies (Indian Accounting Standards) Rules, 2015 as specified under Section 133 of the Companies Act, 2013 (the 'Act') including applicable Indian Accounting Standards (Ind AS) and accounting principles generally accepted in India.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis.

Amounts in the financial statements are presented in Indian Rupees in Lakh, which is also the Company's functional currency and all amounts have been rounded off to the nearest lakhs unless otherwise indicated.

TATA CLEANTECH CAPITAL LIMITED

Notes forming part of the Financial Statements (*Continued*)

iii. Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services at the time of entering into the transaction.

iv. Measurement of fair values:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value for measurement and/or disclosure purposes for certain items in these financial statements is determined considering the following measurement methods:

Items	Measurement basis
Certain financial assets and liabilities (including derivatives instruments)	Fair value
Net defined benefit (asset)/liability	Fair value of planned assets less present value of defined benefit obligations
Property plant and equipment	Value in use under Ind AS 36

Fair values are categorized into different levels (Level 1, Level 2 or Level 3) in a fair value hierarchy based on the inputs used in the valuation techniques. When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The levels are described as follows:

- Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date
- Level 2: inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3: inputs are unobservable inputs for the valuation of assets or liabilities that the Company can access at the measurement date.

TATA CLEANTECH CAPITAL LIMITED

Notes forming part of the Financial Statements (*Continued*)

Valuation model and framework used for fair value measurement and disclosure of financial instrument:

Refer notes 38A and 38B

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred

Valuation model and framework used for fair value measurement and disclosure of financial instrument:

v. Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires the management of the Company to make judgements, assumptions and estimates 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 application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in the financial statements have been disclosed as applicable in the respective notes to accounts. Accounting estimates could change from period to period. Future results could differ from these estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effect are disclosed in the notes to the financial statements.

Judgements:

Information about judgements made in applying accounting policies that have most significant effect on the amount recognised in the financial statements is included in the following note:

- Note xi - classification of financial assets: assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

Assumptions and estimation of uncertainties:

Information about assumptions and estimation of uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2022 are included (but not limited) in the following notes:

- Note xii - impairment test of non-financial assets: key assumption underlying recoverable amounts.
- Note xi - The Company's EIR methodology: rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given/taken
- Note xii - useful life of property, plant, equipment and intangibles.
- Note xvii - Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions
- Note xix – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

TATA CLEANTECH CAPITAL LIMITED

Notes forming part of the Financial Statements (*Continued*)

- Note xiii – measurement of defined benefit obligations: key actuarial assumptions.
- Note 38A and Note 38B – determination of the fair value of financial instruments with significant unobservable inputs.
- Note 40A(iii) – impairment of financial instruments: assessment of whether credit risk on the financial asset has increased significantly since initial recognition, assumptions used in estimating recoverable cash flows and incorporation of forward-looking information in the measurement of expected credit loss (ECL). The weights assigned to different scenarios for measurement of forward looking ECL, i.e. best case, worst case and base case also requires judgement.

The Company has estimated the possible effects that may arise from the COVID-19 pandemic, on the carrying amount of its assets. For details, please refer disclosure on expected credit losses (ECL) and disclosure on fair valuation. The extent to which COVID-19 pandemic will impact current estimates is uncertain at this point in time. The impact of COVID-19 on the Company's financial position may differ from that estimated as on the date of approval of these financial statements

vi. Interest

Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

Interest income is recognised using the effective interest method. The effective interest rate (EIR) is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument to the gross carrying amount of the financial asset.

Calculation of the EIR includes all fees received that are incremental and directly attributable to the acquisition of a financial asset.

Interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets {i.e. at the amortised cost of the financial asset after adjusting for any expected credit loss allowance (ECLs)}. The Company assesses the collectability of the interest on credit impaired assets at each reporting date. Based on the outcome of such assessment, the interest income accrued on credit impaired financial assets are either accounted for as income or written off as per the write off policy of the Company.

The 'amortised cost' of a financial asset is the amount at which the financial asset is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance.

The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

TATA CLEANTECH CAPITAL LIMITED

Notes forming part of the Financial Statements (*Continued*)

vii. Fee and commission income not integral to effective interest rate (EIR) method under Ind AS 109 and Income from services and distribution of financial products

The Company recognises the fee and commission income not integral to EIR under Ind AS 109 in accordance with the terms of the relevant customer contracts / agreement and when it is probable that the Company will collect the consideration for items.

Revenue in the form of income from financial advisory (other than for those items to which Ind AS 109 - Financial Instruments are applicable) is measured at fair value of the consideration received or receivable, in accordance with Ind AS 115 - Revenue from contracts with customers.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

Fees for financial advisory services are accounted as and when the service is rendered, provided there is reasonable certainty of its ultimate realisation.

Other Income includes branch advertising, represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract

viii.Dividend income

Income from dividend on investment in equity shares of corporate bodies and units of mutual funds is accounted when the Company's right to receive dividend is established and it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably.

TATA CLEANTECH CAPITAL LIMITED

Notes forming part of the Financial Statements (*Continued*)

ix. Leases

Asset taken on lease:

The Company's lease asset classes primarily consist of leases for properties.

The Company presents right-of-use assets and lease liabilities separately on the face of the Balance sheet. Lease payments (including interest) have been classified as financing cashflows.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use asset is subsequently measured at cost less any accumulated depreciation and accumulated impairment loss, if any, and adjusted for certain re-measurements of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date to the end of the lease term. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the statement of profit and loss. When a right-of-use asset meets the definition of investment property, it is presented in investment property.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. The carrying amount of lease liability is remeasured to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. A change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised. The Company has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right of use assets recognised. The discounted rate is generally based on incremental borrowing rate specific to the lease being evaluated.

TATA CLEANTECH CAPITAL LIMITED

Notes forming part of the Financial Statements (*Continued*)

x. Borrowings Cost

Borrowing costs include interest expense calculated using the EIR on respective financial instruments measured at amortised cost, finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs.

The effective interest rate (EIR) is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument to the gross carrying amount of the financial liability.

Calculation of the EIR includes all fees paid that are incremental and directly attributable to the issue of a financial liability.

While computing the capitalisation rate for funds borrowed generally, an entity should exclude borrowing costs applicable to borrowings made specifically for obtaining a qualifying asset, only until the asset is ready for its intended use or sale. Borrowing costs (related to specific borrowings) that remain outstanding after the related qualifying asset is ready for intended use or for sale would subsequently be considered as part of the general borrowing costs of the entity.

xi. Financial Instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet on trade date, i.e. when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues of financial assets or financial liabilities carried at fair value through the profit or loss account are recognised immediately in the Statement of Profit or Loss. Trade Receivables are measured at transaction price.

a) Financial assets

Classification

On initial recognition, depending on the Company's business model for managing the financial assets and its contractual cash flow characteristics, a financial asset is classified as measured at;

- 1) amortised cost;
- 2) fair value through other comprehensive income (FVTOCI); or
- 3) fair value through profit and loss (FVTPL).

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

TATA CLEANTECH CAPITAL LIMITED

Notes forming part of the Financial Statements (*Continued*)

A financial asset is measured at amortized cost using Effective Interest Rate (EIR) method if it meets both of the following conditions and is not recognised as at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVTOCI – equity investment). This election is made an investment – by – investment basis.

All financials assets not classified and measured at amortized cost or FVTOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate the financials assets that otherwise meets the requirements to be measured at amortized cost or at FVTOCI or at FVTPL, if doing so eliminates or significantly reduces the accounting mismatch that would otherwise arise.

Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice.
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectation about future sales activity.
- How managers of the business are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

At initial recognition of a financial asset, the Company determines whether newly recognized financial assets are part of an existing business model or whether they reflect a new business model. The Company reassess its business models each reporting period to determine whether the business models have changed since the preceding period.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. That principal amount may change over the life of the financial assets (e.g. if there are payments of principal). Amount of 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

TATA CLEANTECH CAPITAL LIMITED

Notes forming part of the Financial Statements (*Continued*)

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- Contingent events that would change the amount or timing of cash flows;
- Terms that may adjust the contractual coupon rate, including variable interest rate features;
- Prepayment and extension features; and
- Terms that limit the Company's claim to cash flows from specified assets.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI.

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of profit or loss. The transaction costs and fees are also recorded related to these instruments in the statement of profit and loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss. Any gain or loss on de-recognition is recognised in the statement of profit or loss.
Financial assets (other than Equity Investments) at FVTOCI	Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the statement of Profit and Loss.

TATA CLEANTECH CAPITAL LIMITED

Notes forming part of the Financial Statements (*Continued*)

Equity investments at FVTOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in the Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.
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Reclassifications within classes of financial assets

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

The classification and measurement requirements of the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Company's financial assets.

Impairment of Financial Asset

Impairment approach

Overview of the Expected Credit Losses (ECL) principles

The Company records allowance for expected credit losses for all loans (including those classified as measured at FVTOCI), together with loan commitments, in this section all referred to as 'financial instruments' other than those measured at FVTPL. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12m ECL). The Company's policies for determining if there has been a significant increase in credit risk are set out in Note 40 A(iii).

The 12m ECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12m ECLs are calculated on an individual/portfolio basis – having similar risk characteristic, depending on the nature of the underlying portfolio of financial instruments.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12mECLs. This also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

TATA CLEANTECH CAPITAL LIMITED

Notes forming part of the Financial Statements (Continued)

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

Stage 3: Loans considered credit-impaired. A default on a financial asset is when the counterparty fails to make the contractual payments within 90 days of when they fall due. Accordingly, the financial assets shall be classified as Stage 3, if on the reporting date, it has been 90 days past due. Further if the customer has requested forbearance in repayment terms, such restructured, rescheduled or renegotiated accounts are also classified as Stage 3. Non-payment on another obligation of the same customer is also considered as a stage 3. Defaulted accounts include customers reported as fraud in the FRMC. Once an account defaults as a result of the DPD condition, it will be considered to be cured only when entire arrears of interest and principal are paid by the borrower. The Company records an allowance for the LTECLs.

Undrawn loan commitments

Undrawn loan commitments are commitments under which, over the duration of the commitment, the Company is required to provide a loan with pre-specified terms to the customer. Undrawn loan commitments are in the scope of the ECL requirements.

Financial guarantee contract:

A financial guarantee contract requires the Company to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL and not arising from a transfer of a financial asset, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with Ind AS 109; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the Company's revenue recognition policies. The Company has not designated any financial guarantee contracts as FVTPL.

Company's ECL for financial guarantee is estimated based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs. The shortfalls are discounted by the interest rate relevant to the exposure.

The Measurement of ECLs

The Company calculates ECLs based on a probability-weighted scenario to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

TATA CLEANTECH CAPITAL LIMITED

Notes forming part of the Financial Statements (*Continued*)

Probability of Default (PD): The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

Exposure at Default (EAD): The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

Loss Given Default (LGD) : The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value

When estimating LTECLs for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down, based on a probability-weightage. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan.

The above calculated PDs, EAD and LGDs are reviewed and changes in the forward looking estimates are analysed during the year.

The mechanics of the ECL method are summarised below:

Stage 1 The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. These expected 12-months default probabilities are applied to a forecast EAD and multiplied by the expected LGD.

Stage 2 When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an contractual or Portfolio EIR as the case may be.

Stage 3 For loans considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for stage 2 assets, with the PD set at 100%.

In ECL model the Company relies on broad range of forward looking information for economic inputs.

TATA CLEANTECH CAPITAL LIMITED

Notes forming part of the Financial Statements (*Continued*)

The Company recognises loss allowance for expected credit losses (ECLs) on all financial assets at amortised cost that are debt instruments, debt financial assets at fair value through other comprehensive income, loan commitments and financial guarantee contracts. No impairment loss is recognised on equity investments.

When determining whether credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, including on historical experience and forward-looking information (Refer Note 40 A (iii)).

Impairment of Trade receivable and Operating lease receivable

Impairment allowance on trade receivables is made on the basis of life time credit loss method, in addition to specific provision considering the uncertainty of recoverability of certain receivables.

Write-off

Impaired loans and receivables are written off, against the related allowance for loan impairment on completion of the Company's internal processes and when the Company concludes that there is no longer any realistic prospect of recovery of part or all of the loan. For loans that are individually assessed for impairment, the timing of write off is determined on a case by case basis. A write-off constitutes a de-recognition event. The Company has a right to apply enforcement activities to recover such written off financial assets. Subsequent recoveries of amounts previously written off are credited to the statement of profit and loss.

Collateral valuation and repossession

To mitigate the credit risk on financial assets, the Company seeks to use collateral, where possible as per the powers conferred on the Non-Banking Finance Companies under the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 ("SARFAESI").

The Company provides fully secured, partially secured and unsecured loans to individuals and Corporates. In its normal course of business upon account becoming delinquent, the Company physically repossess properties or other assets in its retail portfolio. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties, vehicles, plant and machinery under legal repossession processes are not recorded on the balance sheet and not treated as non-current assets held for sale unless the title is also transferred in the name of the Company.

Presentation of ECL allowance for financial asset:

Type of Financial asset	Disclosure
Financial asset measured at amortised cost	shown as a deduction from the gross carrying amount of the assets
Loan commitments and financial guarantee contracts	shown separately under the head "provisions"

Modification and De-recognition of financial assets

Modification of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. The Company renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness). Such accounts are classified as stage 3 immediately upon such modification in the terms of the contract.

Not all changes in terms of loans are considered as renegotiation and changes in terms of a class of obligors that are not overdue is not considered as renegotiation and is not subjected to deterioration in staging.

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- 1) the rights to receive cash flows from the asset have expired, or
- 2) the Company has transferred its rights to receive cash flows from the asset and substantially all the risks and rewards of ownership of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of ownership of the asset, but has transferred control of the asset.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Any cumulative gain/loss recognised in OCI in respect of equity investment securities designated as at FVTOCI is not recognised in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Group is recognised as a separate asset or liability.

Securitization and Assignment

In case of transfer of loans through securitisation and direct assignment transactions, the transferred loans are de-recognised and gains/losses are accounted for, only if the Company transfers substantially all risks and rewards specified in the underlying assigned loan contract.

TATA CLEANTECH CAPITAL LIMITED

Notes forming part of the Financial Statements (*Continued*)

In accordance with the Ind AS 109, on de-recognition of a financial asset under assigned transactions, the difference between the carrying amount and the consideration received are recognised in the Statement of Profit and Loss.

Financial liability, Equity and Compound Financial Instruments

Debt and equity instruments that are issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities are subsequently measured at the amortised cost using the effective interest method, unless at initial recognition, they are classified as fair value through profit and loss. Interest expense are recognised in the Statement of profit and loss. Any gain or loss on derecognition is also recognised in the statement of profit or loss.

Financial liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company or a contract that will or may be settled in the Company's own equity instruments and is a non-derivative contract for which the Company is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Company's own equity instruments.

Classification

The Company classifies its financial liability as "Financial liability measured at amortised cost" except for those classified as financial liabilities measured at fair value through profit and loss (FVTPL).

De-recognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

No gain/loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

TATA CLEANTECH CAPITAL LIMITED

Notes forming part of the Financial Statements (*Continued*)

b) Derivative Financial Instruments

The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if certain criteria are met.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain/loss is recognised in the statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedge relationship.

The Company designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with its floating rate borrowings arising from changes in interest rates and exchange rates.

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under 'effective portion of cash flows hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in fair value of the derivative is recognised immediately in profit or loss.

The Company designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedge relationships. The change in fair value of the forward element of the forward exchange contracts ('forward points') is separately accounted for as cost of hedging and recognised separately within equity.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to profit or loss.

c) Cash, Cash equivalents and bank balances

Cash, Cash equivalents and bank balances include fixed deposits, (with an original maturity of three months or less from the date of placement), margin money deposits, and earmarked balances with banks are carried at amortised cost. Short term and liquid investments which are not being subject to more than insignificant risk of change in value, are included as part of cash and cash equivalents.

xii. Property, plant and equipment (PPE)

a) PPE

PPE acquired by the Company are reported at acquisition cost less accumulated depreciation and accumulated impairment losses, if any. Estimated cost of dismantling and removing the item and restoring the site on which its located does not arise for owned assets, for leased assets the same are borne by the lessee as per the lease agreement. The acquisition cost includes any cost attributable for bringing an asset to its working condition net of tax/duty credits availed, which comprises of purchase consideration and other directly attributable costs of bringing the assets to their working condition for their intended use. PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Subsequent expenditure on PPE after its purchase is capitalized only if it is probable that the future economic benefits will flow to the enterprise and the cost of the item can be measured reliably.

b) Capital work-in-progress

PPE not ready for the intended use on the date of the Balance Sheet are disclosed as “capital work-in-progress” and carried at cost, comprising direct cost, related incidental expenses and attributable interest.

c) Other Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to the acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets. Expenses on software support and maintenance are charged to the Statement of Profit and Loss during the year in which such costs are incurred.

d) Intangible assets under development

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as “Intangible assets under development”.

e) Depreciation and Amortisation

Depreciable amount for tangible property, plant and equipment is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible property, plant and equipment deployed for own use 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 buildings, computer equipment, office equipment and 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. Depreciation method is reviewed at each financial year end to reflect expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end with

TATA CLEANTECH CAPITAL LIMITED

Notes forming part of the Financial Statements (*Continued*)

the effect of any change in the estimates of useful life/residual value is accounted on prospective basis. Depreciation for additions to/deductions from owned assets is calculated pro rata to the remaining period of use. Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life. All capital assets with individual value less than Rs. 5,000 are depreciated fully in the year in which they are purchased.

Purchased software / licenses are amortised over the estimated useful life during which the benefits are expected to accrue. The method of amortisation and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis. Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods so as to allocate the asset's revised carrying amount over its remaining useful life.

Estimated useful life considered by the Company for the owned assets are:

Asset	Estimated Useful Life
Furniture and Fixtures	10 years
Computer Equipment	3 to 4 years
Office Equipment	5 years
Vehicles	4 years
Software Licenses	1 to 10 years
Buildings	25 years

f) Investment property

Properties held to earn rentals and/or capital appreciation are classified as Investment properties and measured and reported at cost, including transaction costs. Subsequent to initial recognition its measured at cost less accumulated depreciation and accumulated impairment losses, if any. When the use of an existing property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of property is recognised in the Statement of Profit and Loss in the same period.

g) Impairment of assets

Upon an observed trigger or at the end of each accounting reporting period, the Company reviews the carrying amounts of its PPE, investment property and intangible asset to determine whether there is any indication that the asset have suffered an impairment loss. If such indication exists, the PPE, investment property and intangible assets are tested for impairment so as to determine the impairment loss, if any.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of fair value less cost of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value

TATA CLEANTECH CAPITAL LIMITED

Notes forming part of the Financial Statements (*Continued*)

of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If recoverable amount of an asset is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

h) De-recognition of property, plant and equipment

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

xiii. Employee Benefits

Defined Employee benefits include superannuation fund and provident fund.

Defined contribution benefits include gratuity fund, compensated absences and long service awards.

Defined contribution plans

The Company's contribution to superannuation fund is considered as defined contribution plan and is charged as an expense in the Statement of Profit and Loss based on the amount of contribution required to be made and when services are rendered by the employees.

The Company makes Provident Fund contributions, a defined contribution plan for qualifying employees. Under the Schemes, both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions as specified under the law are paid to provident fund administered by the Regional Provident Fund Commissioner.

Defined benefit plans

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. As per Ind AS 19, the service cost and the net interest cost are charged to the Statement of Profit and Loss. Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income. Past service cost is recognised immediately to the extent that the benefits are already 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

TATA CLEANTECH CAPITAL LIMITED

Notes forming part of the Financial Statements (*Continued*)

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 reporting period 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.

Other 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 obligation as 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.

The obligation is measured on the basis of actuarial valuation using Projected unit credit method and remeasurements gains/ losses are recognised in P&L in the period in which they arise.

Share based payment transaction

The stock options of the Parent Company, granted to employees pursuant to the Company's Stock Options Schemes, are measured at the fair value of the options at the grant date as per Black and Scholes model. The fair value of the options is treated as discount and accounted as employee compensation cost, with a corresponding increase in other equity, over the vesting period on a straight line basis. The amount recognised as expense in each year is arrived at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense, with a corresponding increase in other equity, in respect of such grant is transferred to the General reserve within other equity.

xiv. Foreign currency transactions

Transactions in currencies other than the Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the rates prevailing at the year end. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Functional currency of the Company and foreign operations has been determined based on the primary economic environment in which the Company and its foreign operations operate considering the currency in which funds are generated, spent and retained.

TATA CLEANTECH CAPITAL LIMITED

Notes forming part of the Financial Statements (*Continued*)

Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the Statement of Profit and Loss in the period in which they arise.

xv. Operating Segments

The Company's main business is financing by way of loans to corporate borrowers in India in the solar, windmill and other infrastructure space.

The Chief Operating Decision Maker (CODM) of the Company is the Board of Directors.

xvi. Earnings per share

Basic earnings per share has been computed by dividing net income attributable to ordinary equity holders by the weighted average number of shares outstanding during the year. Partly paid up equity share is included as fully paid equivalent according to the fraction paid up.

Diluted earnings per share has been computed using the weighted average number of shares and dilutive potential shares, except where the result would be anti-dilutive

xvii. Taxation

Income Tax

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the Statement of Profit and Loss, other comprehensive income or directly in equity when they relate to items that are recognized in the respective line items.

Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax law) enacted or substantively enacted by the reporting date.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred Tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

The carrying amount of deferred tax assets are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

TATA CLEANTECH CAPITAL LIMITED

Notes forming part of the Financial Statements (*Continued*)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

xviii. Goods and Services Input Tax Credit

Goods and Services Input tax credit is accounted for in the books in the period in which the supply of goods or service received is accounted and when there is no uncertainty in availing/utilising the credits.

xix. Provisions, contingent liabilities and contingent assets

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the Statement of Profit and Loss net of any reimbursement.

Contingent assets/liabilities

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for. Contingent assets are disclosed where an inflow of economic benefits is probable. Contingent assets are not recognised in the financial statements.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

xx. Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- a) estimated amount of contracts remaining to be executed on capital account and not provided for;
- b) uncalled liability on shares and other investments partly paid;
- c) funding related commitment to associate; and
- d) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

TATA CLEANTECH CAPITAL LIMITED

Notes forming part of the Financial Statements (*Continued*)

- e) other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.
- f) commitments under Loan agreement to disburse Loans
- g) lease agreements entered but not executed

xxi. Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- i. changes during the period in operating receivables and payables transactions of a non-cash nature;
- ii. non-cash items such as depreciation, Impairment, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates and joint ventures; and
- iii. all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

xxii. Dividend payable

Interim dividend declared to equity shareholders, if any, is recognised as liability in the period in which the said dividend has been declared by the Board of Directors. Final dividend declared, if any, is recognised in the period in which the said dividend has been approved by the shareholders.

The dividend payable is recognised as a liability with a corresponding amount recognised directly in equity.

xxiii. Recent amendments applicable from April 01, 2022

The following amendments to standards have been issued and will be effective from April 01, 2022. The Company is evaluating the requirements of these standards, improvements and amendments and has not yet determined the impact on the financial statements.

- Indian Accounting Standard (Ind AS) 103 – Business Combinations – Qualifications prescribed for recognition of the identifiable assets acquired and liabilities assumed, as part of applying the acquisition method – should meet the definition of assets and liabilities in the Conceptual Framework for Financial Reporting under Ind AS (Conceptual Framework) issued by the ICAI at the acquisition date. Modification to the exceptions to recognition principle relating to contingent liabilities and contingent assets acquired in a business combination at the acquisition date.
- Indian Accounting Standard (Ind AS) 109 – Financial Instruments – Modification in accounting treatment of certain costs incurred on derecognition of financial liabilities.
- Indian Accounting Standard (Ind AS) 16 - Property, Plant and Equipment – Modification in treatment of excess of net sale proceeds of items produced over the cost of testing as part of cost of an item of property, plant, and equipment.

TATA CLEANTECH CAPITAL LIMITED

Notes forming part of the Financial Statements (*Continued*)

- Indian Accounting Standard (Ind AS) 37 - Provisions, Contingent Liabilities and Contingent Assets – Modifications in application of recognition and measurement principles relating to onerous contracts.

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

as at March 31, 2022

(Rs. in lakh)

3 CASH AND CASH EQUIVALENTS

PARTICULARS	As at	As at
	March 31, 2022	March 31, 2021
a) Balances with banks in current accounts	5,052	23,432
b) Balances with banks in deposits accounts	10,001	-
TOTAL	15,053	23,432

- 3.1 Of the above, the balance that meet the definition of Cash and Cash Equivalents as per Ind AS 7 Cash Flow Statement is Rs. 15,053 lakh (March 31, 2021 : 23,432 lakh)

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

as at March 31, 2022

(Rs. in lakh)

4 DERIVATIVE FINANCIAL INSTRUMENTS

As at March 31, 2022

Derivatives held for hedging and risk management purposes	Notional value USD (in mn)	Notional value JPY (in mn)	Notional value	Fair value assets	Fair value liabilities
Foreign exchange forward	-	3,222	19,969	-	4,176
Cross currency interest rate swap	40	-	30,208	2,475	-
Total	40	3,222	50,177	2,475	4,176

As at March 31, 2021

Derivatives held for hedging and risk management purposes	Notional value USD (in mn)	Notional value JPY (in mn)	Notional value	Fair value assets	Fair value liabilities
Foreign exchange forward	-	3,251	21,507	-	30
Cross currency interest rate swap	40	-	29,292	1,122	-
Interest Rate Cap	-	-	-	-	1,907
Total	40	3,251	50,798	1,122	1,937

4.1 Disclosure of effects of hedge accounting on financial performance and exposure to foreign currency

PARTICULARS	INR JPY Forward exchange contracts as at March 31		INR USD Currency Swaps as at March 31	
	2022	2021	2022	2021
Notional amount	19,969	21,507	30,208	29,292
Carrying amount of hedging instruments assets	-	-	2,475	1,122
Carrying amount of hedging instruments liabilities	(4,176)	30	-	-
Weighted average contract / strike price of the hedging instrument	1	1	69	69
Change in the fair value in the hedging instrument used as the basis for recognising hedge ineffectiveness profit / (loss)	(4,176)	(30)	2,475	1,122

Hedged item

PARTICULARS	FCY Term	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Change in the value of hedged item used as the basis for recognising hedge ineffectiveness	137	(269)
Cost of hedge reserve as at	(1,577)	(1,067)
Cost of hedging as at	-	-
Foreign Currency Monetary Items Translation Reserve	-	-

4.2 The impact of the cashflow hedges in the statement of profit and loss and other comprehensive income

PARTICULARS	For the year ended March 31, 2022	For the year ended March 31, 2021
Hedging gains or (losses) recognised in other comprehensive income		
Forward exchange contracts and Currency swaps	(510)	(884)
Hedge ineffectiveness recognised in statement of profit and (loss)		
Forward exchange contracts and Currency swaps	-	-

4.3 Movements in the cost of hedge reserve are as follows:

PARTICULARS	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening Balance	(302)	(119)
Effective portion of changes in fair value Currency Swap	1,354	(822)
Effective portion of changes in interest rate cap	30	(30)
Effective portion of changes in fair value foreign currency risk	(2,269)	(2,128)
Foreign currency translation differences on loan	407	2,079
Foreign currency translation differences on interest	(2)	(12)
Amortisation of forward premium	1,329	671
Tax on movements on reserves during the period	(214)	59
Closing Balance	<u>333</u>	<u>(302)</u>

4.4 Average fixed interest rate:

- Interest rate swap: 0.95% (March 31, 2021: 0.95%)
- Cross currency swap: 7.81% (March 31, 2021: 7.81%)

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

as at March 31, 2022

(Rs. in lakh)

5 TRADE RECEIVABLES

PARTICULARS	As at	As at
	March 31, 2022	March 31, 2021
a) Receivables considered good - Secured	-	-
b) Receivables considered good - Unsecured	4	14
c) Receivables which have significant increase in Credit Risk	-	-
d) Receivables - credit impaired	-	1
	4	15
Less: Allowance for impairment loss		
a) significant increase in credit risk	-	-
b) credit impaired	-	1
TOTAL	4	14

5.1 Trade receivables include amounts due from the related parties Rs. Nil (March 31, 2021: Rs. Nil)

5.2 Trade receivables are non-interest bearing and are generally on terms of 3 months to 1 year.

5.3

PARTICULARS	As at March 31, 2022							Total
	Unbilled Dues	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	-	4	-	-	-	-	4
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Total	-	-	4	-	-	-	-	4

Note : Ageing of the trade receivables is determined from the date of transaction till the reporting date.

PARTICULARS	As at March 31, 2021							Total
	Unbilled Dues	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	-	14	-	-	-	-	14
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	1	-	-	-	-	1
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Total	-	-	15	-	-	-	-	15

Note : Ageing of the trade receivables is determined from the date of transaction till the reporting date.

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

as at March 31, 2022

(Rs. in lakh)

6 LOANS

PARTICULARS	As at March 31, 2022	As at March 31, 2021
A)		
Amortised Cost		
a) Term Loans	6,89,376	5,23,025
b) Credit Substitutes	57,820	24,202
c) Loan to TCL Employee Welfare Trust (refer note no. 6.5 below)	50	10
At fair Value Through Other Comprehensive Income		
a) Term Loans	36,777	80,865
Gross Loans	7,84,023	6,28,102
Less : Impairment loss allowance		
a) Stage I & II	8,869	6,349
b) Stage III	2,154	2,193
Loans net of impairment loss allowance	7,73,000	6,19,560
Less : Revenue received in Advance	3,658	3,561
Total A	7,69,342	6,15,999
B)		
Amortised Cost		
a) Secured by tangible assets	7,47,246	5,47,237
At fair Value Through Other Comprehensive Income		
a) Secured by tangible assets	36,777	80,865
Gross Loans	7,84,023	6,28,102
Less : Impairment loss allowance		
a) Stage I & II	8,869	6,349
b) Stage III	2,154	2,193
Loans net of impairment loss allowance	7,73,000	6,19,560
Less : Revenue received in Advance	3,658	3,561
Total B	7,69,342	6,15,999
C)		
Amortised Cost		
a) Public Sector	15,353	7,554
b) Others	7,31,893	5,39,683
At fair Value Through Other Comprehensive Income		
a) Others	36,777	80,865
Gross Loans	7,84,023	6,28,102
Less : Impairment loss allowance		
a) Stage I & II	8,869	6,349
b) Stage III	2,154	2,193
Loans net of impairment loss allowance	7,73,000	6,19,560
Less : Revenue received in Advance	3,658	3,561
Total C	7,69,342	6,15,999
D)		
Amortised Cost		
a) Secured	7,09,466	5,19,737
b) Significant increase in Credit Risk	31,858	21,470
c) Credit Impaired	5,922	6,030
At fair Value Through Other Comprehensive Income		
a) Secured	36,777	80,865
Gross Loans	7,84,023	6,28,102
Less : Impairment loss allowance		
a) Stage I & II	8,869	6,349
b) Stage III	2,154	2,193
Loans net of impairment loss allowance	7,73,000	6,19,560
Less : Revenue received in Advance	3,658	3,561
Total D	7,69,342	6,15,999

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

as at March 31, 2022

(Rs. in lakh)

6 LOANS

- 6.1 Investments in bonds, debentures and other financial assets which, in substance, form a part of the Company's financing activities ("Credit Substitutes") have been classified under Loans. Management believes that the current year's classification results in a better presentation of the substance of these receivables and is in alignment with regulatory filings.
- 6.2 Impairment allowance on loan - stage I & II excludes impairment allowance on loan commitments Rs. 524 lakh (March 31, 2021 Rs. 131 lakh)
- 6.3 Loans given to related parties as on March 31, 2022 Rs. 50 lakh (including sanctioned but not disbursed Rs. Nil lakh) (March 31, 2021 : Rs. 4,766 lakh including sanctioned but not disbursed Rs. 526 lakh).
- 6.4 The increase in the ECL impairment allowance is on account of increase in credit risk and deterioration in economic conditions. For detailed note on impact of COVID 19 on ECL impairment allowance, refer note no 40(A)(iii)(4)
- 6.5 Loan given to TCL employee welfare trust is repayable on demand and accounts for 0.01 % of total gross loans and advances (March 31, 2021 : 0.00%)

7 INVESTMENTS

PARTICULARS	As at March 31, 2022	As at March 31, 2021
Investments in India		
Investments carried at amortised cost - Quoted		
Investment in Treasury Bills	5,964	5,440
Investment in Government Securities	3,999	-
Investments carried at fair value through profit or loss - Quoted		
Mutual Funds	46,094	80
TOTAL	56,057	5,520

- 7.1 There are no investments outside India.

8 OTHER FINANCIAL ASSETS

PARTICULARS	As at March 31, 2022	As at March 31, 2021
a) Security deposits	313	289
b) Advances recoverable from related parties	1	-
TOTAL	314	289

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

as at March 31, 2022

(Rs. in lakh)

9 INCOME TAXES & DEFERRED TAXES

9.1 INCOME TAXES

A CURRENT TAX ASSET (NET)

PARTICULARS	As at March 31, 2022	As at March 31, 2021
Advance Tax (net of provision for Income tax Rs. 14,489 lakh (March 31, 2021: Rs. 4,951 lakh))	1,903	1,544
TOTAL	1,903	1,544

B CURRENT TAX LIABILITIES (NET)

PARTICULARS	As at March 31, 2022	As at March 31, 2021
Provision for tax (net of advance tax Rs. 6,267 lakh (March 31, 2021: Rs. 9,516 lakh))	854	423
TOTAL	854	423

a) The income tax expense consist of the following:

PARTICULARS	As at March 31, 2022	As at March 31, 2021
Current tax:		
Current tax expense for the year	7,121	5,688
Current tax expense pertaining to prior years	-	9
Deferred tax benefit		
Origination and reversal of temporary differences	(637)	(401)
Total income tax expense recognised in the year	6,484	5,296

The reconciliation of estimated income tax expense at statutory income tax rate income tax expense reported in statement of profit and loss is as follows:

PARTICULARS	As at March 31, 2022	As at March 31, 2021
Profit before income taxes	26,865	22,069
Indian statutory income tax rate	25.168%	25.168%
Expected income tax expense	6,761	5,554
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Income exempt from tax	-	-
Non deductible expenses	89	94
Tax incentives	(368)	(363)
Tax on income at different rates	2	1
Current tax expense / (benefit) pertaining to prior years	-	10
Total income tax expense	6,484	5,296

Note :

The Company's reconciliation of the effective tax rate is based on its domestic tax rate applicable to respective financial years.

b) Amounts recognised in OCI

PARTICULARS	As at March 31, 2022			As at March 31, 2021		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit liability (asset)	-	-	-	44	(11)	33
Items that are or may be reclassified subsequently to profit or loss						
Fair value gain / (loss) on financial assets carried at FVTOCI	(931)	234	(697)	1,039	(261)	778
The effective portion of gains and loss on hedging instrument in a cash flow hedge reserve	849	(214)	635	(244)	61	(183)
Total Amounts recognised in OCI	(82)	20	(62)	839	(211)	628

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

as at March 31, 2022

(Rs. in lakh)

9.2 DEFERRED TAX ASSET

The major components of deferred tax assets and liabilities for the year ended March 31, 2022 are as follows:

Particulars	Opening Balance	Recognised / (reversed) through profit and loss	Recognised directly in equity	Recognised / reclassified from other comprehensive income	Closing Balance
Deferred Tax Assets					
a) Impairment loss allowance - Stage III	89	(10)	-	-	79
b) Impairment loss allowance - Stage I & II	1,839	592	-	-	2,431
c) Employee benefits	22	(1)	-	-	21
d) Deferred income	815	25	-	-	840
e) Depreciation on property, plant & equipment	4	1	-	-	5
f) IndAS 116 Impact	17	2	-	-	19
g) DTA on Cash Flow Hedges	101	-	-	(213)	(112)
Deferred Tax Liabilities :-					
a) Debenture issue expenses	(99)	30	-	-	(69)
b) Investment measured at fair value	(3)	(2)	-	-	(5)
c) Loans measured at FVTOCI	(366)	-	-	234	(132)
Net Deferred Tax Asset	2,419	637	-	21	3,077

The major components of deferred tax assets and liabilities for the year ended March 31, 2021 are as follows:

Particulars	Opening Balance	Recognised / (reversed) through profit and loss	Recognised directly in equity	Recognised / reclassified from other comprehensive income	Closing Balance
Deferred Tax Assets					
a) Impairment loss allowance - Stage III	89	-	-	-	89
b) Impairment loss allowance - Stage I & II	1,455	384	-	-	1,839
c) Employee benefits	21	1	-	-	22
d) Deferred income	792	23	-	-	815
e) Depreciation on property, plant & equipment	4	-	-	-	4
f) IndAS 116 Impact	11	6	-	-	17
g) DTA on Cash Flow Hedges	40	-	-	61	101
Deferred Tax Liabilities :-					
a) Debenture issue expenses	(87)	(12)	-	-	(99)
b) Investment measured at fair value	(2)	(1)	-	-	(3)
c) Loans measured at FVTOCI	(105)	-	-	(261)	(366)
Net Deferred Tax Asset	2,218	401	-	(200)	2,419

Gross deferred tax assets and liabilities are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Tax Assets		
a) Impairment loss allowance - Stage III	79	89
b) Impairment loss allowance - Stage I & II	2,431	1,839
c) Employee benefits	21	22
d) Deferred income	840	815
e) Depreciation on property, plant & equipment	5	4
f) IndAS 116 Impact	19	17
g) DTA on Cash Flow Hedges	-	101
Deferred Tax Liabilities :-		
a) Debenture issue expenses	(69)	(99)
b) Investment measured at fair value	(5)	(3)
c) Loans measured at FVTOCI	(132)	(366)
d) DTL on Cash Flow Hedges	(112)	-
Net Deferred Tax Asset	3,077	2,419

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

as at March 31, 2022

(Rs. in lakh)

10 PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY

Particulars	Gross Block				Closing balance		Accumulated depreciation			Net Carrying Value as at March 31, 2022
	Opening balance as at April 01, 2021	Additions / Adjustments	Deletions	Written off during the year	as at March 31, 2022	as at April 01, 2021	Depreciation/ Amortisation for the year ##	Deletions / Adjustments	as at March 31, 2022	
INVESTMENT PROPERTY #	257	-	-	-	257	45	11	-	56	201
	<i>257</i>	-	-	-	<i>257</i>	<i>33</i>	<i>12</i>	-	<i>45</i>	<i>212</i>
TOTAL INVESTMENT PROPERTY	257	-	-	-	257	45	11	-	56	201
Previous financial year	<i>257</i>	-	-	-	<i>257</i>	<i>33</i>	<i>12</i>	-	<i>45</i>	<i>212</i>
PROPERTY, PLANT AND EQUIPMENT										
Vehicles	69	31	-	-	100	25	21	-	46	54
	<i>79</i>	-	<i>10</i>	-	<i>69</i>	<i>16</i>	<i>18</i>	<i>9</i>	<i>25</i>	<i>44</i>
Furniture and Fixture*	0	0	-	-	0	0	0	-	0	0
	<i>0</i>	<i>0</i>	-	-	<i>0</i>	<i>0</i>	<i>0</i>	-	<i>0</i>	<i>0</i>
Computer Equipment	26	33	-	-	59	14	9	-	23	36
	<i>23</i>	<i>3</i>	-	-	<i>26</i>	<i>8</i>	<i>6</i>	-	<i>14</i>	<i>12</i>
Office Equipment *	2	0	-	-	2	1	0	-	1	1
	<i>2</i>	<i>0</i>	-	-	<i>2</i>	<i>1</i>	-	-	<i>1</i>	<i>1</i>
TOTAL PROPERTY, PLANT AND EQUIPMENT	97	64	-	-	161	40	30	-	70	91
Previous financial year	<i>104</i>	<i>3</i>	<i>10</i>	-	<i>97</i>	<i>25</i>	<i>24</i>	<i>9</i>	<i>40</i>	<i>57</i>
INTANGIBLE ASSETS (other than internally generated)										
Software	13	-	-	-	13	3	3	-	6	7
	-	<i>13</i>	-	-	<i>13</i>	-	<i>3</i>	-	<i>3</i>	<i>10</i>
TOTAL INTANGIBLE ASSETS	13	-	-	-	13	3	3	-	6	7
Previous financial year	-	<i>13</i>	-	-	<i>13</i>	-	<i>3</i>	-	<i>3</i>	<i>10</i>
Intangible assets under development										2

Figures in italics relate to March 31, 2021

* Amount less than Rs. 50,000/-

Total depreciation charged for the year in the Statement of Profit and Loss includes depreciation on Right to use assets. Depreciation on right to use assets for the year is Rs.64 lakh (March 31, 2021: Rs. 63 lakh).

Fair value of investment property as on March 31, 2022 Rs. 255 lakh (March 31, 2021: Rs. 209 lakh). The fair value of the property is assessed based on the market rate for a similar property in the locality.

The Company confirms that the title deeds of immovable properties are held in the name of the Company.

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

as at March 31, 2022

(Rs. in lakh)

10 INTANGIBLE ASSETS UNDER DEVELOPMENT

As at March 31, 2022

PARTICULARS	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	2	-	-	-	2
(ii) Projects temporarily suspended	-	-	-	-	-
Total					2

Intangible assets under development completion schedule

PARTICULARS	Less than 1 year	To be completed in			Total
		1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	2	-	-	-	2
(ii) Projects temporarily suspended	-	-	-	-	-
Total					2

As at March 31, 2021

PARTICULARS	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	-	-	-	-	-
(ii) Projects temporarily suspended	-	-	-	-	-
Total					-

Intangible assets under development completion schedule

PARTICULARS	Less than 1 year	To be completed in			Total
		1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	-	-	-	-	-
(ii) Projects temporarily suspended	-	-	-	-	-
Total					-

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

as at March 31, 2022

(Rs. in lakh)

11 OTHER NON-FINANCIAL ASSETS (UNSECURED - CONSIDERED GOOD)

PARTICULARS	As at	As at
	March 31, 2022	March 31, 2021
a) Gratuity assets (Net)	42	11
b) Balances with government authorities	23	35
c) Prepaid expenses	65	29
TOTAL	130	75

12 TRADE PAYABLES

PARTICULARS	As at	As at
	March 31, 2022	March 31, 2021
Others		
a) Accrued expenses	707	768
b) Payable to vendors	38	39
TOTAL	745	807

12.1 The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. The amount of principal and interest outstanding during the year is given below :

Total outstanding dues of micro enterprises and small enterprises

PARTICULARS	As at	As at
	March 31, 2022	March 31, 2021
a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year*	8	-
b) The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
d) The amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
e) The amount further of interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure under section 23	-	-
TOTAL	8	-

*Amount of interest due is Nil as at March 31, 2022 and March 31, 2021

12.2

PARTICULARS	As at March 31, 2022						Total
	Unbilled Dues	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
a) MSME	-	-	8	-	-	-	8
b) Others	707	-	30	-	-	-	737
c) Disputed dues – MSME	-	-	-	-	-	-	-
d) Disputed dues - Others	-	-	-	-	-	-	-
Total	707	-	38	-	-	-	745

Note : Ageing of the trade payables is determined from the date of transaction till the reporting date.

PARTICULARS	As at March 31, 2021						Total
	Unbilled Dues	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
a) MSME	-	-	-	-	-	-	-
b) Others	768	-	39	-	-	-	807
c) Disputed dues – MSME	-	-	-	-	-	-	-
d) Disputed dues - Others	-	-	-	-	-	-	-
Total	768	-	39	-	-	-	807

Note : Ageing of the trade payables is determined from the date of transaction till the reporting date.

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

as at March 31, 2022

(Rs. in lakh)

13 DEBT SECURITIES

PARTICULARS	As at March 31, 2022	As at March 31, 2021
DEBT SECURITIES in India		
At amortised cost		
Secured - in India		
Privately Placed Non-Convertible Debentures (Refer note 13.1 to 13.5 below) [Net of unamortised premium of Rs. 64 lakh (March 31, 2021 : Rs. 143 lakh)]	2,07,899	1,25,460
Unsecured - in India		
Commercial paper (Refer note 13.6 below) [Net of unamortised discount of Rs 342 lakh (March 31, 2021 : Rs. 488 lakh)]	34,656	29,512
TOTAL	2,42,555	1,54,972

- 13.1** Privately Placed Non-Convertible Debentures are secured by pari passu charge on the specific immovable property, specified receivables arising out of loan and to the extent of shortfall in asset cover by a pari passu charge on the current assets of the Company.
- 13.2** Coupon rate of "NCDs" outstanding as on March 31, 2022 varies from 5.31 % to 8.75% (March 31, 2021 : 5.40 % to 8.75%).
- 13.3** No default has been made in repayment of borrowings and interest for the year ended March 31, 2022 and March 31, 2021.
- 13.4** Debt securities held by related parties as on March 31, 2022 is Rs Nil lakh. (March 31, 2021 is Rs.Nil)
- 13.5** Particulars of Privately Placed Secured Non-Convertible Debentures ("NCDs") outstanding as on :

Description of NCDs	Issue Date	Redemption Date	As at March 31, 2022		As at March 31, 2021	
			Number of NCDs	Rs. in lakh	Number of NCDs	Rs. in lakh
TCCL NCD 'B' FY 2020-21	23-Jun-20	23-Jun-22	650	6,500	650	6,500
TCCL MLD "A" FY 2019-20	31-May-19	30-Jan-23	729	729	729	729
TCCL MLD "A" 2019-20 Reissuance 1	10-Jun-19	30-Jan-23	278	278	278	278
TCCL MLD "A" 2019-20 Reissuance 2	19-Jun-19	30-Jan-23	321	321	321	321
TCCL MLD "A" 2019-20 Reissuance 3	20-Sep-19	30-Jan-23	1,502	1,502	1,502	1,502
TCCL MLD "A" 2019-20 Reissuance 4	03-Oct-19	30-Jan-23	1,054	1,054	1,054	1,054
TCCL MLD "A" 2019-20 Reissuance 5	10-Dec-19	30-Jan-23	1,000	1,000	1,000	1,000
TCCL MLD "A" 2019-20 Reissuance 6	23-Dec-19	30-Jan-23	1,300	1,300	1,300	1,300
TCCL NCD 'D' FY 2019-20	17-Feb-20	17-Feb-23	2,000	20,000	2,000	20,000
TCCL NCD "A" FY 2021-22	19-May-21	19-May-23	3,000	30,000	-	-
TCCL MLD "A" 2020-20	20-Jul-20	20-Jul-23	7,500	7,500	7,500	7,500
TCCL NCD 'C' FY 2020-21	31-Dec-20	30-Nov-23	2,000	20,000	2,000	20,000
TCCL NCD 'B' FY 2018-19	18-Dec-18	18-Dec-23	1,200	12,000	1,800	18,000
TCCL NCD 'C' FY 2017-18	02-Jun-17	03-Jun-24	100	1,000	100	1,000
TCCL NCD "B" FY 2021-22	28-Jul-21	26-Jul-24	3,600	36,000	-	-
TCCL NCD "C" FY 2021-22	17-Nov-21	15-Nov-24	2,000	20,000	-	-
TCCL NCD 'C' FY 2019-20	05-Dec-19	05-Dec-24	250	2,500	250	2,500
TCCL NCD 'A' FY 2020-21	10-Jun-20	10-Sep-27	1,750	17,500	1,750	17,500
TCCL NCD 'A' FY 2019-20	15-Jul-19	13-Jul-29	1,400	14,000	1,400	14,000
TCCL NCD 'B' FY 2019-20	16-Oct-19	16-Oct-29	600	6,000	600	6,000
TCCL NCD 'B' FY 2016-17	17-Oct-16	15-Oct-21	-	-	150	1,500
				1,99,184		1,20,684
Add : Unamortised premium				64		143
Add : Interest accrued but not due				8,725		4,982
Less : Unamortised borrowing cost				(74)		(349)
TOTAL				2,07,899		1,25,460

- 13.6** Discount on commercial paper varies between 4.35% to 4.55% (March 31, 2021 : 3.80 % to 4.30 %)

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

as at March 31, 2022

(Rs. in lakh)

14 BORROWINGS (OTHER THAN DEBT SECURITIES)

PARTICULARS	As at March 31, 2022	As at March 31, 2021
a) Term loans		
Secured - in India		
From Banks (Refer note 14.1 and 14.3 below)	1,39,693	1,69,366
From Others (Refer note 14.1 and 14.3 below)	1,06,748	31,982
Secured - Outside of India		
From Banks (Refer note 14.1 and 14.3 below)	86,629	75,836
b) Loans repayable on demand		
Secured from Banks- in India		
Working capital demand loan (Refer note 14.1 and 14.4 below)	45,000	20,000
Bank Overdraft (Refer note 14.1 below)	-	10
Unsecured from Bank- in India		
Working capital demand loan (Refer note 14.4 below)	-	15,000
c) Loan from related parties (unsecured)		
Unsecured - in India		
Inter corporate deposits - in India (Refer note 14.5 below)	-	10,013
TOTAL	3,78,070	3,22,207

14.1 Loans and advances from banks and others are secured by pari passu charge on the receivables of the Company through Security Trustee.

14.2 The Company has not defaulted in the repayment of borrowings and interest for the year ended March 31, 2022 and March 31, 2021.

14.3 As per terms of agreements loan from banks are repayable at maturity ranging between 6 to 59 months from the date of respective loan. Rate of interest payable on term loans varies between 4.90% to 7.84% (March 31, 2021 : 4.65 % to 7.55 %).

As per terms of agreements loan from Financial Institution are repayable at maturity ranging between 24 to 177 months from the date of respective loan. Rate of interest payable on term loans at 4.73 to 5.67 % (March 31, 2021 : 5.67 %).

14.4 Rate of interest payable on Working Capital Demand Loan / Bank Overdraft varies between 4.10% to 7.05% (March 31, 2021 : 7.45 % to 8.95%)

14.5 Rate of interest payable on Inter-corporate deposits is Nil (March 31, 2021 : 8.42 %)

14.6 The quarterly returns or statements of current assets filed by the company with banks or financial institutions are in agreement with the books of accounts.

14.7 As at March 31, 2022, the Company had undrawn committed borrowing facilities of Rs. 259,767 lakh (March 31, 2021 : Rs. 172,258 lakh).

15 SUBORDINATED LIABILITIES

PARTICULARS	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Unsecured - in India		
Non-Convertible Subordinated Debentures	52,807	53,036
[Net of unamortised premium of Rs. 309 lakh (March 31, 2021 : Rs. 349 lakh)		
TOTAL	52,807	53,036

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

as at March 31, 2022

(Rs. in lakh)

15 SUBORDINATED LIABILITIES (Continued)

15.1 Coupon rate of Sub Debts outstanding as on March 31, 2022 varies from 7.75 % to 9.18 % (March 31, 2021 : 7.75 % to 9.18 %)

15.2 No default has been made in repayment of borrowings and interest for the year ended March 31, 2022 and March 31, 2021.

15.3 Subordinated Debt securities held by related parties as on March 31, 2022 is Rs 630 lakh. (March 31, 2021 is Rs.630 lakh)

15.4 Particulars of Privately Placed Secured Non-Convertible Debentures ("NCDs") outstanding as on :

Description of NCDs	Issue Date	Redemption Date	As at March 31, 2022		As at March 31, 2021	
			Number of NCDs	Rs. in lakh	Number of NCDs	Rs. in lakh
TCCL Tier II Bond "A" FY 2019-20	10-May-19	10-May-29	500	5,000	500	5,000
TCCL Tier II Bond "A" FY 2019-20 Reissuance no 1	29-May-19	10-May-29	500	5,000	500	5,000
TCCL Tier II Bond "A" FY 2019-20 Reissuance no2	27-Jun-19	10-May-29	500	5,000	500	5,000
TCCL Tier II Bond "B" FY 2019-20	13-Nov-19	13-Nov-29	500	5,000	500	5,000
TCCL Tier II Bond "B" FY 2019-20 Reissuance no 2	24-Feb-20	13-Nov-29	500	5,000	500	5,000
TCCL Tier II Bond "B" FY 2019-20 Reissuance no 1	03-Feb-20	13-Nov-29	1,000	10,000	1,000	10,000
TCCL Tier II Bond "A" FY 2020-21	28-Jul-20	26-Jul-30	500	5,000	500	5,000
TCCL Tier II Bond "A" FY 2020-21 Reissuance no 1	14-Oct-20	26-Jul-30	500	5,000	500	5,000
TCCL Tier II Bond "A" FY 2020-21 Reissuance no 2	17-Dec-20	26-Jul-30	500	5,000	500	5,000
				50,000		50,000
Add : Unamortised premium				309		349
Add : Interest accrued but not due				2,687		2,687
Less : Unamortised borrowing cost				(189)		-
TOTAL				52,807		53,036

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

as at March 31, 2022

(Rs. in lakh)

16 OTHER FINANCIAL LIABILITIES

PARTICULARS	As at	As at
	March 31, 2022	March 31, 2021
a) Advances from customers	42	64
b) Accrued employee benefit expense	881	537
c) Book Overdraft	6	21
TOTAL	929	622

17 PROVISIONS

PARTICULARS	As at	As at
	March 31, 2022	March 31, 2021
a) Provision for compensated absences	82	87
b) Provision for long-term service award	3	3
c) Provision on Off Balance Sheet exposure	524	131
TOTAL	609	221

18 OTHER NON-FINANCIAL LIABILITIES

PARTICULARS	As at	As at
	March 31, 2022	March 31, 2021
a) Statutory dues	228	235
b) Other payables	4	-
TOTAL	232	235

19 SHARE CAPITAL

PARTICULARS	As at	As at
	March 31, 2022	March 31, 2021
AUTHORISED		
50,00,00,000 (March 31, 2021 : 50,00,00,000 shares) Equity shares of Rs.10 each	50,000	50,000
TOTAL	50,000	50,000
ISSUED, SUBSCRIBED & PAID UP		
45,92,85,639 (March 31, 2021 : 38,80,15,639 shares) Equity shares of Rs.10 each fully paid up	45,929	38,802
TOTAL	45,929	38,802

19.1 Reconciliation of number of shares outstanding

PARTICULARS	No. of Shares	Rs. In lakh
Opening balance as on April 01, 2020	38,80,15,639	38,802
Additions during the year	-	-
Closing balance as on March 31, 2021	38,80,15,639	38,802
Additions during the year	7,12,70,000	7,127
Closing balance as on March 31, 2022	45,92,85,639	45,929

During the year, the Company has issued 7,12,70,000 equity shares of face value Rs. 10 each fully paid up, at a price of Rs. 43.50 each, including a premium of Rs.33.50 each (March 31, 2021: Nil).

19.2 Rights, preferences and restrictions attached to shares

The Company has issued only one class of equity shares having a face value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors', if any, is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. 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.

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

as at March 31, 2022

(Rs. in lakh)

19 SHARE CAPITAL (Continued)

19.3 Investment by Tata Capital Limited (Promoter / Holding Company)

Name of Company	No. of Equity shares	Rs. In lakh
Tata Capital Limited		
Opening balance as on April 01, 2020	31,23,52,590	31,235
Closing balance as on March 31, 2021	31,23,52,590	31,235
Closing balance as on March 31, 2022	36,97,24,940	36,972

19.4 List of Shareholders holding more than 5% Equity shares

Name of Company	No. of Equity shares	% of holding
Tata Capital Limited		
Opening balance as on April 01, 2020	31,23,52,590	80.50%
Closing balance as on March 31, 2021	31,23,52,590	80.50%
Closing balance as on March 31, 2022	36,97,24,940	80.50%
International Finance Corporation		
Opening balance as on April 01, 2020	7,56,63,049	19.50%
Closing balance as on March 31, 2021	7,56,63,049	19.50%
Closing balance as on March 31, 2022	8,95,60,699	19.50%

19.5 There are no shares in the preceding 5 years allotted as fully paid up without payment being received in cash / bonus shares / bought back.

19.6 There are no shares reserved for issue under options and contracts/commitments for the sale of shares or disinvestment.

20 OTHER EQUITY

PARTICULARS	As at	As at
	March 31, 2022	March 31, 2021
a) Securities Premium Account	45,903	22,029
b) Special Reserve Account u/s 45-IC of Reserve Bank of India Act, 1934	15,161	11,085
c) Special Reserve Account u/s 36(1)(viii) of Income tax Act, 1961	9,834	8,211
d) Surplus in Statement of Profit and Loss	49,694	35,012
e) Other Comprehensive Income		
(i) Fair value gain on Financial Assets carried at FVTOCI	513	1,210
(ii) The effective portion of gains and loss on hedging instruments in a cost of hedge	333	(302)
(iii) Remeasurement of defined employee benefit plans	(25)	(25)
f) Share options outstanding account	318	201
g) General Reserve	22	22
TOTAL	1,21,753	77,443

20.1 Nature and Purpose of Reserves as per Para 79 of Ind AS 1

PARTICULARS	Nature and purpose of Reserves
a) Securities Premium Account	Premium received upon issuance of equity shares
b) Special Reserve Account / Statutory Reserve	As prescribed by Section 45-IC of Reserve Bank of India Act 1934, and Section 36 (1) (viii) of the Income Tax Act, 1961. No appropriation of any sum from the reserve fund shall be made by the Company except for the purpose as may be specified by RBI from time to time.
c) Surplus in profit and loss account	Created out of accretion of profits
d) Share Options Outstanding Account	Created upon grant of options to employees
e) Other Comprehensive Income	Created on account of items measured through other comprehensive income
f) General Reserve	Created upon employees stock options that expired unexercised or upon forfeiture of options granted.

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

21 INTEREST INCOME

PARTICULARS	For the year ended March 31, 2022	For the year ended March 31, 2021
On Financial Assets measured at Amortised Cost		
a) Interest on loans and credit substitutes	63,596	57,614
b) Interest income on deposits with banks	17	220
c) Interest income from investments	267	15
d) Other Interest Income	24	22
On Financial Assets measured at fair value through OCI		
a) Interest on loans and credit substitutes	3,767	6,958
TOTAL	67,671	64,829

22 FEES AND COMMISSION INCOME

PARTICULARS	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Foreclosure charges	1,095	463
b) Advisory Fees	114	160
c) Others (valuation charges, PDD charges etc.)	600	310
TOTAL	1,809	933

23 NET GAIN / (LOSS) ON FAIR VALUE CHANGES

PARTICULARS	For the year ended March 31, 2022	For the year ended March 31, 2021
A) Net gain / (loss) on financial instruments at fair value through profit or loss		
a) On trading portfolio		
Investments	-	-
Derivatives	-	-
Others	-	-
b) Others		
On equity securities	-	-
On other financial securities	928	1,061
On derivative contracts	-	-
TOTAL	928	1,061
B) Fair value changes		
Realised	921	1,058
Unrealised	7	3
TOTAL	928	1,061

24 OTHER INCOME

PARTICULARS	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Interest on Income Tax refund	1	42
b) Guest house recovery	9	3
TOTAL	10	45

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

25 FINANCE COST

PARTICULARS	For the year ended March 31, 2022	For the year ended March 31, 2021
At amortised cost		
a) Interest on borrowings	10,746	18,963
b) Interest on debt securities	12,149	9,324
c) Interest on subordinated liabilities	4,259	3,654
d) Interest on external commercial borrowings (ECB)	6,470	4,443
e) Interest on lease liabilities	5	9
f) Discounting charges on Commercial paper	1,614	1,429
TOTAL	35,243	37,822

26 IMPAIRMENT ON FINANCIAL INSTRUMENTS

PARTICULARS	For the year ended March 31, 2022	For the year ended March 31, 2021
On Financial Assets measured at Amortised Cost		
a) Impairment loss allowance on loans (Stage I & II)	2,914	892
b) Impairment loss allowance on loans (Stage III)	(39)	800
c) Write off - Loans and credit substitutes	467	476
d) Provision against trade receivables	(1)	(3)
On Financial Assets measured at fair value through OCI		
e) Impairment loss allowance on loans (Stage I & II)	(561)	632
TOTAL	2,780	2,797

27 EMPLOYEE BENEFIT EXPENSES

PARTICULARS	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Salaries, wages and bonus	2,780	1,981
b) Contribution to provident and other funds	99	85
c) Staff welfare expenses	10	13
d) Expenses related to post-employment defined benefit plans	43	42
e) Share based payments to employees	133	89
TOTAL	3,065	2,210

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

28 OTHER OPERATING EXPENSES

PARTICULARS	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Advertisements and publicity	75	91
b) Brand equity and business promotion	184	179
c) Audit fees (Refer Note No 28.1 below)	20	15
d) Corporate social responsibility expenses (Refer Note No 28.3 below)	383	310
e) Directors fees, allowances and expenses	43	85
f) Insurance charges	40	31
g) Information technology expenses	553	419
h) Legal and professional fees	146	177
i) Loan processing fees	2	2
j) Repairs and maintenance	2	2
k) Rent	105	119
l) Stamp charges	143	34
m) Service provider charges	527	302
n) Telephone, telex and leased line	1	4
o) Travelling and conveyance	38	22
p) Training and recruitment	19	3
q) Membership and subscription charges	15	29
r) Security trustee fees	36	23
s) Other expenses	25	21
TOTAL	2,357	1,868

28.1 Auditors' Remuneration (excluding taxes)

PARTICULARS	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Audit fees	17	12
b) Tax audit fees	1	1
c) Other Services (includes out of pocket expenses)*	2	2
TOTAL	20	15

* Other Services include fees for certifications

28.2 Expenditure in Foreign Currency

PARTICULARS	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Directors sitting fees	14	14
b) Membership and subscription charges	-	13
TOTAL	14	27

28.3 Corporate social responsibility expenses

- a) Gross amount required to be spent by the company during the year was Rs. 383 lakh (March 31, 2021: Rs. 310 lakh)
b) Amount spent during the year on:

PARTICULARS	Paid	Yet to paid
a) Construction/acquisition of any asset	383	-
b) On purposes other than above	-	-
TOTAL	383	-

- c) The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year: Nil.
d) The total of previous years' shortfall amounts: Nil
e) The reason for above shortfalls by way of a note: Not Applicable
f) The nature of CSR activities undertaken by the Company: To improve the lives of the community, especially the socially and economically underprivileged communities, by making a long term, measurable and positive impact through projects in the areas of Education, Climate Action, Health and Skill Development.

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

as at March 31, 2022

(Rs. in lakh)

29 Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on “Related Party Disclosures” notified under the Companies (Indian Accounting Standard) Rules, 2015:

A) List of related parties and relationship

Ultimate Holding Company	Tata Sons Private Limited (formerly Tata Sons Limited)
Holding Company	Tata Capital Limited
Subsidiaries of Holding Company	Tata Capital Financial Services Limited Tata Securities Limited Tata Capital Housing Finance Limited Tata Capital Pte. Limited Tata Capital Markets Pte. Ltd.(ceased to exist w.e.f. 23.09.2020) Tata Capital Advisors Pte. Ltd. Tata Capital Plc Tata Capital General Partners LLP Tata Capital Healthcare General Partners LLP Tata Opportunities General Partners LLP Tata Capital Growth II General Partners LLP Tata Capital Healthcare II General Partners LLP Tata Opportunities II General Partners LLP (ceased to exist w.e.f. 23.09.2020) Tata Capital Growth Fund I Tata Capital Healthcare Fund I Tata Capital Innovations Fund Tata Capital Special Situation Fund Tata Capital Growth Fund II Tata Capital Healthcare Fund II Tata Opportunities II Alternative Investment Fund (ceased to exist w.e.f. 31.03.2021)
Plans	Tata Capital Limited Superannuation Scheme Tata Capital Limited Gratuity Scheme TCL Employee Welfare Trust Tata Capital Limited Employees Provident Fund
Subsidiaries & Associate of Ultimate Holding Company (with which the company had transactions)	Tata AIG General Insurance Company Limited Tata AIA Life Insurance Company Limited Tata Consultancy Services Limited The Indian Hotels Company Limited Titan Company Limited Tata Consulting Engineers Limited Tata Technologies Limited TP Luminaire Private Limited Conneqt Business Solutions Limited (formerly known as Tata Business Support Services Limited) (ceased w.e.f. 16th April 2021)
Investor exercising significant influence	International Finance Corporation
Key Management Personnel	Mr. Rajiv Sabharwal (Non-Executive Director) Ms. Padmini Khare Kaicker (Independent Director) Ms. Varsha Purandare (Independent Director) (w.e.f. January 25, 2020) Mr. Manish Chourasia (Managing Director) Mr. Behzad Bhesania (Chief Financial Officer) Mr. Rajesh Gosia (Company secretary) (w.e.f. February 01, 2021) Mr. Pradeep C. Bandivadekar (Non-Executive Director) (Ceased to be Non-Executive Director w.e.f. June 30, 2020) Dr. Ajay Mathur (Non-Executive Director) (Ceased to be Non-Executive Director w.e.f. February 16, 2021) Mr. Manish Parikh (Company secretary) (Ceased to be company secretary w.e.f. August 31, 2020)

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

as at March 31, 2022

(Rs. in lakh)

29 Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on “Related Party Disclosures” notified under the Companies (Indian Accounting Standard) Rules, 2015 (Continued)

B) Transactions carried out with related parties referred in "A" above (Continued)

Rs in lakh

Sr No	Party Name	Nature of Transactions	FY 2021-22	FY 2020-21
1	Tata Sons Private Limited	Expenses BEBP Expenses * Training Expenses Liabilities Balance Payable	 184 0 191	 184 3 184
2	Tata Capital Limited	Expenses Interest on Inter-Corporate Deposit Service provider charges Rent Electricity Expenses * Insurance Expenses Other transactions Inter-Corporate Deposit received Inter-Corporate Deposit repaid Equity capital infusion (inclusive of security premium) Assets Security Deposit Liabilities Unsecured ICD outstanding payable Balance payable Equity Equity shares held (inclusive of security premium)	 13 458 60 2 0 18,500 28,500 24,957 324 - 111 73,926	 1,528 250 54 2 0 38,500 78,500 - 324 10,014 83 48,969
3	Tata Capital Financial Services Limited	Income Advisory Fees Guest House Recovery Expenses Rent and Guest house expenses Syndication Fees Staff Welfare Expenses Other Transactions Paid during year towards purchase of loan portfolio Received during period towards sale of loan portfolio Liabilities Balance payable	 9 9 99 8 3 28,864 4,000 8	 9 3 102 6 - 4,023 - 10
4	Tata Securities Limited	Expenses * Professional Fees Liabilities Balance payable	 25 27	 0 -
5	TCL Employee Welfare Trust	Other Transactions Loan given during year Assets Loan receivable	 40 50	 10 10
6	Tata Capital Limited Superannuation Scheme	Expenses Contribution to Superannuation	 18	 14
7	Tata Capital Limited Gratuity Scheme	Expenses Contribution to Gratuity fund	 22	 27

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

as at March 31, 2022

(Rs. in lakh)

29 Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on “Related Party Disclosures” notified under the Companies (Indian Accounting Standard) Rules, 2015 (Continued)

B) Transactions carried out with related parties referred in "A" above (Continued)

		Rs in lakh		
Sr No	Party Name	Nature of Transactions	FY 2021-22	FY 2020-21
8	Conneqt Business Solutions Limited (ceased w.e.f. 16th April 2021)	Expenses		
		Service provider charges	-	15
		Liabilities		
		Balance payable	-	4
9	Tata AIG General Insurance Company Limited	Expenses		
		Insurance expenses	3	1
		Assets		
		* Balance receivable	0	0
10	Tata AIA Life Insurance Company Limited	Expenses		
		Insurance expenses	9	6
		Assets		
		Balance receivable	14	7
11	Tata Consultancy Services Limited	Expenses		
		IT outsourcing expenses	348	321
		Liabilities		
		Balance payable	94	95
12	The Indian Hotels Company Limited	Expenses		
		Hotel expenses	2	1
		Liabilities		
		* Balance payable	-	0
13	Titan Company Limited	Expenses		
		* Hotel expenses	-	0
14	Tata Consulting Engineers Limited	Income		
		Financial Advisory	-	2
		Expenses		
		* Professional Fees	0	5
		Liabilities		
		* Balance payable	-	0
15	Tata Technologies Limited	Expenses		
		IT outsourcing expenses	16	9
		Liabilities		
		Balance payable	1	1
16	TP Luminaire Private Limited	Income		
		Interest Income	340	260
		Processing Fees	-	28
		Other transactions		
		Loan given during period	-	4,500
		Loan repayment received during period	4,224	276
		Assets		
		Term Loan	-	4,224
		Accrued Interest and other balances	-	6
		Commitment		
		Off balance sheet exposure	-	1,053

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

as at March 31, 2022

(Rs. in lakh)

29 Disclosure as required by Indian Accounting Standard (Ind AS) – 24 on “Related Party Disclosures” notified under the Companies (Indian Accounting Standard) Rules, 2015 (Continued)

B) Transactions carried out with related parties referred in "A" above (Continued)

Rs in lakh

Sr No	Party Name	Nature of Transactions	FY 2021-22	FY 2020-21
17	International Finance Corporation	Other transactions		
		Equity capital infusion (inclusive of security premium)	6,046	-
		Equity		
		Equity shares held (inclusive of security premium)	17,908	11,862
18	Key Management	Remuneration to KMP		
		Short Term Employee Benefits	383	272
		Post Employment Benefits	33	27
		Share based payments (No. of Shares)		
		a) Options granted till date **	15,03,659	11,28,000
		b) Options exercised till date	24,000	24,000
		Director Sitting Fees	20	18
Director Commission	47	38		

(* Amount less than 50,000/-)

Notes:

- a) All transactions with these related parties are priced at arm's length and are in the ordinary course of business.
 b) ** ESOP has been granted by Tata Capital Limited (Holding Company)

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

30 Contingent Liabilities and Commitments (to the extend not provided for) :

a) Contingent liabilities:

Income Tax (Pending before Appellate authorities): Rs. 449 lakh (March 31, 2021: Rs. Nil lakh)
Bank Guarantees: Rs. 25 lakh (March 31, 2021: Rs. Nil lakh)

b) Capital Commitments: Estimated amount of contracts remaining to be executed on capital account and not provided for (net off advances given).

- Tangible: Rs. 6 lakh (March 31, 2021 Rs. 1 lakh)
- Intangible: Rs. 142 lakh (March 31, 2021 Rs. Nil lakh)

Letter of Comfort Rs. 43,276 lakh (March 31, 2021 Rs. 10,083 lakh)

Undrawn Commitment given to the Borrower Rs. 1,18,274 lakh (March 31, 2021 Rs.50,123 lakh)

Less than one year : Rs. Nil lakh (March 31, 2021 : Rs.550 lakh)

More than one year : Rs. 1,18,274 lakh (March 31, 2021 : Rs.49,573 lakh)

31 Earnings per Share (EPS):

Particulars		2021-22	2020-21
Profit after tax attributable to Equity shareholders	(Rs. in lakh)	20,381	16,773
Weighted average number of Equity shares used in computing Basic EPS & Diluted EPS	Nos	42,41,38,790	38,80,15,639
Face value of equity shares	Rupees	10	10
Basic earnings per share	Rupees	4.81	4.32
Diluted earnings per share	Rupees	4.81	4.32

32 Movement in Contingent provisions against Standard Assets (stage I & II) during the year is as under:

Particulars	2021-22	2020-21
Opening Balance	6,480	5,588
Additions (net) during the year	2,913	892
Utilised during the year	-	-
Closing Balance	9,393	6,480

Includes Provision for off Balance Sheet exposure - Rs. 524 lakh (March 31, 2021: Rs. 131 lakh)

33 Movement in other provisions during the year is as under:

Particulars	2021-22	2020-21
Opening Balance	90	112
Additions (net) during the year	-	-
Utilised during the year	(5)	(22)
Closing Balance	85	90

34 Share based payment

The Company is required to present disclosures as required by Para 44, 45, 46, 47, 50, 51 and 52 of Ind AS 102. It is required to present scheme wise terms and conditions of the ESOP schemes, present for the employees of the Company.

A Description of share based payments:

Particulars	ESOP 2018	ESOP 2019	ESOP 2020	ESOP 2021	ESOP 2021 RSU
Vesting requirements	20% at the end of each 12 months and 30% at the end of each 36 and 48 months from the date of grant	20% at the end of each 12 and 24 months and 30% at the end of each 36 and 48 months from the date of grant	20% at the end of each 12 and 20 months and 30% at the end of each 32 and 44 months from the date of grant	20% at the end of each 12 and 24 months and 30% at the end of each 36 and 48 months from the date of grant	100% at the end of 36 months from the date of grant
Maximum term of option	7 years	7 years	7 years	7 years	3 years
Method of settlement	Equity settled	Equity settled	Equity settled	Equity settled	Equity settled
Modifications to share based payment plans	N.A.	N.A.	N.A.	N.A.	N.A.
Any other details as disclosed in the audited Ind AS financial statements	N.A.	N.A.	N.A.	N.A.	N.A.

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

B Summary of share based payments

March 31, 2022

Particulars	ESOP 2018	ESOP 2019	ESOP 2020	ESOP 2020	ESOP 2020	Total
Outstanding balance at the beginning of the year	4,75,000	6,00,000	6,60,000	-	-	17,35,000
Options granted	-	-	-	4,12,500	1,77,821	5,90,321
Options forfeited	-	-	-	-	-	-
Options exercised	-	-	-	-	-	-
Options expired	-	-	-	-	-	-
Options lapsed	-	-	-	-	-	-
Options outstanding at the end of the year	4,75,000	6,00,000	6,60,000	4,12,500	1,77,821	23,25,321
Options exercisable at the end of the year	3,32,500	2,40,000	1,32,000	-	-	7,04,500
For share options exercised:						
Weighted average exercise price at date of exercise						-
Money realized by exercise of options						-
For share options outstanding						
Range of exercise prices	50.60	51.00	40.30	51.80	51.80	
Average remaining contractual life of options	4.50	5.34	6.34	6.34	2.50	5.41
Modification of plans	N.A.	N.A.	N.A.	N.A.	N.A.	
Incremental fair value on modification	N.A.	N.A.	N.A.	N.A.	N.A.	

March 31, 2021

Particulars	ESOP 2018	ESOP 2019	ESOP 2020	Total
Outstanding balance at the beginning of the year	4,75,000	6,00,000	-	10,75,000
Options granted	-	-	6,60,000	6,60,000
Options forfeited	-	-	-	-
Options exercised	-	-	-	-
Options expired	-	-	-	-
Options lapsed	-	-	-	-
Options outstanding at the end of the year	4,75,000	6,00,000	6,60,000	17,35,000
Options exercisable at the end of the year	1,90,000	1,20,000	-	3,10,000
For share options exercised:				
Weighted average exercise price at date of exercise				-
Money realized by exercise of options				-
For share options outstanding				
Range of exercise prices	50.60	51.00	40.30	
Average remaining contractual life of options	5.50	6.34	6.34	5.49
Modification of plans	N.A.	N.A.	N.A.	
Incremental fair value on modification	N.A.	N.A.	N.A.	

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

C Valuation of stock options

Particulars	ESOP 2018	ESOP 2019	ESOP 2020	ESOP 2021
Share price:	50.60	51.00	40.30	51.80
Exercise Price:	50.60	51.00	40.30	51.80
Fair value of option:	23.34	23.02	17.07	22.33
Valuation model used:	Black Scholes valuation	Black Scholes valuation	Black Scholes valuation	Black Scholes valuation
Expected Volatility:	0.38	0.41	0.42	0.41
Basis of determination of expected volatility:	Average historical volatility over 4.85 years of comparable companies	Average historical volatility over 4.85 years of comparable companies	Historical volatility of equity shares of comparable companies over the period ended December 15, 2020 based on the life of options	Average historical volatility over 4.85 years of comparable companies
Contractual Option Life (years):	7.00	7.00	7.00	7.00
Expected dividends:	-	-	-	-
Risk free interest rate:	8.04%	6.28%	5.22%	5.87%
Vesting Dates	20% vesting on September 30, 2019	20% vesting on August 01, 2020	20% vesting on December 14, 2021	20% vesting on September 30, 2022
	40% vesting on September 30, 2020	40% vesting on August 01, 2021	40% vesting on July 31, 2022	40% vesting on July 31, 2023
	70% vesting on September 30, 2021	70% vesting on August 01, 2022	70% vesting on July 31, 2023	70% vesting on July 31, 2024
	100% vesting on September 30, 2022	100% vesting on August 01, 2023	100% vesting on July 31, 2024	100% vesting on July 31, 2025
Valuation of incremental fair value on modification	N.A.	N.A.	N.A.	N.A.

D Options granted and inputs used for measurement of fair value of options, for the key managerial employees and other senior employees

As at March 31, 2022

Name of Scheme	Mr. Manish Chourasia		Mr. Behzad Bhesania		Mr. Rajesh Gosia#	
	Granted	Exercised	Granted	Exercised	Granted	Exercised
ESPS 2009	-	-	-	-	-	-
ESPS 2011	-	-	-	-	-	-
ESOP 2011	-	-	-	-	-	-
PS 2013	-	-	-	-	-	-
ESPS 2013	-	-	3,000	3,000	-	-
ESOP 2013	-	-	-	-	-	-
ESOP 2016	-	-	10,000	10,000	5,000	1,000
ESOP 2017	10,000	-	10,000	10,000	5,000	-
ESOP 2018	3,50,000	-	-	-	-	-
ESOP 2019	3,50,000	-	-	-	-	-
ESOP 2020	3,85,000	-	-	-	-	-
ESOP 2021	2,62,500	-	-	-	-	-
ESOP 2021 RSU	1,13,159	-	-	-	-	-
Total	14,70,659	-	23,000	23,000	10,000	1,000

#Mr. Rajesh Gosia was appointed as KMP w.e.f. February 01, 2021.

As at March 31, 2021

Name of Scheme	Mr. Manish Chourasia		Mr. Behzad Bhesania		Mr. Rajesh Gosia#		Mr. Manish Parikh#	
	Granted	Exercised	Granted	Exercised	Granted	Exercised	Granted	Exercised
ESPS 2009	-	-	-	-	-	-	-	-
ESPS 2011	-	-	-	-	-	-	-	-
ESOP 2011	-	-	-	-	-	-	-	-
PS 2013	-	-	-	-	-	-	-	-
ESPS 2013	-	-	3,000	3,000	-	-	-	-
ESOP 2013	-	-	-	-	-	-	-	-
ESOP 2016	-	-	10,000	10,000	5,000	1,000	-	-
ESOP 2017	10,000	-	10,000	10,000	5,000	-	-	-
ESOP 2018	3,50,000	-	-	-	-	-	-	-
ESOP 2019	3,50,000	-	-	-	-	-	-	-
ESOP 2020	3,85,000	-	-	-	-	-	-	-
Total	10,95,000	-	23,000	23,000	10,000	1,000	-	-

Mr. Manish Parikh ceased to be a KMP w.e.f. August 31, 2020 and Mr. Rajesh Gosia was appointed as KMP w.e.f. February 01, 2021.

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

35 Employee benefit expenses

A. Defined contribution plans

1) Superannuation Fund

The Company makes contribution towards superannuation fund, a defined contribution retirement plan for qualifying employees. The Superannuation fund is administered by superannuation fund set up as Trust by Tata Capital Limited ("the ultimate parent Company"). The Company is liable to pay to the superannuation fund to the extent of the amount contributed. The Company recognizes such contribution as an expense in the year of contribution. The Company has recognised ₹ 18 Lakhs (March 31, 2021 ₹ 14 Lakhs) for Superannuation Fund contributions in the Statement of Profit and Loss.

2) Provident Fund

The Company makes Provident Fund contributions, a defined contribution plan for qualifying employees. Under the Schemes, both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions as specified under the law are paid to provident fund administered by the Regional Provident Fund Commissioner.

The Provident Fund contributions are recognized as an expense in the year in which it is determined. The Company has recognised ₹ 81 Lakhs (March 31, 2021 ₹ 71 Lakhs) for Provident Fund contributions in the Statement of Profit and Loss.

B. Defined benefit plan

1) Gratuity

The Company offers its employees defined benefit plans in the form of a gratuity scheme (a lump-sum amount). Benefits under the defined benefit plans are typically based on years of service and the employee's compensation (generally immediately before retirement). The gratuity scheme covers substantially 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 recorded in the Other Comprehensive Income. The Company provides gratuity for employees in India as per payment of Gratuity Act, 1972. The gratuity scheme for employees is as under:

Eligibility	Continuous service for 5 years (not applicable in case of death or disability while in service)
Benefit payable upon	Retirement, Withdrawal, Death/Disability
Benefit payable	For service less than 10 years: $15/26 \times \text{Salary} \times \text{Service}$ For service greater than 10 years: $\text{Salary} \times \text{Service}$
Salary definition	Last drawn monthly basic salary + Dearness Allowance
Service definition	Number of years of service rounded to the nearest integer
Normal retirement age	60 years

There are no statutory minimum funding requirements for gratuity plans mandated in India. However, a Company can fund the benefits by way of a separate irrevocable Trust to take advantage of tax exemptions and also to ensure security of benefits.

The Tata Capital Limited Gratuity Scheme is funded by way of a separate irrevocable Trust and the Company is expected to make regular contributions to the Trust. The fund is managed internally by the Company and the assets are invested as per the pattern prescribed under Rule 67 of Income Tax Rules, 1962. The asset allocation of the Trust is set by Trustees from time to time, taking into account the membership profile, the liquidity requirements of the plan and risk appetite of the plan sponsor as per the investment norms. Each year asset-liability matching study is performed in which the consequences of the strategic investment policies are analysed in terms of risk and return profiles. Investment and Contribution policies are integrated within this study.

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

1. Interest rate risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
2. Salary Inflation risk : Higher than expected increases in salary will increase the defined benefit obligation
3. Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.
4. Investment risk : For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.
5. Legislative risk : Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

35 Employee benefit expenses

Movement in net defined benefit (asset) liability

a) Reconciliation of balances of Defined Benefit Obligations.

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
Defined Obligations at the beginning of the year	274	-	245	-
Current service cost	40	-	38	-
Interest cost	16	-	15	-
Amalgamations / Acquisitions	(3)	-	0	-
a. Due to change in financial assumptions	(2)	-	(2)	-
b. Due to change in experience adjustments	12	-	(17)	-
Benefits paid directly by the Company	(46)	-	(5)	-
Defined Obligations at the end of the year	291	-	274	-

b) Reconciliation of balances of Fair Value of Plan Assets

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
Fair Value at the beginning of the year	285	-	218	-
Expected return on plan assets	10	-	25	-
Employer contributions	22	-	27	-
Amalgamations / Acquisitions	(3)	-	0	-
Interest Income on Plan Assets	19	-	15	-
Fair Value of Plan Assets at the end of the year	333	-	285	-

c) Funded status

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
Deficit of plan assets over obligations	-	-	-	-
Surplus of plan assets over obligations	42	-	11	-
Unrecognised asset due to asset ceiling	-	-	-	-
Total	42	-	11	-

d) Categories of plan assets

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
Corporate bonds	63	-	57	-
Equity shares	24	-	18	-
Government securities	74	-	68	-
Insurer managed funds	157	-	135	-
Cash	15	-	7	-
Total	333	-	285	-

e) Amount recognised in Balance sheet

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
Present value of the defined benefit obligation	291	-	274	-
Fair value of plan assets	333	-	285	-
Net asset / (liability) recognised in the Balance Sheet	42	-	11	-

Net asset / (liability) as per financial statements

-

f) Amount recognised in Statement of Profit and Loss

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
Current Service Cost	40	-	38	-
Interest Cost (net)	(3)	-	1	-
Expenses for the year	37	-	39	-

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

35 Employee benefit expenses

g) Amount recognised in OCI

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	Total Funded	Total Unfunded	Total Funded	Total Unfunded
a. Due to change in financial assumptions	(2)	-	(2)	-
b. Due to change in experience adjustments	12	-	(17)	-
c. Due to experience adjustments	-	-	-	-
d. (Return) on plan assets (excl. interest income)	(10)	-	(25)	-
e. Change in Asset Ceiling	-	-	-	-
Total remeasurements in OCI	(0)	-	(44)	-
Total defined benefit cost recognized in P&L and OCI	37	-	(5)	-

Total defined benefit cost as per financial statements

h) Expected cash flows for the following year

Particulars	Year ended	Year ended
	March 31, 2022	March 31, 2021
Expected total benefit payments	477	437
Year 1	22	24
Year 2	26	24
Year 3	30	28
Year 4	36	32
Year 5	40	38
Next 5 years	322	293

i) Major Actuarial Assumptions

Particulars	Year ended	Year ended
	March 31, 2022	March 31, 2021
Discount Rate (%)	6.50%	6.40%
Salary Escalation/ Inflation (%)	Non CRE: 8.25% .CRE & J Grade:6 %	Non CRE: 8.25% .CRE & J Grade:6 %
Expected Return on Plan assets (%)	6.50%	6.40%
Attrition		
Mortality Table	Indian assured lives Mortality (2006-08) (modified) Ult.	Indian assured lives Mortality (2006-08) (modified) Ult.
Medical cost inflation		
Disability		
Withdrawal (rate of employee turnover)	CRE and J Grade : 40 %; Non CRE :Less than 5years 25 % and more than 5 years 10 %	CRE and J Grade : 40 %; Non CRE :Less than 5years 25 % and more than 5 years 10 %
Retirement Age	60 years	60 years
Weighted Average Duration	-	-
Guaranteed rate of return	-	-
Estimate amount of contribution in the immediate next year	21.71	23.65

The estimates for future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors.

The expected return on plan assets is based on market expectation, at the beginning of the period, for returns over the entire life of the related obligation.

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

35 Employee benefit expenses (Continued)

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components

i) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	March 31, 2022		March 31, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(21)	23	(20)	23
Future salary growth (1% movement)	23	(21)	23	(20)
Others (Withdrawal rate 5% movement)	(20)	29	(20)	30

j) Provision for leave encashment

	March 31, 2022		March 31, 2021	
	Non current	Current	Non current	Current
Liability for compensated absences	68	13	67	12

Experience adjustments	Defined benefit obligation	Plan assets	Surplus/ (deficit)	Experience adjustments on plan liabilities	Experience adjustments on plan assets
Funded					
2021-22	291	333	42	(12)	33
2020-21	274	285	11	17	25
Unfunded					
2021-22	-	-	-	-	-
2020-21	-	-	-	-	-

k) Long Term Service Awards

Long Term Service awards are employee benefits 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 2021-22 is Nil (March 31, 2021: Nil) and the provision as at March 31, 2022 is Rs. 3 lakh (March 31, 2021 : Rs.3 lakh).

36 Segment Reporting

The Company is engaged in the business of providing finance and advisory services to the infrastructure sector. There being only one material "business segment" and "geographical segment", the segment information is not provided.

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

37 Ind AS 116 - Leases:

As a lessee the Company classified property leases as operating leases under Ind AS 116. These include office premises taken on lease. The leases typically run for a period of one to five years. Leases include conditions such as non-cancellable period, notice period before terminating the lease or escalation of rent upon completion of part tenure of the lease in line with inflation in prices.

Information about leases for which the Company is a lessee is presented below.

(I) Right-of-use assets

Particulars	March 31, 2022	March 31, 2021
Balance at the beginning of the year	96	159
Additions during the year	-	-
Deletion during the year	-	-
Depreciation charge for the year	(64)	(63)
Balance at the end of the year	32	96

(II) Movement of Lease liabilities

Particulars	March 31, 2022	March 31, 2021
Balance at the beginning of the year	84	129
Additions during the year	-	-
Deletion during the year	-	-
Finance cost for the year	5	9
Payment of lease liabilities for the year	(60)	(54)
Balance at the end of the year	29	84

(III) Future minimum lease payments under non-cancellable operating leases were payable as follows:

Particulars	March 31, 2022	March 31, 2021
Less than one month	5	5
Between one and three months	10	15
Between three months and one year	15	40
Between one and five years	-	30
More than five years	-	-

(III) Amounts recognized in the Statement of Profit and Loss

Particulars	March 31, 2022	March 31, 2021
Interest on lease liabilities	5	9
Depreciation on Right-of-use assets	64	63

(IV) Amounts recognised in statement of cash flows

Particulars	March 31, 2022	March 31, 2021
Total cash outflow for leases	60	54

1. Company has considered entire lease term for the purpose of determination of Right of Use assets and Lease liabilities.

2. On 24 July 2020, the Ministry of Corporate Affairs ('MCA') issued a notification for the Companies (Indian Accounting Standards) Amendment Rules, 2020 ('Rules'), amendments related to IndAS 116 provide relief for lessees in accounting for rent concessions granted as a direct consequence of Covid-19.

The amendments introduce an optional practical expedient that exempts lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications.

Pursuant to amendment, the Company had elected to apply for practical expedient and not to account for COVID-19 related rent concession as lease modification.

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

38 Fair values of financial instruments

See accounting policy in Note 2(iv).

A. Valuation models

The Company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements:

a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date

b) Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

c) Level 3 inputs are unobservable inputs for the valuation of assets or liabilities that the Company can access at measurement date. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments. Valuation techniques include net present value and discounted cash flow models, income approach, comparison with similar instruments for which observable market prices exist, option pricing models and other valuation models. Assumptions and inputs used in valuation techniques include risk-free returns, benchmark interest rates and credit spreads used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Company uses widely recognised valuation models to determine the fair value of financial instruments, such as interest rate swap and forward rate agreement, which only needs observable market data and require little management judgement and estimation. Observable prices or model inputs are usually available in the market for listed equity securities and derivatives such as interest rate swaps. The availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining fair values.

For more complex instruments, the Company uses proprietary valuation models, which are usually developed from recognised valuation models. Some or all of the significant inputs into these models may not be observable in the market, and may be derived from market prices or rates or estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for the selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of the probability of counterparty default and prepayments, determination of expected volatilities and correlations and selection of appropriate discount rates.

Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties, to the extent that the Company believes that a third party market participant would take them into account in pricing a transaction. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Company and the counterparty where appropriate. Model inputs and values are calibrated against historical data, where possible, against current or recent observed transactions in different instruments. This calibration process is inherently subjective and it yields ranges of possible inputs and estimates of fair value, and management uses judgement to select the most appropriate point in the range.

Discounting of the cash flows of financial asset/ financial liability for computing the fair value of such instrument: the future contractual cash flows of instrument over the remaining contractual life of the instrument are discounted using comparable rate of lending/borrowing as applicable to financial asset/ financial liability in the month of reporting for a similar class of instruments.

Derivatives held for risk management :

The Company enters into structured derivatives to mitigate the currency exchange risk. Some of these instruments are valued using models with significant unobservable inputs, principally expected long-term volatilities and expected correlations between different underlyings

B. Valuation framework

The Company has established a policy for the measurement of fair values addressing the requirement to independently verify the results of all significant fair value measurements. Specific controls include:

- 1) verification of observable pricing basis actual market transactions;
- 2) a review and approval process for new models and changes to models
- 3) review of significant unobservable inputs, valuation adjustments and significant changes to the fair value measurement of Level 3 instruments compared with the previous year.

When third party information, such as valuation agency report is used to measure fair value, the Company assesses the documents and evidence used to support the conclusion that the valuations meet the requirements of Ind AS. This includes:

- 1) understanding how the fair value has been arrived at, the extent to which it represents actual market transactions and whether it represents a quoted price in an active market for an identical instrument;
- 2) when prices for similar instruments are used to measure fair value, how these prices have been adjusted to reflect the characteristics of the instrument subject to measurement; and
- 3) if a number of quotes for the same financial instrument have been obtained, then how fair value has been determined using those quotes.

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

38. Financial Instruments

- C The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2(iii) to the financial statements.

Financial assets and liabilities

The carrying value of financial instruments by categories as at March 31, 2022 is as follows:

Particulars	Fair value through Profit or Loss	Fair Value through Other Comprehensive Income	Amortised cost	Total Carrying Value
Financial Assets:				
Cash and cash equivalents	-	-	15,053	15,053
Derivative financial instruments	-	2,475	-	2,475
Trade receivables	-	-	4	4
Loans	-	36,777	7,32,565	7,69,342
Investments	46,094	-	9,963	56,057
Other financial assets	-	-	314	314
Total	46,094	39,252	7,57,899	8,43,245
Financial Liabilities:				
Derivative financial instruments	-	4,176	-	4,176
Trade and other payables	-	-	745	745
Debt Securities	-	-	2,42,555	2,42,555
Borrowings (Other than debt securities)	-	-	3,78,070	3,78,070
Subordinated liabilities	-	-	52,807	52,807
Lease liabilities	-	-	29	29
Other financial liabilities	-	-	929	929
Total	-	4,176	6,75,135	6,79,311

The carrying value of financial instruments by categories as at March 31, 2021 is as follows:

Particulars	Fair value through Profit or Loss	Fair Value through Other Comprehensive Income	Amortised cost	Total Carrying Value
Financial Assets:				
Cash and cash equivalents	-	-	23,432	23,432
Derivative financial instruments	-	1,122	-	1,122
Trade receivables	-	-	14	14
Loans	-	80,865	5,35,134	6,15,999
Investments	80	-	5,440	5,520
Other financial assets	-	-	289	289
Total	80	81,987	5,64,309	6,46,376
Financial Liabilities:				
Derivative financial instruments	-	1,937	-	1,937
Trade and other payables	-	-	807	807
Debt Securities	-	-	1,54,972	1,54,972
Borrowings (Other than debt securities)	-	-	3,22,207	3,22,207
Subordinated liabilities	-	-	53,036	53,036
Lease liabilities	-	-	84	84
Other financial liabilities	-	-	622	622
Total	-	1,937	5,31,728	5,33,665

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

38. Financial Instruments (Continued)

Carrying amounts of cash and cash equivalents, trade receivables, loans and trade and other payables as on March 31, 2022 and March 31, 2021 approximate the fair value because of their short-term nature. Difference between carrying amounts and fair values of bank deposits, other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented.

The following table summarises financial assets and liabilities measured at fair value on a recurring basis :

As at March 31, 2022	Level 1	Level 2	Level 3	Total
Financial Assets:				
Investments	-	46,094	-	46,094
Loans	-	-	36,777	36,777
Derivative financial instruments	-	2,475	-	2,475
Total	-	48,569	36,777	85,346
Financial Liabilities:				
Derivative financial instruments	-	4,176	-	4,176
Total	-	4,176	-	4,176

As at March 31, 2021	Level 1	Level 2	Level 3	Total
Financial Assets:				
Investments	-	80	-	80
Loans	-	-	80,865	80,865
Derivative financial instruments	-	1,122	-	1,122
Total	-	1,202	80,865	82,067
Financial Liabilities:				
Derivative financial instruments	-	1,937	-	1,937
Total	-	1,937	-	1,937

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

38. Financial Instruments (Continued)

The following table summarises disclosure of fair value of financial assets and liabilities measured at amortised cost:

Measured at Level 3	As at March 31, 2022		As at March 31, 2021	
	Carrying Value	Fair value	Carrying Value	Fair value
Financial Assets at amortised cost:				
Loans	7,32,565	7,38,825	5,35,134	5,52,376
Investments	9,963	9,898	5,440	5,446
Total	7,42,528	7,48,723	5,40,574	5,57,822
Financial Liabilities at amortised cost:				
Borrowings (includes debt securities and subordinated liabilities)	6,73,432	6,78,876	5,30,215	5,38,274
Total	6,73,432	6,78,876	5,30,215	5,38,274

The Company has not disclosed fair values for cash and cash equivalents, other balances with bank, trade and other receivables, other financial assets, trade and other payables, and other financial liabilities because their carrying amounts are a reasonable approximation of fair value.

Fair value of the Financial instruments measured at amortised cost

The fair value of loans given is based on observable market transactions, to the extent available. Wherever the observable market transactions are not available, fair value is estimated using valuation models, such as discounted cash flow techniques. Input into the valuation techniques includes interest rates, prepayment rates, primary origination or secondary market spreads. Input into the models may include information obtained from other market participants, which includes observed primary and secondary transactions.

The fair value of borrowings is estimated using discounted cash flow techniques, applying the rates that are offered for borrowings of similar maturities and terms.

In the absence of any significant movement in interest rates on account of COVID-19, there are no significant impact estimated on account of the change in the fair values of the financial instruments

COVID-19 disclosure under Significant accounting policies

Use of estimates and judgement:

The Company has estimated the possible effects that may arise from the COVID-19 pandemic, on the carrying amount of its assets. For details, please refer disclosure on expected credit losses (ECL) and disclosure on fair valuation. The extent to which COVID-19 pandemic will impact current estimates is uncertain at this point in time. The impact of COVID-19 on the Company's financial position may differ from that estimated as on the date of approval of these financial statements.

- D The following table summarises valuation techniques used to determine fair value, fair value measurements using significant unobservable inputs (level 3) and valuation inputs and relationship to fair value

Financial instruments	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	As at March 31, 2022	As at March 31, 2021				
Loans - FVTOCI	36,777	80,865	Level 3	Discounted contractual cash flows.	Discounting rate of 9.05% (previous year : 9.87%) and future cash flows.	Higher the discounting rate lower the fair value of loans
Financial instruments at FVTOCI	36,777	80,865				

NA: Not applicable

There were no transfers between Level 1 and Level 2 and Level 3 of the fair value hierarchy in the year.

Tata Cleantech Capital Limited

Notes forming

for the year ended March 31, 2022

(Rs. in lakh)

38 Fair values of financial instruments

See accounting policy in Note 2(iv).

E Level 3 fair value measurements

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

(Rs. in lakh)	Fair Value through Other Comprehensive Income - Loans	
	March 31, 2022	March 31, 2021
Balance at the beginning of the year	80,865	63,462
Total gains or (losses):		
in profit or loss	-	-
in OCI	-156	395
Purchases	5,433	27,285
Settlements	(49,365)	(10,277)
Transfers into Level 3	-	-
Transfers out of Level 3	-	-
Balance at the end of the year	36,777	80,865

Total gains or losses for the year in the above table are presented in the statement of profit or loss and OCI as follows.

(Rs. in lakh)	Fair Value through Other Comprehensive Income - Loans	
	March 31, 2022	March 31, 2021
Total gains or (losses):		
recognised in profit or loss:		
Fair value changes :		
-Realised	-	-
-Unrealised	-	-
Total gains or (losses):		
recognised in FVTOCI:	(156)	395
Total Net gain/(loss) on fair value changes	(156)	395
Dividend Income	-	-
Interest Income	-	-
Total	(156)	395

Sensitivity disclosure for level 3 fair value measurements:

Particulars	Unobservable input	Sensitivity	Impact of change in rates on Total Comprehensive Income			
			As at	As at	As at	As at
			March 31, 2022	March 31, 2022	March 31, 2021	March 31, 2021
			Favourable	Unfavourable	Favourable	Unfavourable
Loans	Discounting rate	1%	374	(367)	821	(805)

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

39. Risk Management Framework

A) Introduction

As a financial institution, the Company is exposed to various types of risks namely credit risk, liquidity risk, market risks, operational risk, strategic risk (including emerging & external risks) and compliance & reputation risk. We have adopted a holistic and data driven enterprise level risk management approach which includes monitoring both internal and external indicators.

We as an organization periodically adjust our strategy, incognizance with industry risk dynamics and emergence of new challenges and opportunities.

The purpose of risk management is the creation and protection of value. The Company's risk management framework has been laid down with long term sustainability and value creation in mind.

The Company's Risk Management framework has been created with an intent to:

- Build profitable and sustainable business with conservative risk management approach.
- Have risk management as an integral part of the organization's business strategy.
- Undertake businesses that are well understood and within acceptable risk appetite.
- Manage the risks proactively across the organization.
- Adopt best risk management practices with resultant shareholder value creation and increased stakeholder confidence.
- Develop a strong risk culture across the organization.

The risk management practices of the Company are compliant with ISO 31000: 2018 which is the international standard for risk management that lays down principles, guidelines and framework for risk management in an organisation.

B) Company's Risk Management Framework for Measuring and Managing Risk

Risk Management Framework

The Company's Capital Risk Management is an integral part of all organizational activities. The structured approach contributes to consistent and comparable results along with customization of external and internal objectives. Important pillars of the risk management approach are developing a strong risk management culture within the Company through alignment of risk by creating, preserving and realizing value.

A comprehensive Enterprise Risk Management ("ERM") Framework has been adopted across the Company which uses defined Key Risk Indicators based on quantitative and qualitative factors. We have implemented two-dimensional quantitative data management tool - Heat Map which enables management to have a comprehensive view of 9 identified key risk areas based on their probability and impact.

The 9 categories of risks identified and monitored by the company are Credit Risk, Market Risk, Process, People, Outsourcing, Technology, Business Continuity, Cyber Security and Reputation risk.

Nature of Risk	Framework	Governing Committees
Credit Risk	Enterprise Risk Management Various Credit Policies, Portfolio review and trigger monitoring	Risk Management Committee of the Board Investment Credit Committee of the Board Credit Committees
Market Risk	Enterprise Risk Management Asset Linked Market Policy	Risk Management Committee of the Board Asset Liability Management Committee of the Board
Process Risk	Operational Risk Policy	Operational Risk Management Committee
People Risk	Operational Risk Policy HR Policies	Risk Management Committee of the Board Operational Risk Management Committee
Outsourcing	Operational Risk Policy Outsourcing Policy	Risk Management Committee of the Board Operational Risk Management Committee
Technology	Operational Risk Policy Information Technology Policy	Risk Management Committee of the Board IT Strategy Committee of the Board
Business Continuity	Operational Risk Policy Business Continuity Management Policy	Operational Risk Management Committee
Cyber Security	Information & Cyber Security Policy	Risk Management Committee of the Board IT Strategy Management Committee of the Board
Reputational Risk	Enterprise Risk Management Framework Ethics Policy POSH Policy Tata Code of Conduct	Risk Management Committee of the Board

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

39. Risk Management Framework

The Board is assisted by Risk Management Committee of the Board ('RMC') and is supported by various Board and Senior management committees as part of the Risk Governance framework to ensure that the company has sound system of risk management and internal controls

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

39. Risk Management Framework

Board level committees

Risk Management Committee of the Board (RMC): The purpose of the Committee is to assist the Board in its oversight of various risks (i) Credit Risk (ii) Market and Liquidity Risk (iii) Operational Risk (Process, People, Outsourcing , Technology, Business Continuity and Fraud) (iv) Strategic Risks (including emerging and external risks) (v) Reputation Risk .(vi) Information Security & Cyber Security Risk.

Investment Credit Committee of the Board (ICC): Provide guidance on nature of investments that shall be undertaken, and approve credit limits for various counterparties, where exposures in aggregate exceed a certain level.

Asset Liability Management Committee of the Board (ALCO): ALCO reviews the Liquidity Risk and Interest Rate Risk on a regular basis and suggest necessary actions based on its view and expectations on the liquidity and interest rate profile.

IT Strategy Committee: Reviews and approves IT strategy and policies. Monitors IT resources required to achieve strategic goals and ensure that maximum value is delivered to business.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the activities of the Company. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Risk Management Committee reviews risk management policies of the Company pertaining to credit, market, liquidity and operational risks. It oversees the monitoring of compliances with the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Senior Management Committees

Management Credit Committee (MCC): The members of committee are senior management of the company as defined in the prevailing delegation of authority. It recommends proposal including review to ICC / Board for loan facilities falling beyond assigned Delegation of Power and Authority. The committee is governed as per the delegation of authority applicable to the company.

Operational Risk Management Committee (ORMC): ORMC is the oversight committee for ensuring effective management of operational risks. . The committee reviews and approves the following :

- Operational risk management policy and including amendments if any.
- Insurance management framework.
- Corrective actions on operational risk incidents, based on analysis of the KRIs, operational risk process reviews, etc.
- Operational risk profile based on the KRIs which are beyond the tolerance limit

Fraud Risk Management Committee (FRMC): An independent Fraud Risk Management Committee (FRMC) comprising of top management representatives has been constituted that reviews the matters related to fraud risk and approve / recommend actions against frauds.

Business Unit Level Committees

There are various committees that exist at the business level for credit sanctions, monitoring and reviews such as Credit Committee (CC), Credit Monitoring Committee (CMC) for corporate lending business and Credit Monitoring Committee (CMC).

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

39. Risk Management Framework

C) Company's Risk Management Approach for handling various type of risks

a) Credit Risk

The Credit Risk management framework is based on the philosophy of First and Second line of Defence with underwriting being responsibility of Credit department and controls around policies and processes are driven by Risk department. Each process and business verticals have Credit underwriting, Risk analytics, Policy and Operational Risk unit. Delegation of Authority is defined based on value at risk and deviation matrix as approved by the Board.

The Company has reviewed Credit policies from time to time based on macroeconomic scenarios, pandemic and government scheme/grants, we have robust early warning signals process to ensure resilience in the policy framework for adopting changing business scenario and to mitigate various business risks.

Company has a strong fraud risk and vigilance framework to weed out fraudulent customers from system at the time of origination with support of analytical tools. Identified fraud cases in the portfolio are reviewed basis detailed root cause analysis and reported to regulator. Process improvements based on root cause analysis are implemented to control such foreseen losses in future.

Introduction of new products are based on market potential, Operational risk, Credit risk and Compliance risks. All new product launches are signed off by Risk department to mitigate key risks arising while developing strategy around launching of new product. All innovative process changes/digitization goes through rigour of risk review and highlighting risk associated with change of the process and mitigants around the same. All introduction of new products goes through a complete governance process and are approved by Board/respective committees.

Measures taken to recover from COVID pandemic:

The Company is taking following measures to recover from COVID pandemic for sustainable growth and maintaining a diversified and resilient portfolio.

- i. Sanctioned loans for eligible borrowers under the Emergency Credit Line Guarantee Scheme (ECLGS) by Ministry of Finance
- ii. Closely monitored impact of pandemic on financial health of state distribution companies and the support provided to them by Central Government under the Special Liquidity Scheme of Discoms.
- iii. Closely monitored impact of pandemic on under-construction projects like cost over-runs, availability of labour, disruptions to supply chains, extensions for commissioning/interim grants provided by authorities etc. and have taken suitable risk mitigation measures.
- iv. Closely monitored impact of pandemic on power demand requirement of off takers in open-access renewable energy projects.
- v. Review of counter party risk and gradation of accounts accordingly for close monitoring.

b) Market Risk

Risk due to change in market prices – e.g. interest rates, equity prices, foreign exchange rates and credit spreads, but not relating to changes in the obligor's/issuer's credit standing and will affect the Company's income or the value of its holdings of financial instruments. The objective of the Company's market risk management is to manage and control market risk exposures within acceptable risk tolerances levels to ensure the solvency and low volatility while optimising the balance between profitability and managing associated risks.

Under Liquidity Risk Management (LRM) framework for the Company, ALCO sets up limits for each significant type of risk/aggregated risk with liquidity being a primary factor in determining the level of limits. The monitoring of risk limits defined as per ALM policy is done by ALCO on regular basis. The company has Asset Liability Management (ALM) support group prescribed by RBI which meets on regular basis to ensure internal controls and reviews the liquidity risk management of the Company.

Interest rate risk

Interest rate risk is measured through Interest rate sensitivity report where gaps are being monitored classifying all rate sensitive assets and rate sensitive liabilities into various time period categories according to earliest of contracted/behavioural maturities or anticipated re-pricing date. The Company monitors interest rate risk through traditional gap and duration gap approaches on a monthly basis. The interest rate risk limits are approved by the ALCO. Refer Note No 40.C.i for summary on sensitivity to a change in interest rates as on March 31, 2022.

Currency Risk

The company is exposed to currency risk arising due to external commercial borrowings. The foreign currency loan in form of external commercial borrowing (ECB) raised by the Company are fully hedged basis.

The hedging policy as approved by the Asset Liability Committee (ALCO) prescribes the hedging of the risk associated with change in the interest rates and fluctuation of foreign exchange rates. Counter party risk is reviewed periodically in terms of exposure to various counter parties.

The Company's hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS. Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed. All hedges entered into by the Company are cash flow hedges.

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

39. Risk Management Framework

Equity price risk

The Company investments in equity carry a risk of adverse price movement. To mitigate pricing risk emerging from investments in equity, the Company intermittently observes the performance of sectors and measures MTM gains/losses as per applicable accounting policy of the Company.

Liquidity risk

Liquidity Risk is the risk that a Company will encounter difficulties in meeting its short-term financial obligations due to an asset– liability mismatch or interest rate fluctuations. The liquidity risk is being managed as per ALM policy which has following key elements:

- i) ALCO sets the strategy for managing liquidity risk commensurate with the business objectives;
- ii) ALCO has set various gap limits for tracking liquidity risk.
- iii) The ALM policy is being reviewed on annual basis, including the risk tolerance, process and control. ALCO monitors the liquidity and interest rate gaps on regular basis.
- iv) Company manages the liquidity position on a day-to-day basis and reviews daily reports covering the liquidity position. The regulatory compliance to the liquidity risk related limits are being ensured.
- v) The Company is fully complied to the Liquidity Coverage Ratio (LCR) framework as mandated by RBI.

Company's liquidity risk management strategy are as follows:

- a. Maintaining a diversified funding through market and bank borrowings resources such as debentures, commercial papers, subordinated debt, perpetual debt, Inter- corporate deposits (ICD's), overdraft and bank term loans. Unused bank lines as well as High Quality Liquid Assets (HQLA) maintained under LCR framework constitute the main liquidity back up to meet the contingency funding plan. Additionally, based on Market scenario, the Company also maintains a portfolio of highly liquid mutual fund units.
- b. The Company complies with the ALM guidelines and submits various returns and disclosures in accordance with the regulatory guidelines.
- c. The Company carries out liquidity stress testing based on the cash flows and results are reported to ALCO on periodic basis. The Company has contingency funding plan in place which monitors the early warning signals arising out of company specific and market wide liquidity stress scenarios.

The Company has honoured all its debt obligations on time. Based on liquidity risk assessment, cash-flows mismatches are within the stipulated regulatory limits. The Company has been successful in maintaining the adequate liquidity by raising fresh/renewal of bank lines, regular access to capital market and financial institution under the various schemes promulgated by RBI to raise medium to long term funds. Owing to the above measures, the Company has not seen a rise in its liquidity risk.

Refer Note No 41 for the Maturity analysis for Company's financial liabilities and financial assets as on March 31, 2022.

c) Operational Risk

Operational Risk has been defined as “The risk of loss resulting from inadequate or failed internal processes, people and systems or from external events”. The risk of direct or indirect potential loss arising from a wide variety of causes associated with the company's processes, personnel, systems, or from external factors other than strategic and reputation risk Management of operational risk forms an integral part of the Company's enterprise wide risk management systems. The organisation thrives towards incremental improvements to its operational risk management framework to address the dynamic industry landscape. Clear strategies and oversight by the Board of Directors and senior management, a strong operational risk management culture, effective internal control and reporting and contingency planning are crucial elements of the Company's operational risk management framework.

The operational risk team monitors and reports key risk indicators (“KRI”) and KRI exceptions. Suitable risk mitigation actions are taken wherever required to curtail the potential risk at the acceptable levels.

ORMC meets periodically to review the operational risk profile of the organization and oversee the implementation of the risk management framework and policies. FRMC meets periodically to review matters relating to fraud risk, including corrective and remedial actions as regards people and processes.

The Company has a Business Continuity Planning “BCP” framework in place, to ensure uninterrupted business operations in case any disruptive event occurs. The company immediately activated its Business Continuity Plan (BCP) during this time of COVID 19 pandemic. The Company continues to seamlessly carry out normal operations hence addressing the risk associated with occurrence of the pandemic.

The Company has an IT Disaster Recovery Planning “IT-DRP” which provides the technology framework to continue day-to-day operations using secondary/back-up systems when primary system fails. It also protects the organisation against loss of computer based data and information.

Cyber Security Risk

Various measures are adopted to effectively protect the company against phishing, social media threats and rogue mobile. During COVID-19 pandemic the Company ensured seamless accessibility of critical systems through virtual private network (VPN), thereby minimizing the risk of security/data breaches and cyber-attacks.

the Company has adopted “Framework for Improving Critical Infrastructure Cyber Security” published by the National Institute of Standards & Technology (NIST) and complies with regulatory guidelines.

d) Regulatory and Compliance Risk

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

39. Risk Management Framework

Regulatory compliances are handled by Finance team, Treasury and Business teams in consultation with Company Compliance team. Statutory compliances are handled by Company Secretarial team, Administrative and people process related compliances are handled by Administration & HR departments. Additionally, Risk team coordinates for Special Mention Accounts (SMA) and Fraud reporting in line with regulatory guidelines. As per regulatory requirements, required policies are adopted, modified and rolled from time to time. Compliance to the defined policies is strictly adhered to.

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

40 Risk Management review

This note presents information about the Company's exposure to following risks and its management of capital.

For information on the risk management framework, see Note 39

- A. Credit risk
 - i. Credit quality analysis
 - ii. Collateral held and other credit enhancements
 - iii. Amounts arising from ECL
 - iv. Concentration of credit risk
- B. Liquidity risk
 - i. Maturity analysis for financial liabilities and financial assets
 - ii. Financial assets position- pledged/unpledged
- C. Market risk
 - i. Exposure to interest rate risk – Non-trading portfolios
 - ii. Exposure to currency risks – Non-trading portfolios
- D. Disclosure pursuant to Ind AS 7 “Statement of Cash Flows”
- E. Capital management
 - i. Regulatory capital

A. Credit risk

For the definition of credit risk and information on how credit risk is mitigated by the Company, see Note 39

i. Credit quality analysis

The following table sets out information about the credit quality of financial assets measured at amortised cost. The amounts in the table represent gross carrying amounts for financial assets. For loan commitments, the amounts in the table represent the amounts committed. Explanation of the terms: 12-month ECL, lifetime ECL and credit-impaired are included in Note 2(xi).

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

40. Financial risk review (Continued)

A. Credit risk

i.) Credit quality analysis (Continued)

1) Internal ratings based method implemented by the Company for credit quality analysis of Loans

The table below shows the credit quality and the maximum exposure to credit risk based on the internal credit rating system and year-end stage classification of Loans. The amounts presented are gross of impairment allowances. Details of the division's internal grading system are explained in Note below and policies on ECL allowances are set out in Note 39 A (iii).

a) Outstanding Gross Loans	As at March 31, 2022				As at March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Grade 1	3,16,068	-	-	3,16,068	3,10,718	-	-	3,10,718
Grade 2	4,30,175	-	-	4,30,175	2,89,884	-	-	2,89,884
Grade 3	-	31,858	-	31,858	-	21,470	-	21,470
Grade 4	-	-	5,922	5,922	-	-	6,030	6,030
Total	7,46,243	31,858	5,922	7,84,023	6,00,602	21,470	6,030	6,28,102

Note : Gross Carrying amount does not include Loan commitments Rs. 1,61,550 lakh (March 31, 2021: Rs. 60,206 lakh)

b) Impairment allowance on Loans	As at March 31, 2022				As at March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Grade 1	959	-	-	959	952	-	-	952
Grade 2	3,730	-	-	3,730	3,113	-	-	3,113
Grade 3	-	4,704	-	4,704	-	2,415	-	2,415
Grade 4	-	-	2,154	2,154	-	-	2,193	2,193
Total	-	4,689	4,704	11,547	4,065	2,415	2,193	8,673

Note : Include impairment allowance on Loan commitments Rs. 524 lakh (March 31, 2021: Rs. 131 lakh)

c) Internal rating grades	Ratings as per internal rating method	Definition
Grade 1	AAA to A	highest level of security is available. Account has satisfactory performance
Grade 2	BBB BBB- BBB+	adequate level of security. Account has satisfactory performance
Grade 3	BB BB+ BB-	Account has shown significant deterioration in performance
Grade 4	D	Account has defaulted

Note: The Company has a internal rating model mapped to external Crisil rating grades.

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

40. Financial risk review (Continued)

2) Days past due based method implemented by Company for credit quality analysis of Loans

The table below shows the credit quality and the maximum exposure to credit risk based on the days past due and year-end stage classification of Loans. The amounts presented are gross of impairment allowances.

a) Outstanding Gross Loans	As at March 31, 2022					As at March 31, 2021				
	Count	Stage 1	Stage 2	Stage 3	Total	Count	Stage 1	Stage 2	Stage 3	Total
Days past due										
Zero overdue	416	7,46,243	31,858	-	7,78,101	367	6,00,602	12,696	-	6,13,298
1-29 days	-	-	-	-	-	-	-	-	-	-
30-59 days	-	-	-	-	-	10	-	8,773	-	8,773
60-89 days	-	-	-	-	-	-	-	-	-	-
90 or more days	3	-	-	5,922	5,922	3	-	-	6,030	6,030
Total	419	7,46,243	31,858	5,922	7,84,023	380	6,00,602	21,470	6,030	6,28,102

Note : Gross Carrying amount does not include Loan commitments Rs. 1,61,550 lakh (March 31, 2021: Rs. 60,206 lakh)

b) Impairment allowance on Loans	As at March 31, 2022				As at March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Days past due								
Zero overdue	4,689	4,704	-	9,393	4,065	967	-	5,032
1-29 days	-	-	-	-	-	-	-	-
30-59 days	-	-	-	-	-	1,448	-	1,448
60-89 days	-	-	-	-	-	-	-	-
90 or more days	-	-	2,154	2,154	-	-	2,193	2,193
Total	4,689	4,704	2,154	11,547	4,065	2,415	2,193	8,673

Note : Include impairment allowance on Loan commitments Rs. 524 lakh (March 31, 2021: Rs. 131 lakh)

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

40. Financial risk review (Continued)

A. Credit risk

i) Credit quality analysis (Continued)

As at March 31, 2022	Asset group	Days past due	Estimated gross carrying amount at default	Expected credit loss rates	Expected credit losses	Carrying amount net of impairment provision	
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	Loans, Credit Substitutes	0	7,46,243	0.63%	4,689	7,41,554
			1-29	0	0.00%	-	0
			Total	7,46,243	0.63%	4,689	7,41,554
Loss allowance measured at life-time expected credit losses	Financial assets for which credit risk has increased significantly and not credit-impaired	Loans, Credit Substitutes	0	31,858	14.77%	4,704	27,153
			30-59	-	0.00%	-	0
			60-89	0	0.00%	0	0
			Total	31,858	14.77%	4,704	27,153
	Financial assets for which credit risk has increased significantly and credit-impaired	Loans, Credit Substitutes	90 days and above	5,922	36.37%	2,154	3,768
		Total		7,84,023	1.47%	11,547	7,72,476

As at March 31, 2021	Asset group	Days past due	Estimated gross carrying amount at default	Expected credit loss rates	Expected credit losses	Carrying amount net of impairment provision	
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	Loans, Credit Substitutes	0	6,00,602	0.68%	4,065	5,96,537
			1-29	-	0.00%	-	-
			Total	6,00,602	0.68%	4,065	5,96,537
Loss allowance measured at life-time expected credit losses	Financial assets for which credit risk has increased significantly and not credit-impaired	Loans, Credit Substitutes	0	12,696	7.62%	966.8766659	11,729
			30-59	8,773	16.51%	1,448	7,325
			60-89	-	0.00%	-	-
		Total	21,470	11.25%	2,415	19,054	
Financial assets for which credit risk has increased significantly and credit-impaired	Loans, Credit Substitutes	90 days and above	6,030	36.37%	2,193	3,837	
		Total		6,28,102	1.38%	8,673	6,19,429

Note : Gross Carrying amount does not include Loan commitments Rs. 1,61,550 lakh (March 31, 2021: Rs. 60,206 lakh)

Note : Include impairment allowance on Loan commitments Rs. 524 lakh (March 31, 2021: Rs. 131 lakh)

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

40. Financial risk review (Continued)

A. Credit risk

3 Disclosure of Net Carrying Value of Loans carried at amortised cost & FVTOCI

PARTICULARS	As at	
	March 31, 2022	March 31, 2021
LOANS		
- Amortised Cost	7,47,246	5,47,237
- At Fair Value through Other Comprehensive Income	36,777	80,865
Total - Gross Loans	7,84,023	6,28,102
Less: Un-Amortized Processing Fees	3,658	3,561
Total - Carrying Value of Loans	7,80,365	6,24,541
Less : Impairment Allowance	11,547	8,673
Total - Net Loans	7,68,818	6,15,868

4 Trade Receivables

PARTICULARS Category of Trade receivables	As at March 31, 2022			As at March 31, 2021		
	Gross	Impairment allowance	Net	Gross	Impairment allowance	Net
Stage 1: Considered good	4	-	4	14	-	14
Stage 2: Significant increase in credit risk	-	-	-	-	-	-
Stage 3: Credit impaired	-	-	-	1	1	-
Net Carrying value of trade receivables	4	-	4	15	1	14

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

40. Financial risk review (Continued)

A. Credit risk

i. Credit quality analysis (Continued)

Derivative Financial Instruments

The Company enters into derivatives contract for risk management purposes and has elected to apply hedge accounting requirements. The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts. The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

Derivatives held for Risk management purposes	As at March 31, 2022			As at March 31, 2021		
	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
Foreign Exchange Forward contracts	19,969	-	4,176	21,507	-	30
Cross currency interest rate swap	30,208	2,475	-	29,292	1,122	-
Interest rate Cap	-	-	-	20,981	-	1,907
Total	50,177	2,475	4,176	71,780	1,122	1,937

Derivatives held for risk management purposes, not designated as hedging instruments:

The Company is exposed to foreign currency risk related to external commercial borrowings and the primary risk of change in the floating interest rate and payment in foreign currency towards principal and interest at future date is managed by entering into a cross currency interest rate swap and foreign exchange forward rate purchase agreement respectively.

The Corporation's risk management strategy and how it is applied to manage risk is explained in Note 40

The Cross Currency Interest rate swap and foreign exchange forward currency agreements are entered to fully hedge the risk on account of change in interest rate and foreign exchange fluctuations on account of the external commercial borrowings.

ii. Collateral and other credit enhancements

The Company holds collateral and other credit enhancements against certain of its credit exposures.

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty.

The main types of collateral obtained are as follows:

The term loans are secured by charge on assets and cash flows of the underlying solar and road projects

The table represents categories of collaterals available against the loan exposures:

Particul	Category of collateral available
Financial assets	
Loans	
Bills purchased and bills discounted	Charge on assets and cash flows of the underlying solar and road projects
Term loans	
Credit substitutes	

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

40. Financial risk review (Continued)

A. Credit risk

iii Amounts arising from ECL

Impairment allowance on financial asset is covered in note 2 (xi)

Inputs, assumptions and estimation techniques used for estimating ECL

1) Inputs:

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience, expert credit assessment and including forward looking information.

The Company allocates each exposure to a credit risk grade based on days past due (DPD), which is a quantitative factor that indicates the risk of default. The determination of the probability of default is based on internal ratings mapped against the external ratings in absence of actual history of default. Additional qualitative factors are applied such as fraudulent customer and rescheduling of loans. Further, accounts identified as high risk by the Risk team qualifies for classification as stage 2 since there is increase in credit risk.

The objective of the ECL assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing the remaining lifetime probability of default (PD) as at the reporting date; with the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure and adjusted for changes on account of prepayments.

In assessing the impairment of loan assets under Expected Credit Loss (ECL) Model, the loans have been segmented into three stages based on the risk profiles. The three stages reflect the general pattern of credit deterioration of a financial instrument.

Refer note 2(xi) in Significant accounting policies for definition of Stages of Asset

2) Assumptions:

The Company has applied following assumptions for determination of ECL.

- a) Loss given default (LGD) is an estimate of loss from a transaction given that a default occurs.
- b) Probability of default (PD) is defined as the probability of whether the borrowers will default on their obligations in the future. For assets which are in Stage 1, a 12-month PD is required. For Stage 2 assets a lifetime PD is required while Stage 3 assets are considered to have a 100% PD.
- c) Exposure at default (EAD) represents the expected exposure in the event of a default and is the gross carrying amount in case of the financial assets held by the Company including loan commitments.
- d) Definition of default: A default on a financial asset is when the counterparty fails to make the contractual payments within 90 days of when they fall due. Accordingly, the financial assets shall be classified as Stage 3, if on the reporting date, it has been 90 days past due. Further if the customer has requested forbearance in repayment terms, such restructured, rescheduled or renegotiated accounts are also classified as Stage 3. Non-payment on another obligation of the same customer is also considered as a stage 3.
- e) Forward looking information
The Company incorporates forward looking information into both assessments of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on the consideration of a variety of external actual and forecast information, the Company forms a 'base case' view of the future direction of relevant economic variables such as real GDP, domestic credit growth, money market interest rate etc. as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. The base case represents a most likely outcome while the other scenarios represent more optimistic and more pessimistic outcomes. The base case represents a most likely outcome in a normal distribution curve while the other scenarios represent more optimistic and more pessimistic outcomes. More weight is applied to pessimistic outcome consistently as a matter of prudence than optimistic outcome.
- f) Assessment of significant increase in credit risk
The credit risk on a financial asset of the Company are assumed to have increased significantly since initial recognition when contractual payments are more than 30 days past due. Additional qualitative factors are applied such as fraudulent customer and rescheduling of loans. Further, accounts identified as high risk by the Risk team qualifies for classification as stage 2 since there is increase in credit risk. Accordingly, the financial assets shall be classified as Stage 2, based on the quantitative as well as qualitative factors.

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

40. Financial risk review (Continued)

A. Credit risk

iii Amounts arising from ECL

3) Estimation techniques:

The Company has applied the following estimation technique for ECL model:

- a) The Company has used historic default rates for calculating the 12-month PD and Lifetime PDs
- b) Loss given default is calculated after considering outstanding at the time of default and adjusting for actual recoveries basis time value of money, absent availability of internal data we have used information to the extent available from Basel norms.
 - i) Credit risk monitoring techniques
Exposures are subject to ongoing monitoring, which may indicate that a significant increase in credit risk has occurred on an exposure. The monitoring typically involves use of the following data for Corporate:
 - ii) Overdue status
 - iii) Restructuring, reschedulement of loans and requests for granting of forbearance
 - iv) Fraudulent customer
 - v) Marked as high risk by the Risk Management Committee
 - vi) Techniques for determining PD
 - vii) Information published in the Basel IRB (Basel internal rating based approach refers to set of credit measurement techniques proposed by the Basel committee on Bank Supervision (BCBS) for capital adequacy purpose) norms is also used.

Based on advice from the external risk management experts, the Company considered variety of external actual and forecast information to formulate a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. Such forecasts are adjusted to estimate the PDs.

Predicted relationships between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analysing historical data.

A maximum of a 12-month PD or actual contractual tenure is considered for financial assets for which credit risk has not significantly increased. The Company measures ECL for stage 2 and stage 3 assets considering the risk of default over the maximum contractual period over which it is exposed to credit risk.

The portfolio is subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.

For portfolios in respect of which the Company has limited historical data, external benchmark information is used to supplement the internally available data.

viii) Techniques for determining LGD:

LGD is the magnitude of the likely loss if there is a default. The Company estimates LGD parameters based on the history of recovery rates against defaulted counterparties. The LGD models consider the cash flow received, assets received in lieu of settlement of loan and collateral available for subsequent recovery that is integral to the financial asset. LGD estimates are calculated on a discounted cash flow basis using the internal rate of return as the discounting factor. Absent observed history of default, LGD applied is based on Basel IRB norms.

ix) Techniques for computation of EAD

EAD represents the expected exposure in the event of a default. The Company derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortisation. The EAD of a financial asset is its gross carrying amount. For lending commitments, the EAD includes the amount drawn, as well as potential future amounts that may be drawn under the contract, which are estimated based on credit conversion factor prescribed by RBI for various loan commitments. For financial assets in stage 2, EAD is determined by estimating the possible exposure in future using linear amortisation techniques.

For undrawn loan commitments, the ECL is the difference between the present value of the difference between the contractual cash flows that are due to the Company if the holder of the commitment draws down the loan and the cash flows that the Company expects to receive if the loan is drawn down. Outstanding exposure for utilised limit as well as un-utilised limit post applying the credit conversion factor as prescribed under RBI guidelines, absent availability of information of past history of conversion of un-utilised limits into utilised limits is considered as exposure at default for non-fund based facilities.

4) Impact of COVID 19 on ECL impairment allowance

The impact of COVID-19 on the Company's performance will depend on the ongoing as well as future developments, including, among other things, any new information concerning the COVID-19 pandemic and any measure to contain its spread or mitigate its impact, whether mandated by the Government or adopted by us.

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued) for the year ended March 31, 2022

(Rs. in lakh)

40. Financial risk review (Continued)

A. Credit risk

iii Amounts arising from ECL

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to lending is, as follows:

a) Particulars	As at March 31, 2022				As at March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	6,00,602	21,470	6,030	6,28,102	5,10,147	20,018	6,030.00	5,36,195
New assets originated or purchased (including charges levied on existing exposure)	4,65,884	-	-	4,65,884	2,34,519	-	-	2,34,519
Assets derecognised or repaid (excluding write offs)	(3,08,993)	(862)	(108)	(3,09,963)	(1,41,735)	(877)	-	(1,42,612)
Transfers to Stage 1	246	(246)	-	-	7,001	(7,001)	-	-
Transfers to Stage 2	(11,496)	11,496	-	-	(9,330)	9,330	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Amounts written off	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	7,46,243	31,858	5,922	7,84,023	6,00,602	21,470	6,030.00	6,28,102

b) Particulars	As at March 31, 2022				As at March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	4,065	2,415	2,193	8,673	3,461	2,127	1,393	6,981
Remeasurement due to changes in EAD/estimates	5,164	-	-	5,164	4,001	-	800	4,801
Assets derecognised or repaid (excluding write offs)	(2,242)	(9)	(39)	(2,290)	(2,278)	(831)	-	(3,109)
Transfers to Stage 1	16	(16)	-	-	387	(387)	-	-
Transfers to Stage 2	(2,314)	2,314	-	-	(1,506)	1,506	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Amounts written off	-	-	-	-	-	-	-	-
ECL allowance - closing balance	4,689	4,704	2,154	11,547	4,065	2,415	2,193	8,673

Note : Include impairment allowance on Loan commitments Rs. 524 lakh (March 31, 2021: Rs. 131 lakh)

iv) Concentration of Credit Risk

The table below shows the credit quality based on credit concentration and the maximum exposure to credit risk based on the days past due and year-end stage

a) Outstanding Gross Loans	As at March 31, 2022				As at March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Term Loans	6,88,373	31,858	5,922	7,26,153	5,76,390	21,470	6,030	6,03,890
Credit Substitutes	57,820	-	-	57,820	24,202	-	-	24,202
Loan to TCL Employee Welfare Trust	50	-	-	50	10	-	-	10
Total	7,46,243	31,858	5,922	7,84,023	6,00,602	21,470	6,030	6,28,102

Note : Gross Carrying amount does not include Loan commitments Rs. 1,61,550 lakh (March 31, 2021: Rs. 60,206 lakh)

b) Impairment allowance on Loans	As at March 31, 2022				As at March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Term Loans	4,458	4,704	2,154	11,316	4,035	2,415	2,193	8,643
Credit Substitutes	231	-	-	231	30	-	-	30
Loan to TCL Employee Welfare Trust	-	-	-	-	-	-	-	-
Total	4,689	4,704	2,154	11,547	4,065	2,415	2,193	8,673

Note : Include impairment allowance on Loan commitments Rs. 524 lakh (March 31, 2021: Rs. 131 lakh)

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

40. Financial risk review (Continued)

B. Liquidity risk

For the definition of liquidity risk and information on how liquidity risk is managed by the Company, see Note 39.

i. Exposure to liquidity risk

The Company has set tolerance limits in the light of the Company's business objectives, strategic direction and overall risk appetite. The tolerance limits reflects balance between profitability and managing liquidity risk and considers Company's current financial condition and funding capacity. The Company maintains liquidity buffer of unencumbered highly liquid assets (if required) to insure against liquidity stress events.

ii. Maturity analysis for financial liabilities and financial assets

The following tables set out the remaining contractual maturities of the Company's financial liabilities and financial assets:

As at March 31, 2022	Carrying amount	Gross nominal inflow / outflow	Less than 1 month	1-3 months	3 months -1 year	1-5 years	More than 5 years	upto 1 Year	more than 1 Year
Financial liability by type									
Non-derivative liabilities									
Trade payables*	745	745	-	-	745	-	-	745	-
Debt securities	2,42,555	2,42,555	-	36,500	39,555	1,29,000	37,500	76,055	1,66,500
Borrowings (Other than debt securities)	3,78,070	3,78,070	11,480	68,824	15,602	2,64,007	18,157	95,906	2,82,164
Subordinated liabilities	52,807	52,807	-	-	-	-	52,807	-	52,807
Lease Liabilities	29	29	5	10	15	-	-	29	-
Other financial liabilities*	929	929	6	-	923	-	-	929	-
Derivative financial instruments	4,176	4,176	6	4	31	4,135	-	41	4,135
Total	6,79,311	6,79,311	11,497	1,05,338	56,870	3,97,142	1,08,464	1,73,705	5,05,606
Market Borrowings	2,95,362	2,95,362	-	36,500	39,555	1,29,000	90,307	76,055	2,19,307
Bank borrowings	3,78,070	3,78,070	11,480	68,824	15,602	2,64,007	18,157	95,906	2,82,164
Total Borrowings	6,73,432	6,73,432	11,480	1,05,324	55,157	3,93,007	1,08,464	1,71,961	5,01,471
Financial asset by type									
Non-derivative assets									
Cash and cash equivalents	15,053	15,053	13,548	1,505	-	-	-	15,053	-
Bank balances	-	-	-	-	-	-	-	-	-
Receivables*	4	4	-	-	4	-	-	4	-
Loans	7,69,342	7,69,342	11,585	28,214	1,26,078	2,38,276	3,65,188	1,65,878	6,03,464
Investments	56,057	56,057	55,977	-	-	80	-	55,977	80
Other Financial Assets*	314	314	-	-	1	313	-	1	313
Derivative financial instruments	2,475	2,475	912	1,563	-	-	-	2,475	-
Total	8,43,245	8,43,245	82,022	31,282	1,26,083	2,38,669	3,65,188	2,39,388	6,03,857

* Maturity pattern considered as per ALM reporting.

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

40. Financial risk review (Continued)

B. Liquidity risk

ii. Maturity analysis for financial liabilities and financial assets

The following tables set out the remaining contractual maturities of the Company's financial liabilities and financial assets:

As at March 31, 2021	Carrying amount	Gross nominal inflow / outflow	Less than 1 month	1-3 months	3 months -1 year	1-5 years	More than 5 years	upto 1 Year	more than 1 Year
Financial liability by type									
Non-derivative liabilities									
Trade payables*	807	807	-	-	807	-	-	807	-
Debt securities	1,54,972	1,54,972	10,000	-	31,788	75,684	37,500	41,788	1,13,184
Borrowings (Other than debt securities)	3,22,207	3,22,207	6,875	46,708	72,986	1,75,956	19,681	1,26,569	1,95,638
Subordinated liabilities	53,036	53,036	-	-	3,036	-	50,000	3,036	50,000
Lease Liabilities	84	84	4	9	42	29	-	55	29
Other financial liabilities*	622	622	-	-	622	-	-	622	-
Derivative liabilities	1,937	-	6	2	24	1,905	-	32	1,905
Total	5,33,665	5,31,728	16,885	46,719	1,09,304	2,53,575	1,07,181	1,72,909	3,60,756
Market Borrowings	2,18,021	2,18,021	10,000	-	44,837	75,684	87,500	54,837	1,63,184
Bank borrowings	3,12,194	3,12,194	6,875	46,708	62,973	1,75,956	19,681	1,16,556	1,95,638
Total Borrowings	5,30,215	5,30,215	16,875	46,708	1,07,810	2,51,640	1,07,181	1,71,393	3,58,822
Financial asset by type									
Non-derivative assets									
Cash and cash equivalents	23,432	23,432	23,432	-	-	-	-	23,432	-
Bank balances	-	-	-	-	-	-	-	-	-
Receivables*	14	14	-	-	14	-	-	14	-
Loans	6,15,999	6,15,999	9,855	24,812	1,11,300	2,25,217	2,44,814	1,45,967	4,70,032
Investments	5,520	5,520	5,520	-	-	-	-	5,520	-
Other Financial Assets*	289	289	-	-	-	289	-	-	289
Derivative financial instruments	1,122	1,119	(160)	(271)	(1,289)	2,842	-	(1,720)	2,842
Total	6,46,376	6,46,373	38,647	24,541	1,10,025	2,28,348	2,44,814	1,73,213	4,73,163

* Maturity pattern considered as per ALM reporting.

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

40. Financial risk review (Continued)

B. Liquidity risk

iii. Financial assets position- pledged/unpledged

The total financial assets demonstrating position of pledged and not pledged assets are shown in the below table:

ASSETS	As at March 31, 2022			As at March 31, 2021		
	Pledged	Not Pledged	Total	Pledged	Not Pledged	Total
Financial assets						
Cash and cash equivalents	-	15,053	15,053	-	23,432	23,432
Bank Balance other than (a) above	-	-	-	-	-	-
Derivatives financial instruments	-	2,475	2,475	-	1,122	1,122
Trade Receivables	-	4	4	-	14	14
Loans	7,69,342	-	7,69,342	6,15,999	-	6,15,999
Investments	-	56,057	56,057	-	5,520	5,520
Other financial assets	-	314	314	-	289	289
Non-financial Assets						
Current tax asset	-	1,903	1,903	-	1,544	1,544
Deferred tax Assets (Net)	-	3,077	3,077	-	2,419	2,419
Investment property	201	-	201	212	-	212
Property, Plant and Equipment	-	91	91	-	57	57
Capital work-in-progress	-	2	2	-	-	-
Other Intangible assets	-	7	7	-	10	10
Right to use assets	-	32	32	-	96	96
Other non-financial assets	-	130	130	-	75	75
Total Assets	7,69,543	79,145	8,48,688	6,16,211	34,578	6,50,789

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

40. Financial risk review (Continued)

B. Liquidity risk

iv) Impact of COVID 19 on Liquidity risk

The unprecedented situation created by COVID-19 outbreak necessitated a nationwide lockdown thereby having a potential to impact treasury operations and risks on liquidity.

In order to address this risk and to seamlessly carry out treasury activities, the Company immediately activated its Business Continuity Plan (BCP) and took following key actions amongst other administrative actions:

a) The company moved away from the pen and paper mode of payment to electronic mode for payments of its debt obligations in collaboration with its payment banks. It has honoured all its debt obligations on time.

b) Besides tracking and monitoring its collections and disbursements very closely on a daily basis, the company enhanced its liquidity on hands by drawing upon bank lines and accessing money markets.

c) The company raised medium to long term funding from the capital markets and financial institutions under the various schemes promulgated by the RBI.

d) During Q1 the company has accessed fresh funding lines from banks to augment its liquidity.

Accordingly, from liquidity perspective the Company does not anticipate any adverse impact due to this situation.

The Company also assessed its structural liquidity for the period ended March 31, 2022 after taking in to account the moratorium extended to its borrower under the RBI relief package and factored the expected change in prepayment behaviour. Based on this assessment no negative impact on liquidity has been observed and the cash flow mismatches have remained within the stipulated regulatory limits.

With the steps taken as above the Company has been able to function normally and also make preparedness to start business as usual from the perspective of funds requirement.

C. Market risk

i Exposure to interest rate risk – Non-trading portfolios

The Company carries out interest rate sensitivity analysis to assess the impact on earnings of interest rate movement considering the rate sensitive assets and rate sensitive liabilities upto one year period. The fixed rate assets and liabilities which are falling due on residual basis within one year have been considered as floating rate assets and liabilities basis the minimum of 'interest rate reset date or maturity of the contract'. The basis risk between various benchmark linked to assets and liabilities are considered to be insignificant.

Below table illustrates impact on earnings on account of 100 bps change on in interest rate on the assets and liabilities due for repayment / rate reset in next one year.

As at March 31, 2022

(Rs. in lakh)			
Rate sensitive	Less than 1 Year	@ 100bps change increase	@ 100bps change decrease
Rate sensitive assets	8,26,566	6,273	(6,273)
Rate sensitive liabilities	4,19,483	3,200	(3,200)
Net Gap (Asset - liability)	4,07,082	3,073	(3,073)

As at March 31, 2021

(Rs. in lakh)			
Rate sensitive	Less than 1 Year	@ 100bps change increase	@ 100bps change decrease
Rate sensitive assets	5,76,263	4,447	(4,447)
Rate sensitive liabilities	2,58,658	2,040	(2,040)
Net Gap (Asset - liability)	3,17,605	2,408	(2,408)

The following table sets forth, for the periods indicated, the break-up of borrowings into variable rate and fixed rate.

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Variable rate borrowings	48%	41%
Fixed rate borrowings	52%	59%
Total borrowings	100%	100%

ii. Exposure to currency risks – Non-trading portfolios

There are no exposure to foreign currency risks in the non trading portfolio as on March 31, 2022, since Company has entered into derivative contract to fully hedge the risk. (Refer Note no. 4 for disclosure relating to derivative financial instruments.)

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

40. Financial risk review (Continued)

iv Impact of COVID 19 on Market risk

Currency Risk

The foreign currency loans in form of ECBs raised by the company are fully hedged, therefore there is no change in the contractual terms of the hedged item and hedging instrument pursuant to the COVID-19 outbreak.

Interest rate risk

The company is not anticipating any significant interest rate risk due to COVID-19 outbreak. The following assessment are being conducted on regular basis to monitor the interest rate risk.

- The impact of 100 bps change in interest rate on Net interest Income upto 1-year time frame.
- The impact of 200 bps movement in interest rate on economic value of equity.

Equity price risk

The Company does not have any significant amount of investments in equities, hence, there is no material impact is expected due to COVID -19 outbreak.

Operational risk

COVID-19 is impacting businesses globally by disrupting supply chains, travel, operations and financial markets. To ensure continuity of critical activities, the Company has adopted work from home policy during the lockdown period.

The Company adapted to the changed environment in a very short period of time. It also addressed the potential risks which posed themselves due to offsite working typically on internal processes and system vulnerabilities. The Company also ensured seamless accessibility of critical systems through Virtual Private Network thereby minimizing the risk of security/data breaches and cyberattacks. This enabled the Company to provide work experience very close to the way employees work from office with adequate controls in place. To safeguard its infrastructure and employees' health and safety, the Company continued tracking of all closed branch/offices premises and also ensured employee engagements.

D. Disclosure pursuant to Ind AS 7 "Statement of Cash Flows"

Changes in Liabilities arising from financing activities

particulars	April 1, 2021	Cash Flows (net)	Exchange Difference	Others	March 31, 2022
Debt Securities	1,54,972	82,032	-	5,551	2,42,555
Borrowings (Other than debt securities)	3,22,207	56,135	(407)	135	3,78,070
Subordinated liabilities	53,036	-	-	(229)	52,807
Total	5,30,215	1,38,167	(407)	5,457	6,73,432

Other column includes the effect of interest accrued but not due, amortisation of borrowing cost, amortisation of premium/discount on CPs/NCDs (including subordinated debts).

particulars	April 1, 2020	Cash Flows (net)	Exchange Difference	Others	March 31, 2021
Debt Securities	1,40,306	14,800	-	(134)	1,54,972
Borrowings (Other than debt securities)	3,43,961	(18,913)	(4,428)	1,587	3,22,207
Subordinated liabilities	37,177	15,000	-	859	53,036
Total	5,21,444	10,887	-	4,428	5,30,215

Other column includes the effect of interest accrued but not due, amortisation of borrowing cost, amortisation of premium/discount on CPs/NCDs (including subordinated debts).

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

40. Financial risk review (Continued)

E. Capital management

i Regulatory capital

The Reserve Bank of India (RBI) sets and monitors capital adequacy requirements for the Company from time to time.

The Company's regulatory capital consists of the sum of the following elements.

Tier I Capital includes:

- 1) Ordinary share capital,
- 2) securities premium account,
- 3) retained earnings,
- 4) special reserve
- 5) general reserve

Tier I Capital does not include unrealised fair value gain/loss booked for financial instruments measured at fair value through profit and loss.

Following items are deducted from Tier I

- a) Intangibles
- b) Deferred revenue expenditure for raising borrowings
- c) Deferred tax assets
- d) Prepaid expenses and unamortised direct sourcing cost

Tier II capital includes

- 1) subordinated debt
- 2) impairment allowance provisioning for stage 1 financial assets to the extent the same does not exceed 1.25% of Risk weighted assets (standard asset provisions)
- 3) perpetual debt to the extent not eligible for Tier I.

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or convertible and/or combination of short term /long term debt as may be appropriate.

The Board of Directors (BOD) has authorised the Asset and Liability Management Committee (ALCO) to review the Capital requirement. Treasury team closely monitors the Tier I and Tier II capital requirement of the Company and reports to ALCO. The Company endeavour to maintain a balance between ensuring high level of return on capital employed and securing strong capital base.

The Company is subject to the capital adequacy requirements of the Reserve Bank of India (RBI). Under RBI's capital adequacy guidelines, the Company is required to maintain a capital adequacy ratio consisting of Tier I and Tier II Capital. The total of Tier II Capital at any point of time, shall not exceed 100 percent of Tier I Capital.

The minimum capital ratio as prescribed by RBI guidelines and applicable to the Company, consisting of Tier I and Tier II capital, shall not be less than 15 percent of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet.

Amt. in lakh	As at March 31, 2022	As at March 31, 2021
Tier I capital		
Ordinary share capital	45,929	38,802
Securities premium reserve	45,903	22,029
Retained earnings	49,694	35,012
Special reserve u/s 45 IC	15,161	11,085
Special reserve u/s 36 (1) (viii)	9,834	8,211
General reserve	22	22
Other reserves	(45)	(38)
Less		
-Deferred Revenue Expenditure	(953)	(1,130)
-Prepaid Expenses	(65)	(29)
-Deferred Tax Asset	(3,077)	(2,419)
-Other Intangible Assets	(9)	(10)
Tier I Capital	1,62,394	1,11,535
Subordinate Debt	50,000	50,000
Impairment loss allowance - stage I	4,689	4,065
Tier II Capital	54,689	54,065
Tier I + Tier II Capital	2,17,083	1,65,600

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

41. Maturity analysis of assets and liabilities

The table below set out carrying amount of assets and liabilities according to when they are expected to be recovered or settled. With regard to loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the EIR. Issued debt reflect the contractual coupon amortisations.

i. Maturity analysis of assets

ASSETS	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Derivative financial instruments	2,475	-	2,475	(1,720)	2,842	1,122
Cash and cash equivalents	15,053	-	15,053	23,432	-	23,432
Trade Receivables	4	-	4	14	-	14
Loans	1,65,878	6,03,464	7,69,342	1,45,967	4,70,032	6,15,999
Investments	55,977	80	56,057	5,520	-	5,520
Other financial assets	1	313	314	-	289	289
Non-financial Assets						
Current tax assets (Net)	-	1,903	1,903	-	1,544	1,544
Deferred tax Assets (Net)	-	3,077	3,077	-	2,419	2,419
Investment property	-	201	201	-	212	212
Property, Plant and Equipment	-	91	91	-	57	57
Capital work-in-progress	-	2	2	-	-	-
Other intangible assets	-	7	7	-	10	10
Right of use assets	-	32	32	-	96	96
Other non-financial assets	65	65	130	-	75	75
Total Assets	2,39,453	6,09,235	8,48,688	1,73,213	4,77,576	6,50,789

ii. Maturity analysis of liabilities

LIABILITIES	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Liabilities						
Trade Payables	745	-	745	807	-	807
Debt Securities	76,055	1,66,500	2,42,555	41,788	1,13,184	1,54,972
Borrowings (Other than debt securities)	95,906	2,82,164	3,78,070	1,26,569	1,95,638	3,22,207
Subordinated liabilities	-	52,807	52,807	3,036	50,000	53,036
Lease Liabilities	29	-	29	55	29	84
Other financial liabilities	929	-	929	622	-	622
Derivative financial instruments	41	4,135	4,176	32	1,905	1,937
Non-Financial Liabilities						
Current tax liabilities (Net)	854	-	854	423	-	423
Provisions	524	85	609	131	90	221
Other non financial liabilities	232	-	232	235	-	235
Total liabilities	1,75,315	5,05,691	6,81,006	1,73,698	3,60,846	5,34,544
Net	64,138	1,03,544	1,67,682	(485)	1,16,730	1,16,245

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

42. **Disclosure as required by Indian Accounting Standard (Ind AS) – 115 on “Revenue from Contracts with Customers” notified under the Companies (Indian Accounting Standard) Rules, 2015:**

Below table provides disaggregation of the Company’s revenue from contracts with customers

PARTICULARS	For the year ended March 31, 2022	For the year ended March 31, 2021
i Type of service		
- Fee and commission income	1,809	933
- Other income	9	3
Total	1,818	936
ii. Primary geographical market:		
- Outside India	-	-
- India	1,818	936
Total revenue from contracts with customer	1,818	936
iii. Timing of revenue recognition		
- at a point in time upon rendering services	1,818	936
- over period of time upon rendering services	-	-
Total	1,818	936
iv. Trade receivables towards contracts with customers		
- Opening Balance	14	12
- Closing Balance	4	14
v. Impairment on trade receivables towards contracts with customers	-	1

As on March 2022/2021, the Company doesn’t have any unsatisfied/partially satisfied performance obligation.

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

43 Asset Liability Management

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

For the year 2021-22

Particulars	Liabilities			Advances	Assets	
	Borrowings from Banks	Market Borrowings	Foreign Currency Borrowings		Investments	Foreign Currency Assets
1 day to 30/31 days (One month)	1,042	-	10,439	11,585	55,977	-
Over One month to 2 months	47,083	-	-	11,085	-	-
Over 2 months upto 3 months	4,458	36,500	17,283	17,129	-	-
Over 3 months to 6 months	6,958	5,000	-	42,355	-	-
Over 6 months to 1 year	8,643	37,362	-	83,724	-	-
Over 1 year to 3 years	1,92,353	1,29,000	58,908	1,46,741	80	-
Over 3 years to 5 years	12,746	-	-	91,535	-	-
Over 5 years	18,157	87,500	-	3,65,188	-	-
Total	2,91,441	2,95,362	86,629	7,69,342	56,057	-

Note : During the Financial Year 2021-22, the company has experienced significant prepayments of loans. The ALM statement of March 2022 has been prepared based on scheduled repayment structure and actual inflows received in April 22.

For the year 2020-21

Particulars	Liabilities			Advances	Assets	
	Borrowings from Banks	Market Borrowings	Foreign Currency Borrowings		Investments	Foreign Currency Assets
1 day to 30/31 days (One month)	6,875	10,000	-	9,855	5,520	-
Over One month to 2 months	15,833	-	-	9,575	-	-
Over 2 months upto 3 months	30,875	-	-	15,237	-	-
Over 3 months to 6 months	28,958	10,000	-	36,241	-	-
Over 6 months to 1 year	34,015	34,837	-	75,059	-	-
Over 1 year to 3 years	78,254	72,184	75,907	1,40,739	-	-
Over 3 years to 5 years	21,795	3,500	-	90,828	-	-
Over 5 years	19,681	87,500	-	2,38,465	-	-
Total	2,36,287	2,18,021	75,907	6,15,999	5,520	-

Note : During the Financial Year 2020-21, the company has experienced significant prepayments of loans. The ALM statement of March 2021 has been prepared based on scheduled repayment structure and actual inflows received in April 21.

44 Capital to Risk Asset Ratio (CRAR)

Particulars	As at March 31, 2022	As at March 31, 2021
CRAR (%)	23.24%	24.84%
CRAR - Tier I Capital (%)	17.38%	16.73%
CRAR - Tier II Capital (%)	5.86%	8.11%
Amount of Subordinated Debt raised as Tier II Capital	-	15,000
Amount raised by issue of Perpetual Debt Instruments	Nil	Nil

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

- 45 Disclosure of details as required by Revised Para 18 of the Non Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, earlier Para 13 of Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007.

Liabilities Side:

Particulars	Amount Outstanding		Amount Overdue	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
1) Loans and advances availed by NBFC inclusive of interest accrued thereon but not due				
a) Debentures:				
(other than those falling within the meaning of public deposit)				
- Secured	2,07,899	1,25,460	-	-
- Unsecured	52,807	53,036	-	-
b) Deferred Credits	-	-	-	-
c) Term Loans	3,33,070	2,77,184	-	-
d) Inter-corporate loans and borrowing	-	10,013	-	-
e) Commercial Paper	34,656	29,512	-	-
f) Other loans	-	-	-	-
- Working Capital Demand Loan	45,000	35,000	-	-
- Overdraft	-	10	-	-

Assets side:

Particulars	Amount Outstanding	
	2021-22	2020-21
2) Break up of loans and advances including bills receivables		
(other than those included in (3) below)		
- Secured	7,84,023	6,28,102
- 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	-	-

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

45 Disclosure of details as required by Revised Para 18 of the Non Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, earlier Para 13 of Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007.

Assets side: (Continued)

Particulars	Amount Outstanding	
	2021-22	2020-21
4) Break up of Investments		
Current Investments:		
a) Quoted:		
- Shares: Equity	-	-
Preference	-	-
- Debentures and Bonds	-	-
- Units of Mutual Funds	46,002	-
- Government Securities	3,999	-
- Others (Treasury Bills)	5,964	5,440
b) Unquoted:		
- Shares: Equity	-	-
Preference	-	-
- Debentures and Bonds	-	-
- Units of Mutual Funds	-	-
- Government Securities	-	-
- Others (Pass through certificate)	-	-
Long-Term Investments:		
a) Quoted:		
- Shares: Equity (Net of provision)	-	-
Preference	-	-
- Debentures and Bonds	-	-
- Units of Mutual Funds	92	80
- Government Securities	-	-
- Others (Treasury Bills)	-	-
b) Unquoted:		
- 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

(Rs. in lakh)

Particulars	Secured		Unsecured		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
a) Related parties						
(i) Subsidiaries	-	-	-	-	-	-
(ii) Companies in the same group	-	-	-	-	-	-
(iii) Other related parties	-	4,230	-	-	-	4,230
b) Other than related parties	7,84,023	6,23,872	-	-	7,84,023	6,23,872
TOTAL	7,84,023	6,28,102	-	-	7,84,023	6,28,102

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

45 Disclosure of details as required by Revised Para 18 of the Non Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, earlier Para 13 of Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007.

Assets side: (Continued)

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

(Rs. in lakh)

Particulars	Market Value/Break up or fair value or NAV		Book Value (Net of Provisions)	
	2021-22	2020-21	2021-22	2020-21
a) Related parties				
i) Subsidiaries	-	-	-	-
ii) Companies in the same group	-	-	-	-
iii) Other related Parties	-	-	-	-
b) Other than related parties	56,057	5,520	56,057	5,520
TOTAL	56,057	5,520	56,057	5,520

7) Other Information

(Rs. in lakh)

Particulars	2021-22	2020-21
a) Gross Non-Performing Assets		
1) Related parties	-	-
2) Other than related parties	5,922	6,030
b) Net Non-Performing Assets		
1) Related parties	-	-
2) Other than related parties	3,768	4,637
c) Assets acquired in satisfaction of debt	-	-

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

46 Disclosure pursuant to Reserve Bank of India Circular DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4, 2019 pertaining to Liquidity Risk Management Framework for Non-Banking Financial Companies.

(i) Funding Concentration based on significant counterparty

Sr. No	Number of Significant Counterparties	% of Total deposits	Amount	% of Total Liabilities
1	21	0%	5,40,353	79%

* Principal amount outstanding as on March 31, 2022

(ii) Top 20 Large Deposits

Sr. No	Counterparty	Amount	% of total deposits
	Nil		

(iii) Top 10 Borrowing

Sr. No	Name of Counterparty	Amount (in lakh)	% of total borrowings
1	10	3,88,864	59%

* Principal amount outstanding as on March 31, 2022

(iv) Funding Concentration based on significant instrument/product

Sr.No	Name of the instrument/product	Amount	% of total liabilities
1	Bank Loans	1,84,583	27%
2	Non-Convertible Debentures	2,49,184	37%
3	Commercial Paper	35,000	5%
4	Inter-Corporate Deposits	0	0%
5	Loan from Financial Institution	1,06,734	16%
6	External Commercial Borrowings	86,926	13%
	Total	6,62,427	

(v) Stock Ratios

Particulars	%
(a) Commercial papers as a % of total public funds	5%
(a) Commercial papers as a % of total liabilities	5%
(a) Commercial papers as a % of total assets	4%
(b)Non-convertible debentures (original maturity less than 1 year) as a % of total public funds	0%
(b)Non-convertible debentures (original maturity less than 1 year) as a % of total liabilities	0%
(b)Non-convertible debentures (original maturity less than 1 year) as a % of total assets	0%
(c)Other Short-term liabilities as a % of total public funds	21%
(c)Other Short-term liabilities as a % of total Liabilities	21%
(c)Other Short-term liabilities as a % of total Assets	17%

Footnotes :

For the purpose of above disclosure, "Public Funds" i.e. Commercial papers, NCD's and CRPS are shown at Face Value whereas Total assets and total liabilities are shown at Carrying values.

Total Liabilities refer to Total outside liabilities i.e. Balance sheet total excluding Share Capital and Reserves.

- (vi) The Company's Board of Directors has the overall responsibility for the establishment and oversight of the risk management framework. The Board of Directors has established the Asset and Liability Management Committee (ALCO), which is responsible for developing and monitoring risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

46 Disclosure pursuant to Reserve Bank of India Circular DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4, 2019 pertaining to Liquidity Risk Management Framework for Non-Banking Financial Companies (continued)

(vii) Disclosure relating to Liquidity Coverage Ratio ("LCR")		Three months ended Mar 31, 2022		Three months ended Dec 31, 2021		Three months ended Sep 30, 2021		Three months ended June 30, 2021	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Assets									
1	Total High Quality Assets (HQLA)	9,395	9,395	5,967	5,967	6,079	6,079	5,467	5,467
Cash Outflows									
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	14,000	16,100	7,826	9,000	7,826	9,000	3,496	4,020
4	Secured wholesale funding	4,210	4,842	3,223	3,706	6,774	7,790	7,576	8,712
5	Additional requirements, of which	31,591	36,330	18,245	20,981	26,772	30,788	23,791	27,360
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	31,591	36,330	18,245	20,981	26,772	30,788	23,791	27,360
6	Other contractual funding obligations	2,292	2,636	2,408	2,770	2,159	2,483	2,788	3,206
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	TOTAL CASH OUTFLOWS	52,094	59,908	31,702	36,457	43,530	50,060	37,651	43,298
Cash Inflows									
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	12,141	9,106	12,769	9,577	11,336	8,502	10,417	7,813
11	Other cash inflows	1,94,428	1,45,821	2,23,487	1,67,615	1,85,717	1,39,288	1,87,768	1,40,826
12	TOTAL CASH INFLOWS	2,06,569	1,54,926	2,36,256	1,77,192	1,97,053	1,47,790	1,98,185	1,48,639
			Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
13	TOTAL NET CASH OUTFLOWS		14,977		9,114		12,515		10,825
14	Minimum HQLA required to be maintained by TCCL for compliance (50% of net cash outflow)		7,488		3,222		3,754		3,247
15	TOTAL HQLA MAINTAINED		9,395		5,967		6,079		5,467
16	LIQUIDITY COVERAGE RATIO (%)		63%		65%		49%		51%

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

46 Disclosure pursuant to Reserve Bank of India Circular DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4, 2019 pertaining to Liquidity Risk Management Framework for Non-Banking Financial Companies (continued)

a LCR framework under the liquidity risk management of the Tata Capital Cleantech Ltd. (TCCL) is undertaken by the Market risk division in the Risk group under the central oversight of the Asset Liability Management Committee (ALCO) in accordance with the Board approved policies.

b As per the RBI circular dated 4th Nov 2019 circular no **RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20** all non-deposit taking NBFCs with asset size of between ₹5,000 crores. to ₹10,000 crores., shall maintain a liquidity buffer in terms of LCR which will promote resilience of NBFCs to potential liquidity disruptions by ensuring that they have sufficient High Quality Liquid Asset (HQLA) to survive any acute liquidity stress scenario lasting for 30 days. Road Map for NBFCs to adhere the LCR is as per the table (as prescribed by RBI).

From	01-Dec-20	01-Dec-21	01-Dec-22	01-Dec-23	01-Dec-24
Minimum LCR	30%	50%	60%	85%	100%

d As per the above requirement, Tata Cleantech Capital Ltd (TCCL) is required to maintain LCR from December 01, 2020. Therefore, for the year ended 31 March 2022, the Company has disclosed the LCR as a simple average of 3 months within a quarter for all four quarters of FY 21-22.

e LCR maintained: Starting in December 2020, LCR has been computed as per methodology prescribed in the RBI circular dated November 4, 2019. For the quarter ended March 22, the simple average of the past three months was observed at 63% (HQLA- Rs. 9,395 lakh) against the requirement of minimum 30% (HQLA - Rs. 7,488 lakh). For the year FY22, the company has been compliant with LCR framework for all 4 quarters.

f Main drivers to the LCR numbers: All significant outflows and inflows determined in accordance with RBI guidelines are included in the prescribed LCR computation.

g Intra-period changes and changes over time: As per RBI guidelines, the company has been monitoring the LCR on a daily basis for the period of April 21 to March 22. For Q4 FY22, maximum and minimum required HQLA for regulatory compliance has been Rs. 2,870 lakh and Rs.10,606 lakh respectively.

h Composition of HQLA: The HQLA maintained by TCCL comprises Government securities such as long dated G-sec, T bills and cash balance maintained in current account. The details are given below.
For the period Q4 FY22 between Jan to March 2022, the average HQLA of (Rs. 9,395 lakh) comprised of Rs. 930 lakh in cash and remaining Rs. 8,465 Lakh from government securities and T bill.

i Concentration of funding sources:
The company maintains well diversified sources of funding comprising short/long term loans from banks, NCDs, sub-ordinated and perpetual debt, ECBs and CPs. The funding pattern is reviewed regularly by the management.

j Derivative exposures and potential collateral calls:
As on March 31, 2022 the company has fully hedged interest and principal outflows on the foreign currency ECBs. ECBs constitutes no more than 12.91% of the total borrowings as on March 31, 2022. Hence, derivative exposures are considered NIL.

k Currency mismatch in LCR: There is NIL mismatch to be reported in LCR as on March 31, 2022 since FCY ECBs are fully hedged for the corresponding interest and principal components.

l Other inflows and outflows in the LCR calculation that are not captured in the LCR common template but which the institution considers to be relevant for its liquidity profile. NIL as on March 31, 2022.

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

47 Disclosure pursuant to Reserve Bank of India notification DOR (NBFC).CC.PD.No.109 /22.10.106/2019-20 dated March 13, 2020 pertaining to Asset Classification as per RBI Norms

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind As 109 Provisions and IRACP norms
		A	B	C = A - B	D	E = B - D
Performing Assets						
Standard	Stage I	7,46,243	4,165	7,42,078	2,985	1,180
	Stage II	31,858	4,704	27,153	127	4,577
Subtotal for Standard	Stage I & II	7,78,101	8,869	7,69,232	3,112	5,757
Non-Performing Assets (NPA)						
Substandard	Stage III	-	-	-	-	-
Doubtful - up to 1 year	Stage III	-	-	-	-	-
1 to 3 years	Stage III	5,922	2,154	3,768	1,777	377
More than 3 years	Stage III	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage III	-	-	-	-	-
Subtotal for NPA		5,922	2,154	3,768	1,777	377
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage I	2,77,794	524	-	-	524
	Stage II	-	-	-	-	-
	Stage III	-	-	-	-	-
Subtotal		2,77,794	524	-	-	524
Total	Stage I	7,46,243	4,689	7,42,078	2,985	1,704
	Stage II	31,858	4,704	27,153	127	4,577
	Stage III	5,922	2,154	3,768	1,777	377
	Total	7,84,023	11,547	7,73,000	4,889	6,658

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

48. As per RBI Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016, additional disclosures are required in the Annual Financial Statements as follows:

Derivative Instruments Exposures:

Derivative positions open as at March 31, 2022 and March 31, 2021 in the form of foreign currency forward exchange contract and interest rate cross currency swap are disclosed below. These transactions were undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets and qualify or can be designated as hedging instruments. The accounting for these transactions is stated in note 2 (ix).

Forward exchange contracts (being derivative instrument), which are not intended for trading or speculation purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date at certain payables and receivables. Cross currency swap is entered to exchange an amount of cash in one currency for the same amount in another.

The Company does not hold any derivative instrument which are intended for trading or speculation as on the reporting date.

Outstanding foreign exchange forward contracts and cross currency swap entered into by the Company: -

Particulars	Buy / Sell	For the Year ended March 31, 2022			For the Year ended March 31, 2021		
		USD (Mio)	JPY (Mio)	Rs. In lakh	USD (Mio)	JPY (Mio)	Rs. In lakh
Foreign exchange forward contracts i.e. Notional principal of Swap Agreements (Foreign currency amount payable at future date *Closing exchange rate)	Buy	-	3,222	19,969	-	3,251	21,507
Cross currency swap contract i.e. Notional principal of Swap Agreements (Foreign Currency borrowings*Closing exchange rate)	Buy	40	-	30,208	40	-	29,292
Cap option i.e. Notional principal of Swap Agreements (Foreign Currency borrowings*Closing exchange rate)	Buy	-	-	-	-	-	-
Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	Buy	NA	-	NA	NA	-	NA
Collateral required by the NBFC upon entering into swaps	Buy	NA	-	NA	NA	-	NA
Concentration of credit risk arising from the swaps \$	Buy	NA	-	NA	NA	-	NA
The fair value gain/(loss) of the foreign exchange forward contract	Buy	NA	-	(2,269)	NA	-	(2,128)
The fair value gain of the Cross currency swap contract	Buy	NA	-	1,354	NA	-	(822)
The fair value loss of the cap option	Buy	NA	-	30	NA	-	(30)

Disclosures on Risk Exposure in Derivatives

A. Qualitative Disclosure

The Company has a risk management policy to enter into derivatives to manage the risk associated with external commercial borrowings. The following table highlights the key aspects of the policy:

- Treasury and Risk function is authorised to elect appropriate derivative instrument;
- The Company shall fully hedge the risk on account of foreign currency fluctuation and change interest rate towards external commercial borrowing;
- The Company has put in place a reporting and monitoring mechanism for the risk associated with the derivative transaction;
- Company has a hedging policy in place which mandates to have a hedge relation established before a derivative transaction is entered into. The Company ensures that the hedging effectiveness is monitored continuously during the life of the derivative contract;
- The company has put in place accounting policy covering recording hedge and non-hedge transactions, recognition of income, premiums and discounts; valuation of outstanding contracts; provisioning and credit risk mitigation.

B. Quantitative Disclosure

Particulars	Currency Derivatives		Interest Rate Derivatives	
	2021-22	2020-21	2021-22	2020-21
(i) Derivatives (Notional Principal Amount)	50,177	50,798	-	-
(ii) Marked to Market Positions [1]	-	-	-	-
(a) Assets (+)	2,475	1,122	-	-
(b) Liability (-)	(4,176)	(30)	-	(1,907)
(iii) Credit Exposure [2]	-	-	-	-
(iv) Unhedged Exposures	-	-	-	-

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

48 As per RBI Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016, additional disclosures are required in the Annual Financial Statements as follows: (Continued)

(i) Registration

Issuing Authority	Registration No., if any	Date of registration	Valid upto	Registered as
Reserve Bank of India	N-13.02032	19-Oct-12	-	NBFC-ND-SI converted to NBFC-IFC w.e.f 15 Oct 2015

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

(i) Rating Assigned to	Commercial Papers, Debentures & Bank Loan facility
(ii) Date of Rating	CRISIL : March 30, 2022 CARE : December 28, 2021 ICRA : January 20, 2022
(iii) Rating Valid up to	Till the date of reaffirmation
(iv) Name of the Rating Agency	CRISIL Limited (CRISIL), Credit Analysis and Research Limited (CARE), ICRA Limited (ICRA)
(v) Rating of products	
(a) Commercial Paper	CRISIL A1+, ICRA A1+ March 31, 2022: CRISIL A1+, ICRA A1+
(b) Debentures	Secured NCDS : CRISIL AAA/Stable, CARE AAA:Stable Secured NCDS - MLD: CRISIL PP-MLD AAAr/Stable Perpetual NCDS : CRISIL AA+/Stable; CARE AA+; Stable Sub-Debt NCDs : CRISIL AAA/Stable; CARE AAA; Stable March 31, 2022: Secured NCDS : CRISIL AAA/Stable, CARE AAA:Stable Secured NCDS - MLD: CRISIL PP-MLD AAAr/Stable Perpetual NCDS : CRISIL AA+/Stable; CARE AA+; Stable Sub-Debt NCDs : CRISIL AAA/Stable; CARE AAA; Stable
(c) Bank Loan Facility	CRISIL AAA/Stable March 31, 2022: CRISIL AAA/Stable

(iii) Penalties levied by RBI

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

(iv) Off Balance Sheet Exposure as on March 31, 2022 is as follows:

- a) Undrawn Commitment given to the Borrower
As on March 31, 2022 Rs. 1,18,274 lakh (March 31, 2021: Rs. 50,123 lakh)
Less than one year : Rs. Nil lakh (March 31, 2021: Rs. 550 lakh)
More than one year : Rs. 1,18,274 lakh (March 31, 2021: Rs. 49,573 lakh)
- b) Letter of Comfort Rs. 43,726 lakh (March 31, 2021 Rs. 10,083 lakh)

(v) Provisions and Contingencies

	(Rs. in lakh)	
Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss	2021-22	2020-21
Provision towards NPA	(39)	800
Provision made towards Income tax	6,484	5,296
Provision for standard assets (Stage I & II)	2,820	2,000
Provision against other doubtful advances	(1)	(3)
Provision for Employee Benefits	(5)	(22)
Total	9,259	8,071

Note

1. The Company has assessed its obligations arising in the normal course of business, including pending litigations, proceedings pending with tax authorities and other contracts including derivative and long term contracts. In accordance with the provisions of Indian Accounting Standard - 29 on 'Provisions, Contingent Liabilities and Contingent Assets', the Company recognises a provision for material foreseeable losses when it has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure to this effect is made separately as contingent liabilities in the notes to the accounts forming part of the financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

2. The Company has not availed relief in the classification and provision for non-performing assets against the exposure to micro, small and medium borrowers registered under Goods and Service Tax as provided by RBI through its circular no. RBI/2017-18/129 DBR.No.BP.BC.100/21.04.048/2017-18 dated February 7, 2018.

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

48 As per RBI Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016, additional disclosures are required in the Annual Financial Statements as follows: (Continued)

(vi) Concentration of Advances & Exposures as per Para 24 of the RBI Norms stood as follows:

Advances#

(Rs. In lakh)

Particulars	2021-22	2020-21
Total advances to twenty largest borrowers	3,58,786	2,53,194
Percentage of advances to twenty largest borrowers to total advances of the NBFC	45.8%	40.3%

Includes Loans, Advances & Credit Substitutes

Exposure *

(Rs. In lakh)

Particulars	2021-22	2020-21
Total advances to twenty largest borrowers	4,46,704	2,74,203
Percentage of exposures to twenty largest borrowers to total exposure of the NBFC	45.0%	39.8%

* Includes Loans, Advances, Credit Substitutes and Investment in Mutual Funds (including loan sanctioned but partly disbursed)

(vii) Concentration of NPAs

(Rs. In lakh)

Particulars	2021-22	2020-21
Total Exposure to top four NPA accounts	5,922	6,030

(viii) Sector-wise NPAs

(Rs. In lakh)

Sector	Percentage of NPAs to Total Advances in that sector	
	2021-22	2020-21
Infrastructure - Power	0.95%	1.17%

(ix) The Company does not have any Joint Ventures and Subsidiaries abroad. The Company has not sponsored any SPVs. Accordingly there is no disclosure applicable

(x) The Company had Nil complaints at the beginning of the year. No complaints were received during the year.

(xi) The Company has not done any Securitisation during the financial year. (March 31, 2021: Nil)

(xii) No parent company products are financed during the year (March 31, 2021: Nil)

(xiii) The Exposure to a single borrower does not exceed the limit stipulated by the RBI Concentration norms applicable to NBFCs for the current year.

(xiv) The Exposure to unsecured advances is Rs. NIL (March 31, 2021: Rs. Nil) constituting 0% of the Gross Loans and Advances.

(xv) Since the Company does not have significant uncertainties pending resolutions as at March 31, 2022, revenue recognition has not been postponed.

(xvi) 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.

(xvii) No exposure to Capital market during the year. (March 31, 2021: Nil)

(xviii) Exposure to Real estate sector during the year : Rs. 3,925 lakhs . (March 31, 2021: Nil)

(xix) 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.

(xx) Drawdown of reserves made during current year of Rs. 2 lakhs is on account of Share issue expenses (March 31, 2021: Rs.Nil).

(xxi) Non Performing Assets purchased during the year - Nil (March 31, 2021: Nil).

(xxii) Details of Non Performing Assets sold during the year - Nil (March 31, 2021: Nil).

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

(xxiii) NPA Movement during the year

		(Rs. In lakh)	
Particulars	2021-22	2020-21	
(i) Net NPAs to Net Advances (%)	0.48%	0.61%	
(ii) Movement of NPAs (Gross)			
(a) Opening Balance	6,030	6,030	
(b) Additions during the year	-	-	
(c) Reductions during the year	(108)	-	
(d) Closing balance	5,922	6,030	
(iii) Movement of provisions for NPAs (excluding provisions on standard assets)			
(a) Opening Balance	2,193	1,393	
(b) Additions during the year	-	800	
(c) Write-off / write-back of excess provisions	(39)	-	
(d) Closing balance	2,154	2,193	
(iv) Movement of Net NPAs			
(a) Opening Balance	3,837	4,637	
(b) Additions during the year	-	(800)	
(c) Reductions during the year	(69)	-	
(d) Closing balance	3,768	3,837	

(xxiv) Investments

		2021-22	2020-21
Particulars			
1 Value of Investments			
(i) Gross Value of Investments			
a) In India	56,057	5,520	
b) Outside India	-	-	
(ii) Provision for Depreciation			
a) In India	-	-	
b) Outside India	-	-	
(iii) Net value of investments			
a) In India	56,057	5,520	
b) Outside India	-	-	
2 Movement of Provisions held towards depreciation on investments			
(i) Opening Balance	-	-	
(ii) Add: Provision/fair value loss during the year	-	-	
(iii) Less: Write-off / write-back of excess provisions or fair value gain during the year	-	-	
(iv) Closing balance	-	-	

Note: The above details does not include investment in the form of Credit Substitutes.

49 The Company has reported frauds aggregating Rs. Nil (Previous year : Rs. Nil) based on management reporting to risk committee and to the RBI through prescribed returns.

50 Analytical Ratios as per Ministry of Corporate Affairs ("MCA") notification dated 24th March 2021:

Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for variance (if above 25%)
Capital to risk-weighted assets ratio (CRAR)	Total capital funds	Total risk weighted assets	23.24%	24.84%	-6%	NA
Tier I CRAR	Capital funds – Tier I	Total risk weighted assets	17.38%	16.73%	4%	NA
Tier II CRAR	Capital funds – Tier II	Total risk weighted assets	5.86%	8.11%	-28%	Note 2
Liquidity Coverage Ratio.	Total HQLA (Maintained)	Total Net Cash Outflows	62.73%	42.76%	47%	Note 1

Notes :

1. The Liquidity Coverage Ratio (LCR) maintained is higher in March 31, 2022 on account of change in the minimum LCR requirement as per the RBI guidelines which has increased from 50% (in March 31, 2021) to 60% (in March 31, 2022) w.e.f. December 31, 2021. Additionally, it has been contributed by the increase in Balance Sheet size in the financial year 2021-2022.

2. The decrease in Tier II CRAR has been contributed by the increase in Balance Sheet size in the financial year 2021-2022 followed by an increase in non-fund based exposure.

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

- 51** The impact of COVID-19 on the Company's performance will depend on the ongoing as well as future developments, including, among other things, any new information concerning the COVID-19 pandemic and any measure to contain its spread or mitigate its impact, whether mandated by the Government or adopted by us.
- 52** Details of resolution plan implemented under the Resolution Framework for COVID - 19-related Stress as per RBI circular dated August 06, 2020 (Resolution Framework 1.0) and May 05, 2021 (Resolution Framework 2.0), as at March 31, 2022 are given below:

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans					
Corporate persons*	NIL	NIL	NIL	NIL	NIL
<i>Of which, MSMEs</i>					
Others					
Total					

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

- 53** Details of loans transferred / acquired during the quarter ended March 31, 2022 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:

- (i) The Company has not transferred any non-performing assets (NPAs).
- (ii) The Company has not transferred any Special Mention Account (SMA) and loan not in default.
- (iii) Details of loans not in default acquired are given below:

Particulars	Value
Aggregate amount of loans acquired (in lakhs)	17,500
Weighted average residual maturity (in years)	15.60
Weighted average holding period by originator (in years)	Nil
Retention of beneficial economic interest by the originator	Nil
Tangible security coverage	100%
Rating-wise distribution of rated loans	BBB+

- (iv) The Company has not acquired any stressed loan.

- 54** The Company has implemented the requirements pertaining to day-end-processing and allied matters as required under RBI circular dated November 12, 2021. Accordingly, Gross Non Performing Assets ("GNPA") as at March 31, 2022 remains at 0.76%.

- 55** The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or other kind of funds) to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

The Company has not received any funds (which are material either individually or in the aggregate) from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- 56** The disclosure on the following matters required under Schedule III as amended not being relevant or applicable in case of the Company, same are not covered:

- a) The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- b) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- c) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- d) The Company has not entered into any scheme of arrangement.
- e) No satisfaction of charges are pending to be filed with ROC.
- f) There are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- g) The Company does not have any relationship with Struck off Companies.

Tata Cleantech Capital Limited

Notes forming part of the financial statements (Continued)

for the year ended March 31, 2022

(Rs. in lakh)

57 There were no unhedged foreign currency transactions during current year.

As per our report of even date

For Mukund M. Chitale & Co.
Chartered Accountants
Firm's Registration No: 106655W

For and on behalf of the Board of Directors
Tata Cleantech Capital Limited

Saurabh M Chitale
Partner
Membership No: 111383

Rajiv Sabharwal
(Director)
DIN: 00057333

Padmini Khare Kaicker
(Director)
DIN: 00296388

Varsha Purandare
(Director)
DIN: 05288076

Manish Chourasia
(Managing Director)
DIN: 03547985

Mumbai
April 20, 2022

Behzad Bhesania
(Chief Financial Officer)

Rajesh Gosia
(Company Secretary)