Independent Auditors' Report

To the Members of
Tata Cleantech Capital Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Tata Cleantech Capital Limited (the 'Company'), which comprise the balance sheet as at 31 March 2019, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the Financial Statements, including a summary of the 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 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 accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the 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 (the 'ICAI') together with the ethical requirements that are relevant to our audit of the 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters *(Continued)*

Key audit matter	How the matter was addressed in our audit
Transition date accounting policies	
Refer to the accounting policies in the Financial Statements: Significant Accounting Policies- 'Basis of preparation' and 'Note 3 to the Financial Statements: Explanation of transition to Ind AS'	
Adoption of new accounting framework (Ind AS) Effective 1 April 2018, the Company adopted the Indian Accounting Standards ('Ind AS') notified by the Ministry of Corporate Affairs with the transition date of 1 April 2017. The following are the major impact areas for the Company upon transition: - Classification and measurement of financial assets and financial liabilities - Measurement of loan losses (expected credit losses) - Accounting for loan fees and costs - Accounting for employee stock options The migration to the new accounting framework (Ind AS) is a complicated process involving multiple decision points upon transition. Ind AS 101, First Time Adoption prescribes choices and exemptions for first time application of Ind AS principles at the transition date.	Our key audit procedures included: ▪ Evaluated management's transition date choices and exemptions for compliance/acceptability under Ind AS 101. ▪ Understood the methodology implemented by management to give impact on the transition. ▪ Assessed the accuracy of the computations related to significant Ind AS adjustments. ▪ Tested the select system reports with the help of our IT specialists to check the completeness and accuracy of the data and reports used to perform computations for giving effect to Ind AS transition adjustments. ▪ Confirmed the approvals of Audit Committee for the choices and exemptions made by the Company for compliance/acceptability under Ind AS 101. ▪ Assessed areas of significant estimates and management judgment in line with principles under Ind AS. ▪ Assessed the appropriateness of the disclosures made in the financial statement.

Key audit matter	How the matter was addressed in our audit
Impairment on financial instruments **Charge: INR 798 lakh for year ended 31 March 2019** **Provision: INR 2,156 lakh at 31 March 2019**	
Refer to the accounting policies in 'Note 2.ix to the Financial Statements: Financial Instruments' and 'Note 2.iv to the Financial Statements: Significant Accounting Policies- use of estimates and judgments' and 'Note 38' to the Financial Statements: Financial risk review: Credit risk 'Note 38(A)'	
Subjective estimate Recognition and measurement of impairment of loans involve significant management judgement. With the applicability of Ind AS 109: Financial Instruments, credit loss assessment is now based on expected credit loss ('ECL') model. The Company's impairment allowance is derived from estimates including the historical default and loss ratios. Management exercises judgement in determining the quantum of loss based on a range of factors. The most significant areas are:	Our audit procedures included: **Design and operating effectiveness of controls** • Evaluated the appropriateness of the impairment principles based on the requirements of Ind AS 109, our business understanding and industry practice. • We obtained an understanding of the management's new / revised processes, systems and controls implemented in relation to impairment allowance process. • Assessed the design and implementation of key internal financial controls over loan impairment process used to determine the impairment charge.

Key Audit Matters *(Continued)*

Key audit matter	How the matter was addressed in our audit
Impairment on financial instruments *(Continued)* **Charge: INR 798 lakh for year ended 31 March 2019** **Provision: INR 2,156 lakh at 31 March 2019**	
- Segmentation of loan book - Loan staging criteria - Calculation of probability of default / loss given default - Consideration of probability weighted scenarios and forward looking macro-economic factors - Management overlays here is a large increase in the data inputs required by the ECL model. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. In some cases, data is unavailable and reasonable alternatives have been applied to allow calculations to be performed.	• We used our internal specialist to test the model methodology and reasonableness of assumptions used. • We tested the management review controls over measurement of impairment allowances and disclosures in financial statements. **Substantives tests** • We focused on appropriate application of accounting principles, validating completeness and accuracy of the data and reasonableness of assumptions used in the model. • Test of details over calculation of impairment allowance to assess the completeness, accuracy and relevance of data. • The appropriateness of management's judgments was also independently reconsidered in respect of calculation methodologies, segmentation, economic factors, the period of historical loss rates used and the valuation of recovery assets and collateral.

Key audit matter	How the matter was addressed in our audit
Information technology	
IT systems and controls 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. From a financial reporting perspective the Company uses and we have tested the financial accounting and reporting system and loan management systems and other tools for overall financial reporting. We have focused on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems.	Our audit procedures included the following: • 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. • We tested the design and operating effectiveness of key controls over user access management which includes granting access right, new user creation, removal of user rights and preventative controls designed to enforce segregation of duties. • For a selected group of key controls over financial and reporting system, we independently performed procedures to determine that these control remained unchanged during the year or were changed following the standard change management process. • Evaluated 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.

Key Audit Matters *(Continued)*

Key audit matter	**How the matter was addressed in our audit**
Information technology *(Continued)*	• Other areas that were independently assessed included password policies, security 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. • Obtained report related to information technology audit carried out by the subject matter expert engaged by the management and assessed the impact if any on our audit procedures.

Key audit matter	**How the matter was addressed in our audit**
Assessment of business model for classification and measurement of financial assets **Financial assets classified at Amortised cost: INR 462,168 lakh as at 31 March 2019** **Financial assets classified at FVOCI: INR 60,930 lakh at 31 March 2019** **Financial assets classified at FVTPL: INR 60 lakh at 31 March 2019**	
Refer to the accounting policies in 'Note 2.ix to the Financial Statements: Financial Instruments' and 'Note 2.iv to the Financial Statements: Significant Accounting Policies- use of estimates and judgments' and 'Note 35' to the Financial Statements: Financial risk review: Credit risk 'Note 35(C)'	
Classification and measurement of Financial assets – Business model assessment Ind AS 109, *Financial Instruments*, contains three principal measurement categories for financial assets i.e. : - Amortised cost; - Fair Value through Other Comprehensive Income ('FVOCI'); and - Fair Value through Profit and Loss ('FVTPL'). 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. 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.	Our key audit procedures included: **Design / controls** • Assessed 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 and classification of such financial assets on the basis of management's intent (business model). • 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. **Substantive tests** ▪ Test of details over of classification and measurement of financial assets in accordance with management's intent (business model) ▪ 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. ▪ 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.

Key Audit Matters *(Continued)*

Key audit matter	How the matter was addressed in our audit
Classification and measurement of Financial assets – Business model assessment ***(Continued)***	
Amortised cost classification and measurement category is met if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows FVOCI classification and measurement category is met if the financial asset is held in a business model in which assets are managed both in order to collect contractual cash flows and for sale. Such financial assets are subsequently measured at fair value, with changes in fair value recognized in other comprehensive income. FVTPL classification and measurement category is met if the financial asset does not meet the criteria for classification and measurement at amortised cost or at FVOCI. Such financial assets are subsequently measured at fair value, with changes in fair value recognized in profit or loss. We identified business model assessment as a key audit matter because of the management judgement involved in determining the intent for purchasing and holding a financial asset which could lead to different classification and measurement outcomes of the financial assets and its significance to the financial statements of the Company.	▪ We have also checked that there have been no reclassifications of assets in the current period.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 SAs 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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.
- Obtain an understanding of internal control 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 with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Auditor's Responsibilities for the Audit of the Financial Statements *(Continued)*

- 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 Company's ability 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 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

Other Matter

The comparative financial information of the Company for the transition date opening balance sheet as at 1 April 2017 included in these financial statements, are based on the previously issued statutory financial statements for the year ended 31 March 2017 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report dated 26 April 2017 expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of section 143 (11) of the Act, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

Report on Other Legal and Regulatory Requirements *(Continued)*

(A) As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act;

e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act; and

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations as at 31 March 2019 which would impact its financial position;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts- Refer Note 40 (V) to the financial statements;

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

iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

Report on Other Legal and Regulatory Requirements *(Continued)*

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Manoj Kumar Vijai
Partner
Membership No. 046882

Mumbai
30 April 2019

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

(i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b. The Company has a program of verification to cover all the items of fixed assets once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, all the fixed assets were physically verified by management as at 31 March 2017. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

c. According the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable property included in property, plant and equipment is held in the name of the Company.

(ii) The Company is a Non-Banking Finance Company ('NBFC') and does not have any inventories. Accordingly, the provision of clause 3(ii) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 (the 'Act'). Accordingly, the provision of clause 3(iii) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us, the Company has not granted any loans, made investments or provided guarantees under Section 185 of the Act and has complied with the provisions of Section 186 (1) of the Act. The Company being a NBFC, nothing contained in Section 186 is applicable, except subsection (1) of that section.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under apply. Accordingly, the provision of clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government of India has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Act for any of the services rendered by the Company. Accordingly, the provision of clause 3(vi) of the Order is not applicable to the Company.

(vii) a) According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, cess, and other material statutory dues have generally been regularly deposited by the Company with the appropriate authorities. As explained to us the Company did not have any dues on account of duty of customs and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and service tax, cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, the Company did not have any dues on account of income tax, sales tax, service tax, goods and service tax, duty of customs, value added tax or duty of excise which have not been deposited on account of dispute.

Annexure A to the Independent Auditor's Report of even date on the financial statements of Tata Cleantech Capital Limited *(Continued)*

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowing to financial institutions, banks, or debenture holders during the year. During the year, the Company did not have any loans or borrowing from the Government.

(ix) In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised. The Company has not raised any money by way of initial public offer or further public offer during the year.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the explanation and information given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, the provision of clause 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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 accompanying financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provision of clause 3(xiv) of the Order is not applicable.

(xv) According to the information and explanations given to us and based on our examination of the records, during the year the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provision of clause 3(xv) of the Order is not applicable.

(xvi) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained certificate of registration dated 19 October 2012.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Manoj Kumar Vijai
Partner
Membership No: 046882

Mumbai
30 April 2019

Annexure B to the Independent Auditor’s Report of even date on the financial statements of Tata Cleantech Capital Limited

Report on the Internal Financial Controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

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

Opinion

We have audited the internal financial controls with reference to financial statements of Tata Cleantech Capital Limited (“the Company”) as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to 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 issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

Management’s Responsibility for Internal Financial Controls

The Company’s management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as “the Act”).

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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 financial statements, whether due to fraud or error.

Annexure B to the Independent Auditor’s Report of even date on the financial statements of Tata Cleantech Capital Limited *(Continued)*

Auditor’s Responsibility *(Continued)*

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 with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Reporting

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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 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 financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Reporting

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Manoj Kumar Vijai
Partner
Membership No: 046882

Mumbai
30 April 2019

TATA CLEANTECH CAPITAL LIMITED

BALANCE SHEET AS AT MARCH 31, 2019

(Rs. in lakh)

PARTICULARS	Note	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
ASSETS				
(1) Financial assets				
(a) Cash and cash equivalents	4	31,792	711	1,434
(b) Bank balances other than (a) above		-	-	-
(c) Receivables				
(i) Trade receivables	5	34	23	7
(ii) Other receivables		-	-	-
(d) Loans	6	490,980	308,898	199,916
(e) Investments	7	60	41	35
(f) Other financial assets	8	292	266	5
Total Financial assets		**523,158**	**309,939**	**201,397**
(2) Non-financial assets				
(a) Current tax assets (Net)	9	547	231	146
(b) Deferred tax assets (Net)	9	1,527	837	625
(c) Investment Property	10	235	246	257
(d) Property, plant and equipment	10	23	29	25
(e) Capital work-in-progress		-	-	-
(f) Other non-financial assets	11	112	145	42
Total Non-financial assets		**2,444**	**1,488**	**1,095**
Total Assets		**525,602**	**311,427**	**202,492**
LIABILITIES AND EQUITY				
LIABILITIES				
(1) Financial liabilities				
(a) Payables				
(i) Trade payables				
- Total outstanding dues of micro enterprises and small enterprises		-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	12	423	285	335
(ii) Other payables				
- Total outstanding dues of micro enterprises and small enterprises		-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-
(b) Debt Securities	13	78,550	82,746	42,472
(c) Borrowings (Other than debt securities)	14	349,596	154,263	95,970
(d) Other financial liabilities	15	4,919	5,193	3,352
Total Financial liabilities		**433,488**	**242,487**	**142,129**
(2) Non-Financial liabilities				
(a) Current tax liabilities (Net)		-	-	23
(b) Provisions	16	2,252	1,504	1,080
(c) Other non-financial liabilities	17	3,304	1,165	831
Total Non-financial liabilities		**5,556**	**2,669**	**1,934**
(3) Equity				
(a) Share capital	18	38,802	35,576	35,576
(b) Other equity	19	47,756	30,695	22,853
Total Equity		**86,558**	**66,271**	**58,429**
Total Liabilities and Equity		**525,602**	**311,427**	**202,492**
Summary of significant accounting policies	2			
See accompanying notes forming part of the financial statements	1-42			

In terms of our report of even date

For and on behalf of the Board of Directors

For B S R & Co. LLP
Chartered Accountants
Firms Registration No – 101248W/W-100022

Vittaldas Leeladhar
(Chairman)
DIN: 02630276

Rajiv Sabharwal
(Director)
DIN: 00057333

Manoj Kumar Vijai
Partner
Membership No: 046882

Pradeep C. Bandivadekar
(Director)
DIN: 00059330

Padmini Khare Kaicker
(Director)
DIN: 00296388

Place: Mumbai
Date : April 30, 2019

Manish Chourasia
(Managing Director)
DIN: 03547985

Behzad Bhesania
(Chief Financial Officer)

TATA CLEANTECH CAPITAL LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(Rs. in lakh)

	PARTICULARS	Note	For the year ended March 31, 2019	For the year ended March 31, 2018
I	**Revenue from operations**			
(i)	Interest Income	20	42,045	26,030
(ii)	Fees and commission Income		1,151	1,149
(iii)	Net gain on fair value changes	21	78	10
II	**Other income**	22	38	21
III	**Total Income (I+II)**		**43,312**	**27,210**
IV	**Expenses**			
	Finance costs	23	24,853	13,272
	Fees and commission expense		-	-
	Impairment on financial instruments	24	798	520
	Employee benefit expenses	25	2,062	1,619
	Depreciation and amortisation and impairment	10	23	24
	Other expenses	26	1,839	880
	Total expenses (IV)		**29,575**	**16,315**
V	**Profit before exceptional items and tax (III-IV)**		**13,737**	**10,895**
VI	**Exceptional Items**		**-**	**-**
VII	**Profit before tax (V-VI)**		**13,737**	**10,895**
VIII	**Tax expense**			
	(1) Current tax	9	4,248	3,530
	(2) Deferred tax	10	(729)	(302)
	Net tax expense		**3,519**	**3,228**
IX	**Profit from continuing operations (VII-VIII)**		**10,218**	**7,667**
X	Profit from discontinued operations before tax		-	-
XI	Tax expense of discontinued operations		-	-
XII	**Profit from discontinued operations (after tax) (X-XI)**		-	-
XIII	**Profit for the year (IX+XII)**		**10,218**	**7,667**
XIV	**Other Comprehensive Income**			
	(i) Items that will be reclassified subsequently to statement of profit and loss			
	(a) Fair value gain / (loss) on Financial Assets carried at FVTOCI		111	261
	(b) Income tax relating to items that will be reclassified to profit or loss		(39)	(91)
	(ii) Items that will not be reclassified subsequently to statement of profit and loss			
	(a) Remeasurement of defined employee benefit plans		(28)	(26)
	(b) Income tax relating to items that will not be reclassified to profit or loss		8	9
	Total Other Comprehensive (Loss)/Income (i+ii)		**52**	**153**
XV	**Total Comprehensive Income for the year (XIII+XIV)(Comprising Profit Other Comprehensive Income for the year)**		**10,270**	**7,820**
XVI	**Earnings per equity share (for continuing operation):**			
	(1) Basic (Rs.)		**2.83**	**2.16**
	(2) Diluted (Rs.)		**2.83**	**2.16**
XVII	**Earnings per equity share (for discontinuing operation):**			
	(1) Basic (Rs.)		-	-
	(2) Diluted (Rs.)		-	-
XVIII	**Earnings per equity share(for discontinued and continuing operations)**			
	(1) Basic (Rs.)		**2.83**	**2.16**
	(2) Diluted (Rs.)		**2.83**	**2.16**
Summary of significant accounting policies		2		
See accompanying notes forming part of the financial statements		1-42		

In terms of our report of even date

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(Chief Financial Officer)

Place: Mumbai
Date : April 30, 2019

TATA CLEANTECH CAPITAL LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

a. Equity share capital

Particulars	**Note**	**Rs. in Lakh**
Balance as at April 1, 2017		**35,576**
Changes in equity share capital during the year		-
Balance at March 31, 2018	18	**35,576**
Changes in equity share capital during the year		3,226
Balance at March 31, 2019	18	**38,802**

b. Other equity **(Rs. in lakh)**

Particulars	Equity component of compound financial instruments	**Reserves and surplus**							**Other items of Other Comprehensive Income**		**Total equity**
		Securities premium	Debenture Redemption Reserve	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	Remeasurement of defined benefit liability /asset	Fair value gain / (loss) on Financial Assets carried at FVTOCI	
Balance at April 1, 2017	**-**	**15,265**	**-**	**1,654**	**1,930**	**-**	**-**	**3,820**	**-**	**184**	**22,853**
Profit for the year	-	-	-	-	-	-	-	7,667		-	**7,667**
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	(17)	170	**153**
Total	**-**	**15,265**	**-**	**1,654**	**1,930**	**-**	**-**	**11,487**	**(17)**	**354**	**30,673**
Transfer to stock reserve - equity settled options	-	-	-	-	-	19	3	-	-	-	**22**
Transfer to Special Reserve Account	-	-	-	1,581	1661	-	-	(3,242)	-	-	**-**
Balance at March 31, 2018	**-**	**15,265**	**-**	**3,235**	**3,591**	**19**	**3**	**8,245**	**(17)**	**354**	**30,695**
Profit for the year	-	-	-	-	-	-	-	10,218	-	-	**10,218**
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	(20)	72	**52**
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**10,218**	**(20)**	**72**	**10,270**
Transfer to stock reserve - equity settled options	-	-	-	-	-	15	12	-	-	-	**27**
Premium on issue of Equity Shares	-	6,774	-	-	-	-	-	-	-	-	**6,774**
Share issue expenses written-off	-	(10)	-	-	-	-	-	-	-	-	**(10)**
Transfer to Special Reserve Account	-		-	2,044	1,514	-	-	(3,558)	-	-	**-**
Balance at March 31, 2019	**-**	**22,029**	**-**	**5,279**	**5,105**	**34**	**15**	**14,905**	**(37)**	**426**	**47,756**

Summary of significant accounting policies - 2

See accompanying notes forming part of the financial statements- refer notes 1-42

In terms of our report of even date

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Behzad Bhesania
(Chief Financial Officer)

Place: Mumbai
Date : April 30, 2019

TATA CLEANTECH CAPITAL LIMITED

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2019

(Rs. in lakh)

Particulars	**For the year ended March 31, 2019**	**For the year ended March 31, 2018**
1 CASH FLOW USED IN OPERATING ACTIVITIES		
Profit before tax	13,737	10,895
Adjustments for :		
Depreciation and amortisation	23	24
Interest expenses	20,635	10,966
Discounting charges on commercial paper	4,218	2,306
Interest income	(42,045)	(26,030)
Net gain on fair value changes		
- Realised	(75)	(8)
- Unrealised	(3)	(2)
Provision for leave encashment	27	6
Share based payments- Equity-settled	26	22
Impairment loss allowance (Stage I & II)	798	520
Operating Loss before working capital changes and adjustments for interest received, interest paid and dividend received	(2,659)	(1,300)
Adjustments for :		
Increase in trade receivables	(11)	(16)
Increase in Loans	(181,851)	(108,754)
(Increase) / Decrease in - Other financial asset	(7)	(252)
(Increase) / Decrease in - Other non-financial assets	33	(103)
(Decrease) in Other financial liabilities	236	149
Increase in Trade payables	138	(50)
Increase / (Decrease) in Provisions	(105)	(128)
Increase in Other non-financial liabilities	3,238	1,167
Cash used in operations before adjustments for interest received, interest paid and dividend received	(180,988)	(109,289)
Interest paid	(24,752)	(11,423)
Interest received	40,808	25,222
Dividend received	-	-
Cash used in operations	(164,932)	(95,490)
Taxes paid	(4,556)	(3,629)
NET CASH USED IN OPERATING ACTIVITIES (A)	**(169,488)**	**(99,119)**
2 CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (including capital advances)	(13)	(18)
Proceeds from sale of property, plant and equipment	7	1
Purchase of mutual fund units	(308,332)	(38,164)
Proceeds from redemption of mutual fund units	308,391	38,168
NET CASH GENERATED / (USED) IN INVESTING ACTIVITIES (B)	**53**	**(13)**
3 CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Equity Shares	9,990	-
Share issue / debenture issue / loan processing expenses	(315)	(58)
Proceeds from borrowings (Other than debt securities)	591,893	272,500
Proceeds from Debt Securities and Subordinated liabilities	25,500	56,770
Repayment of Borrowings (Other than debt securities)	(397,075)	(214,325)
Repayment of Debt Securities and Subordinated liabilities	(29,477)	(16,478)
NET CASH FROM FINANCING ACTIVITIES (C)	**200,516**	**98,409**

TATA CLEANTECH CAPITAL LIMITED

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2019

(Rs. in lakh)

Particulars	**For the year ended March 31, 2019**	**For the year ended March 31, 2018**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)	**31,081**	**(723)**
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR	**711**	**1,434**
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR	**31,792**	**711**
Summary of significant accounting policies -2		
See accompanying notes forming part of the financial statements- refer notes 1-42		

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DIN: 00296388

Place: Mumbai
Date : April 30, 2019

Manish Chourasia
(Managing Director)
DIN: 03547985

Behzad Bhesania
(Chief Financial Officer)

TATA CLEANTECH CAPITAL LIMITED

Notes forming part of the Standalone 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.

2. SIGNIFICANT ACCOUNTING POLICIES

i. Statement of compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015. The Company has adopted Ind AS from April 1, 2018 with effective transition date as April 1, 2017. These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 (the "Act"). The transition was carried out from Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ("IGAAP" or "previous GAAP").

An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note no 3.

The Company is regulated by the Reserve Bank of India ('RBI'). The RBI periodically issues/amends directions, regulations and/or guidance (collectively "Regulatory

Framework”) covering various aspects of the operation of the Company, including those relating to accounting for certain types of transactions. The Regulatory Framework contains specific instructions that need to be followed by the Company in preparing its financial statements. The financial statements for the current and previous year may need to undergo changes in measurement and / or presentation upon receipt of clarifications on the Regulatory Framework or changes thereto.

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 Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS. Amounts in the financial statements are presented in Indian Rupees in Lakh.

iii. Basis of preparation and presentation

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.

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.

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	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 value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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 other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

c) Level 3: inputs are unobservable inputs for the valuation of assets or liabilities that the Company can access at measurement date.

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

Refer note 34A and 34B.

iv. Use of estimates and judgements

The preparation of financial statements 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 a most significant effect on the amount recognised in the financial statements is included in the following note:

- Note ix - 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, 2019 are included in the following notes:

- Note x - impairment test of non-financial assets: key assumption underlying recoverable amounts.
- Note x - useful life of property, plant, equipment and intangibles.
- Note xvii – recognition of deferred tax assets: availability of future taxable profit against which carry forward deferred tax asset can be set off.

- Notes xx – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.
- Note 33 – measurement of defined benefit obligations: key actuarial assumptions.
- Note 34C – determination of the fair value of financial instruments with significant unobservable inputs.
- Note 35A(iii) – impairment of financial instruments: assessment of whether credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of expected credit loss (ECL).
- Note 35A(iii) – impairment of financial instruments: key assumptions used in estimating recoverable cash flows.

v. 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 and expense are 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 or amortised cost of the financial liability.

The calculation of the EIR includes all fees paid or received that are incremental and directly attributable to the acquisition or issue of a financial asset or liability.

The 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 interest cost is calculated by applying the EIR to the amortised cost of the financial liability.

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability 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.

vi. Income from services and distribution of financial products

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

vii. 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.

viii.Leases

Leases are classified as operating lease where significant portion of risks and reward of ownership of assets acquired under lease is retained by the lessor. Leases of assets under which substantially all of the risks and rewards of ownership are effectively retained by the lessee are classified as finance lease.

Lease rental - under operating leases (excluding amount for services such as insurance and maintenance) are recognised on a straight-line basis over the lease term, except for increase in line with expected inflationary cost.

ix. Financial Instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet on trade date when the Company becomes a party to the contractual provisions of the instrument. Loan is recorded upon remittance of the funds.

Recognised 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 FVTPL) 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 directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in the Statement of Profit or Loss.

If the transaction price differs from fair value at initial recognition, the Company will account for such difference as follows:

a) if fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in profit or loss on initial recognition (i.e. day 1 profit or loss);

b) in all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to profit or loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

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).

Initial recognition and measurement

Financial asset is recognised on trade date initially at cost of acquisition net of transaction cost and income that is attributable to the acquisition of the financial asset. Cost equates the fair value on acquisition. Financial asset measured at amortised cost and Financial asset measured at fair value through other comprehensive income is presented at gross carrying value in the Financial statements. Unamortised transaction cost and incomes and impairment allowance on Financial asset is shown separately under the heading "Other non-financial asset", "Other non-financial liability" and "Provisions" respectively.

Assessment of Business model

An assessment of the applicable business model for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how financial assets are managed together to achieve a particular business objective. The Company's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The Company could have more than one business model for managing its financial instruments which reflect how the Company manages its financial assets in order to generate cash flows. The Company's business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Company considers all relevant information available when making the business model assessment. The Company takes into account all relevant evidence available such as:

1) how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel and board of directors;

2) the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed;

3) 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)

4) At initial recognition of a financial asset, the Company determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Company reassesses its business models each reporting period to determine whether the business model/(s) have changed since the preceding period. For the current and prior reporting period the Company has not identified a change in its business model.

Based on the assessment of the business models, the Company has identified the three following choices of classification of financial assets:

a) Financial assets that are held within a business model whose objective is to collect the contractual cash flows ("Asset held to collect contractual cash-flows"), and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are measured at amortised cost;

b) Financial assets that are held within a business model whose objective is both to collect the contractual cash flows and to sell the assets, ("Contractual cash flows of Asset collected through hold and sell model") and that have contractual cash flows that are SPPI, are measured at FVTOCI.

c) All other financial assets (e.g. managed on a fair value basis, or held for sale) and equity investments are measured at FVTPL.

Financial asset at amortised cost

Amortised cost of financial asset is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Contractual cash flows that do not introduce exposure to risks or volatility in the contractual cash flows on account of changes such as equity prices or commodity prices and are related to a basic lending arrangement, do give rise to SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Financial asset at fair value through Other Comprehensive Income (FVTOCI)

After initial measurement, basis assessment of the business model as "Contractual cash flows of Asset collected through hold and sell model and SPPI", such financial assets are classified to be measured at FVTOCI. Contractual cash flows that do introduce exposure to risks or volatility in the contractual cash flows due to changes such as equity prices or commodity prices and are unrelated to a basic lending arrangement, do not give rise to SPPI.

The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. The carrying value of the financial asset is fair valued by discounting the contractual cash flows over contractual tenure basis the internal rate of return of a new similar asset originated in the month of reporting and such unrealised gain/loss is recorded in other comprehensive income (OCI). Where such a similar product is not originated in the month of reporting, the closest product origination is used as a proxy. Upon sale of the financial asset, actual gain/loss realised is recorded in the Statement of Profit and Loss and the unrealised gain/losses is recorded in OCI are recycled to the Statement of Profit and Loss.

Financial asset at fair value through profit and loss (FVTPL)

Financial asset, which does not meet the criteria for categorization at amortized cost or FVTOCI, is classified as at FVTPL. In addition, the Company may elect to classify a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Investment in equity and mutual fund

Investment in equity and mutual fund are classified as FVTPL and measured at fair value with all changes recognised in the Statement of Profit and Loss. Upon initial recognition, the Company, on an instrument-by-instrument basis, may elect to classify equity instruments other than held for trading either as FVTOCI or FVTPL. Such election is subsequently irrevocable. If FVTOCI is elected, all fair value changes on the instrument, excluding dividends, are recognized in OCI. There is no recycling of the gains or losses from OCI to the Statement of Profit and Loss, even upon sale of investment. However, the Company may transfer the cumulative gain or loss within other equity upon realisation.

Reclassifications within classes of financial assets

A change in the business model would lead to a prospective re-classification of the financial asset and accordingly the measurement principles applicable to the new classification will be applied. During the current financial year and previous accounting period there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made.

Impairment of Financial Asset

Impairment approach

The Company is required to recognise expected credit losses (ECLs) based on forward-looking information for all financial assets at amortised cost, lease receivables, debt financial assets at fair value through other comprehensive income, loan commitments and financial guarantee contracts. No impairment loss is applicable on equity investments.

At the reporting date, an allowance (or provision for loan commitments and financial guarantees) is required for the 12 month ECLs. If the credit risk has significantly increased since initial recognition (Stage 1), an allowance (or provision) should be recognised for the lifetime ECLs for financial instruments for which the credit risk has increased significantly since initial recognition (Stage 2) or which are credit impaired (Stage 3).

The measurement of ECL is calculated using three main components: (i) probability of default (PD) (ii) loss given default (LGD) and (iii) the exposure at default (EAD). The 12 month ECL is calculated by multiplying the 12 month PD, LGD and the EAD. The 12 month and lifetime PDs represent the PD occurring over the next 12 months and the remaining maturity of the instrument respectively. The EAD represents the expected balance at default, taking into account the repayment of principal and interest from the balance sheet date to the default event together with any expected drawdowns of committed facilities. The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

The Company applies a three-stage approach to measure ECL on financial assets accounted for at amortised cost and FVTOCI. Assets migrate through the following three stages based on the change in credit quality since initial recognition.

1. Stage 1: 12-months ECL

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised. Exposures with days past due (DPD) less than or equal to 29 days are classified as stage 1. The determination of 12 month ECL is based on the internal rating mapped to external Crisil rating wherever external ratings are available since there is no observed default basis internal data to determine probability of default. Where external rating are not available, such accounts are considered to be BBB rated which is the average observed rating of the portfolio. Internal rating better than BB, BB+ or BB-ve is considered as stage 1.

2. Stage 2: Lifetime ECL – not credit impaired

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognised. Exposures with DPD equal to 30 days but less than or equal to 89 days are classified as stage 2. At each reporting date, the Company assesses whether there has been a significant increase in credit risk for financial asset since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. Internal rating equal to BB, BB+ or BB-ve is considered as stage 2.

3. Stage 3: Lifetime ECL – credit impaired

Financial asset is assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For financial asset that have become credit impaired, a lifetime ECL is recognised on principal outstanding as at period end. Exposures with DPD equal to or more than 90 days are classified as stage 3. Internal rating equal to D is considered as stage 3.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. ECL is recognised on EAD as at period end. If the terms of a financial asset are renegotiated or modified due to financial difficulties of the borrower, then such asset is moved to stage 3, lifetime ECL under stage 3 on the outstanding amount is applied.

The Company assesses when a significant increase in credit risk has occurred based on quantitative and qualitative assessments. Exposures are considered to have resulted in a significant increase in credit risk and are moved to Stage 2 when:

1. Quantitative test: Accounts that are 30 calendar days or more past due move to Stage 2 automatically. Accounts that are 90 calendar days or more past due move to Stage 3 automatically.

2. Qualitative test: Accounts that meet the portfolio's 'high risk' criteria and are subject to closer credit monitoring. High risk customers may not be in arrears but either through an event or an observed behaviour exhibit credit distress.

3. Reversal in Stages: Exposures will move back to Stage 2 or Stage 1 respectively, once they no longer meet the quantitative criteria set out above. For exposures classified using the qualitative test, when they no longer meet the criteria for a significant increase in credit risk and when any cure criteria used for credit risk management are met

The definition of default for the purpose of determining ECLs has been aligned to the Reserve Bank of India definition of default, which considers indicators that the debtor is unlikely to pay and is no later than when the exposure is more than 90 days past due.

The Company continues to incrementally provide for the asset post initial recognition in Stage 3, based on its estimate of the recovery.

The measurement of all expected credit losses for financial assets held at the reporting date are based on historical experience, current conditions, reasonable and supportable forecasts. The measurement of ECL involves increased complexity and judgement, including estimation of PDs, LGD, a range of unbiased future economic scenarios, estimation of expected lives and estimation of EAD and assessing significant increases in credit risk.

Inputs, assumptions and estimation techniques used for estimating ECL:

Refer note 35A(iii)

Impairment of Trade receivables

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.

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 the asset, or the Company has neither transferred nor retained substantially all the risks and rewards 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.

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 income statement.

Presentation of ECL allowance for financial asset:

Type of Financial asset	Disclosure
Financial asset measured at amortised cost	shown separately under the head "provisions" and not as a deduction from the gross carrying amount of the assets
Financial assets measured at FVTOCI	
Loan commitments and financial guarantee contracts	shown separately under the head "provisions"

Where a financial instrument includes both a drawn and an undrawn component and the Company cannot identify the ECL on the loan commitment separately from those on the drawn component, the Company presents a combined loss allowance for both components under "provisions".

Financial liability, Equity and Compound Financial Instruments

Financial liabilities and equity

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.

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).

Initial recognition and measurement

Financial liability is recognised initially at cost of acquisition net of transaction costs and incomes that is attributable to the acquisition of the financial liability. Cost equates the fair value on acquisition. Company may irrevocably designate a financial liability that meet the amortised cost as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

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.

b) Cash, Cash equivalents and bank balances

Cash, Cash equivalents and bank balances include fixed deposits, margin money deposits, and earmarked balances with banks are carried at amortised cost. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

x. Property, plant and equipment

a. Tangible

Tangible property, plant and equipment (PPE) acquired by the Company are reported at acquisition cost less accumulated depreciation and accumulated impairment losses, if any. The acquisition cost includes any cost attributable for bringing asset to its working condition net of tax/duty credits availed, which comprises of purchase consideration, 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.

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. Intangible

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise 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 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, networking assets 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 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, while Goodwill if any is tested for impairment at each Balance Sheet date. 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 are:

Asset	**Estimated Useful Life**
Computer Equipment	Owned: 3 to 4 years
Office Equipment	Owned: 5 years
Vehicles	Owned: 4 years
Investment Property	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. 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 year, 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 costs 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 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 and intangible asset

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 property, plant and equipment 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. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the Statement of Profit and Loss.

xi. **Non-Current Assets held for sale:** Non-current assets are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

xii. Employee Benefits

Defined Employee benefits include provident fund, superannuation fund, employee state insurance scheme.

Defined contribution benefits includes gratuity fund, compensated absences, long service awards and post-employment medical benefits.

Defined contribution plans

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees’ salary (currently 12% of employees’ salary), which is recognised as an expense in the Statement of Profit and Loss in the year in which they occur. These contributions to Provident fund are administered by the Regional Provident Fund Commissioner. The Company is generally liable for annual contributions and any deficiency in interest cost compared to interest computed based on the rate of interest declared by the Central Government under the employee provident scheme, 1952 is recognised as an expense in the year in which it is determined.

The Company's contribution to superannuation fund and employee state insurance scheme are considered as defined contribution plans and are 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.

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. Re-measurement 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 immediately in OCI. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

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

The cost of short-term compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the year in which the employee renders the related service are recognised as a liability at the present value of the defined benefit 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.

Share based payment transaction

The stock options of the Parent Company are granted to employees pursuant to the Company's Stock Options Schemes, are measured at the fair value of the options at the grant date. The amount recognised as expense is based on the estimate of the number of options for which the related service and non-market and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of options that do meet the related service and non-market vesting conditions at the vesting date. For share-based options with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. The fair value of the options is treated as discount and accounted as employee compensation cost 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 an expense in respect of such grant is transferred to the general reserve within other equity, which a free reserve in nature.

xiii.Securities premium account

The Company records premium on issuance of new equity shares above par value. The issue expenses of securities which qualify as equity instruments are written off against securities premium account.

xiv. Foreign currencies 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.

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 is engaged in the business of providing loans to corporate borrowers in India in the solar, windmill & 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 the net income 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 loss) enacted or substantively enacted by the reporting date.

Current tax asset 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 recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

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 tax input 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 are recognised only when:

(i) an entity has a present obligation (legal or constructive) as a result of a past event; and

(ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

(iii) a reliable estimate can be made of the amount of the obligation

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of:

(i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and

(ii) a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are disclosed where an inflow of economic benefits is probable. 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.

Contingent assets are not recognised in the financial statements

xx. Commitments

Commitments are future liabilities for contractual obligation, classified and disclosed as follows:

a) estimated amount of contracts remaining to be executed on capital account and not provided for;

b) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

c) other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

d) commitments under Loan agreement to disburse Loans

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, provisions, 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 (including dividend distribution tax)

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 Directors. Final dividend declared, if any, is recognised in the period in which the said dividend has been approved by the Shareholders.

xxiii. Standard issued and applicable from April 1, 2019:

Ind AS 116 Leases:

The new standard has impact on accounting treatment of an asset taken on lease by the Company. The Company has to measure a right-of-use of asset similar to other non-financial asset such as property, plant and equipment and lease liability similar to other financial liability. As a consequence, the Company will recognise the depreciation of right-of-use asset and interest on the lease liability, and also classify cash repayments of the lease liability into a principal portion and an interest portion and present them in the statement of cash flows applying Ind AS 7, Statement of Cash Flows. Under Ind AS 17, for operating lease, the Company is required to recognise the lease payment as an expense on a straight-line basis unless another systematic basis is representative of the time pattern of the user's benefit.

The Company is evaluating the following list of policies, choices, exemptions and practical expedients:

Area	**policy to be adopted**
Definition of lease term:	Grandfather its previous assessment of which existing contracts are, or contain, leases on date of initial application (April 1, 2019). The definition of lease under the new standard will only be applied prospectively (including modifications to existing contracts).
Recognition exemption – short term leases:	avail exemption on short term leases on transition and subsequently
Recognition exemption – leases of low value items:	avail exemption on leases of low value items on transition and subsequently. Low value items may be considered as items with a value of less than or equal to INR 5 lacs
Transition approach:	elected to apply modified retrospective method for all leases. This means that

	- Right of use asset (ROU) would be measured as if standard had always been applied but using incremental borrowing date on April 1, 2019 - Lease liability would be measured on April 1, 2019 as the present value of the remaining lease payments and using incremental borrowing rate on April 1, 2019 - Standard would be applied on April 1, 2019 and equity adjustment (difference between the ROU asset and lease liability computed above) would be recognised on April 1, 2019 - Comparative period would not be restated - Disclosures to be made as applicable
Discount rates	elected to apply a single discount rate to a portfolio of leases with reasonably similar characteristics
Leases with a short remaining term	elected to account for leases for which the lease term ends within 12 months of date of initial application (April 1, 2019) as short-term leases
Initial direct costs	elected to exclude initial direct costs from measurement of right of use asset on date of initial application (April 1, 2019)
Use of hindsight	elected to use hindsight in estimating lease term if the contract contains options to extend or terminate the lease

xxiv. FIRST TIME ADOPTION OF IND AS (read with note 2(i)

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from April 1, 2018, with a transition date of April 1, 2017. The financial statements for the period ended March 31, 2019 are the first financial statements, the Company has prepared under Ind AS. For all periods up to and including the year ended March 31, 2018, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP').

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared financial statements which comply with Ind AS for the year ended March 31, 2018 and the opening Ind AS Balance Sheet as at April 1, 2017, the date of transition to Ind AS and also as at March 31, 2018.

In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as in Note 3. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). Note 3 explains the adjustments made by the Company in restating its financial statements prepared under previous GAAP, including the Statement of Profit and Loss account for the year ended March 31, 2018 and the Balance Sheet as at April 1, 2017 and as at March 31, 2018.

3. EXPLANATION OF TRANSITION TO IND AS

These financial statements have been prepared in accordance with Ind AS as notified by Ministry of Corporate Affairs (the "MCA") under the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 and other relevant provisions of the Act.
In accordance with the notification issued by the MCA, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2018. Previous period have been restated to Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("IGAAP") to Ind AS of Shareholders' equity as at March 31, 2018 and April 1, 2017 and of the comprehensive net income for the year ended March 31, 2018.

Reconciliations between Previous GAAP and Ind AS

(i) Equity reconciliation **(Rs. in lakh)**

Particulars	As at March 31, 2018	As at April 1, 2017
Equity as reported under IGAAP	67,011	59,107
Adjusted for Ind AS transition		
a Impairment allowance on financial asset measured at amortised cost and FVTOCI	(347)	(359)
b Impact of EIR method on financial asset at amortised cost and FVTOCI	(1,228)	(863)
c Impact of EIR method on other financial asset	(2)	-
d Unrealised net fair value gain on financial asset measured at FVTOCI	445	184
e Net fair value gain on Investment measured at FVTPL	3	1
f Net deferred tax asset on above adjustments	398	359
g Current tax adjustments	(9)	
Equity under Ind AS	**66,271**	**58,429**

(ii) Total Comprehensive income reconciliation **(Rs. in lakh)**

Particulars	For the year ended March 31, 2018
Net profit as reported under IGAAP	7,904
Add /(Less) :	
Impairment allowance on financial asset at amortised cost and FVTOCI	12
Impact of EIR method on financial asset at amortised cost and FVTOCI	(365)
Impact of EIR method on other financial asset	(2)
Net fair value gain on investment measured at FVTPL	2
Amortisation of option fair value cost for equity settled ESOP's	(22)
Remeasurement of defined benefit obligation	26
Current tax adjustment	(9)
Net deferred tax asset on above adjustments	121
Net profit under Ind AS	**7,667**
Unrealised net fair value gain on financial asset measured at FVTOCI	261
Remeasurement of defined benefit obligation	(26)
Income tax relating to items that will be reclassified to profit or loss	(91)
Income tax relating to items that will not be reclassified to profit or loss	9
Total Comprehensive Income under Ind AS	**7,820**

(iii) Reconciliation of Statement of Cash Flow

There are no material adjustments to the Statements of Cash Flows as reported under the Previous GAAP.

(iv) Exemption applied

For transition to Ind AS, the Company has elected to adopt as deemed cost, the carrying value of PPE and investment property measured as per IGAAP less accumulated depreciation and cumulative impairment on the transition date of April 1, 2017

TATA CLEANTECH CAPITAL LIMITED

3. EXPLANATION OF TRANSITION TO IND AS

Note V : Explanation to IND AS adjustments:

a. Fair valuation of investments

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and expected realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as FVOCI) have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended March 31, 2018. Retained earnings has increased by Rs. 3 lakh as at 31 March 31, 2018 (April 01, 2017 - Rs. 1 lakh). Consequent to the above, the total equity as at March 31, 2018 decreased by Rs. 3 lakh (April 01, 2017 Rs. 1 lakh) and profit and other comprehensive income for the year ended March 31, 2018 decreased by Rs. 2 lakh respectively.

b. Fair valuation of security deposits

Under IGAAP, interest free security deposit given to landlord for premises rented, is recorded as an asset. Under Ind AS, the security deposit is discounted based on the internal cost of borrowings. The difference between the present value of the security deposit and the actual value of the security deposit is recorded as prepaid rent. Interest income is recorded on the security deposit as per Ind AS 109 and correspondingly prepaid rent is amortised over the life of the security deposit as per Ind AS 17. Interest income net of rent expense recognised in the Statement of Profit and Loss for the year ended March 31, 2018 is Rs. 2 lakh.

c. Impairment allowance on Financial Instruments at Amortised cost and trade receivables

Under IGAAP, the provisioning for standard loan assets (assets with days past due (dpd) less than or equal to 89 days) is provided at 0.4% (0.35% as on March 31, 2017 for assets with dpd less than or equal to 119 days) as prescribed by RBI norms. For NPA assets (assets with dpd equal to 90 days or more as on March 31, 2018 and March 31, 2017 respectively), the minimum provisioning is made as per the RBI norms and additional provisioning is made as per management judgement and estimates. As per Ind AS 109, the company is required to apply expected credit loss model for stage 1 assets (dpd less than or equal to 29 days), stage 2 assets (dpd equal to 30 days and less than 89 days) and stage 3 assets (dpd equal to 90 days or more) based on assessment of level of credit risk and recognise the impairment allowance on loans. Under IGAAP, the provisioning for trade receivables is made based on the assessment of the recovery from the receivables based on management judgement and estimates. Under Ind AS 109, based on the past trend of the write off's against the receivables, a provision is made at a rate of average write off's over the past years as compared to the revenue recognised. Such provision is in addition to provision made based on actual expected losses under IGAAP. As a result, the impairment allowance increased by Rs. 347 lakh as at March 31, 2018 (April 01, 2017 Rs. 359 lakh). Consequently, the total equity as at March 31, 2018 decreased by Rs. 347 lakh (April 01, 2017 Rs. 359 lakh) and profit for the year ended March 31, 2018 increased by Rs. 12 lakh.

d. Remeasurement of defined benefit obligation

Gain/Loss on remeasurement of defined benefit obligation is recognised as part of the gratuity cost in the Statement of Profit and Loss under IGAAP. Under Ind AS, such gain/loss is recognised under other comprehensive income statement along with consequent current tax charge. Employee cost recorded in the Statement of Profit and Loss has increased by Rs. 26 lakh for the period ended as at 31 March 31, 2018 and corresponding other comprehensive income has increased by Rs. 26 lakh.

e. Investment property

Under the previous GAAP, there was no concept of investment properties. Under Ind AS, investment properties are required to be separately presented on the face of the balance sheet. There is no impact on the total equity or profit as a result of this adjustment.

f. Employee share based payment adjustments

The grant date fair value of equity settled share-based payment options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the options. The amount recognised as expense is based on the estimate of the number of options for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of options that do meet the related service and non-market vesting conditions at the vesting date. Employee cost recorded in the Statement of Profit and Loss has increased by Rs. 22 lakh for the period ended as at 31 March 31, 2018 and a corresponding ESOP outstanding reserve is created of Rs. 22 lakh.

g. Interest as per effective interest rate on financial assets measured at amortised cost

Under IGAAP, processing fees is booked upfront and amortised over the contractual tenure. Under Ind AS, such income is amortised over the behavioural tenure. As a result, the interest income decreased by Rs. 1,228 lakh as at March 31, 2018 (April 01, 2017 Rs. 863 lakh). Consequently, the total equity as at March 31, 2018 decreased by Rs. 1,228 lakh (April 01, 2017 Rs. 863 lakh) and profit for the year ended March 31, 2018 decreased by Rs. 365 lakh.

h. Other Comprehensive Income

Gain/Loss on remeasurement of defined benefit obligation is recognised as part of the gratuity cost in the Statement of Profit and Loss under IGAAP. Under Ind AS, such gain/loss is recognised under other comprehensive income statement along with consequent current tax charge. Employee cost recorded in the Statement of Profit and Loss has increased by Rs. 26 lakh for the period ended as at 31 March 31, 2018 and corresponding other comprehensive income has increased by Rs. 26 lakh. Accordingly the current tax has decreased in the statement of profit and loss account by Rs. 9 lakh and increased in the statement of other comprehensive income by Rs. 9 lakh.

i. Unrealised net fair value gain on financial asset measured at FVTOCI

Financial assets that are held within a business model whose objective is both to collect the contractual cash flows and to sell the assets, ("Contractual cash flows of Asset collected through hold and sell model") and that have contractual cash flows that are SPPI, are measured at FVTOCI. As a result net financial asset are increased by Rs. 445 Lakh as at March 31, 2018 (April 1, 2017 Rs. 184 Lakh) and corresponding increase in other equity by Rs. 445 Lakh as at March 31, 2018 (April 1, 2017 Rs. 184 Lakh). Accordingly other comprehensive income has increased by Rs.261 Lakh for the period ended March 31, 2018.

j. Tax effects of adjustments

Deferred tax asset/liability have been recognised on the adjustments made on transition to Ind AS. Deferred tax asset has increased by Rs. 398 lakh as at 31 March 31, 2018 (April 01, 2017 - Rs. 359 lakh). Consequent to the above, the total equity as at March 31, 2018 increased by Rs. 398 lakh (April 01, 2017 Rs. 359 lakh) and profit and other comprehensive income for the year ended March 31, 2018 increased by Rs. 121 lakh and decreased by Rs.82 lakh respectively.

A. Reconciliation of Balance Sheet as at March 31, 2018

(Rs. in lakh)

PARTICULARS	Note	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
ASSETS				
(1) Financial assets				
(a) Cash and cash equivalents		711	-	711
(b) Receivables			-	-
(i) Trade receivables		23	-	23
(c) Loans	3(v)(c, i)	308,798	100	308,898
(d) Investments	3(v)(a)	38	3	41
(e) Other financial assets	3(v)(b)	360	(94)	266
Total financial assets		**309,930**	**9**	**309,939**
(2) Non-financial assets				
(a) Current tax assets (net)		231	-	231
(b) Deferred tax assets (Net)	3(v)(k)	448	389	837
(c) Investment Property		246	-	246
(d) Property, plant and equipment		29	-	29
(e) Other non-financial assets	3(v)(b)	52	93	145
Total non-financial assets		**1,006**	**482**	**1,488**
Total Assets		**310,936**	**491**	**311,427**
LIABILITIES AND EQUITY				
LIABILITIES				
(1) Financial liabilities				
(a) Derivative financial instruments		-	-	-
(b) Payables			-	-
(i) Trade payables		282	-	285
(c) Debt Securities		82,746	-	82,746
(d) Borrowings (Other than debt securities)		154,263	-	154,263
(e) Other financial liabilities		5,193	-	5,193
Total financial liabilities		**242,484**	**-**	**242,487**
(2) Non-Financial liabilities				
(a) Current tax liabilities (Net)		-	-	-
(b) Provisions	3(v)(i)	1,323	181	1,504
(c) Other non-financial liabilities	3(v)(g,i)	118	1,047	1,165
Total non-financial liabilities		**1,441**	**1,228**	**2,669**
(3) Equity				
(a) Share capital		35,576	-	35,576
(b) Other equity	3(v)	31,435	(740)	30,695
Total Equity		**67,011**	**(740)**	**66,271**
Total Liabilities and Equity		**310,936**	**488**	**311,427**
		-		-

B. Reconciliation of Balance Sheet as at April 1, 2017

(Rs. in lakh)

PARTICULARS	Note	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
ASSETS				
(1) Financial assets				
(a) Cash and cash equivalents		1,434	-	1,434
(b) Receivables			-	-
(i) Trade receivables		7	-	7
(c) Loans	3(v)(c, i)	199,885	31	199,916
(d) Investments	3(v)(a)	34	1	35
(e) Other financial assets	3(v)(b)	5	-	5
Total financial assets		**201,365**	**32**	**201,397**
(2) Non-financial assets				
(a) Current tax assets (net)		146	-	146
(b) Deferred tax assets (Net)	3(v)(k)	268	357	625
(c) Investment Property		257	-	257
(d) Property, plant and equipment		25	-	25
(e) Other non-financial assets	3(v)(b)	42	-	42
Total non-financial assets		**738**	**357**	**1,095**
Total Assets		**202,103**	**389**	**202,492**
LIABILITIES AND EQUITY				
LIABILITIES				
(1) Financial liabilities				
(a) Derivative financial instruments		-	-	-
(b) Payables		-	-	-
(i) Trade payables		335	-	335
(c) Debt Securities		42,472	-	42,472
(d) Borrowings (Other than debt securities)		95,970	-	95,970
(e) Other financial liabilities		3,352	-	3,352
Total financial liabilities		**142,129**	**-**	**142,129**
(2) Non-Financial liabilities				
(a) Current tax liabilities (Net)		23	-	23
(b) Provisions	3(v)(i)	783	297	1,080
(c) Other non-financial liabilities	3(v)(g,i)	61	770	831
Total non-financial liabilities		**867**	**1,067**	**1,934**
(3) Equity				
(a) Share capital		35,576	-	35,576
(b) Other equity	3(v)	23,531	(678)	22,853
Total Equity		**59,107**	**(678)**	**58,429**
Total Liabilities and Equity		**202,103**	**389**	**202,492**

C. Reconciliation of profit or loss for the year ended March 31, 2018

(Rs. in lakh)

PARTICULARS			Note	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
I		**Revenue from operations**				
	(i)	Interest Income	3(v)(b, c, i)	26,386	(356)	26,030
	(ii)	Fees and commission Income		1,149	-	1,149
	(iii)	Net gain on fair value changes	3(v)(a)	8	2	10
II		**Other income (to be specified)**		21	-	21
III		**Total Income (I+II)**		**27,564**	**(354)**	**27,210**
IV		**Expenses**				
		Finance costs		13,272	-	13,272
		Fees and commission expense		-	-	-
		Impairment on financial instruments	3(v)(c, i)	532	(12)	520
		Employee benefit expenses	3(v)(d,f)	1,623	(4)	1,619
		Depreciation and amortisation and impairment		24	-	24
		Other expenses	3(v)(c)	869	11	880
		Total expenses (IV)		**16,320**	**(5)**	**16,315**
V		**Profit before exceptional items and tax (III-IV)**		**11,244**	**(349)**	**10,895**
VI		**Exceptional Items**				
VII		**Profit before tax (V-VI)**		**11,244**	**(349)**	**10,895**
VIII		**Tax expense**				
		(1) Current tax	3(v)(j)	3,521	9	3,530
		(2) Deferred tax	3(v)(j)	(181)	(121)	(302)
		Net tax expense		**3,340**	**(112)**	**3,228**
IX		**Profit from continuing operations (VII-VIII)**		**7,904**	**(237)**	**7,667**
X		Profit from discontinued operations before tax		-	-	-
XI		Tax expense of discontinued operations		-	-	-
XII		**Profit from discontinued operations (after tax) (X-XI)**		-	-	-
VII		**Profit for the year (V+VI)**		**7,904**	**(237)**	**7,667**
VIII		**Other Comprehensive Income**				
		(i) Items that will be reclassified subsequently to statement of profit and loss				
		(b) Changes in fair values of investment in equities carried at fair value through OCI	3(v)(i)	-	261	261
		(b) Income tax relating to items that will be reclassified to profit or loss	3(v)(j)	-	(91)	(91)
		(ii) Items that will not be reclassified subsequently to statement of profit and loss				
		(a) Remeasurement of defined employee benefit plans	3(v)(h)	-	(26)	(26)
		(b) Income tax relating to items that will not be reclassified to profit or loss	3(v)(h)	-	9	9
		Total Other Comprehensive Income/(Losses) (VIII)		**-**	**153**	**153**
XI		**Total Comprehensive Income for the year (VII+VIII)(Comprising Profit and Other Comprehensive Income for the year)**		**7,904**	**(84)**	**7,820**

TATA CLEANTECH CAPITAL LIMITED

4 CASH AND CASH EQUIVALENTS

(Rs. in lakh)

PARTICULARS	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(a) Cash on hand	-	-	-
(b) Balances with banks in current accounts	16,784	711	1,434
(c) Cheques on hand	-	-	-
(d) Balances with banks in deposits accounts	15,008	-	-
Total	**31,792**	**711**	**1,434**

Note:

4.1 Of the above, the balance that meet the definition of Cash and Cash Equivalents as per Ind AS 7 Cash Flow Statement is Rs. 31,792 lakh (March 31, 2018 : Rs.711 lakh and April 1, 2017 : Rs : 1,434 lakh)

4.2 Balances with banks in deposits accounts are less than three months.

5 TRADE RECEIVABLES

(Rs. in lakh)

PARTICULARS	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(i) Receivables considered good - Secured	-	-	-
(ii) Receivables considered good - Unsecured	34	23	7
(iii) Receivables which have significant increase in Credit Risk	-	-	-
(iv) Receivables - credit impaired	-	-	-
	34	**23**	**7**
Less: Allowance for impairment loss	-	-	-
Total	**34**	**23**	**7**

TATA CLEANTECH CAPITAL LIMITED

6 LOANS

(Rs. in lakh)

PARTICULARS	As at March 31, 2019			As at March 31, 2018			As at April 1, 2017		
	Amortised Cost	At fair Value Through Other Comprehensive Income	Total	Amortised Cost	At fair Value Through Other Comprehensive Income	Total	Amortised Cost	At fair Value Through Other Comprehensive Income	Total
LOANS									
(A)									
(i) Bills Purchased and Bills discounted	-	-	-	-	-	-	970	-	970
(ii) Loans repayable on Demand	-	-	-	-	-	-	-	-	-
(iii) Term Loans	413,976	60,930	474,906	267,220	33,121	300,341	174,044	16,390	190,434
(iv) Credit Substitutes	16,074	-	16,074	8,557	-	8,557	8,512	-	8,512
(v) Leasing and hire purchase	-	-	-	-	-	-	-	-	-
(vi) Factoring	-	-	-	-	-	-	-	-	-
(vii) Retained portion of assigned loans	-	-	-	-	-	-	-	-	-
(viii) Inter - Company Deposits to related parties	-	-	-	-	-	-	-	-	-
(ix) Loan to TCL Employee Welfare Trust	-	-	-	-	-	-	-	-	-
Total (A) - Gross	**430,050**	**60,930**	**490,980**	**275,777**	**33,121**	**308,898**	**183,526**	**16,390**	**199,916**
(B)									
(i) Secured by tangible assets	430,050	60,930	490,980	275,777	33,121	308,898	182,556	16,390	198,946
(ii) Secured by intangible assets	-	-	-	-	-	-	-	-	-
(iii) Covered by Bank / Government Guarantees	-	-	-	-	-	-	-	-	-
(iv) Unsecured	-	-	-	-	-	-	970	-	970
Total (B) - Gross	**430,050**	**60,930**	**490,980**	**275,777**	**33,121**	**308,898**	**183,526**	**16,390**	**199,916**
(C)									
Loans in India									
(i) Public Sector	7,463	-	7,463	-	-	-	-	-	-
(ii) Others	422,587	60,930	483,517	275,777	33,121	308,898	183,526	16,390	199,916
Total (C) - Gross	**430,050**	**60,930**	**490,980**	**275,777**	**33,121**	**308,898**	**183,526**	**16,390**	**199,916**

6 LOANS

(Rs. in lakh)

PARTICULARS	As at March 31, 2019			As at March 31, 2018			As at April 1, 2017		
	Amortised Cost	At fair Value Through Other Comprehensive Income	Total	Amortised Cost	At fair Value Through Other Comprehensive Income	Total	Amortised Cost	At fair Value Through Other Comprehensive Income	Total
(D)									
Loans Stage wise									
(i) Secured	429,438	60,930	490,368	274,996	33,121	308,117	182,591	16,390	198,981
(ii) Unsecured	-	-	-	-	-	-	-	-	-
(iii) Significant increase in Credit Risk	612	-	612	781	-	781	935	-	935
(iv) Credit Impaired	-	-	-	-	-	-	-	-	-
Total (D) - Gross	**430,050**	**60,930**	**490,980**	**275,777**	**33,121**	**308,898**	**183,526**	**16,390**	**199,916**

Note

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 **Scrip-wise details of Credit Substitutes:**

PARTICULARS	Face value Per Unit Rs	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
		No. of Units	At Amortised Cost	No. of Units	At Amortised Cost	No. of Units	At Amortised Cost
Secured Quoted :							
Investment in Debentures (Trade)							
11.50% Zuka Power Private Ltd	100,000	8,500	8,601	8,500	8,557	8,500	8,512
11.15 U. P. Power Corporation Ltd.	1,000,000	750	7,473	-	-	-	-
(Inclusive of accrued interest)							
Total	**1,100,000**	**9,250**	**16,074**	**8,500**	**8,557**	**8,500**	**8,512**

6.3 For disclosure of Net Carrying Value of Loans carried at amotised cost & FVTOCI refer note 35 A(i)(4)

TATA CLEANTECH CAPITAL LIMITED

7 INVESTMENTS

(Rs. in lakh)

PARTICULARS	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Investents in India			
Investments carried at fair value through profit or loss			
Mutual Fund (Unquoted)	60	41	35
- Tata Money Market Fund (in lieu of leave encashment)			
TOTAL	**60**	**41**	**35**

8 OTHER FINANCIAL ASSETS

(Rs. in lakh)

PARTICULARS		As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(a)	Security deposits	249	231	1
(b)	Advances to employees	34	24	-
(c)	Advances recoverable in cash or kind from related parties	3	11	4
(d)	Other receivables	6	-	-
Total		**292**	**266**	**5**

9. (i) INCOME TAXES

A The income tax expense consist of the following:

(Rs. in lakh)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Current tax:		
Current tax expense for the year	4,248	3,530
Current tax expense / (benefit) pertaining to prior years	-	-
	4,248	**3,530**
Deferred tax benefit		
Origination and reversal of temporary differences	(721)	(302)
Change in tax rates	(8)	-
	(729)	**(302)**
Total income tax expense recognised in the year	**3,519**	**3,228**

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:

(Rs. in lakh)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
Profit before income taxes	13,737	10,895
Indian statutory income tax rate	29.120%	34.608%
Expected income tax expense	4,000	3,771
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Income exempt from tax	-	-
Non deductible expenses	29	22
Tax incentives	(382)	(565)
Tax on income at different rates	-	-
Impact of change in the expected tax rates on temporary differences	(120)	
Change in tax rates	(8)	-
Total income tax expense	**3,519**	**3,228**

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

(Rs. in lakh)

PARTICULARS	As at March 31, 2019			As at March 31, 2018		
	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)	(28)	8	(20)	(26)	9	(17)
Items that are or may be reclassified subsequently to profit or loss						
Net amount transferred to profit or loss	111	(39)	72	261	(91)	170
Total Amounts recognised in OCI	**83**	**(31)**	**52**	**235**	**(82)**	**153**

9. (ii) DEFERRED TAX ASSET

The major components of deferred tax assets and liabilities for the year ended March 31, 2019 are as follows:

(Rs. in lakh)

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 I & II	542	285	-	-	827
(b) Employee benefits	14	9	-	-	23
(c) Deferred income	393	513	-	-	906
(d) Depreciation on property, plant and equipment	4	1	-	-	5
Deferred Tax Liabilities :-					
(a) Debenture issue expenses	(14)	(77)	-	-	(91)
(b) Investment measured at fair value	(1)	(1)	-	-	(2)
(c) Loans measured at FVTOCI	(101)	(1)	(39)		(141)
Net Deferred Tax Asset	**837**	**729**	**(39)**	**-**	**1,527**

The major components of deferred tax assets and liabilities for the year ended March 31, 2018 are as follows:

(Rs. in lakh)

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 I & II	362	180	-	-	542
(b) Employee benefits	12	2	-	-	14
(c) Deferred income	266	127	-	-	393
(d) Depreciation on property, plant and equipment	3	1	-	-	4
Deferred Tax Liabilities :-					
(a) Debenture issue expenses	(7)	(7)	-	-	(14)
(b) Investment measured at fair value*	0	(1)	-	-	(1)
(c) Loans measured at FVTOCI	(11)			(90)	(101)
Net Deferred Tax Asset	**625**	**302**	**-**	**(90)**	**837**

The major components of deferred tax assets and liabilities as on April 1, 2017 are as follows:

(Rs. in lakh)

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 I & II	259	-	124	(21)	362
(b) Employee benefits	12	-	-	-	12
(c) Deferred income	-	-	298	(32)	266
(d) Depreciation on property, plant and equipment	3	-	-	-	3
Deferred Tax Liabilities :-					
(a) Debenture issue expenses	(7)	-	-	-	(7)
(b) Investment measured at fair value*	-	0	-	-	-
(c) Loans measured at FVTOCI	-	-	(11.00)	-	(11)
Net Deferred Tax Asset	**267**	**-**	**411**	**(53)**	**625**

Gross deferred tax assets and liabilities are as follows:

(Rs. in lakh)

Particulars	**As at March 31, 2019**	**As at March 31, 2018**	**As at April 1, 2017**
Deferred Tax Assets :-			
(a) Impairment loss allowance - Stage I & II	827	542	362
(b) Employee benefits	23	14	12
(c) Deferred income	906	393	266
Deferred Tax Liabilities :-			
(a) Debenture issue expenses	(91)	(14)	(7)
(b) Depreciation on property, plant and equipment	5	4	3
(b) Investment measured at fair value*	(2)	(1)	0
(c) Loans measured at FVTOCI	(141)	(101)	(11)
Net Deferred Tax Asset	**1,527**	**837**	**625**

* amount less than Rs 50,000

10. PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY

(Rs. in lakh)

Particulars	Gross Block					Accumulated depreciation				Net Carrying Value
	Opening balance as at April 01, 2018	**Additions / Adjustments**	**Deletions**	**Written off during the year**	**Closing balance as at March 31, 2019**	**Opening balance as at April 01, 2018**	**Depreciation/ Amortisation for the year**	**Deletions / Adjustments**	**Closing balance as at March 31, 2019**	**As at March 31, 2019**
INVESTMENT PROPERTY #	257	-	-	-	257	11	11	-	22	235
	257	-	-	-	*257*	-	*11*	-	*11*	*246*
PROPERTY, PLANT AND EQUIPMENT										
Vehicles	36	-	12	-	24	11	9	5	15	9
	23	*15*	*2*	-	*36*	-	*12*	*1*	*11*	*25*
Furniture and Fixture	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Computer Equipment	3	13	-	-	16	1	2	-	3	13
	1	*2*	-	-	*3*	-	*1*	-	*1*	*2*
Office Equipment *	2	0	-	-	2	-	1	-	1	1
	1	*1*	-	-	*2*	-	*0*	-	*0*	*2*
Total	**298**	**13**	**12**	**-**	**299**	**23**	**23**	**5**	**41**	**258**
Previous financial year	***282***	***18***	***2***	-	***298***	-	***24***	***1***	***23***	***275***
Capital work-in-progress										

Figures in italics relate to March 31, 2018

* Amount less than Rs. 50,000/-

Fair value of investment property as on March 31, 2019 Rs. 207 lakh. Pursuant to the Ind AS transition, the Company has carried out valuation of Investment property as at March 31, 2019 and same is applicable to March 31, 2018 and April 01, 2017. The fair value of the property is assessed based on the market rate for a similar property in the locality.

TATA CLEANTECH CAPITAL LIMITED

11 OTHER NON-FINANCIAL ASSETS (UNSECURED - CONSIDERED GOOD)

(Rs. in lakh)

PARTICULARS	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(a) Gratuity assets (Net)	-	16	20
(b) Balances with government authorities	17	22	4
(c) Prepaid expenses	95	107	18
Total	**112**	**145**	**42**

12 TRADE PAYABLES

(Rs. in lakh)

PARTICULARS	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(a) Others			
(i) Accrued expenses	421	282	317
(ii) Payable to related parties	-	-	16
(iii) Payable to vendors	2	3	2
TOTAL	**423**	**285**	**335**

Note - 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 :

(a) Total outstanding dues of micro enterprises and small enterprises (Rs. in lakh)

PARTICULARS	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(a) Amounts outstanding but not due as at year end	-	-	-
(b) Amounts due but unpaid as at year end	-	-	-
(c) Amounts paid after appointed date during the year	-	-	-
(d) Amount of interest accrued and unpaid as at year end	-	-	-
(e) The amount of further interest due and payable even in the succeeding year	-	-	-
Total	**-**	**-**	**-**

13 DEBT SECURITIES

(Rs. in lakh)

PARTICULARS	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
At amortised cost			
Debentures			
Secured - in India			
Privately Placed Non-Convertible Debentures (Refer note 13.1 below)	78,550	82,746	42,472
TOTAL	**78,550**	**82,746**	**42,472**

Notes

13.1 Privately Placed Non-Convertible Debentures are secured by pari passu charge on the specific immovable property, specified receivables arising out of loan, lease, hire purchase transactions and to the extent of shortfall in asset cover by a pari passu charge on the current assets of the Company.

13.2 No default has been made in repayment of borrowings and interest for the year ended March 31, 2019

13.3 Particulars of Privately Placed Secured Non-Convertible Debentures ("NCDs") outstanding as on :

Description of NCDs	Issue Date	Redemption Date	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
			Number of NCDs	Rs. in lakh	Number of NCDs	Rs. in lakh	Number of NCDs	Rs. in lakh
TCCL NCD 'C' FY 2017-18	02-Jun-17	03-Jun-24	100	1,000	100	1,000	-	-
TCCL NCD 'B' FY 2018-19	18-Dec-18	18-Dec-23	1,800	18,000	-	-	-	-
TCCL NCD 'B' FY 2016-17	17-Oct-16	15-Oct-21	150	1,500	150	1,500	150	1,500
TCCL NCD 'F' FY 2015-16	19-Oct-15	19-Oct-20	200	2,000	200	2,000	200	2,000
TCCL NCD 'E' FY 2015-16	04-Sep-15	04-Sep-20	200	2,000	200	2,000	200	2,000
TCCL NCD 'A' FY 2018-19	24-Aug-18	24-Aug-20	750	7,500	-	-	-	-
TCCL NCD 'F' FY 2017-18	28-Jul-17	03-Aug-20	2,000	20,000	2,000	20,000	-	-
TCCL NCD 'C' FY 2015-16	20-Jul-15	20-Jul-20	200	2,000	200	2,000	200	2,000
TCCL NCD 'D' FY 2017-18	07-Jun-17	05-Jun-20	250	2,500	250	2,500	-	-
TCCL NCD 'A' FY 2017-18	15-May-17	15-May-20	200	2,000	200	2,000	-	-
TCCL NCD 'B' FY 2017-18	17-May-17	15-May-20	500	5,000	500	5,000	-	-
TCCL NCD 'G' FY 2017-18	08-Aug-17	08-Aug-19	500	5,000	500	5,000	-	-
TCCL NCD 'G' FY 2017-18	11-Sep-17	08-Aug-19	277	2,772	277	2,776	-	-
TCCL NCD 'E' FY 2017-18	26-Jul-17	26-Jul-19	500	5,000	500	5,000	-	-
TCCL NCD 'A' FY 2016-17	14-Jun-16	14-Jun-19	250	2,500	250	2,500	250	2,500
TCCL NCD 'H' FY 2017-18	09-Nov-17	20-Mar-19	-	-	1,350	13,500	-	-
TCCL NCD 'D' FY 2015-16 Option II	03-Aug-15	03-Aug-18	-	-	500	5,000	500	5,000
TCCL NCD 'B' FY 2015-16 Option II	20-May-15	18-May-18	-	-	600	6,000	600	6,000
TCCL NCD 'A' FY 2015-16	22-Apr-15	20-Apr-18	-	-	500	5,000	500	5,000
TCCL NCD 'G' FY 2015-16	06-Nov-15	06-Nov-17	-	-	-	-	250	2,500
TCCL NCD 'D' FY 2015-16 Option I	03-Aug-15	03-Aug-17	-	-	-	-	500	5,000
TCCL NCD 'B' FY 2015-16 Option I	20-May-15	17-May-17	-	-	-	-	900	9,000
TOTAL				**78,772**		**82,776**		**42,500**

Note : Coupon rate of "NCDs" outstanding as on March 31, 2019 varies from 7.70% to 9.00% (Previous Year as on March 31, 2018 : 7.61% to 9.15% and April 01, 2017 : 8.10% to 9.15%)

14 BORROWINGS (OTHER THAN DEBT SECURITIES)

(Rs. in lakh)

PARTICULARS	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
At amortised cost			
(a) Term loans			
Secured - in India			
From Banks (Refer note 14.1 and 14.3 below)	101,662	45,147	14,831
From Others (Refer note 14.1 and 14.3 below)	64,443	40,000	20,000
(b) Loans repayable on demand			
Secured - in India			
(i) Working capital demand loan (Refer note 14.1 and 14.4 below)	71,900	12,400	-
(ii) Bank Overdraft (Refer note 14.1 below)	18,326	9,998	23,139
Unsecured - in India			
Working capital demand loan (Refer note 14.4 below)	5,000	5,000	-
(c) Other loans			
Unsecured - in India			
(i) Commercial paper (Refer note 14.5 below) [Net of unamortised discount of Rs.1,135 lakh (March 31, 2018 : Rs. 982 lakh and April 01, 2017 : Rs. 727 lakh)]	48,865	35,518	31,773
(ii) Inter corporate deposits'- From others (Refer note 14.6 below)	7,200	6,200	3,500
(d) Inter corporate deposits from related parties - in India (Refer note 14.6 below)	32,200	-	2,727
TOTAL	**349,596**	**154,263**	**95,970**

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, 2019.

14.3 Rate of interest payable on loans from banks and others varies between 5.68% to 9.15% (Previous Year March 31, 2018 : 7.85 % to 8.35% and April 01, 2017 : 8.15 % to 9.70%.)

14.4 Rate of interest payable on Working Capital Demand Loan varies between 8.25% to 8.75% (Previous Year as on March 31, 2018 : 7.60 % to 8.10% and April 01, 2017 : 7.95 % to 8.70%.)

14.5 Discount on commercial paper varies between 7.92% to 8.90% (Previous year March 31, 2018 : 7.32 % to 8.25% and April 01, 2017 : 6.66% to 8.61%)

14.6 Rate of interest payable on Inter-corporate deposits varies between 8.05 % to 8.84 % (Previous Year March 31, 2018 : 7.25 % to 8.87% and April 01, 2017 :8.61 % to 8.87%.)

15 OTHER FINANCIAL LIABILITIES

-

PARTICULARS	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(a) Interest accrued but not due on borrowings	4,240	4,750	3,059
(b) Accrued employee benefit expense	679	443	293
TOTAL	**4,919**	**5,193**	**3,352**

16 PROVISIONS

(Rs. in lakh)

PARTICULARS	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(a) Provision for compensated absences	66	39	32
(b) Provision for gratuity	27	-	-
(c) Provision for long-term service award	3	4	3
(d) Impairment loss allowance (Stage I & II)	2,156	1,461	1,045
TOTAL	**2,252**	**1,504**	**1,080**

17 OTHER NON-FINANCIAL LIABILITIES

(Rs. in lakh)

PARTICULARS	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(a) Statutory dues	268	118	60
(b) Revenue received in advance	3,036	1,047	771
TOTAL	**3,304**	**1,165**	**831**

18 SHARE CAPITAL

(Rs. in lakh)

PARTICULARS	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
AUTHORISED			
500,000,000 (as at March 31, 2018 : 500,000,000 shares and as at April 01, 2017 : 500,000,000 shares) Equity shares of Rs.10 each	50,000	50,000	50,000
	50,000	50,000	50,000
ISSUED, SUBSCRIBED & PAID UP			
388,015,639 (as at March 31, 2018 : 355,757,575 shares and April 1, 2017 : 355,757,575 shares) Equity shares of Rs.10 each fully paid up	38,802	35,576	35,576
TOTAL	**38,802**	**35,576**	**35,576**

18. a Reconciliation of number of shares outstanding

PARTICULARS	No. of Shares	Rs. in lakh
Opening balance as on April 01, 2017	**355,757,575**	**35,576**
Additions during the year	-	-
Closing balance as on March 31, 2018	**355,757,575**	**35,576**
Additions during the year	32,258,064	3,226
Closing balance as on March 31, 2019	**388,015,639**	**38,802**

18. b 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.

During the year, the Company has issued 32,258,064 Equity Shares (Previous year March 31, 2018 Nil and April 01, 2017 Nil)

18. c Investment by Tata Capital Limited (Holding Company) and International Finance Corporation

Name of Company	No. of Equity shares	Rs. in lakh
Tata Capital Limited		
Opening Balance as on April 1, 2017	286,384,848	28,639
Closing Balance as on March 31, 2018	286,384,848	28,639
Closing Balance as on March 31, 2019	312,352,590	31,236
International Finance Corporation		
Opening Balance as on April 1, 2017	69,372,727	6,937
Closing Balance as on March 31, 2018	69,372,727	6,937
Closing Balance as on March 31, 2019	75,663,049	7,566

18. d List of Shareholders holding more than 5% Equity shares

Name of Shareholder	No. of Shares held	% of Holding
Tata Capital Limited (Including shares held jointly with nominees)		
Opening Balance as on April 1, 2017	286,384,848	80.50%
Closing Balance as on March 31, 2018	286,384,848	80.50%
Closing Balance as on March 31, 2019	312,352,590	80.50%
International Finance Corporation		
Opening Balance as on April 1, 2017	69,372,727	19.50%
Closing Balance as on March 31, 2018	69,372,727	19.50%
Closing Balance as on March 31, 2019	75,663,049	19.50%

18. e There are no shares in the preceding 5 years allotted as fully paid up without payment being received in cash / bonus shares / bought back.

18. f There are no shares reserved for issue under options and contracts/commitments for the sale of shares or disinvestment.

19. OTHER EQUITY

(Rs. in lakh)

PARTICULARS	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(a) Securities Premium Account	22,029	15,265	15,265
(b) Special Reserve Account u/s 45-IC of Reserve Bank of India Act, 1934	5,279	3,235	1,654
(c) Special Reserve Account u/s 36(1)(viii) of Income tax Act, 1961	5,105	3,591	1,930
(d) Surplus in Statement of Profit and Loss	14,905	8,245	3,820
(e) Other Comprehensive Income	389	337	184
(f) Share options outstanding account	34	19	-
(g) General Reserve	**15**	3	-
Total	**47,756**	**30,695**	**22,853**

19.1. Nature and Purpose of Reserves as per Para 79 of Ind AS 1

Sr. No.	Particulars	Nature and purpose of Reserves
1	Securities Premium Account	Premium received upon issuance of equity shares
2	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
3	Surplus in profit and loss account	Created out of accretion of profits
4	Share Options Outstanding Account	Created upon grant of options to employees
5	Other Comprehensive Income	Created on account of items measured through other comprehensive income
6	General Reserve	Created upon completion of the vesting period of employees stock option or upon forfeiture of options granted

20 INTEREST INCOME

(Rs. in lakh)

PARTICULARS	For the year ended March 31, 2019			For the year ended March 31, 2018		
	On Financial Assets measured at Amortised Cost	On Financial Assets measured at fair value through OCI	Total	On Financial Assets measured at Amortised Cost	On Financial Assets measured at fair value through OCI	Total
(a) Interest on Loans	38,362	3,675	42,037	23,559	2,471	26,030
(b) Interest income on deposits with banks	8	-	8	-	-	-
TOTAL	**38,370**	**3,675**	**42,045**	**23,559**	**2,471**	**26,030**

21. NET GAIN / (LOSS) ON FAIR VALUE CHANGES

(Rs. in lakh)

PARTICULARS		For the year ended March 31, 2019	For the year ended March 31, 2018
(A)	Net Gain / (loss) on financial instruments at fair value through profit or loss		
(i)	On trading portfolio	-	-
	- Investments	-	-
	- Derivatives	-	-
	- Others	-	-
(ii)	On financial instruments designated at fair value through profit or loss	-	-
(B)	Others	78	10
(C)	Total Net gain/(loss) on fair value changes	**78**	**10**
(D)	Fair value changes :		
	-Realised	75	8
	-Unrealised	3	2
	Total Net gain/(loss) on fair value changes	**78**	**10**

22 OTHER INCOME

(Rs. in lakh)

PARTICULARS		For the year ended March 31, 2019	For the year ended March 31, 2018
(a)	Interest on Income Tax refund	20	-
(b)	Guest house recovery	18	21
TOTAL		**38**	**21**

23 FINANCE COST

(Rs. in lakh)

PARTICULARS		For the year ended March 31, 2019	For the year ended March 31, 2018
At amortised cost			
(a)	Interest on borrowings	14,228	5,421
(b)	Interest on debt securities	6,407	5,545
(c)	Discounting charges on Commercial paper	4,218	2,306
TOTAL		**24,853**	**13,272**

24. Impairment on financial instruments

(Rs. in lakh)

PARTICULARS	For the Year Ended March 31, 2019			For the Year Ended March 31, 2018		
	On Financial Assets measured at Amortised Cost	On Financial Assets measured at fair value through OCI	Total	On Financial Assets measured at Amortised Cost	On Financial Assets measured at fair value through OCI	Total
(a) Impairment loss allowance on loans (Stage I & II)	695	103	798	417	103	520
Total	**695**	**103**	**798**	**417**	**103**	**520**

25 EMPLOYEE BENEFIT EXPENSES

(Rs. in lakh)

PARTICULARS		For the year ended March 31, 2019	For the year ended March 31, 2018
(a)	Salaries, wages and bonus	1,888	1,513
(b)	Contribution to provident and other funds	73	55
(c)	Staff welfare expenses	54	12
(d)	Expenses related to post-employment defined benefit plans	21	17
(e)	Share based payments to employees	26	22
TOTAL		**2,062**	**1,619**

The Supreme Court of India in its judgement in the case of THE REGIONAL PROVIDENT FUND COMMISSIONER (II) WEST BENGAL v/s VIVEKANANDA VIDYAMANDIR AND OTHERS on February 28, 2019 has clarified that any emolument paid universally, necessarily and ordinarily to all employees across the board is to be considered as basic wage and accordingly needs to be considered for calculation of Provident Fund contribution. The Company has made an estimate of the liability, the Company has made a provision Rs 3.3 lakh as at March 31, 2019. The Company would record any further effect in its financial statements, in the period in which it receives additional clarity on the said subject.

26 OTHER OPERATING EXPENSES

(Rs. in lakh)

PARTICULARS		For the year ended March 31, 2019	For the year ended March 31, 2018
(a)	Advertisements and publicity	4	10
(b)	Brand equity and business promotion	122	75
(c)	Audit fees	12	14
(d)	Corporate social responsibility expenses	150	80
(e)	Directors Remuneration	45	40
(f)	Insurance charges	21	19
(g)	Information technology expenses	177	148
(h)	Legal and professional fees	120	89
(i)	Loan processing fees	2	1
(j)	Repairs and maintenance	1	2
(k)	Rent	187	185
(l)	Rates and taxes	1	1
(m)	Stamp charges	47	26
(n)	Service provider charges	737	33
(o)	Telephone, telex and leased line	4	4
(p)	Travelling and conveyance	127	94
(q)	Training and recruitment	18	6
(r)	Membership and subscription charges	19	16
(s)	Security trustee fees	19	21
(t)	Other expenses	26	16
TOTAL		**1,839**	**880**

(*Amount less than 50,000/-)

26.1 (a) Auditors' Remuneration (excluding taxes)

(Rs. in lakh)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Audit fees	9	11
Tax audit fees	1	1
Other services	2	2
Out of pocket expenses*	0	0
TOTAL	**12**	**14**

(*Amount less than 50,000/-)

26.2 (b) Expenditure in Foreign Currency

(Rs. in lakh)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Directors sitting fees	-	2
Professional fees	26	27
TOTAL	**26**	**29**

26.3 (c) Corporate social responsibility expenses

(i) Gross amount required to be spent by the company during the year was Rs.150 lakh (Previous year Rs.80 lakh)

(ii) Amount spent during the year on:

(Rs. in lakh)

PARTICULARS	Paid	Yet to be paid	Total
Construction/acquisition of any asset	-	-	-
On purposes other than above	150	-	150
TOTAL	**150**	**-**	**150**

27 Contingent Liabilities and Commitments:

a) Contingent liabilities Rs. Nil (Previous year Rs. Nil).

b) Commitments :-

- Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.4 lakh (as at March 31, 2018 Rs. 4 lakh and as at April 01, 2017: Rs. Nil).
- Letter of Comfort Rs. 12,994 lakh (as at March 31, 2018 Rs. 20,972 lakh and as at April 01, 2017: Rs. 41,225 lakh)
- Undrawn Commitment given to the Borrower Rs. 43,651 lakh (as at March 31, 2018 Rs.68,765 lakh and as at April 01, 2017 Rs.29,534)

28 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 Capital Housing Finance Limited Tata Securities Limited Tata Capital Pte. Limited Tata Capital Growth Fund I Tata Capital Special Situation Fund Tata Capital Healthcare Fund I Tata Capital Innovations Fund Tata Capital Growth Fund II (w.e.f. 28.09.2018) Tata Capital Growth II General Partners LLP (w.e.f.20.09.2018) Tata Capital Markets Pte. Ltd. Tata Capital Advisors Pte. Ltd. Tata Capital Plc Tata Capital General Partners LLP Tata Capital Healthcare General Partners LLP Tata Opportunities General Partners LLP TC Travel and Services Limited (ceased to subsidiary w.e.f. October 30, 2017) Tata Capital Forex Limited (ceased to subsidiary w.e.f. October 30, 2017)
Associate of Holding Company (with which the company had transactions)	Tata Autocomp Systems Limited
Plans (with which the company had transactions)	Tata Capital Limited Superannuation Scheme
Key Management Personnel	Mr. Manish Chourasia (Managing Director) Mr. Behzad Bhesania (Chief Financial Officer) Mr. Vittaldas Leeladhar (Independent Director) Ms. Padmini Khare Kaicker (Independent Director) Mr. Pradeep C. Bandivadekar (Non-Executive Director) Mr. Rajiv Sabharwal (Non-Executive Director) Mr. Nihar Shah (Ceased to be Non-Executive Director w.e.f. April 16, 2018) Ms. Shivangi Rajpopat (Ceased to be Company secretary w.e.f. January 01, 2019)
Other Related Parties (with which the company had transactions)	Conneqt Business Solutions Limited Tata Consultancy Services Limited Tata AIG General Insurance Company Limited Tata AIA Life Insurance Company Limited Tata Autocomp Systems Limited Niskalp Infrastructure Services Limited Titan Company Ltd. Tata Teleservices (Maharashtra) Limited
Investor exercising significant influence	International Financial Corporation

B Transactions carried out with related parties referred in "A" above

(Rs. in lakh)

Sr. No.	Party Name	Nature of transaction	2018-19	2017-18	April 01, 2017
I	**Transactions with Ultimate Holding Company :**				
1	Tata Sons Limited	a) Expenses :			
		- Brand equity contribution	122	75	-
		- Training Exp	3	4	-
		b) Liability:			
		- Balance payable	122	75	52

(Rs. in lakh)

Sr. No.	Party Name	Nature of transaction	2018-19	2017-18	April 01, 2017
II	**Transactions with Hoiding Company :**				
1	Tata Capital Limited	a) Expenses :			
		- Interest expenses on ICD	158	744	-
		- Management Fees	714	10	-
		- Rent	53	26	-
		- Reimbursement of expenses	4	4	-
		b) Income:			
		- Guest House Recovery*	0	-	-
		c) ICD accepted / repaid during the year			
		- ICD accepted during the year	61,800	155,915	-
		- ICD repaid during the year	29,600	158,642	-
		d) Equity			
		- Issue of equity shares	8,050	-	-
		- Equity shares held (inclusive of security premium)	48,969	40,927	40,927
		e) Asset :			
		- Security Deposit	324	324	-
		- Security Deposit given	-	1	-
		- Security Deposit repaid	-	1	-
		f) Liability:			
		- ICD outstanding payable	32,253	-	2,727
		- Balance payable	55	7	-
III	**Transactions with Subsidiaries :**				
1	Tata Capital Financial Services Limited	a) Expenses:			
		- Reimbursement of expenses	68	4	-
		- Rent	113	148	-
		b) Income:			
		- Guest House Recovery	17	21	-
		- Advisory fees	-	7	-
		c) Liability:			
		- Balance payable/ (Receivable)*	16	(0)	16
2	Tata Capital Housing Finance Limited	a) Expenses :			
		- Reimbursement of expenses*	-	0	-
		b) Income:			
		- Guest House Recovery*	0	0	-
		c) Liability:			
		-Balance Receivable*	0	-	0
3	TC Travel and Services Limited (ceased to be subsidiary of Tata Capital Limited w.e.f. 30.10.2017)	a) Expenses :			
		- Travel related expenses	-	27	-
4	Tata Capital Forex Limited (ceased to be subsidiary of Tata Capital Limited w.e.f. 30.10.2017)	a) Expenses :			
		- Travel related expenses	-	3	-
5	Tata Securities Limited	a) Expenses :			
		- Professional Fees expenses*	-	0	-

(Rs. in lakh)

Sr. No.	Party Name	Nature of transaction	2018-19	2017-18	April 01, 2017
IV	**Transactions with Associates :**				
1	Tata Autocomp Systems Limited	a) Income :			
		-Advisory Fees	7	-	-
		- Reimbursement of expenses*	0	-	-
V	**Plans**				
1	Tata Capital Limited Superannuation Scheme	a) Contribution to Superannuation	13	11	-
VI	**Transactions with KMP :**				
1	Key Management Personnel (KMP)	a) Remuneration to KMP			
		- Short Term Employee Benefits	237	231	-
		- Post Employment Benefits	25	21	-
		- Share based payemnts (No. of Shares)			
		a) Options granted	383,000	33,000	-
		b) Options exercised	23,000	13,000	-
		- Director Sitting Fees & Commission	33	18	
VII	**Transactions with Other Related Parties :**				
1	Conneqt Business Solutions Limited (formerly known as Tata Business Support Services Limited)	a) Expenses :			
		- Service provider charges	15	13	-
2	Niskalp Infrastructure Services Limited	a) Income:			
		- Reimbursement of expenses	-	2	-
		b) Asset:			
		-Balance receivable*	-	-	4
3	Tata AIG General Insurance Company Limited	a) Expenses :			
		- Insurance expenses*	0	0	-
		b) Asset:			
		-Balance receivable*	-	0	-
4	Tata AIA Life Insurance Company Limited	a) Expenses :			
		- Insurance expenses	2	1	-
		b) Asset:			
		-Balance receivable	3	2	-
5	Tata Consultancy Services Limited	a) Expenses :			
		- IT outsourcing expenses	240	292	-
		b) Liability:			
		- Balance payable	128	176	72
6	Tata Teleservices Maharashtra	a) Expenses :			
		- Communication expenses*	-	0	-
7	International Finance Corporation	a) Income:			
		- Advisory fees	-	43	-
		b) Expenses			
		- Director's Nomination Fees	-	2	1
		c) Equity			
		- Issue of equity shares	1,950	-	-
		- Equity shares held (inclusive of security premium)	11,862	9,914	9,914
8	Titan Company Ltd.	a) Expenses :			
		- Staff welfare expenses	2	-	-

(*Amount less than 50,000/-)

29 Earnings per Share (EPS):

Particulars		**2018-19**	**2017-18**
Profit after tax attributable to Equity shareholders	(Rs. in lakh)	10,218	7,667
Weighted average number of Equity shares used in computing Basic EPS	Nos	360,441,623	355,757,575
Face value of equity shares	Rupees	10	10
Basic earnings per share	Rupees	2.83	2.16
Diluted earnings per share	Rupees	2.83	2.16

30 Movement in Contingent provision against Standard Assets during the year is as under:

(Rs. in lakh)

Particulars	**2018-19**	**2017-18**
Opening Balance	1,565	1,045
Additions during the year	798	520
Utilised during the year	-	-
Closing Balance	**2,363**	**1,565**

31 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 2011**	**ESOP 2013**	**ESOP 2016**	**ESOP 2017**	**ESOP 2018**
i. Vesting requirements	1/3rd at the end of each 12, 24 and 36 months from the date of grant	1/3rd at the end of each 12, 24 and 36 months from the date of grant	100% at the end of 12 months from the date of grant	100% at the end of 12 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
ii. Maximum term of option	6 years	6 years	2 years	2 years	7 years
iii. Method of settlement	Equity settled	Equity settled	Equity settled	Equity settled	Equity settled
iv. Modifications to share based payment plans	N.A.	N.A.	N.A.	N.A.	N.A.

B. Summary of share based payments
March 31, 2019

Particulars	ESOP 2011	ESOP 2013	ESOP 2016	ESOP 2017	ESOP 2018	Total
Outstanding balance at the beginning of the year	**-**	**12,083**	**-**	**255,000**	-	267,083
Options granted	-	-	-	-	475,000	475,000
Options forfeited	-	5,000	-	30,000	-	35,000
Options exercised	-	2,500	-	125,000	-	127,500
Options expired	-	-	-	-	-	-
Options lapsed	-	-	-	-	-	-
Options outstanding at the end of the year	**-**	**4,583**	**-**	**100,000**	**475,000**	**579,583**
Options exercisable at the end of the year	-	4,583	-	100,000	-	104,583
For share options exercised:						
Weighted average exercise price at date of exercise						33.24
Money realized by exercise of options						4,237,500
For share options outstanding						
Range of exercise prices	17.77	25.00	30.00	33.40	50.60	
Average remaining contractual life of options	-	0.33	-	0.00	6.51	5.34
Modification of plans						
Incremental fair value on modification						

B. Summary of share based payments
March 31, 2018

Particulars	ESOP 2011	ESOP 2013	ESOP 2016	ESOP 2017	ESOP 2018	Total
Outstanding balance at the beginning of the year	**1**	**29,375**	**195,000**	**280,000**	**-**	504,376
Options granted	-	-	-	-	-	-
Options forfeited	-	9,792	-	30,000	-	39,792
Options exercised	-	7,500	140,000	-	-	147,500
Options expired	-	-	55,000	-	-	55,000
Options lapsed	-	-	-	-	-	-
Options outstanding at the end of the year	**1**	**12,083**	**-**	**250,000**	**-**	**262,084**
Options exercisable at the end of the year	1	12,083	-	250,000	-	262,084
For share options exercised:						
Weighted average exercise price at date of exercise						29.75
Money realized by exercise of options						4,387,500
For share options outstanding						
Range of exercise prices	17.77	25.00	30.00	33.40	50.60	
Average remaining contractual life of options	-	0.83	-	1.00	-	0.99
Modification of plans						
Incremental fair value on modification						

B. Summary of share based payments
April 01, 2017

Particulars	ESOP 2011	ESOP 2013	ESOP 2016	ESOP 2017	ESOP 2018	Total
Outstanding balance at the beginning of the year	**16,667**	**66,875**	**215,000**	-	-	298,542
Options granted	-	-	-	265,000	-	265,000
Options forfeited	-	37,500	25,000	-	-	62,500
Options exercised	16,666	-	-	-	-	16,666
Options expired						-
Options lapsed						-
Options outstanding at the end of the year	**1**	**29,375**	**190,000**	**265,000**	**-**	**484,376**
Options exercisable at the end of the year	1	29,375	190,000	-	-	219,376
For share options exercised:						
Weighted average exercise price at date of exercise						17.77
Money realized by exercise of options						296,155
For share options outstanding						
Range of exercise prices	17.77	25.00	30.00	33.40	50.60	
Average remaining contractual life of options	0.42	1.33	1.00	1.00	-	1.02
Modification of plans						
Incremental fair value on modification						

C. Valuation of stock options

Particulars	ESOP 2011	ESOP 2013	ESOP 2016	ESOP 2017	ESOP 2018
Share price:	**17.77**	**25**	**30**	**33.4**	**50.6**
Exercise Price:	**17.77**	**25**	**30**	**33.4**	**50.6**
Expected Volatility:	0.49	0.37	0.38	0.35	0.38
Contractual Option Life (years):	3.00	3.00	2.00	2.00	7.00
Expected dividends:	-	-	-	-	-
Risk free interest rate:	8.00%	8.00%	8.00%	6.57%	8.04%
Vesting Dates					
	33.33% vesting on August 31, 2012	33.33% vesting on July 29, 2014	100% vesting on March 31, 2017	100% vesting on April 2, 2018	20% vesting on September 30, 2019
	66.67% vesting on August 31, 2013	66.67% vesting on July 29, 2015	-	-	40% vesting on September 30, 2020
	100% vesting on August 31, 2014	100% vesting on July 29, 2016	-	-	70% vesting on September 30, 2021
	-	-	-	-	100% vesting on September 30, 2022
Valuation of incremental fair value on modification	N.A.	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

The Company is required to present the following terms of the ESOPs, for the key managerial employees and other employees

As at March 31, 2019

Particulars	ESOP 2011	ESOP 2013	ESOP 2016	ESOP 2017	ESOP 2018	Total
Fair value at grant date	17.77	25.00	30.00	33.40	50.60	
Share price at grant date	17.77	25.00	30.00	33.40	50.60	
Exercise price	17.77	25.00	30.00	33.40	50.60	
Expected volatility (weighted average volatility)	0.49	0.37	0.38	0.35	0.38	
Expected life (expected weighted average life)	0.00	0.33	0.00	0.00	6.51	
Expected dividends	0.00	0.00	0.00	0.00	0.00	
Risk-free interest rate (based on government bonds)	8.00%	8.00%	8.00%	6.57%	8.04%	
Key managerial employees						
Mr. Manish Chourasia, Managing Director						
Options granted	-	-	-	10,000	350,000	360,000
Options exercised	-	-	-	-	-	-
Mr. Behzad Bhesania, Chief Financial Officer						
Options granted	-	-	10,000	10,000	-	20,000
Options exercised	-	-	10,000	10,000	-	20,000

As at March 31, 2018

Particulars	ESOP 2011	ESOP 2013	ESOP 2016	ESOP 2017	ESOP 2018	Total
Fair value at grant date	17.77	25.00	30.00	33.40	50.60	
Share price at grant date	17.77	25.00	30.00	33.40	50.60	
Exercise price	17.77	25.00	30.00	33.40	50.60	
Expected volatility (weighted average volatility)	0.49	0.37	0.38	0.35	0.38	
Expected life (expected weighted average life)	0.00	0.86	0.00	1.00	0.00	
Expected dividends	0.00	0.00	0.00	0.00	0.00	
Risk-free interest rate (based on government bonds)	8.00%	8.00%	8.00%	6.57%	8.04%	
Key managerial employees						
Mr. Manish Chourasia, Managing Director						
Options granted	-	-	-	10,000	350,000	360,000
Options exercised	-	-	-	-	-	-
Mr. Behzad Bhesania, Chief Financial Officer						
Options granted	-	-	10,000	10,000	-	20,000
Options exercised	-	-	10,000	10,000	-	20,000
Ms. Shivangi Rajpopat, Company Secretary						
Options granted	-	-	-	-	-	-
Options exercised	-	-	-	-	-	-

As at 1 April 2017

Particulars	ESOP 2011	ESOP 2013	ESOP 2016	ESOP 2017	ESOP 2018	Total
Fair value at grant date	17.77	25.00	30.00	33.40	50.60	
Share price at grant date	17.77	25.00	30.00	33.40	50.60	
Exercise price	17.77	25.00	30.00	33.40	50.60	
Expected volatility (weighted average volatility)	0.49	0.37	0.38	0.35	0.38	
Expected life (expected weighted average life)	0.42	1.35	1.00	2.00	0.00	
Expected dividends	0.00	0.00	0.00	0.00	0.00	
Risk-free interest rate (based on government bonds)	8.00%	8.00%	8.00%	6.57%	8.04%	
Key managerial employees						
Mr. Manish Chourasia, Managing Director						
Options granted	-	-	-	10,000	350,000	360,000
Options exercised	-	-	-	-	-	-
Mr. Behzad Bhesania, Chief Financial Officer						
Options granted	-	-	10,000	10,000	-	20,000
Options exercised	-	-	10,000	10,000	-	20,000
Mr. Sunil Raut, Company Secretary						
Options granted	-	-	-	10,000	-	10,000
Options exercised	-	-	-	-	-	-

32 Employee benefit expenses

The Company is required to present disclosures as required by Para 43 and Para 9.5.4 of 'GN on Division II - Ind AS Schedule III' and Para 138 - 147, of Ind AS 19 'Employee benefits' and Para 125 and 129 of 'Presentation of Financial Statements', which require at least the following disclosures, along with additional information as stated below:

A. Defined contribution plans

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution retirement benefit plans for eligible employees. Under the schemes, the Company is required to contribute a specified percentage of payroll costs to fund the benefits. The contributions as specified under the law are paid to the provident fund set up as a Trust by the Company. The Company is generally liable for annual contributions and any deficiency in interest cost compared to interest computed based on the rate of interest declared by the Central Government under the employee provident scheme, 1952 is recognised as an expense in the year in which it is determined.

The Company recognised a charge of Rs. 60 Lakh (FY 2017-18 Rs.44 Lakh) towards provident fund and family pension fund contribution and Rs.13 Lakh (FY 2017-18 Rs.11 Lakh) towards contribution to superannuation fund in the Statement of Profit and Loss during the current year.

In case the company has contributions to foreign defined contribution plans and benefit plans, the details of the same should be disclosed.

B. Defined benefit plan

The Company offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount), (Included as part of contribution to provided fund, superannuation fund and other funds as referred in Note 26 of Employee Benefit Expenses). 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. On adoption of the Indian Accounting Standard (Ind AS 19) on "Employee Benefits", actuarial valuation is done based on "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are recognised in other comprehensive income.
Gratuity fund:
Each year an 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 withinthis study.

The Company offers the following employee benefit schemes to its employees:
i. Gratuity
ii. Post-employment medical benefits
iii. Other defined benefit plans

The following table sets out the funded / unfunded status of the defined benefit schemes and the amount recognised in the financial statements:

Movement in net defined benefit (asset) liability

Description in this section should contain following points:
1) Types of Defined benefit plans operated by the Company.
2) Terms and conditions of eligibility for the plan and computation mechanism of the obligation thereafter.
3) All amounts in Rs. lakh

a) Reconciliation of balances of Defined Benefit Obligations.

	Year ended March 31, 2019		Year ended March 31, 2018	
Particulars	**Total Funded**	**Total Unfunded**	**Total Funded**	**Total Unfunded**
Defined Obligations at the beginning of the year	115.14	-	98.39	
Current service cost	22.73	-	19.66	-
Interest cost	8.61	-	5.93	-
Amalgamations / Acquisitions	17.44	-	4.56	-
a. Due to change in financial assumptions	27.35	-	(1.69)	-
b. Due to change in experience adjustments	7.93	-	26.85	-
c. Due to experience adjustments	(4.19)	-	-	-
Others (please specify below)				
Benefits paid directly by the Company	(6.65)	-	(38.57)	-
Defined Obligations at the end of the year	**188.35**	**-**	**115.14**	**-**

b) Reconciliation of balances of Fair Value of Plan Assets

	Year ended March 31, 2019		Year ended March 31, 2018	
Particulars	**Total Funded**	**Total Unfunded**	**Total Funded**	**Total Unfunded**
As on 31 March 2019				
Fair Value at the beginning of the year	**130.83**	-	118.84	-
Expected return on plan assets	3.20	-	(1.49)	-
Amalgamations / Acquisitions	17.44	-	4.56	-
Others (please specify below)				
Interest Income on Plan Assets	10.07	-	8.91	-
Fair Value of Plan Assets at the end of the year	**161.55**	**-**	**130.83**	**-**

c) Funded status

Particulars	Year ended March 31, 2019		Year ended March 31, 2018		As at April 1, 2017	
As on 31 March 2019	**Total Funded**	**Total Unfunded**	**Total Funded**	**Total Unfunded**	**Total Funded**	**Total Unfunded**
Deficit of plan assets over obligations						
Surplus of plan assets over obligations	-	(26.81)	**15.69**		**20.45**	
Unrecognised asset due to asset ceiling						
Total	-	(26.81)	15.69	-	20.45	-

d) Categories of plan assets

Particulars	Year ended March 31, 2019		Year ended March 31, 2018		As at April 1, 2017	
Particulars	**Total Funded**	**Total Unfunded**	**Total Funded**	**Total Unfunded**	**Total Funded**	**Total Unfunded**
Corporate bonds	69.56	-	56.26	-	48.73	-
Equity shares	16.90	-	15.70	-	19.01	-
Government securities	73.62	-	57.56	-	39.22	-
Cash	1.47	-	1.31	-	11.88	-
Others (please specify)	-	-	-	-	-	-
Total	**161.55**	-	**130.83**	-	**118.84**	-

e) Amount recognised in Balance sheet

	Year ended March 31, 2019		Year ended March 31, 2018		As at April 1, 2017	
	Total Funded	**Total Unfunded**	**Total Funded**	**Total Unfunded**	**Total Funded**	**Total Unfunded**
Present value of the defined benefit obligation	-	188.35	115.14	-		
Fair value of plan assets	-	161.55	130.83	-		
Net asset / (liability) recognised in the Balance Sheet	**-**	**(26.81)**	**15.69**	**-**	**20.45**	**-**
Net asset / (liability) as per financial statements		-		-		-

f) Amount recognised in Statement of Profit and Loss	Year ended March 31, 2019		Year ended March 31, 2018	
	Total Funded	**Total Unfunded**	**Total Funded**	**Total Unfunded**
Current Service Cost	22.73	-	19.66	-
Interest Cost (net)	(1.46)	-	(2.98)	-
Others (please specify)				
Expenses for the year	**21.26**	**-**	**16.68**	**-**

g) Amount recognised in OCI	Year ended March 31, 2019		Year ended March 31, 2018	
	Total Funded	**Total Unfunded**	**Total Funded**	**Total Unfunded**
a. Due to change in financial assumptions	**27.35**	-	**(1.69)**	-
b. Due to change in experience adjustments	**7.93**	-	**26.85**	-
c. Due to experience adjustments	**(4.19)**	-	-	-
d. (Return) on plan assets (excl. interest income)	(3.20)	-	1.49	-
e. Change in Asset Ceiling				
Total remeasurements in OCI	**27.88**	**-**	**26.65**	**-**
Total defined benefit cost recognized in P&L and OCI	**49.14**	**-**	**43.34**	**-**

Total defined benefit cost as per financial statements - -

h) Expected cash flows for the following year

Particulars	**Year ended March 31, 2019**	**Year ended March 31, 2018**
Expected total benefit payments	**302.51**	**95.94**
Year 1	**14.36**	**8.59**
Year 2	**17.65**	**2.18**
Year 3	**21.40**	**2.96**
Year 4	**24.20**	**3.98**
Year 5	**27.47**	**5.17**
Next 5 years	**197.43**	**73.06**

i) Major Actuarial Assumptions

Particulars	**Year ended March 31, 2019**	**Year ended March 31, 2018**	**As at April 1, 2017**
Discount Rate (%)	7.20%	7.70%	7.50%
Salary Escalation/ Inflation (%)	7.5% for fist 5 years and 6% thereafter	7.5% for fist 5 years and 6% thereafter	7.5% for fist 5 years and 6% thereafter
Expected Return on Plan assets (%)	7.20%	7.70%	7.50%
Attrition			
Mortality Table	**Indian assured lives Mortality (2006-08) (modified) Ult.**	**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)	0-2 years 10%, 3-4 years 5%, 5-9 years 2.5%, 10 years and more 1%	0-2 years 10%, 3-4 years 5%, 5-9 years 2.5%, 10 years and more 1%	0-2 years 10%, 3-4 years 5%, 5-9 years 2.5%, 10 years and more 1%
Retirement Age	**60 years**	**60 years**	**60 years**
Weighted Average Duration			
Guaranteed rate of return			
Estimate of amount of contribution in the immediate next year	14.36	8.59	

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 year, for returns over the entire life of the related obligation.

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, 2019		March 31, 2018		April 1, 2017	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(13.82)	15.69	(14.08)	16.88		
Future salary growth (1% movement)	15.41	(13.84)	16.93	(14.36)		
Others (Withdrawal rate 5% movement)	(11.38)	15.83	0.83	2.58		

j) Provision for leave encashment

	March 31, 2019		March 31, 2018		April 1, 2017	
	Non current	Current	Non current	Current	Non current	Current
Liability for compensated absences	49.89	14.07	31.63	5.57	27.40	3.46

Experience adjustments	**Defined benefit obligation**	**Plan assets**	**Surplus/ (deficit)**	**Experience adjustments on plan liabilities**	**Experience adjustments on plan assets**
Funded					
2018-19	-	-	-	-	-
2017-18	115.14	130.83	15.69	(26.85)	(1.49)
2016-17	0.99	1.18	0.19	(0.06)	0.04
2015-16	-	-	-	-	-
2014-15	-	-	-	-	-
Unfunded					
2018-19	188.35	161.55	(26.81)	(7.93)	3.20
2017-18	-	-	-	-	-
2016-17	-	-	-	-	-
2015-16	0.66	0.83	0.17	(0.01)	(0.04)
2014-15	0.93	1.19	0.27	0.04	0.01

j) 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 2018-19 is Nil (Previous year 2017-18 Rs. 1 lakh and 2016-17 Rs. 1 lakh) and the provision as at March 31, 2019 is Rs. 3 lakh (Previous year March 31, 2018 Rs.4 lakh and April 01, 2017 Rs. 3 lakh).

33 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.

34 Fair values of financial instruments

See accounting policy in Note 2(iii).

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.

34 Fair values of financial instruments

See accounting policy in Note 2(iii).

B. Valuation framework

The Company has a 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) re-performance of model valuations;
3) a review and approval process for new models and changes to models
4) annual calibration and back-testing of models against observed market transactions;
5) analysis and investigation of significant annual valuation movements; and
6) 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.

Significant valuation issues are reported to the Audit Committee.

34. 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(i) to the financial statements.

Financial assets and liabilities

The carrying value of financial instruments by categories as at March 31, 2019 is as follows:

Particulars	Fair value through Profit or Loss	Fair Value through Other Comprehensive Income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised cost	Total Carrying Value
Financial Assets:						
Cash and cash equivalents	-	-	-	-	31,792	31,792
Other balances with banks	-	-	-	-	-	-
Trade receivables	-	-	-	-	34	34
Loans including Credit substitute	-	60,930	-	-	430,050	490,980
Investments in Mutual Fund	60	-	-	-	-	60
Other financial assets	-	-	-	-	292	292
Total	60	60,930	-	-	462,168	523,158
Financial Liabilities:						
Trade and other payables	-	-	-	-	423	423
Debt Securities	-	-	-	-	78,550	78,550
Borrowings (Other than debt securities)	-	-	-	-	349,596	349,596
Other financial liabilities	-	-	-	-	4,919	4,919
Total	-	-	-	-	433,488	433,488

The carrying value of financial instruments by categories as at March 31, 2018 is as follows:

Particulars	Fair value through Profit or Loss	Fair Value through Other Comprehensive Income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised cost	Total Carrying Value
Financial Assets:						
Cash and cash equivalents	-	-	-	-	711	711
Other balances with banks	-	-	-	-	-	-
Trade receivables	-	-	-	-	23	23
Loans including Credit substitute	-	33,121	-	-	275,777	308,898
Investments in Mutual Fund	41	-	-	-	-	41
Other financial assets	-	-	-	-	266	266
Total	41	33,121	-	-	276,777	309,939
Financial Liabilities:						
Trade and other payables	-	-	-	-	285	285
Debt Securities	-	-	-	-	82,746	82,746
Borrowings (Other than debt securities)	-	-	-	-	154,263	154,263
Other financial liabilities	-	-	-	-	5,193	5,193
Total	-	-	-	-	242,487	242,487

The carrying value of financial instruments by categories as at April 1, 2017 is as follows:

Particulars	Fair value through Profit or Loss	Fair Value through Other Comprehensive Income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised cost	Total Carrying Value
Financial Assets:						
Cash and cash equivalents	-	-	-	-	1,434	1,434
Other balances with banks	-	-	-	-	-	-
Trade receivables	-	-	-	-	7	7
Loans including Credit substitute	-	16,390	-	-	183,526	199,916
Investments in Mutual Fund	35	-	-	-	-	35
Other financial assets	-	-	-	-	5	5
Total	35	16,390	-	-	184,972	201,397
Financial Liabilities:						
Trade and other payables	-	-	-	-	335	335
Debt Securities	-	-	-	-	42,472	42,472
Borrowings (Other than debt securities)	-	-	-	-	95,970	95,970
Other financial liabilities	-	-	-	-	3,352	3,352
Total	-	-	-	-	142,129	142,129

Carrying amounts of cash and cash equivalents, trade receivables, loans and trade and other payables as on March 31, 2019, March 31, 2018 and April 1, 2017 approximate the fair value because of their short-term nature. Difference between carrying amounts and fair values of bank deposits, other financials assets, other financial liabilities and borrowings subsequently measured at amortrised cost is not significant in each of the years presented.

Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The following table summarises financial assets and liabilities measured at fair value on a recurring basis :

As at March 31, 2019	Level 1	Level 2	Level 3	Total
Financial Assets:				
Mutual fund units	-	60	-	60
Loans	-	-	60,930	60,930
Total	-	60	60,930	60,990

As at March 31, 2018	Level 1	Level 2	Level 3	Total
Financial Assets:				
Mutual fund units	-	41	-	41
Loans	-	-	33,121	33,121
Total	-	41	33,121	33,162

As at April 01, 2017	Level 1	Level 2	Level 3	Total
Financial Assets:				
Mutual fund units	-	35	-	35
Loans	-	-	16,390	16,390
Total	-	35	16,390	16,425

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, 2019		As at March 31, 2018		As at April 1, 2017	
	Carrying Value	Fair value	Carrying Value	Fair value	Carrying Value	Fair value
Financial Assets at amortised cost:						
Loans	430,050	429,123	275,777	282,171	183,526	186,958
Total	**430,050**	**429,123**	**275,777**	**282,171**	**183,526**	**186,958**
Financial Assets at Fair Value through Other Comprehensive Income:						
Loans	60,930	60,930	33,121	33,121	16,390	16,390
Total	**60,930**	**60,930**	**33,121**	**33,121**	**16,390**	**16,390**
Financial Liabilities at amortised cost:						
Borrowings	428,146	427,370	237,009	236,792	138,442	137,750
Total	**428,146**	**427,370**	**237,009**	**236,792**	**138,442**	**137,750**

The Company has not disclosed fair value of financial instruments such as Cash and cash equivalent, trade receivables, other financial assets etc. since their carrying value equals fair value

Fair value of the Financial intruments 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 from banks is estimated using discounted cash flow techniques, applying the rates that are offered for deposits of similar maturities and terms. The fair value of deposits payable on demand is the amount payable at the reporting date.

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, 2019	**As at March 31, 2018**	**As at April 1, 2017**				
Loans	429,123	282,171	186,958	level 3	discounted cash flows	NA	NA
Financial Assets at amortised cost (A)	**429,123**	**282,171**	**186,958**				

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, 2019	As at March 31, 2018	As at April 1, 2017				
Borrowings	427,370	236,792	137,750	level 3	discounted cash flows	NA	NA
Financial Liabilities at amortised cost	**427,370**	**236,792**	**137,750**				
Financial Assets at FVTPL	**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, 2019	**As at March 31, 2018**	**As at April 1, 2017**				
Mutual fund units	60	41	35	Level 2	net asset value	net asset value	The higher the net asset value, the higher the fair value of the unquoted units
Financial Assets at FVTPL (B)	**60**	**41**	**35**				
Financial Assets at FVTOCI	**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, 2019	**As at March 31, 2018**	**As at April 1, 2017**				
Loans	60,930	33,121	16,390	Level 3	discounted cash flows	discounted cash flows	The higher the net asset value, the higher the fair value of the unquoted units
Financial Assets at FVTOCI (C)	**60,930**	**33,121**	**16,390**				
Total Financial Assets (A) + (B)+(C)	**490,113**	**315,333**	**203,383**				

NA: Not applicable

There were no transfers between Level 1 and Level 2 and Level 3 of the fair value hierarchy in the year.

34 Fair values of financial instruments

See accounting policy in Note 2(iii).

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.

i

(Rs. in lakh)	Fair value through Profit or Loss - Loans
As at March 31, 2018	33,121
Total gains or losses:	
in profit or loss	-
in OCI	(190)
Purchases	45,848
Settlements	(17,849)
Transfers into Level 3	-
Transfers out of Level 3	-
As at March 31, 2019	**60,930**

Total gains or losses for the year in the above table are presented in the statement of profit or loss and OCI as follows.

ii

(Rs. in lakh) For the year ended March 31, 2019	Fair value through Profit or Loss - Loans
Total gains and losses recognised in profit or loss:	-
Fair value changes :	
-Realised	-
-Unrealised	-
Total gains and losses recognised in FVTOCI:	190
Total Net gain/(loss) on fair value changes	190
Dividend Income	-
Interest Income	-
Total	**190**

iii

(Rs. in lakh)	Fair value through Profit or Loss - Loans
As at April 1, 2017	16,390
Total gains or losses:	
in profit or loss	-
in OCI	69
Purchases/transfer*	32,044
Settlements	(15,382)
Transfers into Level 3	-
Transfers out of Level 3	-
As at March 31, 2018	**33,121**

Total gains or losses for the year in the above table are presented in the statement of profit or loss and OCI as follows.

iv

	(Rs. in lakh) For the year ended March 31, 2018	Fair value through Profit or Loss - Loans
	Total gains and losses recognised in profit or loss:	-
(A)	Net Gain / (loss) on financial instruments at fair value through profit or loss	
	Fair value changes :	
	-Realised	
	-Unrealised	
	Total gains and losses recognised in FVTOCI:	(69)
	Total Net gain/(loss) on fair value changes	(69)
	Dividend Income	
	Interest Income	
	Total	**(69)**

35 Financial risk review

This note presents information about the Company's exposure to financial risks and its management of capital.

For information on the financial risk management framework, see Note 36

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. Exposure to liquidity risk
   ii. Maturity analysis for financial liabilities and financial assets
   iii. Financial assets available to support future funding
   iv. Financial assets pledged as collateral
C. Market risk
   i. Exposure to interest rate risk – Non-trading portfolios
   ii. Exposure to currency risks – Non-trading portfolios
D. 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 36

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(ix).

35. Financial risk review(continued)

A. **Credit risk**

Loans by Division

i.) Credit quality analysis continued

Loan exposure by Financing division

(Rs. in lakh)

PARTICULARS	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
LOANS by Division			
(i) Term Loans	474,906	300,341	190,434
(ii) Credit Substitutes	16,074	8,557	8,512
(iii) Bills Purchased and Bills discounted	-	-	970
Total - Gross	**490,980**	**308,898**	**199,916**
Less : Impairment loss allowance	2,156	1,461	1,045
Total- Net Loans	**488,824**	**307,437**	**198,871**

Note : Gross Carrying amount does not include Loan commitments Rs. 120,851 lakh (As on March 31, 2018: Rs. 89,737 lakh | As on April 1, 2017: Rs. 70,759 lakh)

The exposure at default (EAD) considered for loan commitments after applying credit conversion factor (CCF) as per RBI norms.

2) **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 35 A (iii).

a)

Outstanding Gross Loans	As at March 31, 2019				As at March 31, 2018				As at April 1, 2017			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade												
Grade 1	203,095			203,095	92,700			92,700	38,280			38,280
Grade 2	287,273			287,273	215,417	36		215,453	160,701	935		161,636
Grade 3		612		612		745		745				-
Grade 4												
Total	490,368	612	-	490,980	308,117	781	-	308,898	198,981	935	-	199,916

Note : Gross Carrying amount does not include Loan commitments Rs. 120,851 lakh (As on March 31, 2018: Rs. 89,737 lakh | As on April 1, 2017: Rs. 70,759 lakh)

b)

Impairment allowance on Loans	As at March 31, 2019				As at March 31, 2018				As at April 1, 2017			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade												
Grade 1	925			925	354			354	130			130
Grade 2	1,200			1,200	1065	0		1,065	911	4		915
Grade 3		31		31		42		42				-
Grade 4				-				-				-
Total	2,125	31	-	2,156	1,419	42	-	1,461	1,041	4	-	1,045

Note : Include impairment allowance on Loan commitments Rs. 281 lakh (As on March 31, 2018: Rs. 240 lakh | As on April 1, 2017: Rs. 241 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.

3) **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, 2019				As at March 31, 2018				As at April 1, 2017			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Days past due												
Zero overdue	489,536	612		490,148	308,069	781		308,850	194,911	-		194,911
1-29 days	832			832	48			48	5,005			5,005
30-59 days				-				-				-
60-89 days				-				-				-
90 or more days				-				-				-
Total	490,368	612	-	490,980	308,117	781	-	308,898	199,916	-	-	199,916

Note : Gross Carrying amount does not include Loan commitments Rs. 120,851 lakh (As on March 31, 2018: Rs. 89,737 lakh | As on April 1, 2017: Rs. 70,759 lakh)

b)

Impairment allowance on Loans	As at March 31, 2019				As at March 31, 2018				As at April 1, 2017			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Days past due												
Zero overdue	2,121	31		2,152	1,419	42		1,461	1,026	-		1,026
1-29 days	4			4	0			-	19			19
30-59 days				-				-				-
60-89 days				-				-				-
90 or more days				-				-				-
Total	2,125	31	-	2,156	1,419	42	-	1,461	1,045	-	-	1,045

Note : Include impairment allowance on Loan commitments Rs. 281 lakh (As on March 31, 2018: Rs. 240 lakh | As on April 1, 2017: Rs. 241 lakh)

35. Financial risk review(continued)

A. Credit risk

Loans by Division

c) Credit quality analysis continued

As at March 31, 2019		**Asset group**	**Days past due**	**Estimated gross carrying amount at default**	**Expected probability of default**	**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	489,536	0%	2,121	487,415
			1-29	832	0%	4	828
			Total	490,368	0%	2,125	488,243
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	612	0%	31	581
			30-59	0	0%	0	0
			60-89	0	0%	0	0
			Total	612	0%	31	581
	Financial assets for which credit risk has increased significantly and credit-impaired	Loans, Credit Substitutes	90 days and above	0	0%	0	0
			Total	**490,980**	**0%**	**2,156**	**488,824**

As at March 31, 2018		Asset group	Days past due	Estimated gross carrying amount at default	Expected probability of default	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	Loans, Credit Substitutes	0	308,069	0%	1419	306,650
			1-29	48	0%	0	48
			Total	308,117	0%	1,419	306,698
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	781	0%	42	739
			30-59	0	0%	0	0
			60-89	0	0%	0	0
			Total	781	0%	42	739
	Financial assets for which credit risk has	Loans, Credit Substitutes	90 days and above	0	0%	0	0
			Total	**308,898**	**0%**	**1,461**	**307,437**

As at April 1, 2017		Asset group	Days past due	Estimated gross carrying amount at default	Expected probability of default	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	Loans, Credit Substitutes	0	194,911	1%	1026	193,885
			1-29	5,005	0%	19	4,986
			Total	199,916	1%	1,045	198,871
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	0	0%	0	0
			30-59	0	0%	0	0
			60-89	0	0%	0	0
			Total	0	0%	0	0
	Financial assets for which credit risk has	Loans, Credit Substitutes	90 days and above	0	0%	0	0
			Total	**199,916**	**1%**	**1,045**	**198,871**

4 Disclosure of Net Carrying Value of Loans carried at amotised cost & FVTOCI

PARTICULARS	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
LOANS			
- Amortised Cost	430,050	275,777	183,526
- At Fair Value through Other Comprehensive Income	60,930	33,121	16,390
Total - Gross Loans	**490,980**	**308,898**	**199,916**
Less: Un-Amortized Processing Fees	2,306	1,047	771
Total - Carrying Value of Loans	**488,674**	**307,851**	**199,145**
Less : Impairment Allowance	2,156	1,461	1,045
Total - Net Loans	**486,518**	**306,390**	**198,100**

35. Financial risk review(continued)

A. **Credit risk**

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:

Particulars	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 (refer note 7(a) below)	
Total	

35. Financial risk review(continued)

A. **Credit risk**

iii **Amounts arising from ECL**

Impairment allowance on financial asset is covered in note (ix)

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 reschedulement 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(ix) in Significant accounting policies for definition of Stages of Asset

2) Assumptions:

The Company has applied following assumptions for determination of ECL.

1) "Loss given default" (LGD) is an estimate of loss from a transaction given that a default occurs.

2) "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.

3) "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.

4) 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.

5) 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. More weight is applied to pessimistic outcome consistently as a matter of prudence than optimistic outcome.

The below table indicates the macro economic variables used for determination of the One year probability of default and life time probability of default:

Marco economic parameters used*	**Measurement metric (% change / value)**		**year wise macro economic parameters across base, optimistic and pessimistic**				
			Year 1	**Year 2**	**Year 3**	**Year 4**	**Year 5**
a) Private consumption,	Private consumption (% real change pa)	Base	7.60	7.50	8.50	8.10	7.38
		Optimistic	8.08	7.98	8.98	8.58	7.86
		Pessimistic	7.12	7.02	8.02	7.62	6.90
b) contribution to real GDP growth/Real GDP	Real GDP (% change pa)	Base	7.70	7.40	7.60	7.80	7.41
		Optimistic	8.22	7.92	8.12	8.32	7.93
		Pessimistic	7.18	6.88	7.08	7.28	6.89
c) Lending interest rate,	Lending Interest Rate (%)	Base	9.60	9.00	9.10	9.30	9.89
		Optimistic	9.91	9.31	9.41	9.61	10.20
		Pessimistic	9.29	8.69	8.79	8.99	9.58

Note: The Company has applied more weights to the pessimistic case as compared to the Optimistic case while computing the probability of default.

6) 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 reschedulement 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.

3) Estimation techniques:

The Company has applied the following estimation technique for ECL model:

1) The Company has used historic default rates for calculating the 12-month PD and Lifetime PDs

2) 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

a) 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.

b) 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.

35. 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, 2019				As at March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	308,117	781	-	308,898	198,981	935	-	199,916
New assets originated or purchased	292,583	-	-	292,583	199,554	-	-	199,554
Assets derecognised or repaid (excluding write offs)	(110,344)	(132)	-	(110,476)	(90,418)	(154)	-	(90,572)
Transfers to Stage 1	11	(36)	-	(25)	-	-	-	0
Transfers to Stage 2	-	-	-	-	-	-	-	0
Transfers to Stage 3	-	-	-	-	-	-	-	0
Amounts written off	-	-	-	-	-	-	-	0
Gross carrying amount closing balance	**490,367**	**613**	**-**	**490,980**	**308,117**	**781**	**-**	**308,898**

b)

Particulars	As at March 31, 2019				As at March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	1,420	41	-	1,461	1,041	4	-	1,045
New assets originated or purchased	1,227	-	-	1,227	878	37	-	915
Assets derecognised or repaid (excluding write offs)	(522)	(10)	-	(532)	(499)	(0)	-	(499)
Transfers to Stage 1	0	(0)	-	-	-	-	-	-
Transfers to Stage 2	-		-	-	-	-	-	-
Transfers to Stage 3	-		-	-	-	-	-	-
Amounts written off	-	-	-	-	-	-	-	-
ECL allowance - closing balance	**2,125**	**31**	**-**	**2,156**	**1,420**	**41**	**-**	**1,461**

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 classification of Loans. The amounts presented are gross of impairment allowances.

a)

Outstanding Gross Loans	**As at March 31, 2019**				**As at March 31, 2018**				**As at April 1, 2017**			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Term Loans	474,294	612	-	474,906	299,560	781	-	300,341	189,499	935	-	190,434
Credit Substitutes	16,074	-	-	16,074	8,557	-	-	8,557	8,512	-	-	8,512
Bills Purchased and Bills discounted	-	-	-	-	-	-	-	-	970	-	-	970
Total	490,368	612	-	490,980	308,117	781	-	308,898	198,981	935	-	199,916

Note : Gross Carrying amount does not include Loan commitments Rs. 120,851 lakh (As on March 31, 2018: Rs. 89,737 lakh | As on April 1, 2017: Rs. 70,759 lakh)

b)

Impairment allowance on Loans	**As at March 31, 2019**				**As at March 31, 2018**				**As at April 1, 2017**			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Term Loans	2,055	31		2,086	1,380	42	-	1,422	994	4	-	998
Credit Substitutes	70			70	39	-	-	39	39	-	-	39
Bills Purchased and Bills discounted				-		-	-	-	8	-	-	8
Total	2,125	31	-	2,156	1,419	42	-	1,461	1,041	4	-	1,045

B. Liquidity risk

For the definition of liquidity risk and information on how liquidity risk is managed by the Company, see Note 36.

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.

35. 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, 2019	Note	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	12	423	423	-	423				423	-
Debt securities issued	13	78,772	78,772		2,500	12,772	62,500	1,000	15,272	63,500
Borrowings	14	349,642	349,642	98,795	86,944	62,336	76,965	24,602	248,075	101,567
Subordinated liabilities			-						-	-
External commercial borrowings									-	-
Other financial liabilities	15	4,919	4,919	4,240	679				4,919	-
Issued loan commitments									-	-
Derivative liabilities										
Total		**433,756**	**433,756**	**103,035**	**90,546**	**75,108**	**139,465**	**25,602**	**268,689**	**165,067**
Market Borrowings		231,480	231,480	37,469	59,586	36,483	72,340	25,602	133,538	97,942
Bank borrowings		196,934	196,934	61,326	29,858	38,625	67,125	-	129,809	67,125
Total Borrowings		**428,414**	**428,414**	**98,795**	**89,444**	**75,108**	**139,465**	**25,602**	**263,347**	**165,067**
Financial asset by type										
Non-derivative assets										
Cash and cash equivalents	4	31,792	31,792	31,792					31,792	-
Bank balances		-	-						-	-
Receivables	5	34	34		34				34	-
Loans	6	490,980	490,980	9,466	24,626	126,152	134,109	196,627	160,244	330,736
Investments	7	60	60					60	-	60
Other Financial Assets	8	292	292	3	6		283		9	283
Derivative assets										
Total		**523,158**	**523,158**	**41,261**	**24,666**	**126,152**	**134,392**	**196,687**	**192,079**	**331,079**

35. 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, 2018	Note	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	12	285	285		285				285	-
Debt securities issued	13	82,776	82,776	5,000	6,000	18,500	52,276	1,000	29,500	53,276
Borrowings	14	154,282	154,282	4,739	54,241	35,844	59,458		94,824	59,458
Subordinated liabilities			-						-	-
External commercial borrowings									-	-
Other financial liabilities	15	5,193	5,193	4,750	443				5,193	-
Issued loan commitments									-	-
Derivative liabilities										
Total		**242,536**	**242,536**	**14,489**	**60,969**	**54,344**	**111,734**	**1,000**	**129,802**	**112,734**
Market Borrowings		157,008	157,008	7,246	27,508	38,978	82,276	1,000	73,732	83,276
Bank borrowings		80,050	80,050	2,493	32,733	15,366	29,458	-	50,592	29,458
Total Borrowings		**237,058**	**237,058**	**9,739**	**60,241**	**54,344**	**111,734**	**1,000**	**124,324**	**112,734**
Financial asset by type										
Non-derivative assets										
Cash and cash equivalents	4	711	711	711					711	-
Bank balances		-	-						-	-
Receivables	5	23	23		23				23	-
Loans	6	308,898	308,898	6,914	14,940	97,694	98,329	91,021	119,548	189,350
Investments	7	41	41					41	-	41
Other Financial Assets	8	266	266	11			255		11	255
Derivative assets										
Total		**309,939**	**309,939**	**7,636**	**14,963**	**97,694**	**98,584**	**91,062**	**120,293**	**189,646**

35. **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 April 1, 2017	Note	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	12	335	335		335				335	-
Debt securities issued	13	42,500	42,500		9,000	7,500	26,000		16,500	26,000
Borrowings	14	95,973	95,973	1,778	29,874	55,904	8,417		87,556	8,417
Subordinated liabilities			-						-	-
External commercial borrowings									-	-
Other financial liabilities	15	3,352	3,352	3,059	293				3,352	-
Issued loan commitments									-	-
Derivative liabilities										
Total		**142,160**	**142,160**	**4,837**	**39,502**	**63,404**	**34,417**	**-**	**107,743**	**34,417**
Market Borrowings		100,500	100,500	1,500	38,874	34,126	26,000	-	74,500	26,000
Bank borrowings		37,973	37,973	278	-	29,278	8,417	-	29,556	8,417
Total Borrowings		**138,473**	**138,473**	**1,778**	**38,874**	**63,404**	**34,417**	**-**	**104,056**	**34,417**
Financial asset by type										
Non-derivative assets										
Cash and cash equivalents	4	1,434	1,434	1,434					1,434	-
Bank balances		-	-						-	-
Receivables	5	7	7	7					7	-
Loans	6	199,916	199,916	1,716	42,239	13,679	52,223	90,059	57,634	142,282
Investments	7	35	35					35	-	35
Other Financial Assets	8	5	5	4			1		4	1
Derivative assets										
Total		**201,397**	**201,397**	**3,161**	**42,239**	**13,679**	**52,224**	**90,094**	**59,079**	**142,318**

35. Financial risk review(continued)

B. Liquidity risk

ii. Maturity analysis of assets and liabilities

The following tables set out the remaining contractual maturities of the Company's financial liabilities and financial assets:

	As at March 31, 2019			**As at March 31, 2018**			**As at April 1, 2017**		
ASSETS	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**
Financial assets									
Cash and cash equivalents	31,792	-	31,792	711	-	711	1,434	-	1,434
Trade Receivables	34	-	34	23	-	23	7	-	7
Loans	160,244	330,736	490,980	119,548	189,350	308,898	57,634	142,282	199,916
Investments	-	60	60	-	41	41	-	35	35
Other financial assets	9	283	292	11	255	266	4	1	5
Non-financial Assets			-			-			-
Current tax asset	547	-	547	231	-	231	146	-	146
Deferred tax Assets (Net)	-	1,527	1,527	-	837	837	-	625	625
Investment property	-	235	235	-	246	246	-	257	257
Property, Plant and Equipment	-	23	23	-	29	29	-	25	25
Other Intangible assets	-	-	-	-	-	-	-	-	-
Other non-financial assets	38	74	112	36	109	145	22	20	42
Asset held for sale	-	-	-	-	-	-	-	-	
Total Assets	**192,664**	**332,938**	**525,602**	**120,560**	**190,867**	**311,427**	**59,247**	**143,245**	**202,492**

	As at March 31, 2019			As at March 31, 2018			As at April 1, 2017		
LIABILITIES	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**
Financial Liabilities									
Derivative financial instruments									
Trade Payables									
(i) total outstanding dues of creditors other than micro enterprises and small enterprises	423	-	423	285	-	285	335	-	335
Debt Securities	15,214	63,336	78,550	29,484	53,262	82,746	16,485	25,987	42,472
Borrowings (Other than debt securities)	248,033	101,563	349,596	94,806	59,457	154,263	87,555	8,415	95,970
Other financial liabilities(to be specified)	4,919	-	4,919	5,193	-	5,193	3,352	-	3,352
Non-Financial Liabilities									
Current tax liability	-	-	-	-	-	-	23	-	23
Provisions	331	1,921	2,252	306	1,198	1,504	187	893	1,080
Deferred tax liabilities (Net)	-	-	-	-	-	-	-	-	-
Liability and disposal groups held for sale	-	-	-	-	-	-	-	-	
Other non financial liabilities(to be specified)	812	2,492	3,304	383	782	1,165	225	606	831
Total liabilities	269,732	169,312	439,044	130,457	114,699	245,156	108,162	35,901	144,063
Net	(77,068)	163,626	86,558	(9,897)	76,168	66,271	(48,915)	107,344	58,429

35. Financial risk review(continued)

B. **Liquidity risk**

ii. Maturity analysis for financial liabilities and financial assets

The amounts in the table above have been compiled as follows.

Type of financial instrument	Basis on which amounts are compiled
Non-derivative financial liabilities and financial assets	Undiscounted cash flows, which include estimated interest payments.
Issued financial guarantee contracts, and unrecognised loan commitments	Earliest possible contractual maturity. For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called. For unrecognised loan commitments, earliest possible period in which the loan commitments is expected to be disbursed.

The Company's expected cash flows on some financial assets and financial liabilities vary significantly from the contractual cash flows. The principal differences are as follows:

a) Unrecognised loan commitments are not all expected to be drawn down immediately; and

b) Term loans have an original contractual maturity of between 12 and 180 months but an average expected maturity of 36 months because customers take advantage of early repayment options.

The Company maintains agreed lines of credit with other banks to maintain the liquidity requirements.

B. **Liquidity risk**

iii. Financial assets pledge / not pledge

Details of assets pledged / not pledged as securities are as follows

-

	As at March 31, 2019			As at March 31, 2018			As at April 1, 2017		
ASSETS	**Pledged**	**Not Pledged**	**Total**	**Pledged**	**Not Pledged**	**Total**	**Pledged**	**Not Pledged**	**Total**
Financial assets									
Cash and cash equivalents	-	31,792	31,792	-	711	711	-	1,434	1,434
Bank Balance other than (a) above	-	-	-	-	-	-	-	-	-
Derivatives financial instruments	-	-	-	-	-	-	-	-	-
Trade Receivables	-	34	34	-	23	23	-	7	7
Loans	490,980	-	490,980	308,898	-	308,898	199,916	-	199,916
Investments	-	60	60	-	41	41	-	35	35
Other financial assets	-	292	292	-	266	266	-	5	5
Non-financial Assets									
Current tax asset	-	547	547	-	231	231	-	146	146
Deferred tax Assets (Net)	-	1,527	1,527	-	837	837	-	625	625
Investment property	235	-	235	246	-	246	257	-	257
Property, Plant and Equipment	-	23	23	-	29	29	-	25	25
Other Intangible assets	-	-	-	-	-	-	-	-	-
Other non-financial assets	-	112	112	-	145	145	-	42	42
Asset held for sale	-	-	-	-	-	-	-	-	-
Total Assets	**491,215**	**34,387**	**525,602**	**309,144**	**2,283**	**311,427**	**200,173**	**2,319**	**202,492**

35. Financial risk review(continued)

C. Market risk

i For the definition of market risk and information on how the company manages the market risks of trading and non-trading portfolios, see Note 36(D).

The following table sets out the allocation of assets and liabilities to non-trading portfolios. The Company does not allocate the assets and liabilities to trading portfolios.

Carrying amount In Lakhs	Market risk measure			
Assets subject to market risk	Note	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Cash and cash equivalents	4	31,792	711	1,434
Bank balances		-	-	-
Receivables	5	34	23	7
Loans	6	490,980	308,898	199,916
Investments	7	60	41	35
Other Financial Assets	8	292	266	5
Liabilities subject to market risk				
Trade payables	12	423	285	335
Debt securities issued	13	78,550	82,746	42,472
Borrowings	14	349,596	154,263	95,970
Other financial liabilities	15	4,919	5,193	3,352

ii Exposure to interest rate risk – Non-trading portfolios (continued)

Company carries out EAR model analysis for rate sensitive asset and liabilities

Below table illustrates impact on 100 bps change on Rate sensitive asset and Rate sensitive liability

As at March 31, 2019 (Rs. in lakh)

Rate sensitive	Less than 1 Year	@ 100bps change increase	@ 100bps change decrease
Rate Sensitive Asset	492,358	2,462	(2,462)
Rate Sensitive Liabilities	335,844	1,679	(1,679)
Net Gap (Asset - liability)	156,514	783	(783)

As at March 31, 2018 (Rs. in lakh)

Rate sensitive	Less than 1 Year	@ 100bps change increase	@ 100bps change decrease
Rate Sensitive Asset	309,158	1,546	(1,546)
Rate Sensitive Liabilities	149,503	748	(748)
Net Gap (Asset - liability)	159,655	798	(798)

As at March 31, 2017 (Rs. in lakh)

Rate sensitive	Less than 1 Year	@ 100bps change increase	@ 100bps change decrease
Rate Sensitive Asset	198,731	994	(994)
Rate Sensitive Liabilities	113,954	570	(570)
Net Gap (Asset - liability)	84,777	424	(424)

iii. Exposure to currency risks – Non-trading portfolios

There are no exposure to foreign currency risks in the non trading portfolio

35. Financial risk review(continued)

D. 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 1 Capital includes:
1) ordinary share capital,
2) securities premium account,
3) retained earnings,
4) special reserve
5) retained earnings
6) general reserve
Tier 1 Capital does not include:
a) unrealised fair value gain booked for financial instruments measured at fair value through profit and loss statement; and
b) shares option outstanding account;
c) Remeasurement gain/loss of defined employee benefit plans
d) Fair value gain / (loss) on Financial Assets carried at FVTOCI
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 and stage 2 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.

Amt. in lakh	**As at March 31, 2019**	**As at March 31, 2018**	**As at April 1, 2017**
	Ind AS	**Ind AS**	**Ind AS**
Tier 1 capital			
Ordinary share capital	38,802	35,576	35,576
Securities premium reserve	22,029	15,265	15,265
Retained earnings	14,898	8,242	3,820
special reserve u/s 45 IC	5,279	3,235	1,654
special reserve u/s 36 (1) (viii)	5,105	3,591	1,930
general reserve	15	3	-
Less			
-Deferred Revenue Expenditure	(269)	(49)	(31)
-Prepaid Expenses	(95)	(107)	(17)
-Deferred Tax Asset	(1,527)	(837)	(625)
Tier I Capital	**84,237**	**64,919**	**57,572**
Subordinate Debt	-	-	-
Standard Asset prov'n	2,156	1,461	1,045
Perpetual debt	-	-	-
Tier II Capital	**2,156**	**1,461**	**1,045**
Tier I + Tier II Capital	**86,393**	**66,380**	**58,617**

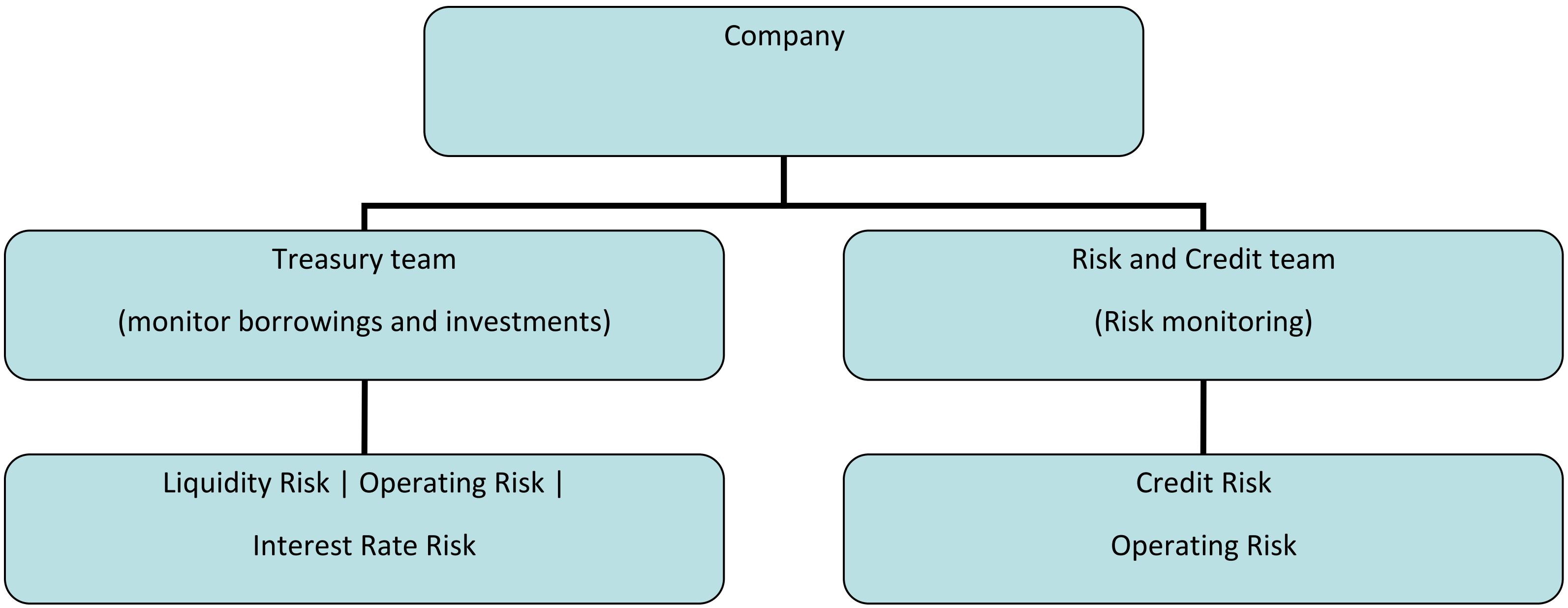
The Company has complied with the minimum stipulated capital requirements for Tier I and Tier II as applicable for the relevant financial years as per regulatory norms.
The Board of Directors (BOD) has authorised the Asset and Liability Management Committee (ALCO) to review the Capital requirement. Treasury 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.

36. Financial risk management

A. Introduction and overview;

Financial instruments of the Company has to credit risk, liquidity risk, market risks and operational risk.

1. The following chart provides a link between the Company's business units and the principal risks that they are exposed to:



2. <u>Company's Risk Management framework for measuring and managing risk:</u>

i. Risk management framework:

The Company's Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

The Board of Directors has constituted following committees and defined their role for monitoring the risk management policies of the Company.

a) Finance and Asset Liability Supervisory Committee (ALCO): Review of the Asset and Liability position, liquidity risk and market risk of the Company.

b) Risk Management Committee: Review of the credit risk, operational risk and fraud risk management of the Company. Operational risk management committee(ORMC) reviews operational risk as per the Operational risk management framework. Fraud risk management committee (FRMC) reviews matters of frauds committed by employee, customer and vendors.

c) Credit Committee(CC): Review of the credit proposal of the Company and oversight of credit risk. A separate Managing Credit Committee(MCC) reports to the Credit Committee, is responsible for managing the credit risk of the Company.

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 oversees how the management monitors compliance 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 adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Sources of risk which the Company is exposed to and how the same is managed is illustrated in the table below:

Risk	**Exposure arising from**	**Measurement**	**Management**
Credit risk	Financial asset measured at amortised cost.	Review of ageing analysis and credit rating of the customer. Annual review of the Customer account as per the Credit monitoring policy of the company.	Granularity of portfolio and customer segment.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed bank lines and borrowing facilities
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis for rate sensitive assets and liabilities	Managing the borrowing mix between market and bank borrowing.

The Company's Credit risk and market risk management for lending business is carried out by the Credit and Risk management team and the liquidity and market risk management for the sources of funds is carried out by a treasury department as per the policies approved by the board of directors. Treasury identifies, evaluates and mitigates financial risks in close co-operation with the Company's operating units. ALCO provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, use of derivative financial instruments and investment of excess liquidity.

3) The Risk management approach of the Company for handling the various type of risks are as follows:

A) Credit risk;

i) means the risk of loss that may occur from the failure of any party to abide by the terms and conditions of any contract, principally the failure to make required payments of amounts due to us. In its lending operations, the Company is principally exposed to credit risk.

ii. Management of Credit risk:

The credit risk is governed by the credit policy approved by the Credit Committee. The credit policy outlines the type of products that can be offered, customer categories, the targeted customer profile, credit approval process and limits and credit monitoring.

The Company measures, monitors and manages credit risk at an individual borrower level and at the group exposure level for corporate borrowers. The Company has a structured and standardized credit approval process, which includes a well-established procedure of comprehensive credit appraisal. The Credit monitoring team verifies adherence to the terms of the credit approval prior to the commitment and disbursement of credit facilities and monitors deferral of the security perfection. The Risk Management Policy addresses the recognition, measurement, monitoring and reporting of the Credit risk.

The Company has additionally taken the following measures for risk management;

1) single party and group borrower limit.

2) establishment of a separate credit monitoring team to enhance focus on monitoring of borrowers and to facilitate proactive action wherever required.

For risk management reporting purposes, the Company considers and consolidates all elements of credit risk exposure – e.g. individual obligor default risk, customer type industry risk, market risk, geography risk and sector risk.

iii Governance framework of the company:

The role of the Managing Credit Committee encompasses the following activities:

a) formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, setting and adherence to internal and regulatory threshold limits and compliance with regulatory and statutory requirements;

b) establishing the authorisation structure for the approval and renewal of credit facilities. Authorisation limits are allocated to business unit credit officers. Credit Committee (CC) approves loan proposal above threshold limit as per the credit policy. Review and assessment of credit risk is done by the Credit Team. Risk team lays down policies for risk management;

c) Renewal and review of the facility is subject to the same review process;

d) Limiting concentration of exposure to counterparty, geography and industry for loans and advances;

e) Developing and maintaining the Company's risk grading to categorise exposures according to the degree of risk of default. The current risk grading framework of the company is based on the internal rating reflecting varying degrees of risk of default and mapped to the external CRISIL ratings.

   The responsibility for setting risk grades lies with the final approving executive or committee, as appropriate. Risk grades are subject to regular reviews by Risk Management Committee;

The below table illustrates the varying degrees of risk of default associated within the respective risk grades for CSFD:

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

f) Developing and maintaining the Company's processes for measuring ECL for the Company for managing the following requirements:

   1) initial approval, regular validation and back-testing of the models used;
   2) incorporation of forward-looking information;
   3) reviewing compliance of business units with agreed exposure limits to products, state and sector;
   4) regular reports on the credit quality of product portfolio are provided to Credit Committee, which may require appropriate corrective action to be taken;
   5) these include reports containing inputs, estimates and techniques of ECL allowances; and
   6) providing advice, guidance and specialist skills to business units to promote best practice throughout the Company in the management of credit risk.
   7) assess criteria of staging of the assets under qualitative parameters.

Each business unit is required to implement Company's credit policies and procedures, with credit approval authorities delegated from the Credit Committee. Each business unit has a Chief Credit Risk Officer who reports on all credit-related matters to Credit Committee and Chief Risk officer. Each business unit is responsible for the quality and performance of its credit portfolio and for monitoring and controlling all credit risks in its portfolios, including those subject to approval of Credit Committee. Regular audits of business units and credit processes are undertaken by Internal Audit.

iv. Credit Risk assessment methodology:

Credit management for Corporate Portfolio:

The Company has an established credit analysis procedure leading to appropriate identification of credit risk. Appropriate appraisals have been established for various types of project finance loans. The methodology involves critical assessment of quantitative and qualitative parameters subject to review and approval of Credit Committee.

The Company carries out a detailed analysis of funding requirements, including normal capital expenses, long-term working capital requirements and temporary imbalances in liquidity. Entire portfolio of loans are secured by a lien over underlying project of the borrower.

Evaluation of Borrower risk is based on the following assessment:

1) the risks and prospects associated with the industry in which the borrower is operating (industry risk);
2) the financial position of the borrower by analysing the quality of its financial statements, its past financial performance, its financial flexibility in terms of ability to raise capital and its cash flow adequacy (financial risk). Project cash flows during the tenure of the loan and tail period are also considered;
3) the borrower's relative market position and operating efficiency (business risk);
4) the quality of borrower and its group management by analysing their track record, payment record and financial conservatism (management risk); and
5) the risks with respect to specific projects, both pre-implementation, such as construction risk and funding risk, as well as post-implementation risks such as industry, business, financial and management risks related to the project. (project risk).

Risk management and portfolio review:

The Company ensure effective monitoring of credit facilities through a risk-based asset review framework. The credit monitoring team verifies adherence to the terms of the credit approval prior to the commitment and disbursement of credit facilities. The credit monitoring team/operations team monitors compliance with the terms and conditions for credit facilities prior to disbursement. It also reviews the completeness of documentation and creation of security for loans given. The Managing Credit Committee (MCC), apart from approving proposals, regularly reviews the credit quality of the portfolio and various sub-portfolios. A summary of the reviews carried out by the MCC is submitted to the Credit Committee for its information.

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 parameters to ensure the solvency while optimising the return on risk.

The market risk in respect of changes in value in financial assets arising from changes in market credit spreads applied to loans are monitored by the market risk officer.

ALCO sets up limits for each type of risk in aggregate and various products in the portfolio, with market liquidity being a primary factor in determining the level of limits. The market risk officer is responsible for the development of detailed market risk management policies & periodic review along with day to day implementation.

Exposure to Market Risk:

Interest rate risk:

Core business of the Company is borrowing and lending as permitted by the Reserve Bank of India, exposing us to interest rate risk.

Interest rate risk is measured through earnings at risk from an earning perspective. The Company monitors the change in economic value of equity arising out of 100 bps change in the interest rate. Further, an interest rate sensitivity gap report is prepared by 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 difference in the amount of rate sensitive assets and rate sensitive liabilities maturing or being re-priced in any time period category, gives an indication of the extent of exposure to the risk of potential changes in the margins on new or re-priced assets and liabilities. The Company monitor interest rate risk through above measures on a monthly basis. The interest rate risk limits are approved by the ALCO.

C. Liquidity risk;

A risk that the Company will encounter difficulty in meeting its day to day financial obligations.

Management of liquidity risk is done as follows;

i. ALCO sets the strategy for managing liquidity risk commensurate with the business objectives;

ii. ALCO has delegated the responsibility of managing overall liquidity risk and interest rate risk management to Treasury.

iii. Treasury department manages the liquidity position on a day-to-day basis and reviews daily reports covering the liquidity position of the Company. Treasury team ensures the regulatory compliance to the liquidity risk related limits approved in the ALM policy by ALCO.

iv. The Company's approach to managing liquidity is to ensure sufficient liquidity to meet its liabilities when they are due without incurring unacceptable losses or risking damage to the Company's reputation.

The key elements of the Company's liquidity risk management strategy are as follows:

1) Maintaining a diversified funding through market and bank borrowings resources such as debentures, commercial papers, subordinated debt, perpetual debt, Intercorporate deposits (ICD’s), overdraft and bank term loans. Unused bank lines 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.

2) Under the ALM guidelines, the dynamic liquidity statement and structural liquidity statement are being prepared on monthly basis to monitor the maturity gaps in the Assets and Liabilities cash flows. We monitor the behavioural characteristics of the Company's financial assets and financial liabilities while preparing the structural liquidity statement.

3) The company carries out stress testing of cash flows on periodic basis and shares the results with ALCO to gauge the adequacy of liquidity.

D. Operational Risk;

The risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, systems, and from external factors other than credit, compliance, reputation, market and liquidity risks.

The Company has a Board approved Operational Risk Management (ORM) framework. Ongoing monitoring of key risk indicators (“KRI”) is done and corrective actions are implemented on KRI exceptions. ORMC meets periodically to review the operational risk profile of the organisation.

Risks associated with frauds are mitigated through a Fraud Risk Management (FRM) framework. FRMC reviews matters relating to fraud risk, including corrective and remedial actions as regards people and processes.

The parent of the Company has adopted “Framework for Improving Critical Infrastructure Cyber Security” published by the National Institute of Standards & Technology (NIST) and comply with regulatory guidelines. Various measures are adopted to effectively protect against phishing, social media threats and rogue mobile.

37 Asset Liability Management

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

For the year 2018-19

(Rs. in lakh)

Particulars	Liabilities			Assets		
	Borrowings from Banks	Market Borrowings	Foreign Currency Borrowings	Advances	Investments	Foreign Currency Assets
1 day to 30/31 days (One month)	61,326	37,469	-	9,466	-	-
Over One month to 2 months	14,400	2,500	-	10,167	-	-
Over 2 months upto 3 months	15,458	57,086	-	14,459	-	-
Over 3 months to 6 months	10,958	12,772	-	36,100	-	-
Over 6 months to 1 year	27,667	23,711	-	90,052	-	-
Over 1 year to 3 years	55,459	49,420	-	62,098	60	-
Over 3 years to 5 years	11,666	22,920	-	72,011	-	-
Over 5 years	-	25,602	-	196,627	-	-
Total	**196,934**	**231,480**	**-**	**490,980**	**60**	**-**

Note : During the Financial Year 2018-19, the company has experienced significant prepayments hence ALM statement of March 2019 has been prepared assuming the prepayment of Rs.123,000 lakhs which is ~25% of the book size of Rs.490,980 lakhs as on the ALM date. Major portion of assumed prepayments have been considered in next one year.

For the year 2017-18

(Rs. in lakh)

Particulars	Liabilities			Assets		
	Borrowings from Banks	Market Borrowings	Foreign Currency Borrowings	Advances	Investments	Foreign Currency Assets
1 day to 30/31 days (One month)	2,493	7,246	-	6,914	-	-
Over One month to 2 months	27,400	27,508	-	6,391	-	-
Over 2 months upto 3 months	5,333	-	-	8,549	-	-
Over 3 months to 6 months	965	7,368	-	23,294	-	-
Over 6 months to 1 year	14,401	31,610	-	74,400	-	-
Over 1 year to 3 years	26,333	80,776	-	57,138	41	-
Over 3 years to 5 years	3,125	1,500	-	41,191	-	-
Over 5 years	-	1,000	-	91,021	-	-
Total	**80,050**	**157,008**	**-**	**308,898**	**41**	**-**

Note : During the Financial Year 2017-18, the company has experienced significant prepayments hence ALM statement of March 2018 has been prepared assuming the prepayment of Rs.77,100 lakhs which is ~25% of the book size of Rs.308,898 lakhs as on the ALM date. Major portion of assumed prepayments have been considered in next one year.

38 Capital to Risk Asset Ratio (CRAR)

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2018
	Ind AS	Ind AS	IGAAP*
CRAR (%)	16.10%	18.28%	19.52%
CRAR - Tier I Capital (%)	15.70%	17.87%	19.15%
CRAR - Tier II Capital (%)	0.40%	0.40%	0.37%
Amount of Subordinated Debt raised as Tier II Capital	Nil	Nil	Nil
Amount raised by issue of Perpetual Debt Instruments	Nil	Nil	Nil

*Capital to Risk asset ratio as at March 31, 2018 has been calculated as per RBI norms basis Financial statements prepared under IGAAP.

39 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:

(Rs. in lakh)

Particulars	**Amount Outstanding**		**Amount Overdue**	
	As at March 31, 2019	**As at March 31, 2018**	**As at March 31, 2019**	**As at March 31, 2018**
1) Loans and advances availed by NBFC inclusive of interest accrued thereon but not paid				
a) Debentures:				
(other than those falling within the meaning of public deposit)				
- Secured	82,602	87,344	-	-
- Unsecured	-	-	-	-
b) Deferred Credits	-	-	-	-
c) Term Loans	166,151	85,168	-	-
d) Inter-corporate loans and borrowing	39,694	6,375	-	-
e) Commercial Paper	48,865	35,518	-	-
f) Other loans	-	-	-	-
g) Loan from Bank	-	-	-	-
- Working Capital Demand Loan	76,909	17,400	-	-
- Overdraft	18,433	10,003	-	-

Assets side: (Rs. in lakh)

Particulars	**Amount Outstanding**	
	2018-19	**2017-18**
2) Break up of loans and advances including bills receivables		
(other than those included in (3) below)		
- Secured	490,980	308,898
- Unsecured	-	-
3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
a) Lease assets including lease rentals under sundry debtors:		
- Financial Lease	-	-
- Operating Lease	-	-
b) Stock on hire including hire charges under sundry debtors		
- Assets on hire	-	-
- Repossessed assets	-	-
c) Other loans counting towards Asset Financing Company activities		
- Loans where assets have been repossessed	-	-
- Other loans	-	-
4) Break up of Investments		
Current Investments:		
a) **Quoted:**		
- Shares: Equity	-	-
Preference	-	-
- Debentures and Bonds	-	-
- Units of Mutual Funds	-	-
- Government Securities	-	-
- Others	-	-
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	-	-
- Government Securities	-	-
- Others	-	-
b) **Unquoted:**	-	-
- Shares: Equity	-	-
Preference	-	-
- Debentures and Bonds	-	-
- Units of Mutual Funds	60	41
- Government Securities	-	-
- Others	-	-

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

(Rs. in lakh)

Particulars	**Amount net of provisions**					
	Secured		**Unsecured**		**Total**	
	2018-19	**2017-18**	**2018-19**	**2017-18**	**2018-19**	**2017-18**
a) Related parties						
(i) Subsidiaries	-	-	-	-	-	-
(ii) Companies in the same group	-	-	-	-	-	-
(iii) Other related parties	-	-	-	-	-	-
b) Other than related parties	490,980	308,898	-	-	490,980	308,898
TOTAL	**490,980**	**308,898**	**-**	**-**	**490,980**	**308,898**

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)**	
	2018-19	**2017-18**	**2018-19**	**2017-18**
a) Related parties				
i) Subsidiaries	-	-	-	-
ii) Companies in the same group	-	-	-	-
iii) Other related Parties	-	-	-	-
b) Other than related parties	60	41	60	41
TOTAL	**60**	**41**	**60**	**41**

a) Companies in the same group have been considered to mean companies under the same management as per Section 370(1B) of the Companies Act, 1956.

7) Other Information

(Rs. in lakh)

Particulars	**2018-19**	**2017-18**
a) Gross Non-Performing Assets		
1) Related parties	-	-
2) Other than related parties	-	-
b) Net Non-Performing Assets		
1) Related parties	-	-
2) Other than related parties	-	-
c) Assets acquired in satisfaction of debt	-	-

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

(i) **Registration**

Issuing Authority	Registration No., if any	Date of registration	Valid upto	Registered as
Reserve Bank of India	N-13.02032	19-Oct-12	-	NBFC-ND-SI converted to NBFC- IFC w.e.f 15 Oct

(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 14, 2019 | CARE : August 17, 2018 | ICRA : August 29, 2018
(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+
(b) Debentures	Current year CRISIL AAA/Stable, CARE AAA:Stable
	Previous year CRISIL AA+/Stable , CARE AA+/Stable
(c) Bank Loan Facility	Current year CRISIL AAA/Stable
	Previous year CRISIL AA+/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, 2019 is as follows:**

a) Undrawn Commitment given to the Borrower

As on March 31, 2019 Rs. 43,651 lakh (Previous year : Rs.68,765 lakh)
Less than one year : Rs. 5,654 lakh (Previous year : Rs.5,601 lakh)
More than one year : Rs. 37,997 lakh (Previous year : Rs.63,164 lakh)

b) Financial and Other Guarantees Rs. 12,994 lakh (Previous year : Rs. 20,972 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	**2018-19**	**2017-18**
Provisions for depreciation on investment	-	-
Provision towards NPA	-	-
Provision towards restructured standard assets	-	-
Provision made towards Income tax	3,519	3,228
Other provision and contingencies (with details)	-	-
Provision for standard assets (Stage I & II)	798	520
Total	**4,317**	**3,748**

(vi) **Concentration of Advances & Exposures as per Para 24 of the RBI Norms stood as follows:**

Advances# (Rs. In lakh)

Particulars	2018-19	2017-18
Total advances to twenty largest borrowers	206,075	176,465
Percentage of advances to twenty largest borrowers to total advances of the NBFC	42.0%	57.1%

Includes Loans, Advances & Credit Substitutes

Exposure * (Rs. In lakh)

Particulars	2018-19	2017-18
Total advances to twenty largest borrowers	229,100	199,243
Percentage of exposures to twenty largest borrowers to total exposure of the NBFC	37.5%	54.3%

* Includes Loans, Advances, Credit Substitutes and loan sanctioned but partly disbursed

(vii) The Company has Rs. Nil exposure to Non Performing Assets (NPAs). Accordingly the disclosure on "Concentration of NPAs" and "Sector wise NPAs" are not applicable

(viii) The Company does not have any Joint Ventures and Subsidiaries abroad. The Company has not sponsored any SPVs. Accordingly there is no disclosure applicable

(ix) The Company had Nil complaints at the beginning of the year. No complaints were received during the year.

(x) The Company has not done any Securitisation during the financial year. (Previous Year: Nil)

(xi) No parent company products are financed during the year (Previous Year Nil)

(xii) The Exposure to a single borrower does not exceed the limit stipulated by the RBI Concentration norms applicable to NBFCs for the current year.
During the previous financial year, the holding companies of multiple obligors of Tata Cleantech Capital Limited (hereinafter 'the Company') became part of the same group pursuant to consolidation activities in the Industry. The aggregated exposures of the obligors exceeded the group borrower limits of the Company as at March 31, 2018. The Company had informed RBI of such excess resulting from the events beyond its control and sought a time limit of 18 months to regularize the same.

(xiii) The Exposure to unsecured advances is Rs. NIL (Previous Year Rs. Nil) constituting 0% of the Gross Loans and Advances.

(xiv) Since the Company does not have significant uncertainties pending resolutions as at March 31, 2019, revenue recognition has not been postponed.

(xv) 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.

(xvi) NPA Movement during the year

(Rs. In lakh)

Particulars		2018-19	2017-18
(i)	**Net NPAs to Net Advances (%)**	0%	0%
(ii)	**Movement of NPAs (Gross)**		
	(a) Opening Balance	-	-
	(b) Additions during the year	-	-
	(c) Reductions during the year	-	-
	(d) Closing balance	-	-
(iii)	**Movement of provisions for NPAs (excluding provisions on standard assets)**		
	(a) Opening Balance	-	-
	(b) Additions during the year	-	-
	(c) Write-off / write-back of excess provisions	-	-
	(d) Closing balance	-	-
(iv)	**Movement of Net NPAs**		
	(a) Opening Balance	-	-
	(b) Additions during the year	-	-
	(c) Reductions during the year	-	-
	(d) Closing balance	-	-

(xvii) No exposure to Capital market during the year. (Previous year Nil)

41 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.

42 There were no unhedged foreign currency transactions during current year.

In terms of our report attached

For and on behalf of Board of Directors

For **B S R & Co LLP**
Chartered Accountants
Firms Registration No- 101248W/W-100022

Vittaldas Leeladhar
(Chairman)
DIN: 02630276

Rajiv Sabharwal
(Director)
DIN: 00057333

Manoj Kumar Vijai
Partner
Membership No : 046882

Pradeep C. Bandivadekar
(Director)
DIN: 00059330

Padmini Khare Kaicker
(Director)
DIN: 00296388

Place : Mumbai
Date : April 30, 2019

Manish Chourasia
(Managing Director)
DIN: 03547985

Behzad Bhesania
(Chief Financial Officer)