

TATA CLEANTECH CAPITAL LIMITED

ANNUAL REPORT 2016-17

BOARD'S REPORT

To the Members,

The Board has pleasure in presenting the Sixth Annual Report and the Audited Financial Statements of the Company for the Financial Year ("FY") ended March 31, 2017.

1. BACKGROUND

Tata Cleantech Capital Limited ("Company" or "TCCL") is registered with the Reserve Bank of India ("RBI") as a Systemically Important Non Deposit Accepting Non-Banking Financial Company, engaged in the business of providing finance and advisory services for projects in renewable energy, energy efficiency, waste management, water management and other infrastructure projects. TCCL is a joint venture between Tata Capital Limited ("TCL") and International Finance Corporation ("IFC"), Washington D.C., USA, in the ratio of 80.50:19.50. The Company has been registered with the RBI as an Infrastructure Finance Company since October 15, 2015.

2. INDUSTRY OVERVIEW AND OUTLOOK

India has evolved as the most dynamic emerging economy and will remain the fastest growing economy in the world on the back of robust private consumptions and various transformational policy reforms being undertaken by the Government. A massive investment in the Infrastructure sector is required to not only cope with the expanding economy but also to ensure the country's competitiveness in the global markets. Recognizing this, the Government of India has accorded the highest priority to the Infrastructure sector, with a greater emphasis on renewable energy development.

Through the UN Climate Change Conference in Paris, the World agreed to limit the increase in global temperature to under 2°C by the year 2100. India, a prominent signatory to the Paris Agreement, has committed to generate 40 per cent of its electricity needs from non-conventional sources by the year 2030. With an advantageous geographic location, India is well endowed with solar irradiation and wind resources. Recognizing the rich potential for production of electricity from renewable sources, the Government of India has announced a renewable energy target of 175 GW by 2022, comprising of 100 GW of solar power, 60 GW of wind power and the balance from small hydro, biomass and other renewable sources.

India has been continuously putting efforts to exploit its renewable energy sources ("RES") potential over more than a decade, but a serious turnaround in its development has been witnessed since year 2014 owing to due attention by the Government and certain bold initiatives taken on the policies front, which gave more heed to the already existing pro-renewable sentiments in the country. Backed by massive policy thrust and technological improvements as well as declining cost curve, the Renewable Energy in India continues to be amongst the most robust segments within the Infrastructure sector with a substantial growth in generation capacity during last few years. Achieving a growth of over 17% in the capacity addition within a span of three years and reaching overall installed capacity of over 50 Giga Watt ("GW"), is a testimony to the fact. Solar, being the most attractive of the lot has significantly contributed to see such a growth trajectory in the renewable energy portfolio of the country. It is noteworthy that solar energy capacity in India observed a growth of about 56% (which was maximum) from year 2014 to 2017, making it reach upto a level of 10 GW as on March 2017.

The renewable energy has become cost competitive compared to fossil fuel-based generation. The solar and wind has achieved grid parity in India backed by dramatic decline of renewable energy equipment prices, technology innovation, increasing global manufacturing scale and experience curve gains. While the prices for solar panels have declined over 50% during last one year, there has been substantial improvement in wind turbine efficiency with Plant Load Factor ("PLF") going to around 32% from the earlier 22% to 23%. These developments have significantly reduced the power generation costs from wind and solar projects. As a result, India in recent times, has not only seen record low tariffs for solar power but wind power too has seen a significant drop in tariffs. In February 2017, solar power tariffs hit a record low of INR 2.97/kWh (levelized INR 3.29/kWh) and wind power tariff reached ₹ 3.46 kWh through competitive bidding process.

Moving in sync with the federal government for making India a hub for renewable energy, various States too are putting dedicated efforts for scaling up the renewable energy market in the country especially in solar and wind sectors. This rapid expansion in renewable energy power generation projects has attracted the attention of numerous Multilateral Development Banks ("MDBs") and the World Bank, which have either directly invested in renewable energy projects in India or have extended lines of credit to banks and other financial institutions for the development of the renewable energy sector. Further, a large number of international energy developers as well as investors are increasingly focusing on renewable energy investments in the country.

While the overall outlook of the renewable energy industry remains positive, certain key challenges such as stressed financials of State owned Division Support Command (“DISCOMs”), adequate grid availability, high distribution losses, and delay in land acquisition would need to be addressed proactively. The Government has undertaken several steps to address these issues, including the reorganization of State Electricity Boards, launching the Ujwal DISCOM Assurance Yojana scheme, connecting the Southern grid to the rest of India and introduction of reverse auctions for the coal blocks, among others.

While there has been a focused approach for renewable energy development during last couple years, the Government has also placed significant importance to the development of other sectors with in infrastructure space. The Government has come up with a number of policy initiative for various sectors with a view to ensure time-bound creation of world class physical infrastructure in the country. The Government has set an investment target of INR 25 trillion (~USD 376 billion) in infrastructure over a period of next three years, which includes INR 8 trillion (~USD 120 billion) for developing 27 industrial clusters and an additional INR 5 trillion (~USD 75 billion) for road, railways and port connectivity projects. Various innovative Public Private Partnership (“PPP”) models have been introduced for roads, power transmission and railway sectors. As a result, the infrastructure spending has begun to rebound during past couple of years and is expected to grow significantly over the next few years.

3. REVIEW OF BUSINESS OPERATIONS

During FY 2016-17, the Company has grown further on the strong foundations laid over the past two years. This is reflected in the accelerated growth of business of the Company across all segments in renewable energy, coupled with the continuing focus on quality of services offered by the Company. The Company's asset book has grown by over 64% and its Profit After Tax has grown by more than 66%, in FY 2016-17. The Company has forged new relationships with other important industry stakeholders such as Indian Renewable Energy Development Agency to help expand renewable energy finance in India.

At the end of FY 2016-17, TCCL had an asset portfolio of ₹ 2,408 crore, of which, lending assets were ₹ 1,999 crore (FY 2015-16: ₹ 1,220 crore). TCCL's Gross Income for FY ended March 31, 2017 was ₹ 180.22 crore (FY 2015-16: ₹ 104.92 crore) and its Net Profit after Tax (“NPAT”) was ₹ 45.7 crore (FY 2015-16: ₹ 27.47 crore). The Company's loan portfolio consists of projects in the area of Wind Energy, Solar Energy, Small Hydro Energy, Off-grid Solar, Waste Management, Water Management and Energy Efficiency.

4. FINANCIAL RESULTS

4.1 The performance of the Company for Financial Year 2016-17 is, summarized below:

(₹ in lakh)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Total Income	18,024	10,492
Total Expenditure	11,652	6,631
Net Profit/(Loss) before tax	6,372	3,861
Provision for Tax (including deferred tax)	1,806	1,114
Net Profit/(Loss) after tax	4,566	2,747
Balance brought forward from the Previous Year	2,209	761
Amount available for appropriation	6,775	3,508
Appropriations		
Special Reserve Account	2,093	1,299
Surplus/(Loss) carried to Balance Sheet	4,682	2,209

4.2 During FY 2016-17, the Company disbursed loans amounting to ₹ 1,326 crore (FY 2015-16: ₹ 984 crore), representing an increase of over 35%. The Company's loan portfolio stood at ₹ 1,999 crore as on March 31, 2017 (FY 2015-16: ₹ 1,223 crore), representing an increase of 64%. The Cost to Income ratio in FY 2016-17 was 24% as compared to 33% in FY 2015-16. The asset quality was stable, with no Non-Performing Asset, as on March 31, 2017.

4.3 The Company's Gross Income for the FY ended March 31, 2017 increased to ₹ 180.24 crore from ₹ 104.92 crore in FY 2015-16, an increase of 72%. Interest expenses increased by 104% to ₹ 90.99 crore in FY 2016-17 from ₹ 44.68 crore, in FY 2015-16.

- 4.4 Total Income (Net Interest Margin plus Other Revenue) of the Company increased by 48% from ₹ 59.89 crore in FY 2015-16 to ₹ 88.70 crore in FY 2016-17. Net Interest Margin as a percentage of average assets stood at 5.1% for FY 2016-17. The Total Income which included Investment and Fee Income was Nil in FY 2016-17 and ₹ 1.27 crore, for FY 2016 -17, respectively.
- 4.5 Operating Cost decreased by 4% from ₹ 12.33 crore in FY 2015-16 to ₹ 11.82 crore in FY 2016-17. Manpower expenses for FY 2016 -17 were ₹ 13.24 crore as against ₹ 7.92 crore in FY 2015-16, an increase of 67%.
- 4.6 Pursuant to the Master Circular No. DNBR(PD) CC. No. 044/03.10.119/2016-17 dated July 1, 2015 issued by RBI on Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015, a provision at the rate of 0.35% on standard assets amounting to ₹ 7.48 crore was made in FY 2016-17 as against 0.30% and ₹ 3.67 crore, respectively, in FY 2015-16. The provision for taxation during FY 2016 -17 was ₹ 19.46 crore.
- 4.7 The Company's Net Profit After Tax ("NPAT") for the year increased by 66% from ₹ 27.47 crore in FY 2015-16 to ₹ 45.66 crore in FY 2016-17.
- 4.8 As required under Section 45IC of the Reserve Bank of India Act, 1934, 20% of the profits are required to be transferred to a Special Reserve Account. On a conservative basis, an amount of ₹ 9.13 crore (FY 2015-16: ₹ 5.49 crore), being in excess of 20% of the profits, has been transferred to the said Reserve and ₹ 11.80 crore (FY 2015-16: ₹ 7.5 crore) is proposed to be transferred to the Special Reserve Fund pursuant to Section 36(i)(viii) of the Income Tax Act, 1961, for FY 2016-17. An amount of ₹ 46.82 crore has been carried to the Balance Sheet as Surplus.

5. SHARE CAPITAL

The Authorised Share Capital of the Company is ₹ 500 crore comprising 5,00,000,000 Equity Shares of ₹ 10/- each.

During FY 2016-17, the Company raised funds by issuing 6,66,66,666 Equity Shares of ₹ 10/- each, at a premium of ₹ 20/- per share on a Rights basis to TCL and IFC. As a consequence of the aforesaid issuance, the Issued, Subscribed and Paid-up Equity Share Capital of the Company as on March 31, 2017, was ₹ 355.76 crore, consisting of 35,57,57,575 Equity Shares of ₹ 10/- each, which was held by TCL and IFC in the ratio of 80.5:19.5, respectively.

6. DIVIDEND

In order to conserve the resources of the Company and considering the Business Plan of the Company, the Board of Directors have not recommended any dividend on the Equity Shares of the Company for the FY ended March 31, 2017.

7. FINANCE

During FY 2016-17, the Company met its funding requirements through a combination of Short term debt (comprising Commercial Papers, Inter Corporate Deposits and Bank Loans) and Long term debt (comprising Non-Convertible Debentures ("NCDs") and Bank Loans). During FY 2016-17, the Company issued Secured Redeemable NCDs aggregating ₹ 40 crore (face value) on a private placement basis.

The aggregate debt outstanding as at March 31, 2017 was ₹ 1,384.73 crore (of which, ₹ 1,040.57 crore was payable within one year. The Debt/Equity ratio as on March 31, 2017 was 2.4 times.

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

8. CREDIT RATING

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

Rating Agency	Rating	Nature of Securities/Instrument
CRISIL	CRISIL AA+	Bank Facility
CRISIL AND CARE	CRISIL AA+ and CARE AA+	Non-Convertible Debentures
CRISIL	CRISIL A1+	Commercial Papers

9. RISK MANAGEMENT

Risk Management is an integral part of the Company's business strategy. The Risk Management oversight

structure includes Committees of the Board and Senior Management Committees. The Risk Management process is governed by the Comprehensive Enterprise Risk Management Framework which lays down guidelines for Risk identification, assessment and monitoring on an ongoing basis that is supported by a robust risk reporting framework. Risk Management at the Company covers Credit Risk, Market Risk, Operational Risk, Fraud Risk and Other Risks.

The Risk Management Practices of Tata Capital are compliant with ISO 31000:2009, which is the International Standard for Risk Management, that lays down Principles, Guidelines and Framework for Risk Management in an organization.

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

The Credit Risk management structure includes separate credit policies and procedures for various businesses. The risk policies define prudential limits and portfolio criteria, borrower assessment criteria and exceptional approval metrics in line with the Credit Policy of the Company. Concentration Risk is managed by analyzing counter-party, industry sector, geographical region, single borrower and borrower group. While the Credit Committee approves counter-party credit exposure and recommends exposures to the Investment Credit Committee of the Board for proposals above certain limits in line with the Delegation of Power and Authority assigned by the Board of Directors, the Credit Monitoring Committee primarily focuses on post sanction monitoring by periodic review of exposures to proactively identify risks and to take necessary corrective steps on time. Periodic scenario analysis of the credit portfolio is conducted and necessary corrective measures are implemented.

Management of Liquidity (Asset Liability and Interest Rate) and Market Risk is carried out using quantitative techniques such as sensitivity and stress testing. The Finance and Asset Liability Supervisory Committee reviews liquidity risk and the interest rate risk profile of the organization on a regular basis.

The Company has a Board approved Operational Risk Management framework. Ongoing monitoring of Key Risk Indicators ("KRI"), corrective actions are implemented on KRI exceptions. An oversight committee of Senior Management representatives viz. the Operational Risk Management Committee ("ORMC") meets periodically to review the operational risk profile of the organization.

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

10. INTERNAL CONTROL SYSTEMS

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

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

11. INTERNAL FINANCIAL CONTROLS

The Management had appointed an external consultant and formed a Cross Functional Team ("CFT") comprising Operating Managers, Internal Audit and Risk to document and evaluate the design, adequacy and operating effectiveness of the Internal Financial Controls of the Company, broadly in accordance with the criteria established under the Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organisations of the Treadway Commission ("COSO"). Entity Level Control framework document based on COSO 2013 framework has been documented. The documentation of process maps, key controls, standard operating procedures and risk registers has been completed for all businesses and functions under the supervision of the CFT. Further, during FY 2016-17, Management testing has been conducted on a sample basis for all key processes and remedial action has been taken or agreed upon with a finite closure date where control weaknesses were identified. The Internal Audit team has also conducted a review of the Internal Financial Controls and remedial action has been taken or agreed upon with a finite closure date where control weaknesses were identified. There are no material unaddressed internal financial controls related observations

outstanding as at March 31, 2017. Based on the above, the Board believes that adequate Internal Financial Controls exist.

12. HUMAN RESOURCES

The Company recognizes the value of its human capital and is continuously upgrading the skill levels of its workforce through regular internal and external training and management development programme. The Company had 39 employees as on March 31, 2017. The Company has identified the talent pool of employees as per the Talent Management Program and developmental interventions are planned across all categories of Talent Pool.

Tata Capital's mission on creating a high performance culture has been further strengthened through areas like building a capability model (identification of critical competencies), nurturing talent through interventions such as mentoring, competency based training programs and cross functional projects.

Talent Management (Apex) is a key people planning tool that provides an integrated means of identifying, selecting, developing and retaining top talent within the organisation. Focus on behavioural and leadership traits through Learning and Development ("L&D") interventions and job rotations are planned for the employees who constitute the Talent Pool.

Tata Capital's second Cultural Survey, based on the ten identified attributes and conducted by the Gallup Organization in August 2015, has given it a very healthy and positive score of 4.25 on a scale of 5.

Tata Capital's focus on Employee Engagement has resulted in its overall Employee Engagement Scores (Q12) climbing steadily from 3.52 in 2009 to 4.14 in 2016, in surveys, conducted by the Gallup Organization.

As part of the journey to becoming a benchmark organisation as far as HR practices are concerned, Tata Capital has achieved its People Capability Maturity Model ("P-CMM") Level 3 Certification and further embarked on the journey of achieving Level 4 Certification.

Tata Capital's L&D initiatives are focused on enhancing the functional and behavioural competencies of its employees through L&D interventions, such as Executive Development Programs, e-learning and various classroom based training programs. Tata Capital was awarded the "Golden Peacock National Training Award – 2016" and also the "L&D Team of the year" by TISS - Leapvault CLO Awards 2016. In order to encourage e-learning, several new modules such as New Employee Orientation e-learning module, Prevention of Sexual Harassment Policy, Tata Code of Conduct and other functional e-learning modules have been launched.

Tata Capital also achieved key milestones in FY 2016-17, whereby some of the key HR processes were digitised, supporting the fast pace of our growing manpower and thus achieving an objective of improved employee experience, better employee insight and moving towards a paperless environment.

The Company is committed to maintain the highest standards of health, safety and security for its employees and business associates and to operate in a healthy and safe environment. To meet the same, we have developed and implemented an Occupational Health & Safety ("OH&S") Management System manual.

The OH&S Management System in Tata Capital, is within the framework of Tata Safety & Health Management System ("TSHMS") and OHSAS 18001:2007 standard. This document is a comprehensive manual detailing our safety processes, procedures and reports.

The manual describes the OH&S Management System, delineates authorities, inter relationships and responsibilities of the personnel performing within the system. The document is intended to create an empowered workforce by guiding Tata Capital's employees and all stakeholders on various requirements of the standard that must be met and maintained, in order to ensure occupational health and safety stewardship.

13. CORPORATE SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

The Tata Group's ethos is deeply ingrained in the philosophy of societal development and is especially focused upon the engagement and upliftment of the disadvantaged sections of the society. The Company has committed to a policy of inclusive and sustainable growth for the marginalized communities. We share the Group's belief that our society can only truly progress, if every individual can be included and empowered.

To guide us in this journey, the Company has a well-defined Corporate Social Responsibility ("CSR") policy which outlines four thrust areas of development viz. Livelihood and Employability, Health, Education and Environment as adopted by the CSR Committee of the Board and the same is available on the website, www.tatacleantechcapital.in.

As per the provisions of Section 135 of the Companies Act, 2013 ("Act"), the Company has constituted a Corporate Social Responsibility Committee comprising Mr. Vittaladas Leeladhar (Chairman), Ms. Padmini Khare Kaicker and Mr. Pradeep C. Bandivadekar, as Members.

During FY 2016-17, the CSR budget of the Company of ₹ 38 lakh [being two percent of the average net profit of the Company in the three immediately preceding financial years calculated as per Section 198 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014] was spent towards projects and programmes covered under Schedule VII to the Act. Basis the conceptualisation of the projects under the thrust areas, the Company appraises and empanels reputed NGOs that help implement projects and programmes to bring the desired positive and measurable results for the target beneficiaries. The Annual Report on CSR activities is annexed herewith as Annexure 'A'.

Tata Capital has adopted the Tata Group's Affirmative Action ("AA") Programme since 2008. The AA Programme addresses the 5Es - Essentials, Education, Employability, Employment and Entrepreneurship for the Schedule Caste ("SC") and Schedule Tribe ("ST") communities. During the annual AA assessment of Tata Capital's AA strategy and projects conducted by the Tata Business Excellence Group ("TBExG"), Tata Capital moved up by two bands from 451-475 in FY 2015-16 to 501-525 in FY 2016-17.

Further the Company is in advance stage of completing a prestigious consulting assignment in the area of "smart cities". Under the European Union (EU) funded "eco-cities" programme, carbon foot printing of city of Bengaluru and Chennai were completed using a World Bank developed tool called "CURB" which was being deployed for its first time in South / South East Asia. Besides the base lining of the carbon emissions, 19 projects were identified for low carbon growth of these 2 Indian growth centers.

14. COMPLIANCE

The Company has complied and continues to comply with the Master Directions for Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (as may be amended from time to time) issued to Non-Banking Financial Companies ("NBFCs") relating to accounting standards, prudential norms for asset classification, income recognition, provisioning norms and capital adequacy, as also the applicable circulars/guidelines/notifications issued by the RBI to NBFCs.

The Company has also complied and continues to comply with all the applicable regulations and guidelines issued by other regulators such as the Securities and Exchange Board of India ("SEBI"), the applicable provisions of the Companies Act, 2013, the Reserve Bank of India Act, 1934 and other applicable rules/regulations/guidelines, issued from time to time.

During FY 2016-17, there were no frauds committed by the Company and no material frauds were committed on the Company by its officers or employees. Further, during FY 2016-17, there were no frauds reported by the Statutory Auditors to the Audit Committee or the Board under Section 143(12) of the Act.

The Company has deployed "Compliance Check" ("Application"), an online platform to report and monitor compliances. The Application has features such as generation of compliance alerts, generation of compliance reports and updating the compliance tasks based on regulatory developments. Compliance Status Reports are submitted on a regular basis to the Managing Director and are placed before the Board, on a half-yearly basis, by the Company Secretary.

The Capital Adequacy Ratio ("CAR") of the Company was 23.01% as on March 31, 2017 against the CAR of 15.00%, as prescribed by RBI.

Mr. Sunil Raut is the Company Secretary and Compliance Officer of the Company.

15. REGULATORY ACTION

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

16. DEPOSITS

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

17. DETAILS OF LOANS, GUARANTEES AND INVESTMENTS

The provisions of Section 186 of the Act pertaining to granting of loans to any person or bodies corporate and giving of guarantees or providing security in connection with a loans to any other bodies corporate or persons

are not applicable to the Company, since the Company is an NBFC. The Company has, from time to time, made investments in liquid Mutual Funds arising out of temporary surplus funds. As on March 31, 2017, there were no outstanding Investments in Mutual Funds.

18. DIRECTORS

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Nihar Shah is liable to retire by rotation at the ensuing Annual General Meeting (“AGM”) and is eligible for re-appointment. The Members of the Company may refer to the accompanying Notice of the AGM of the Company for a brief resume of Mr. Nihar Shah.

Pursuant to the Master Directions for Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued by the RBI, the Company has received the ‘Fit and Proper’ declaration from Mr. Nihar Shah for his re-appointment on the Board of the Company.

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

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

Further, pursuant to the Guidance Note on Board Evaluation (“Guidance Note”), issued by SEBI, additional criteria had been introduced and also, those companies which were not covered under Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, were encouraged to follow the additional criteria. The Board of the Company followed the said additional criteria recommended under the Guidance Note.

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

20. POLICY ON APPOINTMENT AND REMUNERATION POLICY OF THE COMPANY

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

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

The Company has also adopted the ‘Fit and Proper’ Policy for ascertaining the ‘fit and proper’ criteria to be adopted at the time of appointment of directors and on a continuing basis, pursuant to the Master Directions

for Non-Banking Financial Company – Systemically Important Non - Deposits taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued by the RBI.

21. KEY MANAGERIAL PERSONNEL

Mr. Manish Chourasia, Managing Director; Mr. Behzad Bhesania, Chief Financial Officer and Mr. Sunil Raut, Company Secretary are the Key Managerial Personnel (“KMP”) of the Company. Mr. Bhesania was appointed as the Chief Financial Officer and KMP of the Company, with effect from October 24, 2016, consequent upon the resignation of Mr. Manish Kamblis as the Chief Financial Officer of the Company with effect from October 14, 2016.

22. DIRECTORS’ RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company’s internal financial controls were adequate and effective, during FY 2016 -17.

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

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

23. CORPORATE GOVERNANCE

Company’s Philosophy on Corporate Governance

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

The Company believes that governance practices enable the Management to direct and control the affairs of the Company in an efficient manner and to achieve the Company’s goal of maximizing value for all its stakeholders. The Company will continue to focus its resources, strengths and strategies to achieve its vision of becoming a leading financial services company in India, with a global footprint, while upholding the core values of transparency, integrity, honesty and accountability, which are fundamental to Tata companies.

The Corporate Governance philosophy is further strengthened with the adherence to the Tata Business Excellence Model as a means to drive excellence, the Balanced Scorecard methodology for tracking progress on long-term strategic objectives and the Tata Code of Conduct (“TCOC”), which articulates the values, ethics and business principles and serves as a guide to the Company, its directors and employees, supplemented with an appropriate mechanism to report any concern pertaining to non-adherence to the said TCOC. In addition, the Company has adopted Governance Guidelines on Board Effectiveness, a Code of Conduct for Prevention of Insider Trading, a Code of Corporate Disclosure Practices, a Vigil Mechanism, a Fair Practices Code, an Affirmative Action Policy, a Policy against Sexual Harassment in the Workplace, a Fit and Proper Policy for ascertaining the fit and proper criteria of the directors at the time of appointment and on a continuing basis, a Policy on Board Diversity and Director Attributes, a Code of Conduct for Non-Executive Directors, Internal Guidelines on Corporate Governance, an Occupational Health and Safety Management System and an Anti-Bribery and Anti-Corruption Policy .

a) Board of Directors

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

- The size of the Board is commensurate with the size and business of the Company. At present, the Board comprises six Directors viz. Mr. Vittaldas Leeladhar (Chairman), Ms. Padmini Khare Kaicker, Mr. Praveen P. Kadle, Mr. Pradeep C. Bandivadekar, Mr. Nihar Shah and Mr. Manish Chourasia. Mr. Vittaldas Leeladhar and Ms. Padmini Khare Kaicker are Independent Directors ("IDs") of the Company, and are not liable to retire by rotation. All the IDs have confirmed that they meet the criteria as mentioned under Section 149 of the Act. Mr. Praveen P. Kadle, Mr. Pradeep C. Bandivadekar and Mr. Nihar Shah are Non-Executive Directors ("NEDs") of the Company and Mr. Manish Chourasia is the Managing Director of the Company.
- During FY 2016-17, five Meetings of the Board of Directors were held on the following dates: April 25, 2016, July 21, 2016, October 24, 2016, January 30, 2017 and February 16, 2017. Details of Directors, their attendance at Board Meetings and at the previous AGM of the Company are, given below:

Name of Directors	Director Identification Number	Category	Board Meetings Attended	Whether present at previous AGM held on May 26, 2016
Mr. Vittaldas Leeladhar, Chairman	02630276	Independent	4	–
Mr. Praveen P. Kadle	00016814	Non-Executive	5	Yes
Mr. Pradeep C. Bandivadekar	00059330	Non-Executive	5	Yes
Mr. Nihar Shah	06969270	Non-Executive	5	–
Ms. Padmini Khare Kaicker	00296388	Independent	3	–
Mr. Manish Chourasia	03547985	Managing Director	5	Yes

- The Company paid Sitting Fees, in accordance with and within the limits specified under the Act, for attending meetings of the Board and the Committees of the Board to the NEDs and IDs.

Details of Sitting Fees paid are given below:

Name of Directors	Amount (in ₹)
Mr. Vittaldas Leeladhar	8,00,000
Ms. Padmini Khare Kaicker	3,20,000
Mr. Nihar Shah	1,50,000

Notes:

- The Sitting Fees in respect of the Director nominated by IFC, had been paid in US Dollars to IFC, based on invoices raised by IFC.
- Mr. Praveen P. Kadle, Non-Executive Director, has informed the Company that he would not like to take any Sitting Fees from the Company, since he is the Managing Director & CEO of TCL, the holding company.
- Mr. Pradeep C. Bandivadekar, Non-Executive Director, has also informed the Company that he would not like to take any Sitting Fees from the Company, as he is in the employment of Tata Capital Financial Services Limited, a fellow subsidiary.

None of the Non-Executive Directors and/or Independent Directors had any pecuniary relationship or transaction with the Company during the year under review.

No Commission is proposed to be paid to the Non-Executive Directors for FY 2016-17. The Non-Executive Directors / Independent Directors of the Company did not draw any remuneration from the Company in the nature of salary, benefits, bonuses, pensions, etc. during FY 2016 -17.

Ms. Padmini Khare Kaicker, Chairperson of Audit Committee had authorized

Mr. Pradeep C. Bandivadekar, a Member of the Audit Committee to attend the AGM of the Company on her behalf. Mr. Praveen P. Kadle, Chairman of Nomination and Remuneration Committee had attended the last AGM of the Company.

b) Committees of the Board

The Board has constituted Committees with specific terms of reference/scope to focus effectively on issues and ensure expedient resolution of diverse matters. These are the Audit Committee, Finance and Asset Liability Supervisory Committee, Risk Management Committee, Nomination and Remuneration Committee, Investment Credit Committee, Corporate Social Responsibility Committee, Asset Purchase Committee and Referral Committee. The Company Secretary is the Secretary of all the aforementioned Committees. The Board of Directors and the Committees also take decisions by circular resolutions which are noted by the Board/ respective Committees at their next meetings. The minutes of the meetings of all Committees of the Board are circulated to the Board of Directors for their noting.

(i) Audit Committee

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

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

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

During FY 2016-17, six Meetings of the Audit Committee were held on the following dates: April 25, 2016, July 21, 2016, September 28, 2016, October 24, 2016, January 30, 2017 and March 22, 2017. The composition of the Audit Committee and the attendance of its Members at its Meetings held during FY 2016 -17, is given below:

Name of the Members	Category	No. of Meetings	
		Held	Attended
Ms. Padmini Khare Kaicker (Chairperson)	Independent	6	5
Mr. Vittaldas Leeladhar	Independent	6	5
Mr. Pradeep C. Bandivadekar	Non-Executive	6	6

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

Besides the Members of the Committee, Meetings of the Audit Committee are attended by the Managing Director, the Chief Financial Officer, the Company Secretary, Statutory Auditors and Internal Auditor. Further, Meetings of the Audit Committee for the consideration of the Financials are also attended by all the Directors. The Internal Audit function is headed by the Head of Internal Audit of the Company who reports to the Chairperson of the Audit Committee to ensure independence of operations.

(ii) Nomination and Remuneration Committee (“NRC”)

During FY 2016–17, two Meetings of the NRC were held on the following dates: April 25, 2016 and March 10, 2017. The composition of the NRC and the attendance of its Members at its Meetings held during FY 2016-17 is given below:

Name of the Members	Category	No. of Meetings	
		Held	Attended
Mr. Praveen P. Kadle (Chairman)	Non-Executive	2	2
Mr. Vittaldas Leeladhar	Independent	2	1
Mr. Pradeep C. Bandivadekar	Non-Executive	2	2
Ms. Padmini Khare Kaicker	Independent	2	2

(iii) Finance and Asset Liability Supervisory Committee

During FY 2016-17, four Meetings of the Finance and Asset Liability Supervisory Committee were held on the following dates: June 24, 2016, September 28, 2016, November 23, 2016 and March 22, 2017. The composition of the Finance and Asset Liability Supervisory Committee and the attendance of its Members at its Meetings held during FY 2016-17, is given below:

Name of the Members	Category	No. of Meetings	
		Held	Attended
Mr. Vittaldas Leeladhar (Chairman)	Independent	3	3
Mr. Praveen P. Kadle	Non-Executive	3	3
Mr. Pradeep C. Bandivadekar	Non-Executive	3	3

(iv) Investment Credit Committee

During FY 2016-17, fourteen Meetings of the Investment Credit Committee were held on the following dates: April 25, 2016, May 23, 2016, June 24, 2016, July 21, 2016, August 25, 2016, September 28, 2016, October 28, 2016, November 23, 2016, December 16, 2016, January 13, 2017, January 30, 2017, February 16, 2017, March 10, 2017 and March 22, 2017. The composition of the Investment Credit Committee and the attendance of its Members at its Meetings held during FY 2016-17, is, given below:

Name of the Members	Category	No. of Meetings	
		Held	Attended
Mr. Vittaldas Leeladhar (Chairman)	Independent	14	13
Mr. Praveen P. Kadle	Non-Executive	14	13
Mr. Pradeep C. Bandivadekar	Non-Executive	14	14

(v) Risk Management Committee

During FY 2016-17, four Meetings of the Risk Management Committee were held on the following dates: June 24, 2016, September 28, 2016, November 23, 2016 and March 22, 2017. The composition of the Risk Management Committee and the attendance of its Members at its

Meetings held during FY 2016-17, is given below:

Name of the Members	Category	No. of Meetings	
		Held	Attended
Mr. Vittaldas Leeladhar (Chairman)	Independent	4	4
Mr. Praveen P. Kadle	Non-Executive	4	4
Mr. Pradeep C. Bandivadekar	Non-Executive	4	4

(vi) **Corporate Social Responsibility (“CSR”) Committee**

During FY 2016-17, one Meeting of the CSR Committee was held on March 22, 2017. The composition of the CSR Committee and the attendance of its Members at its Meetings held during FY 2016-17, is given below:

Name of the Members	Category	No. of Meetings	
		Held	Attended
Mr. Vittaldas Leeladhar (Chairman)	Independent	1	1
Ms. Padmini Khare Kaicker	Independent	1	1
Mr. Pradeep C. Bandivadekar	Non-Executive	1	1

(vii) **Other Committees:**

Besides the above Committees, the Board has also constituted the following Committees:

A. Referral Committee:

The Referral Committee was constituted to review all referrals of the Company Opportunities, Co-Investment, Opportunities by the Company as per the Shareholders Agreement executed between Tata Capital Limited, International Finance Corporation and Tata Cleantech Capital Limited. The composition of the Referral Committee is given below:

Name of the Members	Category
Mr. Vittaldas Leeladhar (Chairman)	Independent
Mr. Nihar Shah	Non-Executive

B. Asset Purchase Committee:

The Asset Purchase Committee was constituted for examination of proposals for purchase of the Assets by the Company from Tata Capital Limited and / or its affiliates. The composition of the Asset Purchase Committee, is given below:

Name of the Members	Category
Mr. Vittaldas Leeladhar (Chairman)	Independent
Ms. Padmini Khare Kaicker	Independent
Mr. Nihar Shah	Non-Executive

The Meeting of the above Committees is held as and when required. During FY 2016-17, no meeting of the above Committees was held.

c) Means of Communication

The ‘Investors’ section on the Company’s website keeps the investors updated on material developments in the Company by providing key and timely information such as Financial Results, Annual Reports, etc. The debenture holders can also send in their queries/complaints at the designated email address: compliance.ncd@tatacapital.com.

d) General Information for Members and Debenture holders

The Half-Yearly Financial Results of the Company are submitted to the Stock Exchange in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are published in a leading English daily newspaper and also communicated to the Debenture holders every six months

through a half yearly communiqué. Official news releases, including the half-yearly results, are also posted on the Company's website, www.tatacleantechcapital.in.

The Company is registered with the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identity Number ("CIN") allotted to the Company by the Ministry of Corporate Affairs ("MCA") is U65923NH2011PLC222430. The Company's Non-Convertible Debentures issued on private placement basis, are listed on the Wholesale Debt Market segment of the National Stock Exchange of India Limited.

Details of Debenture Trustee and the Registrar and Transfer Agent ("RTA") for the Debentures are given below:

Debenture Trustee
IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400001 Web: www.idbitrustee.com Tel: +91 22 4080 7000, Fax: +91 22 6631 1776 e-mail: itsl@idbitrustee.com
Registrar and Transfer Agent
Non - Convertible Debentures issued on a Private Placement basis
TSR Darashaw Limited 6-10, Haji Moosa Patrawala Industrial Estate, Near Famous Studio, 20, Dr. E Moses Road, Mahalaxmi, Mumbai – 400011, Maharashtra, India Tel: +91 22 66178554, Fax: 022-66568494 www.tsrdarashaw.com , e-mail: nnair@tsrdarashaw.com

During the year, the Company appointed TSR Darashaw Limited ("TSR") as the RTA for the privately placed debentures issued by the Company in place of Sharepro Services (I) Private Limited ("Sharepro"), consequent upon the issue of an Order by SEBI dated March 22, 2016, restraining the Management of Sharepro from buying, selling or dealing in the securities market or associating themselves with securities market, either directly or indirectly, in any manner, till further directions.

Pursuant to the provisions of Section 205C of the erstwhile Companies Act, 1956, the interest on application money, matured debentures and interest on matured debentures remaining unclaimed for a period of seven years from the date they become due for payment, have to be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. However, no such amount had to be transferred to the IEPF during the year, as the seven-year period has not yet elapsed for the Company's debentures. In case any of the above dues remain outstanding, the debenture holders are requested to claim the same at the earliest by contacting the Company or the Registrar. Pursuant to Section 125 of the Act, any person claiming to be entitled to the amount which has been transferred to IEPF, can apply to the concerned authority, for the payment of the money claimed.

e) Other Information

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

The Company has adopted the TCOC for its employees, including the Managing Director. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors. The Codes have been posted on the website.

24. VIGIL MECHANISM

The Company has established a Vigil Mechanism for its Directors and employees to report their genuine concerns or grievances. The said mechanism provides for adequate safeguards against victimization of persons who use it, and, *inter alia*, encompasses, *inter alia*, the Whistle Blower Policy, the Fraud Risk Management Process, the Ethics mechanism under the TCOC, and also the Anti Bribery and Anti-Corruption ("ABAC") Policy - which the Company adopted during the year. Ms. Padmini Khare Kaicker, Chairperson - Audit Committee is the Designated Director and Mr. Sunil Raut, Company Secretary is the Compliance Officer, for the purpose of the ABAC Policy. It also provides for direct access to the Chairperson of the Audit Committee and the Chief Ethics Counsellor. Information regarding the mechanism, including the contact details for reporting concerns are communicated to relevant stakeholders. The Vigil Mechanism, Whistle Blower Policy and TCOC have been put up on the Company's website.

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

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

A 'Prevention of Sexual Harassment' ("POSH") Policy that is in line with the statutory requirement, along with a structured reporting and redressal mechanism is in place. The POSH Policy is displayed on the Company's Intranet and is also communicated to employees through internal e-mail communications. An Apex POSH Committee based in Mumbai and 11 Regional POSH Committees (each having a woman as Presiding Officer, and an external woman member) are in place. During the year, as required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013, Tata Capital's Apex POSH Committee has been reconstituted. Three training sessions - by subject matter experts- were conducted for POSH Committee Members. The Presiding Officer of the Apex POSH Committee also conducted two training sessions for POSH Committee Members. Further, Members of the POSH Committees have conducted training and awareness sessions across the organization, to sensitise employees to the needs and concerns of women employees and understanding of the POSH policy. Posters on the POSH Policy, giving contact details of POSH Committee Members, are displayed at the Company's branch offices across the country. There is also a dedicated e-mail id (posh@tatacapital.com) for employees to communicate in strict confidence, directly with the Members of the POSH Committee.

During the year, the Company has not received any complaint under the provisions of 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

26. STATUTORY AUDITORS

At the last AGM of the Company, Deloitte Haskins & Sells, Chartered Accountants, Ahmedabad (ICAI Firm Registration Number: 117365W), the Statutory Auditors, were appointed for a term of one year until the ensuing Sixth AGM.

In view of the mandatory requirement for rotation of auditors upon completion of ten years of association with a company, in terms of Section 139 of the Act, Deloitte Haskins & Sells LLP, Chartered Accountants, Mumbai (ICAI Firm Registration Number: 117366W/W-100018), would retire as the Statutory Auditors of Tata Capital Limited ("TCL"), the holding company, at the conclusion of TCL's ensuing Twenty-Sixth AGM. TCL proposes to appoint B S R & Co. LLP ("BSR"), Chartered Accountants (ICAI Firm Registration Number: 101248W/W-100022), as the new Statutory Auditors of TCL and has also, recommended their appointment as Statutory Auditors, in all its Indian subsidiary companies.

Accordingly, the Company has received a Special Notice from its Member viz., TCL, recommending the appointment of BSR, as the new Statutory Auditors of the Company.

BSR are proposed to be appointed for a term of five consecutive years commencing from the conclusion of the Sixth AGM till the conclusion of the Eleventh AGM of the Company. BSR have expressed their willingness to act as the Auditors of the Company, and have further confirmed that, if appointed, the said appointment would be in conformity with the provisions of Section 139 read with Section 141 of the Act along with the Rules made there under.

The Board recommends the appointment of BSR as Statutory Auditors of the Company for a term of five consecutive years commencing from the conclusion of the Sixth AGM up to the conclusion of the Eleventh AGM of the Company, to be held in the year 2022, subject to the approval of the Members of the Company at the ensuing AGM and ratification of their appointment at every AGM, if required under the Act.

27. ACCOUNTING STANDARDS FOLLOWED BY THE COMPANY

The Financial Statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP") to comply with the Accounting Standards specified under Section 133 of the Act and the relevant provisions of the Act, as applicable. Further, the Company follows the RBI Directions issued for NBFC. The Financial Statements have been prepared on accrual basis under the historical cost convention. The Accounting Policies adopted in the preparation of the Financial Statements are consistent with those followed in the previous year except for change in the Accounting Policy for share issue expenses as more fully described in Note No. 40 of the Standalone Financial Statements.

28. EXPLANATION ON STATUTORY AUDITORS' REPORT

There are no qualifications, reservations or adverse remarks or disclaimers made by Deloitte Haskins & Sells, Chartered Accountants, Ahmedabad, in their Report dated April 26, 2017 on the Financial Statements of the Company for FY 2016-17.

29. SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s. Parikh & Associates, a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company for the FY 2016-17. The Secretarial Audit Report, in the prescribed Form No. MR-3 is attached herewith as Annexure 'D'.

The Secretarial Audit Report confirms that the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines etc., subject to the following observation:

- a. Non-filing of Form MGT-14 in respect of one resolution passed by the Board of Directors under Section 179(3) of the Act and Rules made thereunder, for of interest free loans to employees of the Company for purchase of equity shares of TCL, the holding company, under the Tata Capital Limited Employee Stock Purchase/Option Scheme, subject to the approval of the shareholders of the Company.

The Company is in process of seeking condonation for this inadvertent delay in the above filings from the appropriate authority.

30. INFORMATION ON MATERIAL CHANGES AND COMMITMENTS

There are no material changes or commitments affecting the financial position of the Company which have occurred between March 31, 2017 and April 26, 2017, being the date of this Report.

31. PARTICULARS OF RELATED PARTY TRANSACTIONS

The Company has adopted a Policy and a Framework on Related Party Transactions for the purpose of identification and monitoring of such transactions. The said Policy is attached as Annexure 'E'.

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

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

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

(A) Conservation of energy:

i. **Steps taken / impact on conservation of energy**

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

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

A solar panel has been installed at the Company's office at Thane which produces close to 750 watts of energy and which self illuminates and provides power to the garden and security lights on the campus from dusk to dawn. The garden lights at the Thane office have been retrofitted with LED bulbs that consume less electricity as compared to conventional incandescent or CFL bulbs.

iii. **Capital investment on energy conservation equipment's**

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

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

(B) Technology absorption:

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

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

(C) Foreign Exchange Earnings and Outgo:

The Foreign Exchange earned in terms of actual inflows during the year under review was Nil and the Foreign Exchange Outgo during the year under review in terms of actual outflows, was ₹ 0.03 crore.

33. EXTRACT OF THE ANNUAL RETURN

An extract of the Annual Return as prescribed under Section 92(3) of the Act and the Companies (Management and Administration) Rules, 2014, in the prescribed Form No. MGT-9 is attached as Annexure 'G'.

34. DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE ACT READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

A Statement giving the details required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the year ended March 31, 2017, is attached as Annexure 'H'.

The details required under Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the year ended March 31, 2017, are provided in a separate annexure forming part of this Report. In terms of the first proviso to Section 136 of the Act, the Report and the Accounts are being sent to the Members, excluding the aforesaid Annexure. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary at the Registered Office of the Company. None of the employees listed in the said Annexure is related to any Director of the Company.

35. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report is attached as Annexure 'I'.

36. ACKNOWLEDGEMENTS

The Directors would like to place on record their gratitude for the valuable guidance and support received from the RBI, SEBI, Registrar of Companies and from other Government and Regulatory agencies and to convey their appreciation to TCL, the holding company, IFC, customers, bankers, lenders, vendors and all other business associations for the continuous support given by them to the Company. The Directors also

place on record their appreciation of the commitment, commendable efforts, team work and professionalism of the employees of the Company.

For and on behalf of the Board of Directors

Vittalidas Leeladhar
Chairman

Mumbai
July 26, 2017

Annexure 'A'

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (“CSR”) ACTIVITIES**1. Brief outline of the Company’s CSR policy, including overview of projects or programs proposed to be undertaken and reference to the web-link to the CSR policy and projects or programs:**

In line with the Tata Group Philosophy and legal requirements as per the Section 135 (CSR Rules) of the Companies Act, 2013 (“Act”), TCCL has adopted CSR as an integral part of its Business. TCCL has been engaged in community development activities since 2009.

Vision: To ensure sustainability by doing what is right, through the adoption of sustainable business practices, employee policies and technologies.

Purpose: To protect the interests of all the stakeholders of the Company and contribute to society at large, by making a measurable and positive difference through the four causes the Company supports viz. Livelihood & Employability, Health, Education and Environment.

Sectors and Issues: To focus on Health and Climate Action.

For details of the CSR Policy along with projects and programs, kindly refer to <http://www.tatacleantechcapital.in>

2. The composition of the CSR Committee:

The Board of Directors have constituted a CSR Committee in accordance with the requirements of section 135 (1) of the Companies Act, 2013 (“Act”), which comprises:

- Mr. Vittaldas Leeladhar, Independent Director (Chairman)
- Mr. Pradeep C. Bandivadekar, Non-Executive Director
- Ms. Padmini Khare Kaicker, Independent Director

3. Average Net Profit of the Company for last three Financial Years:

(₹ in lakh)

Financial Year	Net Profit
FY 2013 -14	490
FY 2014 - 15	970
FY 2015- 16	4,240
Average Net Profit	1,900

Note: The above net profit has been calculated in accordance with the provisions of Section 198 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014

4. Prescribed CSR expenditure (2% of Average Net Profit as indicated in Point No. 3):

The prescribed CSR expenditure for FY 2016-17 was ₹ 38 lakh.

5. Details of CSR spend during FY 2016-17:

- a. Total amount to be spent: ₹ 38 lakh
- b. Amount unspent, if any: Nil
- c. Manner in which the amount was spent during FY 2016-17 is detailed below:

(₹ in lakh)

Sr. No	CSR Project identified	Project Sector (Schedule VII)	Project Area and district, State	Amount Outlay (budget)	Amount Spent on the project		Cumulative expenditure up to FY 16-17	Amount Spent	
	Name of the Project				Direct expenditure	Overheads		Direct	Implementing Agency
1	Water Filter	Making available safe drinking water (i)	Alibaug and Amby Valley, Raigad, Maharashtra	3,83,890	3,83,890	--	3,83,890	--	Miracle Foundation India Name: Ms. Nivedita Das Gupta Address: F-5, Second Floor, Geetanjali Enclave, New Delhi – 110017: Tel No.: +91 9810040777 E-mail: nivedita@miraclefoundation.org
2	iWASH (Water, Sanitation and Hygiene)	Ensuring Environmental sustainability (iv)	Hyderabad, Telangana	34,16,110	34,16,110	--	34,16,110	--	Jal Seva Charitable Trust (Water Aid India) Name: Mr. Avinash Kumar, Director – Programme & Policy Address: 2 nd Floor, New Block, R K Khanna Tennis Stadium, DLTA Complex 1, Africa Avenue, Safdarjung Enclave, New Delhi – 110029 Tel No: 91 11 66124422 E-mail: AvinashKumar@wateraid.org
TOTAL				38,00,000	38,00,000		38,00,000		

6. In case the Company has failed to spend the 2% of the Average Net Profit of the last three financial years or any part thereof, reasons for not spending the amount:

Not Applicable as amount has been spent.

7. Responsibility Statement:

The CSR Committee of the Board hereby confirms that the implementation and monitoring of the CSR Policy are in compliance with the CSR objectives and CSR Policy of the Company.

Mr. Vittaldas Leeladhar
Chairman, CSR Committee,
(Independent Director)

Ms. Padmini Khare Kaicker
Member, CSR Committee
(Independent Director)

Mr. Pradeep C. Bandivadekar
Member, CSR Committee
(Non-Executive Director)

BOARD DIVERSITY POLICY AND DIRECTOR ATTRIBUTES**1. PURPOSE:**

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

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

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

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

2. OBJECTIVES OF THE POLICY:

The Objectives of the Policy include:

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

3. POLICY STATEMENT:

To meet the above Objectives:

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

4. MEASURABLE OBJECTIVES:

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

5. MONITORING AND REPORTING:

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

REMUNERATION POLICY

1. COMPENSATION PHILOSOPHY:

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

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

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

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

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

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

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

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

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

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

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

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

2.2 Remuneration for Managing Director (“MD”) / Executive Directors (“ED”) / Manager / CEO / KMP / rest of the employees ^(Note 1)

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

Hence, remuneration should be:

- market competitive (market for every role is defined as companies from which the company attracts talent or companies to which the company loses talent);
 - driven by the role played by the individual;
 - reflective of the size of the company, complexity of the sector / industry / Company's operations and the Company's capacity to pay;
 - consistent with recognized best practices; and
 - aligned to any regulatory requirements.
- (ii) In terms of remuneration mix or composition,
 - the remuneration mix for the MD / ED should be as per the contract approved by the Shareholders. In case of any change which is beyond the remuneration approved by the Shareholders, the same would require the approval of the Shareholders.
 - basic / fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
 - in addition to the basic / fixed salary, the Company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The Company also provides all employees with a social security net (subject to limits) by covering medical expenses and hospitalization through re-imbursing or insurance cover and accidental death and dismemberment through personal accident insurance.
 - the Company provides retirement benefits, as applicable.
 - in addition to the basic / fixed salary, benefits, perquisites and allowances as provided above, the Company may provide MD / ED such remuneration by way of Commission, calculated with reference to the Net Profits of the Company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the MD / EDs would be based on the performance of the MD / ED as evaluated by the Board or the NRC and approved by the Board.

OR

- in addition to the basic / fixed salary, benefits, perquisites and allowances as provided above, the Company may provide to its MD / ED, such remuneration by way of an annual incentive

remuneration / performance linked bonus subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board. An indicative list of factors that may be considered for determination of the extent of this component are:

- Company's performance on certain defined qualitative and quantitative parameters, as may be decided by the Board from time to time;
 - Industry benchmarks of remuneration;
 - Performance of the individual.
- The Company will provide the rest of the employees, a performance linked incentive pay. The performance linked pay would be driven by the outcome of the performance appraisal process and the performance of the Company.

2.3 Remuneration payable to Director for services rendered in other capacity

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

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

2.4 Loans to employees

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

2.5 Policy implementation

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

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

FORM No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

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

To,
The Members,
Tata Cleantech Capital Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the "Act") and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act")
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (Not applicable to the Company during the audit period);
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time (Not applicable to the Company during the audit period);
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the audit period);
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (Not applicable to the Company during the audit period);
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the audit period) and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the audit period).

- (vi) Other laws specifically applicable to the Company, namely:
- (a) All the Rules, Regulations, Directions, Guidelines and Circulars applicable to Non-Banking Financial Companies under the RBI Act, 1934
 - (b) Credit Information Companies (Regulation) Act, 2005 and Rules
 - (c) SEBI Circulars and Guidelines for Mutual Funds
 - (d) Guidelines with respect to SEBI KYC registration agency (KRA) Regulations, 2011
 - (e) Securities and Exchange Board of India (Investment Advisers) Regulations, 2013
 - (f) SEBI (Research Analysts) Regulations, 2014
 - (g) The Prevention of Money Laundering Act, 2002 and the Prevention of Money Laundering (Maintenance of Records, etc.) Rules, 2005
 - (h) SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003
 - (i) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.
- (ii) The Listing Agreement entered into by the Company with the National Stock Exchange of India Limited, read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above, except the non-filing of Form MGT-14 in respect of the Board resolution dated April 25, 2016 passed for giving of loans to employees for purchase of stock options of holding company.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the period under review.

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

Majority decision is carried through, while the dissenting Members' views, if any, are captured and recorded as part of the Minutes of the Meetings;

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

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

- (i) Issue of 400 Secured Redeemable Non-Convertible Debentures for an aggregate amount of ₹ 4,000 lakh.
- (ii) Issue and allotment of 6,66,66,666 Equity Shares of ₹ 10/- each at a premium of ₹ 20/- per Equity Share aggregating ₹ 200 crore, on Rights basis to the existing Shareholders of the Company.

For **Parikh & Associates**
Company Secretaries

Place: Mumbai
Date: April 26, 2017

Signature:
Shalini Bhat
Partner
FCS No: 6484 CP No: 6994

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

Annexure A'

To,
The Members
Tata Cleantech Capital Limited

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

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

For **Parikh & Associates**
Company Secretaries

Place: Mumbai
Date: April 26, 2017

Signature:
Shalini Bhat
Partner
FCS No: 6484 CP No: 6994

POLICY ON RELATED PARTY TRANSACTIONS

1. Executive Summary

This Policy is being framed with the objective of ensuring compliance with the provisions pertaining to Related Party Transactions in the Companies Act, 2013 ("Act").

Related Party Transactions referred to throughout this Policy shall mean contracts / arrangements / transactions with a Related Party (as defined under the Act). Accordingly, Related Party Transactions may be entered into by the Company only in accordance with this Policy as amended from time to time.

The Policy covers following sections:-

Objective:- Lays down the intent and requirement for drafting this Policy.

Scope:- To give an overview of the legal provisions applicable to Related Party Transactions and lay down the processes for identifying Related Parties and the Related Party Transaction approval.

Definition:- Specifies the key definitions stated in the Act

Key Principles:-

- (a) Identification, Review of Related Party Transactions
- (b) Broad Parameters to Assess: Ordinary Course of Business
- (c) Broad Parameters to Assess: Arm's Length
- (d) Materiality Thresholds for Related Party Transactions

Going forward, the Audit Committee would review and recommend amendments to the Policy, as and when required, subject to the approval of the Board.

2. Objective

Section 188 of the Act and the Rules made thereunder require the approval of the Board and the Shareholders of a company for certain transactions entered into by a company with its Related Parties.

Related Party Transactions can present potential or actual conflicts of interest and may raise questions whether such transactions are in the best interest of the Company and its Shareholders. Therefore, this Policy has been adopted by the Company's Board of Directors, to ensure high standards of Corporate Governance while dealing with Related Parties and sets forth the procedures under which the Related Party Transactions must be reviewed, approved or ratified and reported.

This Policy has been drafted with an objective of ensuring compliance with the provisions pertaining to Related Party Transactions under the Act.

3. Scope

Accordingly, this Policy has been adopted to:

- (a) give an overview of the legal provisions applicable to Related Party Transactions;
- (b) lay down the process for identifying Related Parties;
- (c) identify factors for determining whether a transaction with a Related Party is:
 - on an Arm's Length basis
 - in the Ordinary Course of Business
- (d) for approval / noting of Related Party Transactions.

Note 1:- This Policy is for the purpose of identifying Related Party Transactions and the relevant approval methodology for compliance with the Act and the Rules framed thereunder.

Note 2:- Provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications, etc. on the subject as may be issued by relevant statutory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s), etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.

4. **Definition**

All capitalised terms used in this Policy document but not defined herein shall have the meaning ascribed to such term in the Act and the Rules framed thereunder, as amended from time to time.

5. **Identification and Monitoring of Related Parties**

The Secretarial Team shall update the Reference List on the basis of intimations received from the Directors / KMPs or changes in corporate or investment structure, as informed from time to time.

The names / details of all Related Parties identified shall be consolidated, as a Reference List and this Reference List shall be updated on a regular basis by the Secretarial Team.

This Reference List and subsequent updates, as prepared by the Secretarial Team, shall be progressively shared by the Controllership Team with all Business Heads (Division Heads or higher)/ Functional Heads, for compliance at their end.

All Related Party Transactions for the period shall be reported to the Company Secretary who shall place the same for approval / noting / ratification by the Audit Committee, in accordance with this Policy.

To review a Related Party Transaction, the Board / Audit Committee will be provided with all the relevant information pertaining to the Related Party Transaction, including the name of the related party, the nature of the relationship, nature of the transaction, whether the transaction is in the 'Ordinary Course of Business', whether the transaction is at 'Arm's Length' and any other matter, as may be required.

The process and controls with respect to identification monitoring of Related Parties and execution of Related Party Transactions would be vis-à-vis an appropriate Framework, as approved by the Board, Audit Committee and Management, instituted for compliance with this Policy.

For assessing whether the transaction is in the Ordinary Course of Business and Arm's Length, Clause 6 of this Policy shall be referred to.

6. **Key Principles**

A. Broad Parameters to assess - Ordinary Course of Business

The phrase Ordinary Course of Business is not defined under the Act or Rules made thereunder. The Company shall adopt a reasonable approach / methodology to demonstrate 'Ordinary Course of Business' which shall, *inter alia*, include the Nature of the transaction, the frequency / regularity / length of time the company is engaged such transaction, such transaction / action is consistent with the past practices and was taken in the ordinary course of the normal day-to-day operations of such company, common commercial practice i.e. customarily taken, in the ordinary course of the normal day-to-day operations of other companies that are in the same / similar line of business.

The Company shall adopt an appropriate framework to assess whether transactions with related parties are done in the ordinary course of business and Company adopts generally accepted practices and principles in determining whether the transaction is in the 'Ordinary Course of Business'.

B. Broad Parameters to assess – Arm's Length

For transactions between two related parties to be considered to be at Arm's Length Pricing, the transaction should be conducted between the two parties as if the parties were unrelated, so that there is no conflict of interest i.e. Arm's Length Pricing is the condition or the fact that the two related parties transact as independent (un-related) parties and on an equal footing from one or more of the following aspects viz. nature of goods / services, risk assumed, assets / resources employed, key terms / covenants.

In the absence of any guidelines on Arm's Length Pricing in the Act, the Company shall adopt reasonable approach / methodology to demonstrate Arm's Length Pricing for the specified Related Party Transactions identified, which shall, *inter alia*, include, the nature of the transaction, description of functions to be performed, risks to be assumed and assets to be employed, key terms / special terms in the arrangement forming part of a composite transaction;

The Company shall adopt an appropriate framework to assess whether transactions with related parties are done at an Arm's Length and Company adopts generally accepted practices and principles in determining whether the transaction is at "Arm's Length".

C. Materiality Thresholds for Related Party Transactions

- (a) The transactions with related parties in the ordinary course of business and at arm's length within the monetary threshold ("**de minimis threshold**") as approved by the Audit Committee/Board, from time to time, will be placed before the Audit Committee for noting, on a half yearly basis.
- (b) The Board has stipulated that transactions with related parties in the ordinary course of business and at arm's length that cross the de minimis threshold would require prior approval of the Audit Committee.
- (c) The Company follows Materiality Thresholds for Related Party Transactions as per the Companies Act, 2013 and the applicable Rules framed thereunder for transactions with related parties which are not in the ordinary course of business and/or not at arm's length basis.

The Company shall institute appropriate framework to provide for approvals / noting of all Related Party Transactions to be in compliance with this Policy.

7. Disclosure

The Policy shall be published on the Company's website <http://www.tatacapital.com>.

Form No. AOC- 2

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

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

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

(₹ in lakh)

Sr. No.	Name of the Related Party	Nature of Relationship	Nature of contracts/ arrangements/ transactions	Amount	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Amount paid as advances, if any
1	Tata Capital Limited ("TCL")	Holding Company	a) ICDs accepted during the year	156,860	Tenor upto 1 year	Cost of Funds below Bank Borrowing Rate	Nil
			b) ICDs repaid back during the year	176,769	Tenor upto 1 year	Not Applicable	Nil
			c) ICDs Outstanding Payable	2,727	Tenor upto 1 year	Cost of Funds below Bank Borrowing Rate	Nil
			d) Interest expense on ICDs during the year	1,567	Tenor upto 1 year	Cost of Funds below Bank Borrowing Rate	Nil

Notes:

- (1) Appropriate approvals have been taken for all Related Party Transactions
- (2) Materiality Thresholds for Reporting Related Party Transactions in the ordinary course of business and on an arm's length basis:
 - a. Sale, purchase or supply of any goods or materials directly or through appointment of agents: Exceeding 2.5% of Turnover or ₹ 25 crore, whichever is lower
 - b. Buying, selling or disposing of property of any kind directly or through appointment of agents: Exceeding 2.5% of Networth or ₹ 25 crore, whichever is lower
 - c. Leasing of any kind of property: Exceeding 2.5% of Networth or 5% of Turnover or ₹ 25 crore, whichever is lower
 - d. Availing or rendering of any services directly or through appointment of agents: Exceeding 5% of Turnover or ₹ 25 crore, whichever is lower
 - e. Appointment to any office or place of profit in the company, its subsidiary / associate company: Monthly remuneration exceeding ₹ 1,25,000
 - f. Remuneration for underwriting subscription of any securities in or derivatives thereof : Exceeding 0.5% of Networth

Date: July 26, 2017

Mumbai

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2017

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

I. REGISTRATION AND OTHER DETAILS:

- i) CIN: U65923MH2011PLC222430
- ii) Registration Date: September 27, 2011
- iii) Name of the Company: Tata Cleantech Capital Limited
- iv) a) Category: Company limited by shares
b) Sub-Category of the Company: Indian Non-Government Company
- v) Address of the Registered Office and contact details:
One Forbes, Dr. V. B. Gandhi Marg, Fort, Mumbai - 400001, Maharashtra, India.
Contact details:
Tel: 022-6745 9000 / 022-6606 9000
E-mail id: sunil.raut@tatacapital.com
- vi) Whether listed company: Yes. As per Section 2(52) of the Companies Act, 2013, the Company is considered as a listed company since its debentures are listed on the National Stock Exchange of India Limited.
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:

Non – Convertible Debentures issued on a Private Placement basis

TSR Darashaw Limited
6-10, Haji Moosa Patrawala Industrial Estate, Near Famous Studio, 20,
Dr. E Moses Road, Mahalaxmi, Mumbai – 400011, Maharashtra, India
Contact Person: Mr. Deepak Tambe
Tel: +91 22 66178554
www.tsrdarashaw.com
e-mail: dtambe@tsrdarashaw.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

SR. NO.	NAME AND DESCRIPTION OF MAIN PRODUCTS / SERVICES	NIC CODE OF THE PRODUCT/ SERVICE	% TO TOTAL TURNOVER OF THE COMPANY
1	Financial Service Activity	64990	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SR. NO.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	TATA CAPITAL LIMITED One Forbes, Dr. V.B. Gandhi Marg, Fort, Mumbai – 400 001	U65990MH1991PLC060670	Holding Company	80.50%	Section 2(46)

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	23,27,18,182	23,27,18,182	80.50	-	28,63,84,848	28,63,84,848	80.50	23.06
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other...	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	-	23,27,18,182	23,27,18,182	80.50	-	28,63,84,848	28,63,84,848	80.50	23.06
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	-	23,27,18,182	23,27,18,182	80.50	-	28,63,84,848	28,63,84,848	80.50	23.06
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Multilateral Financial Institution)	-	5,63,72,727	5,63,72,727	19.50	-	6,93,72,727	6,93,72,727	19.50	23.06
Sub-total (B)(1):-	-	5,63,72,727	5,63,72,727	19.50	-	6,93,72,727	6,93,72,727	19.50	23.06
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	5,63,72,727	5,63,72,727	19.50	-	6,93,72,727	6,93,72,727	19.50	23.06
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	28,90,90,909	28,90,90,909	100	-	35,57,57,575	35,57,57,575	100	-

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Tata Capital Limited	23,27,18,182	80.50	NIL	28,63,84,848	80.50	NIL	23.06
	Total	23,27,18,182	80.50	NIL	28,63,84,848	80.50	NIL	23.06

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

Sr. No.		Shareholding		Date	Increase / Decrease	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	At the beginning of the year	23,27,18,182	80.50	April 1, 2016	–	–	23,27,18,182	80.50
2.	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer / bonus / sweat equity etc).	–	–	March 29, 2017	Increase 5,36,66,666	Issue of Equity Shares on a Rights Basis	28,63,84,848	80.50
3.	At the end of the year	28,63,84,848	80.50	March 31, 2017			28,63,84,848	80.50

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding		Date	Increase / Decrease	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	At the beginning of the year	5,63,72,727	19.50	April 1, 2016	–	–	5,63,72,727	19.50
2.	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer / bonus / sweat equity etc).	–	–	March 29, 2017	Increase 1,30,00,000	Issue of Equity Shares on a Rights Basis	6,93,72,727	19.50
3.	At the end of the year(or on the date of separation, if separated during the year)	–	–	March 31, 2017			6,93,72,727	19.50

(v) Shareholding of Directors and Key Managerial Personnel

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

V. INDEBTEDNESS

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

(₹ in crore)

	Secured Loans (excluding deposits)	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year:				
i) Principal Amount	494.44	354.73	0	849.17
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	25.99	2.43	0	28.42
Total (i+ii+iii)	520.43	357.16	0	877.59
Change in Indebtedness during the financial year				
• Addition (Net)	524.14	2,539.28	0	3,063.42
• Reduction	11.10	2,514.59	0	2,525.69
Net Change	513.04	24.69	0	537.73
Indebtedness at the end of the financial year:				
i) Principal Amount	1,004.73	380.00	0	1,384.73
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	28.74	1.85	0	30.59
Total (i+ii+iii)	1,033.47	381.85	0	1,415.32

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of Managing Director	
		Mr. Manish Chourasia (₹ in lakh)	Total Amount
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	134.66	134.66
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.288	0.288
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–
2.	Stock Option	–	–
3.	Sweat Equity	–	–
4.	Commission - as% of profit - others, specify...	–	–
5.	Others, please specify	–	–
	Total (A)	134.95	134.95
	Ceiling as per the Act		3450

B. Remuneration to other directors:

(₹ in lakh)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Vittaldas Leeladhar	Ms. Padmini Khare Kaicker		
1.	Independent Directors				
	•Fee for attending board / committee meetings	7.50	2.90		10.40
	•Commission	–	–		–
	•Others, please specify	–	–		–
	Total (1)	7.50	2.90		10.40
2.	Other Non-Executive Directors	Mr. Praveen P. Kadle	Mr. Nihar Shah	Mr. Pradeep C. Bandivadekar	
	•Fee for attending board / committee meetings	–	0.91	–	0.91
	•Commission	–	–	–	–
	•Others, please specify	–	–	–	–
	Total (2)	–	0.91	–	0.91
	Total (B)=(1+2)				11.31
	Total Managerial Remuneration (A+B)				146.27
	Overall Ceiling as per the Act				759

Note:

- No Sitting Fees has been paid to Mr. Praveen P Kadle and Mr. Pradeep C Bandivadekar

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel (₹ in lakh)			Total
		Chief Financial Officer		Company Secretary	
		Mr. Manish Kambli	Mr. Behzad Bhesania	Mr. Sunil Raut	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	47.98	11.906	14.779	74.889
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.224	0	0	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–	–	–
2.	Stock Option	–	–	–	–
3.	Sweat Equity	–	–	–	–
4.	Commission- as% of profit- others, specify...	–	–	–	–
5.	Others, please specify	–	–	–	–
	Total	48.206	11.906	14.779	74.889

Note:

1. Mr. Manish Kambli ceased to be the Chief Financial Officer w.e.f. October 14, 2016 and accordingly the remuneration furnished above is for the period April 1, 2016 to October 14, 2016
2. Mr. Behzad Bhesania was appointed as the Chief Financial Officer w.e.f. October 24, 2016 and accordingly the remuneration furnished above is for the period October 24, 2016 to March 31, 2017.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Annexure H

**DETAILS REQUIRED UNDER SECTION 197(12) OF THE ACT READ WITH
RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF
MANAGERIAL PERSONNEL) RULES, 2014**

1. **The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year.**

The ratio of remuneration of each Director to the median remuneration of the employees of the Company for FY 2016-17 is, as under:

Name of Director(s)	Ratio to Median
Mr. Vittaldas Leeladhar	0.33:1
Mr. Nihar Shah	0.06:1
Ms. Padmini Khare Kaicker	0.13:1
Mr. Manish Chourasia	6.12:1

Note:

1. *Mr. Praveen P. Kadle, Non-Executive Director, does not draw any remuneration from the Company, since he is the Managing Director & CEO of Tata Capital Limited, the holding company.*
2. *Mr. Pradeep C. Bandivadekar, Non-Executive Director, does not draw any remuneration from the Company, as he is in the employment of Tata Capital Financial Services Limited, a fellow subsidiary company.*

In view of the above, the ratio of remuneration of Mr. Kadle and Mr. Bandivadekar to the median remuneration of employees, has not been computed.

2. **The percentage increase/decrease in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary, or Manager, if any, in the financial year:**

The percentage increase/decrease in remuneration of Directors in FY 2016-17, is as under:

Name of Director(s)	% Increase in Remuneration
Mr. Vittaldas Leeladhar	(22%)
Mr. Nihar Shah	(2%)
Ms. Padmini Khare Kaicker	(47%)
Mr. Manish Chourasia	34.7%

There was a decrease in the remuneration paid to Mr. Vittaldas Leeladhar, Mr. Nihar Shah and Ms. Padmini Khare Kaicker since their remuneration included only the sitting fee paid for attending Board/Board Committee Meetings, the number of Board/Board Committee Meetings held during FY 2016-17 were less than those held during FY 2015-16.

Note:

1. *Mr. Praveen P. Kadle and Mr. Pradeep C. Bandivadekar, Non - Executive Directors of the Company, does not draw any remuneration from the Company. In view of the same, the percentage increase in their remuneration, has not been computed.*
2. *Mr. Manish Chourasia was appointed as Managing Director of the Company from August 21, 2015 and therefore the percentage increase in his remuneration for FY 2016-17 is not comparable with FY 2015-16.*
3. *Mr. Behzad Bhesania was appointed as Chief Financial Officer with effect from October 24, 2016. Hence, the percentage change in remuneration paid during FY 2016-17 is not comparable with FY 2015-16.*
4. *The percentage increase in remuneration of Mr. Sunil Raut, Company Secretary, for FY 2016-17 was 8.0% as compared to FY 2015-16.*

3. The percentage increase in the median remuneration of employees in the financial year.

There is a increase in the median remuneration of employees in FY 2016-17 by 24% as compared to FY 2015-16.

4. The number of permanent employees on the rolls of Company:

The permanent employees on the rolls of Company as on March 31, 2017, were 39.

5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average percentage increase in the salaries of employees other than that of the managerial personnel in FY 2016-17 is 9.7% and the percentage increase in the overall managerial remuneration is 12.9 %.

6. Affirmation that the remuneration is as per the Remuneration Policy of the Company:

It is affirmed that the remuneration paid is as per the Remuneration Policy adopted by the Company.

Annexure I

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**1. Industry Overview and Outlook**

Please refer to Para 2 of the Directors' Report.

2. Opportunities and Threats

The global renewable energy landscape is poised for progressive growth. Many nations, including India, are placing strong emphasis on energy security, aiming for affordable and accessible energy for all, within the ambit of climate change. Majority of the power generation in India is presently carried out by conventional energy sources, coal and fossil fuels being the primary ones, which contribute heavily to greenhouse gas emission and global warming. However, the Indian Renewable energy sector (especially wind and solar) is poised for exponential growth with the Government's thrust on clean energy, backed by a conducive policy framework and an improved business environment. The Government has set an ambitious target of 175 Giga Watt ("GW") of renewable energy by the year 2022, that comprises 100 GW of solar energy and 60 GW of wind energy. The Government's vision towards energy security is further aided by a tangible emphasis on transmission linkages and related infrastructure.

The Government's commitment to renewable energy is further manifested in a number of policy initiatives, including introduction of transparent bidding system, approving 20 solar parks, strengthening Power Purchase Agreements ("PPA") contractual obligations, waiving off inter-state transmission charges for wind and solar, and measures to improve State Division Support Command's ("DISCOM") financial health. The Reserve Bank of India's ("RBI") move to include smaller renewable energy under priority sector lending will also help to further enhance India's renewable energy capacity addition, especially by Small and Medium Enterprises. The world's largest capacity addition program backed by proactive policy initiatives certainly caught the attention of many international energy majors as well as global investors. Many of them have already entered into this segment. Besides, quite a few large corporate houses and Public Sector Undertaking ("PSU") sectors have announced their plans to actively invest more in renewable power in addition to their captive power consumption and need to hedge their power cost for a longer period. Owing to rapid technological improvements and declining capital cost, the renewable energy sources such as wind and solar are becoming less expensive than the prevailing commercial or industrial tariffs. In fact, both of these energy sources have almost achieved grid-parity in India. As a result, during the last two years, India has witnessed the highest ever capacity addition in wind and solar, taking India's renewable capacity over 52GW.

India has the potential and capability to lead the global transition to renewable energy sources and become the renewable energy technology hub to the world, subject to continuance of conducive and stable policy frameworks. Having said that, the availability of grid and land infrastructure at the State level may hamper the sector viability and the State Governments need to invest in that area well in advance, based on available renewable resources in the respective states.

Renewable energy needs large-scale funding. Domestic banks and financial institutions will continue to provide significant funding for such projects. However, going forward, greater funding diversity would be needed. Hence, attracting institutional debt will clearly support the development of India's renewable energy sector. Multilateral Development Banks ("MDB") have already been involved in supporting renewable energy projects in India, but given the scale of India's renewable energy growth plan, it will necessitate greater participation by MDBs to crowd in institutional capital. The financiers and lenders will have to carefully and critically evaluate the projects to avoid cash flow mismatch and Non-Performing Asset issues which are currently prevalent in other infrastructure sectors like conventional energy and transport sectors. Almost all distribution companies exhibit very weak financial profiles, mainly due to the burden of heavily subsidized power prices. This heightens the counterparty risk for renewable projects. The successful and timely implementation of Ujwal DISCOM Assurance Yojna ("UDAY") scheme - which includes recapitalizing distribution companies - will lower counterparty risk and support the financing of renewable energy projects. Lenders will also have to be careful in choosing projects and avoid aggressively bid projects.

With the Government's strong focus on the Infrastructure sector, certain other Infrastructure sectors such as Roads, Ports, Power Transmission, Railways, etc. are likely to provide opportunities. However, given the weak and over leveraged Balance Sheets of most of the infrastructure developers, the opportunities in these sectors would be limited in the short term.

3. Segment-wise or product-wise performance of the Company

Please refer to Para 3 of the Directors' Report.

4. Risk and Concerns

The key risks in Renewable Energy ("RE") financing are project implementation risk, poor health of Power Distribution Company, technology and resource estimation risks.

Project implementation risks primarily arise on account of delay in land acquisition, power evacuation approval, execution of power purchase agreement and sub-optimal performance of Engineering, Procurement and Construction Contractor. To mitigate these risks, appropriate due diligence towards all these aspects is required to be carried out, with emphasis on project execution and financial capability of developers and contractors. Developers with a weak Balance Sheet and lack of liquidity should be discouraged.

Poor financial health of a DISCOM poses a big risk to the RE sector, as in most of the cases, they are the power offtakers. Most of the State Electricity Boards ("SEB") are under a huge debt burden and their accumulated losses are mounting. To address the issue, the Government of India has come out with UDAY. With the implementation of UDAY, most of the DISCOMs are expected to become profitable in next two to three years by reducing the gap between Average Revenue Realized ("ARR") and Average Cost to Supply ("ACS") to zero. A review of DISCOMs' financial health and payment cycle on periodic basis must be carried out to minimize the risk.

Technology in the Wind sector is well established and we have adequate operational data for projects in India. However, in the solar sector, we do not have the performance track record for the full life cycle. To mitigate the risk, lenders need to select the project with modules from proven suppliers, backed by adequate performance guarantee. Services of an Independent Engineer are generally retained to carry out the technical due diligence of the project. Performance Ratio ("PR") and degradation are critically reviewed and financials are sensitized by assuming increased degradation as compared to the standard industry rate.

Project revenue is largely dependent upon the generation volume, for which the lender relies on estimation of Plant Load Factor ("PLF"). Any estimation error or change in the resource pattern may cause adverse effect on the project cash flows. To mitigate the risk, lenders avail services of reputed resource consultants, who have a proven track record in this field. Base case business plans are sensitized under various stress case scenarios like lower PLF, higher interest cost, delay in receipt of payment, etc.

In other Infrastructure sector, key concerns include delay in land acquisition, prolonged project commissioning periods on account of delay in approvals from Government agencies, and frequent policy changes, which results into a project becoming unviable. The Infrastructure sector requires a high level of capex and in many cases, we see challenges in equity funding for the project on account of a weak Balance Sheet and liquidity issues with the promoters. However, with the emphasis on infrastructure by the present Government, the outlook of certain sectors, such as, Road, Power Transmission, Port, etc. is improving.

Funding of projects with high leverage and inflated revenue projection may result into a big risk for the sector, which must be avoided.

5. Discussion on financial performance with respect to operational performance

Please refer to Para 4 of the Directors' Report

6. Internal control systems and their adequacy

Please refer to Para 10 of the Directors' Report

7. Material developments in Human Resources / Industrial Relations front, including number of people employed

Please refer to Para 12 of the Directors' Report.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TATA CLEANTECH CAPITAL LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Tata Cleantech Capital Limited (the "Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the branch auditors and other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit, we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company, and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
 - g) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts as at 31st March, 2017, for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in the financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.
2. As required by the Companies (Auditors’ Report) Order, 2016 (the “Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

Place : Mumbai,

Date : April 26, 2017

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of the Company as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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. 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 the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting 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 control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future

periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

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

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

Place : Mumbai,

Date : April 26, 2017

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- (ii) To the best of our knowledge and according to the information and explanations given to us the Company does not have any inventory and hence reporting under clause 3(ii) of the Order is not applicable.
- (iii) To the best of our knowledge and 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 Act.
- (iv) The Company has not granted any loans, made investments or provide guarantees under the provisions of Sections 185 and 186 of the Act and hence reporting under clause 3(iv) of the Order is not applicable.
- (v) To the best of our knowledge and according to the information and explanations given to us, the Company has not accepted any deposit during the year and no order in this respect has been passed by the Company Law Board or National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunals.
- (vi) To the best our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, in respect of the services rendered by the Company.
- (vii) To the best of our knowledge and according to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has been generally regular in depositing undisputed statutory dues, including Income-tax, Service Tax, Provident Fund, Employees' State Insurance, cess and other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Income-tax, Service Tax, Provident Fund, Employees' State Insurance, cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
 - (c) There are no dues of Income-tax and Service Tax as on March 31, 2017 on account of disputes.
- (viii) To the best of our knowledge and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and dues to debenture holders. The Company has not taken any loan from government and financial institution.
- (ix) To the best of our knowledge and according to the information and explanations given to us, the money raised by way of the term loans and debentures have been applied by the Company during the year for the purposes for which they were raised other than temporary deployment pending application of proceeds. The Company has not raised moneys by way of initial public offer/ further public offer (including debt instruments).
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) To the best of our knowledge and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

- (xiii) To the best of our knowledge and according to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.
- (xv) To the best of our knowledge and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Act are 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 the registration.

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

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

Place : Mumbai,

Date : April 26, 2017

BALANCE SHEET AS AT MARCH 31, 2017

(₹ in lakh)

PARTICULARS	Note No.	As at March 31, 2017	As at March 31, 2016
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share Capital	3	35,576	28,909
(b) Reserves and Surplus	4	23,531	5,791
		59,107	34,700
2 Non - current liabilities			
(a) Long-term borrowings	5	34,417	47,833
(b) Other Long-term liabilities	6	–	55
(c) Long-term provisions	7	701	349
		35,118	48,237
3 Current liabilities			
(a) Short-term borrowings	8	83,639	31,973
(b) Trade payables	9		
i) Total outstanding dues of micro enterprises and small enterprises	9(a)	–	–
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		628	421
(c) Other current liabilities	10	23,536	7,957
(d) Short-term provisions	11	105	72
		107,908	40,423
TOTAL		202,133	123,360
II. ASSETS			
1 Non-current assets			
(a) Property, plant and equipment - Tangible Assets	12	282	298
(b) Deferred tax assets (net)	13	267	127
(c) Non-current investments	14	34	–
(d) Long-term Loans and advances - financing activity	15	185,668	115,438
(e) Long-term Loans and advances - others	16	147	136
(f) Other non-current assets	17	14	84
		186,412	116,083
2 Current assets			
(a) Trade receivables	18	7	–
(b) Cash and bank balances	19	1,434	343
(c) Short-term Loans and advances - financing activity	15	14,217	6,814
(d) Short-term Loans and advances - others	20	22	7
(e) Other current assets	21	41	113
		15,721	7,277
TOTAL		202,133	123,360
See accompanying notes forming part of the financial statements	1-41		

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered AccountantsVittaladas Leeladhar
(Chairman)Praveen P. Kadle
(Director)Pradeep C. Bandivadekar
(Director)G. K. Subramaniam
PartnerNihar Shah
(Director)Padmini Khare Kaicker
(Director)Manish Chourasia
(Managing Director)Place : Mumbai
Date: April 26, 2017Behzad Bhesania
(Chief Financial Officer)Sunil Raut
(Company Secretary)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in lakh)

PARTICULARS	Note No.	For the Year ended March 31, 2017	For the Year ended March 31, 2016
I Revenue from operations	22	17,897	10,463
II Investment income	23	–	12
III Other income	24	127	17
IV Total Revenue (I+II+III)		18,024	10,492
V Expenses			
Finance costs	25	9,099	4,468
Employee benefit expenses	26	1,324	792
Other operating expenses	27	1,182	1,233
Depreciation and amortisation	12	24	23
Amortisation of expenses (Refer note 38)	21(a)	23	115
Total expenses		11,652	6,631
VI Profit before tax (IV-V)		6,372	3,861
VII Tax expense			
(i) Current tax		1,946	1,374
(ii) Deferred tax		(140)	(260)
Total Tax expense		1,806	1,114
VIII Profit for the year (VI-VII)		4,566	2,747
IX Earnings per equity share:			
(i) Basic (in ₹)		1.58	0.95
(ii) Diluted (in ₹)		1.58	0.95
Face Value per share (in ₹)		10	10
See accompanying notes forming part of the financial statements	1-41		

In terms of our report attached

For and on behalf of the Board of Directors

For **Deloitte Haskins & Sells**
Chartered Accountants

Vittaladas Leeladhar
(Chairman)

Praveen P. Kadle
(Director)

Pradeep C. Bandivadekar
(Director)

G. K. Subramaniam
Partner

Nihar Shah
(Director)

Padmini Khare Kaicker
(Director)

Manish Chourasia
(Managing Director)

Place : Mumbai
Date: April 26, 2017

Behzad Bhesania
(Chief Financial Officer)

Sunil Raut
(Company Secretary)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(₹ in lakh)

PARTICULARS	Note No.	For the Year ended March 31, 2017	For the Year ended March 31, 2016
1 CASH FLOW USED IN OPERATING ACTIVITIES			
Profit before tax		6,372	3,861
Adjustments for :			
Amortisation of share/debenture issue expenses/loan processing expenses		23	115
Interest expenses		7,232	3,957
Discounting charges on commercial paper		1,867	511
Interest income		(16,506)	(10,039)
Profit on sale of investment		–	(12)
Contingent provision against standard assets		381	199
Contingent provision against restructured advances		–	(37)
Provision for employee benefits		13	4
Depreciation and amortisation		24	23
Operating Profit before working capital changes and adjustments for interest received, interest paid and dividend received		(594)	(1,418)
Adjustments for:			
Increase/(Decrease) in current liabilities and provisions		204	365
Increase in loans and advances - financing activity		(77,471)	(55,023)
Increase/(Decrease) in trade receivables		(7)	–
(Increase)/Decrease in Loans and advances - others		(21)	511
Cash used in operations before adjustments for interest received, interest paid and dividend received		(77,889)	(55,565)
Interest paid		(8,497)	(1,573)
Interest received		16,345	9,966
Cash used in operations		(70,041)	(47,172)
Taxes paid		(1,967)	(1,342)
NET CASH USED IN OPERATING ACTIVITIES		(72,008)	(48,514)
2 CASH FLOW USED IN INVESTING ACTIVITIES			
Purchase of fixed assets (including capital advances)		(12)	(20)
Proceed from sale of fixed assets		4	7
Purchase of mutual fund units		(34)	(43,505)
Proceed from sale of mutual fund units		–	43,517
NET CASH USED IN INVESTING ACTIVITIES		(42)	(1)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(₹ in lakh)

PARTICULARS	Note No.	For the Year ended March 31, 2017	For the Year ended March 31, 2016
3 CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of equity share capital		20,000	–
Share/Debenture issue expenses		(40)	(33)
Proceeds from long-term borrowings		8,000	51,000
Repayment of long-term borrowings		(6,111)	(556)
Net proceeds from / (repayment of) short-term borrowings		51,292	(2,116)
NET CASH FROM FINANCING ACTIVITIES (1 + 2 + 3)		73,141	48,295
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		1,091	(220)
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR		343	563
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR (REFER NOTE 19)		1,434	343
See accompanying notes forming part of the financial statements	1-41		

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

Vittaladas Leeladhar
(Chairman)

Praveen P. Kadle
(Director)

Pradeep C. Bandivadekar
(Director)

G. K. Subramaniam
Partner

Nihar Shah
(Director)

Padmini Khare Kaicker
(Director)

Manish Chourasia
(Managing Director)

Place : Mumbai
Date: April 26, 2017

Behzad Bhesania
(Chief Financial Officer)

Sunil Raut
(Company Secretary)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**1. CORPORATE INFORMATION**

Tata Cleantech Capital Limited (the "Company") is a wholly owned subsidiary of Tata Capital Limited and a Systemically Important Non Deposit Accepting Non-Banking Finance Company ("NBFC"), holding a Certificate of Registration from the Reserve Bank of India ("RBI") received on October 19, 2012. The Company 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. Basis for preparation of accounts**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP") to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 ("the Act"), as applicable. Further, the Company follows the Reserve Bank of India (RBI) Directions issued for Non-Banking Financial Companies (NBFC). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for change in the accounting policy for share issue expenses as more fully described in Note 2(ix).

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

ii. Use of Estimates

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

iii. Revenue recognition**a. Income on Loan transactions**

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

Upfront/processing fees collected from the customer are primarily towards documentation charges. Such fees are accounted as income when the amount becomes due provided recovery thereof is not uncertain.

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

b. Income from Non - current and Current Investments

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

c. Income from Advisory Services

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

iv. Provisions for Standard/Non-Performing Assets and Doubtful Debts (including Credit Substitutes)

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

A loan is recognised as non-performing (“NPA”) at the earlier of the date it has been individually provided for when the Company is no longer reasonably assured of the timely collection of the full amount of principal and interest or where the repayment of installment or interest has been in arrears for 90 days.

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

v. Investments

Investments are classified into non-current and current investments.

a. Non-current investments

Non-current investments are investments intended to be held for a period of more than a year. Non-current investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

b. Current investments

Current investments are investments intended to be held for a period of less than a year. Current investments are stated at the lower of cost or market value, determined on an individual investment basis.

vi. Property, plant and equipment

Tangible:

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

vii. Depreciation

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

Depreciation on tangible property, plant and equipment 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 and Vehicles, where the life of the assets has been assessed based on the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement etc.

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

Estimated useful life considered by the Company are:

Asset	Estimated Useful Life	As per Schedule II
Buildings	25 years	30 years
Furniture and Fixtures	10 years	10 years
Office Equipment	5 years	5 years
Computer Equipment	4 years	3 years
Vehicles	4 years	6 years

viii. Deferred revenue expenditure

Ancillary costs in the nature of loan processing charges and debenture issue expenses are amortised over the tenor of the loan/debenture from the month in which the Company has incurred the expenditure. Loan sourcing cost is charged to the Statement of Profit and Loss in the year in which it is incurred.

ix. Share issue expenses

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the Securities Premium Account. Share issue expenses in excess of the balance in the Securities Premium Account is expensed in the Statement of Profit and Loss.

x. Employee Benefits

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

Defined contribution plans

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement of Profit and Loss in the year in which they occur. These contributions to Provident fund are administered by the Regional Provident Fund Commissioner.

The Company's contribution to superannuation fund and employee state insurance scheme is 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. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the year in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

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

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

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

Long-term employee benefits

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

xi. Provisions, Contingent Liabilities and Contingent Assets

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

xii. Taxation

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

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

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

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

xiii. Service tax input credit

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

xiv. Operating Cycle

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

xv. Business segment

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

xvi. Cash Flow Statement

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

xvii. Earnings Per Share

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

NOTES TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017

3. SHARE CAPITAL

(₹ in lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
AUTHORISED 500,000,000 (as at March 31, 2016 : 500,000,000 shares) Equity shares of ₹ 10 each	50,000	50,000
	50,000	50,000
ISSUED, SUBSCRIBED & PAID UP 355,757,575 (as at March 31, 2016 : 289,090,909 shares) Equity shares of ₹ 10 each fully paid up	35,576	28,909
Total	35,576	28,909

3. (a) Reconciliation of number of shares outstanding

PARTICULARS	No. of Shares	₹ in lakh
Opening Equity Share Capital as on April 01, 2015	289,090,909	28,909
Additions during the year	–	–
Closing Equity Share Capital as on March 31, 2016	289,090,909	28,909
Additions during the year	66,666,666	6,667
Closing Equity Share Capital as on March 31, 2017 Equity Face Value ₹ 10 fully paid up	355,757,575	35,576

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

The Company has issued only one class of equity shares having a face value of ₹ 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 66,666,666 Equity Shares of ₹ 10 each, at a premium of ₹ 20 per equity share on March 29, 2017 (Previous year : Nil).

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

Name of Company	Particulars of Issue	No. of Equity shares	₹ In lakh
Tata Capital Limited	Opening Balance as on April 1, 2015	232,718,182	23,272
	Closing Balance as on March 31, 2016	232,718,182	23,272
	Right issue during the FY 2016-17	53,666,666	5,367
	Closing Balance as on March 31, 2017	286,384,848	28,639
International Finance Corporation	Opening Balance as on April 1, 2015	56,372,727	5,637
	Closing Balance as on March 31, 2016	56,372,727	5,637
	Right issue during the FY 2016-17	13,000,000	1,300
	Closing Balance as on March 31, 2017	69,372,727	6,937

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

Name of Shareholder	March 31, 2017		March 31, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Tata Capital Limited (Including shares held jointly with nominees)	286,384,848	80.50%	232,718,182	80.50%
International Finance Corporation	69,372,727	19.50%	56,372,727	19.50%

NOTES TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017

4. RESERVES AND SURPLUS

(₹ in lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
(a) Securities Premium Account		
Opening balance	2,091	2,091
Add: Premium on issue of equity shares	13,333	–
Less: Share issue expenses written-off (Refer note 38)	(159)	–
Closing balance	15,265	2,091
(b) Special Reserve Account u/s 45-IC of Reserve Bank of India Act, 1934		
Opening balance	741	192
Add: Transfer from Surplus in the Statement of Profit & Loss (Refer note 4.1 below)	913	549
Closing balance	1,654	741
(c) Special Reserve Account u/s 36(1)(viii) of Income tax Act, 1961		
Opening balance	750	–
Add: Transfer from Surplus in the Statement of Profit & Loss (Refer note 4.2 below)	1,180	750
Closing Balance	1,930	750
(d) Surplus in Statement of Profit & Loss		
Opening balance	2,209	761
Add: Profit for the year	4,566	2,747
Profit available for appropriation	6,775	3,508
Less: Appropriation		
- Transfer to reserve u/s. 45-IC of Reserve Bank of India Act, 1934 (Refer note 4.1 below)	913	549
- Transfer to reserve u/s 36(1)(viii) of Income tax Act, 1961 (Refer note 4.2 below)	1,180	750
Closing Balance	4,682	2,209
TOTAL	23,531	5,791

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

4.1. ₹ 913 lakh (Previous Year: ₹ 549 lakh) to Special Reserve as prescribed by section 45-IC of the Reserve Bank of India Act, 1934, being 20% of the profits after taxes for the year

4.2 ₹ 1,180 lakh (Previous Year: ₹ 750 lakh) to Special Reserve as prescribed under section 36(1)(viii) of Income Tax Act, 1961.

5. LONG-TERM BORROWINGS

(₹ in lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
(a) Debentures		
Secured		
Privately Placed Non-Convertible Debentures (Refer note 5.1 & 5.4 below)	26,000	38,500
(b) Term loans		
Secured		
From Banks (Refer note 5.2 & 5.3 below)	8,417	7,833
(c) Other loans and advances		
Unsecured		
Inter-corporate Deposits from others (Refer note 5.5 below)	–	1,500
TOTAL	34,417	47,833

Notes

5.1 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.

5.2 Loans and advances from banks are secured by way of first pari passu charge on receivables of the Company through Security Trustee.

NOTES TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017**5.3 Terms of repayment of term loans and rate of interest:**

As per terms of agreements loan from banks classified under long term borrowing and current liabilities aggregating ₹ 10,834 lakh (Previous Year: ₹ 8,944 lakh) are repayable at maturity ranging between 36 and 60 months from the date of respective loan. Rate of interest payable on term loan varies between 8.15% to 9.70% (Previous Year 9.33% to 9.70%)

5.4 Particulars of Privately Placed secured non-convertible debentures ("NCDs") outstanding as on March 31, 2017

Description of NCDs	Issue Date	Redemption Date	As on March 31, 2017		As on March 31, 2016	
			Number of NCDs	₹ in Lakh	Number of NCDs	₹ in Lakh
TCCL NCD 'B' FY 2016-17	17-Oct-16	15-Oct-21	150	1,500	-	-
TCCL NCD 'F' FY 2015-16	19-Oct-15	19-Oct-20	200	2,000	200	2,000
TCCL NCD 'E' FY 2015-16	4-Sep-15	4-Sep-20	200	2,000	200	2,000
TCCL NCD 'C' FY 2015-16	20-Jul-15	20-Jul-20	200	2,000	200	2,000
TCCL NCD 'A' FY 2016-17	14-Jun-16	14-Jun-19	250	2,500	-	-
TCCL NCD 'D' FY 2015-16 Option II	3-Aug-15	3-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	6-Nov-15	6-Nov-17	250	2,500	250	2,500
TCCL NCD 'D' FY 2015-16 Option I	3-Aug-15	3-Aug-17	500	5,000	500	5,000
TCCL NCD 'B' FY 2015-16 Option I	20-May-15	17-May-17	900	9,000	900	9,000
TOTAL				42,500		38,500
Of which current maturities classified under "Current Liabilities" In Note 10				16,500		-
TOTAL				26,000		38,500

Note : Coupon rate of "NCDs" outstanding as on March 31, 2017 varies from 8.10% to 9.15% (Previous Year : 8.57% to 9.15%)

5.5 Interest rate of Inter-corporate Deposits ("ICDs") outstanding as on March 31, 2017 varies from 7.65% to 8.61% (Previous Year: 8.18% to 9.41%)**6. OTHER LONG-TERM LIABILITIES** (₹ in lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
Interest accrued but not due on borrowings	-	55
TOTAL	-	55

7. LONG-TERM PROVISIONS (₹ in lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
(a) Provision for employee benefits	3	2
(b) Contingent provision against Standard Assets (Refer note 33)	698	347
TOTAL	701	349

NOTES TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017

8. SHORT-TERM BORROWINGS

(₹ in lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
(a) Loans repayable on demand		
Secured		
(a) Bank Overdraft (Refer note 5.2 above)	23,139	2,000
(b) Other Loans and Advances		
Secured		
Term loans from Banks (Refer note 5.2 & 5.3 above)	4,000	—
Term loans from Others	20,000	—
Unsecured		
(a) Commercial paper (Refer note 8.1 below) [Net of unamortised discount of ₹ 727 lakh (as at March 31, 2016 : ₹ 163 lakh)]	31,773	7,337
(b) Inter-corporate deposit (Refer note 5.5 above)		
- From Others	2,000	—
- From Related parties	2,727	22,636
TOTAL	83,639	31,973

8.1 Discount on commercial paper varies between 6.87% to 8.35% (Previous Year: 8.50% to 8.90%)

9. TRADE PAYABLES

(₹ in lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
(a) Accrued employee benefit expense	293	159
(b) Accrued expenses	317	261
(c) Payable to related parties	16	—
(d) Others	2	1
TOTAL	628	421

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 :

9. (a) Total outstanding dues of micro enterprises and small enterprises

(₹ in lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
(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	—	—

NOTES TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017**10. OTHER CURRENT LIABILITIES**

(₹ in lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
(a) Current maturities of long-term debt		
Secured		
Term loan from bank (Refer note 5.2 & 5.3 above)	2,417	1,111
Privately Placed non-convertible debentures (Refer note 5.1 & 5.4 above)	16,500	–
Unsecured		
Inter-corporate Deposit (Refer note 5.5 above)	1,500	4,000
(b) Interest accrued but not due on borrowings	3,059	2,788
(c) Other Payables		
- Statutory Dues	60	58
TOTAL	23,536	7,957

11. SHORT-TERM PROVISIONS

(₹ in lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
(a) Provision for employee benefits	32	19
(b) Provision - Others		
(i) Provision for tax [Net of advance tax ₹ 1,920 lakh (As at March 31, 2016 ₹ 1,341 lakh)]	23	33
(ii) Contingent provision against Standard Assets (Refer note 33)	50	20
TOTAL	105	72

12. PROPERTY, PLANT AND EQUIPMENT

(₹ in lakh)

Particulars	Gross Block				Accumulated depreciation				Net Carrying Value
	Opening balance as at April 1, 2016	Additions / Adjustments	Deletions	Closing balance as at March 31, 2017	Opening balance as at April 1, 2016	Depreciation/ Amortisation for the year	Deletions / Adjustments	Closing balance as at March 31, 2017	As at March 31, 2017
TANGIBLE ASSETS									
Buildings	279	–	–	279	10	12	–	22	257
	–	279	–	279	–	10	–	10	269
Vehicles	52	10	10	52	23	12	6	29	23
	42	20	10	52	13	13	3	23	29
Furniture & Fixture *	–	–	–	–	–	–	–	–	–
	–	–	–	–	–	–	–	–	–
Computer Equipment	–	1	–	1	–	–	–	–	1
	–	–	–	–	–	–	–	–	–
Office Equipment	–	1	–	1	–	–	–	–	1
	–	–	–	–	–	–	–	–	–
TOTAL	331	12	10	333	33	24	6	51	282
Previous financial year	42	299	10	331	13	23	3	33	298

Previous year figures are given in Italics

(* Amount less than ₹ 50,000/-)

NOTES TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017
13. DEFERRED TAX ASSET

(₹ in lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
Deferred Tax Asset (net)	267	127
TOTAL	267	127

The components of deferred tax assets and deferred tax liabilities arising out of timing differences are as under:

PARTICULARS	As at March 31, 2017	As at March 31, 2016
Deferred Tax Assets on :-		
(a) Contingent provision for standard assets	259	127
(b) Disallowance u/s 43(B)	12	7
(c) Timing difference in respect of depreciation on fixed assets	3	1
	274	135
Deferred Tax Liabilities:-		
(a) Debenture issue expenses	(7)	(8)
	(7)	(8)
Net Deferred Tax Assets	267	127

14. INVESTMENTS

(₹ in lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
Non-current investments		
Investment in Mutual Fund (Unquoted)		
- Tata Money Market Fund (in lieu of leave encashment)	34	-
TOTAL	34	-

15. LOANS AND ADVANCES - FINANCING ACTIVITY

(₹ in lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
NON-CURRENT		
(a) Secured Loans		
(i) Considered good	177,295	115,438
(ii) Considered doubtful	-	-
	177,295	115,438
Less: Provision for doubtful loans	-	-
	177,295	115,438
(b) Secured Credit Substitutes		
(i) Considered good (Refer note 15.1 below)	8,373	-
(ii) Considered doubtful	-	-
	8,373	-
Less: Provision for doubtful Credit Substitutes	-	-
	8,373	-
TOTAL	185,668	115,438

NOTES TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017

PARTICULARS	As at March 31, 2017	As at March 31, 2016
CURRENT		
(a) Secured Loans		
(i) Considered good	13,108	6,814
(ii) Considered doubtful	–	–
	13,108	6,814
Less: Provision for doubtful loans	–	–
	13,108	6,814
(b) Secured Credit Substitutes		
(i) Considered good (Refer note 15.1 below)	139	–
(ii) Considered doubtful	–	–
	139	–
Less: Provision for doubtful Credit Substitutes	–	–
	139	–
(c) Unsecured Loans		
(i) Considered good	970	–
(ii) Considered doubtful	–	–
	970	–
Less: Provision for doubtful loans	–	–
	970	–
TOTAL	14,217	6,814
Total - Loans and advances - Financing Activity	199,885	122,252

15.1 Scrip-wise details of Credit Substitutes:

PARTICULARS	Face value Per Unit ₹	As at March 31, 2017			As at March 31, 2016		
		No. of Units	Non-Current	Current	No. of Units	Non-Current	Current
Secured Quoted :							
Investment in Bonds and Debentures (Trade)							
11.5% Zuka Power Private Limited (Inclusive of accrued interest)	100,000	8,500	8,373	139	–	–	–
Total	100,000	8,500	8,373	139	–	–	–

16. LONG-TERM LOANS AND ADVANCES - OTHERS (UNSECURED - CONSIDERED GOOD) (₹ in lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
(a) Advance tax [Net of provision for tax ₹ 1,617 lakh (As at 31 March 31, 2016 ₹ 377 lakh)]	146	135
(b) Security Deposits	1	1
TOTAL	147	136

17 OTHER NON-CURRENT ASSETS (₹ in lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
Deferred revenue expenditure (to the extent not written off or adjusted) (Refer note 21 (a) below)	14	84
TOTAL	14	84

NOTES TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017

18. TRADE RECEIVABLES

(₹ in lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
(a) Over six months (from the date due for payment)		
(i) Secured, considered good	-	-
(ii) Unsecured, considered good	-	-
(iii) Doubtful	-	-
	-	-
Less: Provision for trade receivables	-	-
	-	-
(b) Others		
(i) Secured, considered good	-	-
(ii) Unsecured, considered good	7	-
(iii) Doubtful	-	-
	7	-
Less: Provision for trade receivables	-	-
	7	-
TOTAL	7	-

19. CASH AND BANK BALANCES

(₹ in lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
(a) Cash on Hand	-	-
(b) Cheques on Hand	-	2
(c) Balances with banks - in current accounts	1,434	341
TOTAL	1,434	343

19.1. Of the above, the balance that meet the definition of Cash and Cash Equivalents as per AS 3 Cash Flow Statement is ₹ 1,434 lakh (As at March 31, 2016 : ₹ 343 lakh).

19.2 The details of the Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 are as below (as per MCA Notification G.S.R. 307 (E) dated 30th March 2017 :

PARTICULARS	SBNs	Other Denomination Notes	Total
Opening Cash in hand as on 08/11/2016	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amounts deposited in Banks (deposited before 11/11/2016)	-	-	-
Closing cash in hand as on 30/12/2016	-	-	-

NOTES TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017

20. SHORT-TERM LOANS AND ADVANCES-OTHERS (UNSECURED - CONSIDERED GOOD) (₹ in lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
(a) Service tax receivable	4	1
(b) Prepaid expenses	18	5
(c) Loans to employees	–	1
TOTAL	22	7

21. OTHER CURRENT ASSETS (₹ in lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
(a) Deferred revenue expenditure (to the extent not written off or adjusted) (Refer note 21 (a) below)	17	89
(b) Gratuity assets (Net)	20	17
(c) Other receivables from related parties	4	7
TOTAL	41	113

21. (a) Deferred Revenue Expenditure (to the extent not written off or adjusted) (₹ in lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
(a) Unamortised share issue expenses		
Opening balance	139	236
Add: expenses incurred during the year	–	–
Less: share issue expenses written-off through Securities Premium Account (Refer note 38)	(139)	–
Less: written off during the year through Statement of Profit and Loss	–	97
Closing balance	–	139
(b) Unamortised debenture issue expenses		
Opening balance	31	20
Add: expenses incurred during the year	17	29
Less: written off during the year	20	18
Closing balance	28	31
(c) Unamortised Loan Processing expenses		
Opening balance	3	–
Add: expenses incurred during the year	3	4
Less: written off during the year	3	1
Closing balance	3	3
TOTAL	31	173

(₹ in lakh)

PARTICULARS	As at March 31, 2017		As at March 31, 2016	
	Non-Current	Current	Non-Current	Current
(a) Unamortised share issue expenses	–	–	64	75
(b) Unamortised debenture issue expenses	12	16	18	13
(c) Unamortised Loan Processing expenses	2	1	2	1
Total	14	17	84	89
Grand Total		31		173

NOTES TO AND FORMING PART OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017
22. REVENUE FROM OPERATIONS

(₹ in lakh)

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
(a) Interest income		
- From secured loans	16,447	10,039
(b) Income from Bill Discounting	59	–
(c) Others	1,391	424
TOTAL	17,897	10,463

23. INVESTMENT INCOME

(₹ in lakh)

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
Profit on sale of mutual fund investments (Current Investments)	–	12
TOTAL	–	12

24. OTHER INCOME

(₹ in lakh)

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
(a) Advisory income	126	17
(b) Referral Fees	1	–
TOTAL	127	17

25. FINANCE COST

(₹ in lakh)

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
(a) Interest expense	7,232	3,957
(b) Discounting charges - on commercial paper	1,867	511
TOTAL	9,099	4,468

26. EMPLOYEE BENEFIT EXPENSES

(₹ in lakh)

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
(a) Salaries, wages and bonus	1,231	744
(b) Contribution to provident and other funds (Refer note 29)	64	33
(c) Staff welfare expenses	29	15
TOTAL	1,324	792

NOTES TO AND FORMING PART OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017**27. OTHER OPERATING EXPENSES**

(₹ in lakh)

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
(a) Advertisements and publicity	5	3
(b) Brand Equity and Business Promotion	52	29
(c) Audit fees [Refer note 27 (a)]	11	11
(d) Contingent provision against Standard Assets (Refer note 33)	381	199
(e) Contingent provision against restructured advances	–	(37)
(f) Corporate social responsibility expenses [Refer note 27 (c)]	38	11
(g) Directors remuneration	9	19
(h) Insurance charges	11	7
(i) Information technology expenses	283	206
(j) Legal and professional fees	47	48
(k) Loan processing fees (Refer note 40)	1	601
(l) Repairs & maintenance	2	7
(m) Rent	178	29
(n) Rates & taxes *	–	1
(o) Stamp charges	21	5
(p) Service provider charges	17	1
(q) Telephone, telex and leased line	11	5
(r) Travelling and conveyance	63	40
(s) Training and recruitment	16	31
(t) Other expenses	36	17
TOTAL	1,182	1,233

(*Amount less than 50,000/-)

27. a. Auditors' Remuneration (excluding Service Tax)

(₹ in lakh)

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
Audit fees	9	9
Tax audit fees	1	1
Other Services	1	1
Out of Pocket Expenses*	–	–
TOTAL	11	11

(*Amount less than 50,000/-)

27. b. Expenditure in Foreign Currency

(₹ in lakh)

PARTICULARS	For the year ended March 31, 2017	For the year ended March 31, 2016
Processing fees	–	2
Directors sitting fees	1	2
Professional fees	2	–
TOTAL	3	4

27. c. Corporate social responsibility expenses

(i) Gross amount required to be spent by the company during the year was ₹ 38 lakh (Previous year ₹ 11 lakh)

(ii) Amount spent during the year on:

(₹ in lakh)

PARTICULARS	Paid	Yet to be paid	Total
Construction/acquisition of any asset	–	–	–
On purposes other than above	38	–	38
TOTAL	38	–	38

28. Contingent Liabilities and Commitments:

a) Contingent liabilities ₹ Nil (Previous year ₹ Nil)

29. Employee benefits
Defined Contribution Plans

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. The Company offers its employees defined contribution plans in the form of provident fund, family pension fund and superannuation fund. Provident fund and family pension fund cover all regular employees while the contribution to superannuation fund is at the option of the employee. Contributions towards superannuation are paid into a superannuation fund. The superannuation fund is managed by independent agencies while provident fund is administered by the Regional Provident Fund Commissioner. While both the employees and the Company pay predetermined contributions into the provident fund, contributions into the family pension fund and the superannuation fund are made only by the Company. The contributions are based on a certain proportion of the employee's salary.

The Company recognised a charge of ₹ 36 lakh (previous year: ₹ 22 lakh) for provident fund and family pension fund contribution.

Defined Benefits Plans

The Company offers its employees defined benefit plans in the form of a gratuity scheme (a lump sum amount) (included as part of Contribution to provident and other funds in Note 26 Employee Benefit Expense). Benefits under the defined benefit plans are typically based on years of service and the employee's compensation (generally immediately before separation). The gratuity scheme covers all regular employees. Commitments are actuarially determined at year end. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term that is almost equivalent to the average balance working period of employees. Actuarial valuation is done based on "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are charged to the Statement of Profit and Loss.

Reconciliation of Benefit Obligations and Plan Assets

(₹ in lakh)

Particulars	2016-17	2015-16
Change in Defined Benefit Obligation		
Opening defined benefit obligation	67	93
Current service cost	12	9
Interest cost	5	7
Acquisition cost / (credit)	11	(41)
Actuarial losses / (gain)	22	(1)
Benefits paid*	(18)	(0)
Closing defined benefit obligation	98	67
Experience Gain / (Loss) adjusted on plan liability	(6)	(1)
Change in the Fair Value of Assets		
Opening fair value of plan assets	83	119
Acquisition adjustment	11	(40)
Expected return on plan assets	7	8
Contributions by employer	13	–
Actuarial gains / (losses)	4	(4)
Benefits paid	–	–
Closing fair value of plan assets	118	83
Experience Gain / (Loss) adjusted on plan assets	4	(4)

Particulars	2016-17	2015-16
Reconciliation of present Value of the obligation and the fair value of the plan assets		
Fair value of plan assets at the end of the year	118	83
Present value of the defined obligations at the end of the year	98	67
Funded status [surplus / (deficit)]	20	16
Unrecognised past service cost	–	–
Net asset recognised in the balance sheet	20	16
Net Gratuity cost for the year ended March 31, 2017		
Service cost	12	9
Interest on defined benefit obligation	5	7
Expected return on plan assets	(7)	(8)
Net actuarial loss recognised in the year	18	3
Net gratuity cost	28	11
Actual Contribution and benefit payments for the year		
Actual benefit payments*	(18)	(0)
Actual Contribution	13	–

(* Amount less than ₹ 50,000 /-)

Categorization of plan assets is as follows

Investment Pattern	2016-17	2015-16
Government Bonds	33%	44%
Equity mutual funds	16%	23%
Bonds/ Debentures	41%	24%
Others (including assets under Schemes of Insurance)	10%	9%
TOTAL	100%	100%
Assumptions		
Discount rate	7.50%	8.20%
Expected rate of return on plan assets	8.00% p.a.	8.00% p.a.
Salary escalation rate	7.50% p.a for first 5 years and 6% thereafter.	7.50% p.a for first 5 years and 5% thereafter.
Mortality rate	Indian Assured Lives Mortality (2006-08) (modified) Ult.	Indian Assured Lives Mortality (2006-08) (modified) Ult.
Withdrawal rate	0-2 years - 10% 3-4 years - 5% 5-9 years - 2.5% 10 years and more - 1%	0-2 years - 10% 3-4 years - 5% 5-9 years - 2.5% 10 years and more - 1%

(₹ in lakh)

PARTICULARS	2016-17	2015-16	2014-15	2013-14	2012-13
Experience adjustment					
- On plan liabilities	(6)	(1)	4	8	–
- On plan assets	4	(4)	1	27	–
Present value of benefit obligation	(98)	(67)	(93)	(84)	–
Fair value of plan assets	118	83	119	121	–
Excess of (obligation over plan assets)	20	16	27	37	–
Actuarial gain/(loss) due to change on assumptions	(16)	2	(16)	15	–

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

The contributions expected to be made by the Company during the financial year 2017-18 is ₹ 18 lakh. (Previous year ₹ 20 lakh)

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 2016-17 is ₹ 1 lakh (Previous year ₹ 0.03 lakh) and the provision as at March 31, 2017 is ₹ 3 lakh (Previous year ₹ 2 lakh).

30. Segment Reporting

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

31. Disclosure as required by Accounting Standard (AS) – 18 on “Related Party Disclosures” notified under Section 133 of the Companies Act 2013

i. List of related parties and relationship:

Ultimate Holding Company	Tata Sons Limited
Holding Company	Tata Capital Limited
Fellow Subsidiaries (with which the company had transactions)	Tata Capital Financial Services Limited TC Travel and Services Limited Tata Capital Housing Finance Limited Tata Capital Forex Limited Tata Securities Limited
Subsidiaries of ultimate holding company (with which the company had transactions)	Niskalp Infrastructure Services Limited Tata Consultancy Services Limited Tata Consulting Engineers Limited Tata AIG General Insurance Company Limited Tata AIA Life Insurance Company Limited Tata Business Support Services Limited
Key Management Personnel	Mr. Manish Chourasia (Managing Director) (w.e.f. July 15, 2015)
	Mr. Avijit Bhattacharya (Manager) (w.e.f. July 31, 2015)

ii. Transactions with related parties :

(₹ in lakh)

Sr. No.	Party Name	Nature of transaction	2016-17	2015-16
1	Tata Sons Limited	a) Expenses : - Brand equity contribution b) Liability: - Balance payable	52 52	29 29
2	Tata Capital Limited	a) Expenses : - Telephone* - Reimbursement of expenses - Interest expenses on ICD b) Liability: - Equity shares issued during the year - Share Premium received during the year - ICD accepted during the year - ICD repaid during the year - ICD outstanding payable	- 1 1,567 5,367 10,733 156,860 176,769 2,727	0 4 835 - - 87,069 95,993 22,636
3	Tata Capital Financial Services Limited	a) Expenses: - Reimbursement of expenses - Rent - Loan processing fee - Sourcing Fee b) Income: - Management fees - Guest House Recovery - Advisory fees c) Asset: - Balance receivable d) Liability: - Balance payable	18 194 - 11 - 13 5 - - 16	35 40 4 - 22 10 8 7 -
4	Tata Capital Housing Finance Limited	a) Expenses : - Stipend* - Reimbursement of expenses* b) Income : - Guest House Recovery c) Liability: - Balance payable*	- 0 1 -	0 - - 0
5	TC Travel and Services Limited	a) Expenses : - Travel related expenses b) Asset: - Balance receivable*	22 -	12 -
6	Tata Capital Forex Limited	a) Expenses : - Travel related expenses - Guest House Recovery*	1 -	1 0
7	Tata Securities Limited	a) Expenses : - Professional Fees expenses* - Guest House Recovery*	- 0	0 1
8	Tata Business Support Services Limited	a) Expenses : - Service provider charges	18	1
9	Niskalp Infrastructure Services Limited	a) Income: - Reimbursement of expenses b) Asset: - Balance receivable	11 4	11 -
10	Tata AIG General Insurance Company Limited	a) Expenses : - Insurance expenses*	0	1
11	Tata AIA Life Insurance Company Limited	a) Expenses : - Insurance expenses	1	1

(₹ in lakh)

Sr. No.	Party Name	Nature of transaction	2016-17	2015-16
12	Tata Consultancy Services Limited	a) Expenses : - IT outsourcing expenses	142	203
		b) Liability: - Balance payable	72	203
13	Tata Consulting Engineers Limited	a) Expenses : - Consultancy Charges*	0	-
14	Key Management Personnel	Remuneration: - Mr. Avijit Bhattacharya (Manager) - Mr. Manish Chourasia (Managing Director)	- 135	68 101

(* Amount less than ₹ 50,000/-)

32. Earnings per Share (EPS):

PARTICULARS		2016-17	2015-16
Profit after tax for Basic EPS	₹ in Lakh	4,566	2,747
Weighted average number of Equity shares used in computing Basic EPS & Diluted EPS	Nos	289,638,854	289,090,909
Face value of equity shares	₹	10	10
Basic earnings per share	₹	1.58	0.95
Diluted earnings per share	₹	1.58	0.95

33. Movement in Contingent provision against Standard Assets during the year is as under: (₹ in lakh)

PARTICULARS	2016-17	2015-16
Opening Balance	367	168
Additions during the year	381	199
Utilised during the year	-	-
Closing Balance	748	367

34. Asset Liability Management

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

For the year 2016-17

(₹ 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)	278	1,500	-	1,716	-	-
Over One month to 2 months	-	13,950	-	14,176	-	-
Over 2 months upto 3 months	-	24,924	-	28,063	-	-
Over 3 months to 6 months	4,277	26,899	-	7,148	-	-
Over 6 months to 1 year	25,001	7,227	-	6,500	-	-
Over 1 year to 3 years	8,417	18,500	-	29,830	34	-
Over 3 years to 5 years	-	7,500	-	22,394	-	-
Over 5 years	-	-	-	90,059	-	-
TOTAL	37,973	100,500	-	199,885	34	-

Note : During the Financial Year 2016-17, the company has experienced significant prepayments hence ALM statement of March 2017 has been prepared assuming the prepayment of ₹44,000 lakhs which is ~22% of the book size of 199,900 lakhs as on the ALM date. Major portion of assumed prepayments have been taken in the first quarter of the Financial Year.

For the year 2015-16

(₹ 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)	278	-	-	350	-	-
Over One month to 2 months	-	-	-	275	-	-
Over 2 months upto 3 months	-	4,910	-	791	-	-
Over 3 months to 6 months	278	2,426	-	1,793	-	-
Over 6 months to 1 year	2,555	26,636	-	8,541	-	-
Over 1 year to 3 years	3,333	34,000	-	30,956	-	-
Over 3 years to 5 years	4,500	6,000	-	17,080	-	-
Over 5 years	-	-	-	62,466	-	-
TOTAL	10,944	73,972	-	122,252	-	-

Note : The Company has a relatively unseasoned asset book of ₹ 120,000 lakh as at March, 31, 2016. Since the Company has experienced significant prepayments during FY16, the Asset Liability Management Statement as on 31st March 2016 has been prepared assuming a total prepayment of 16% amounting to ₹ 20,000 lakh. Of this, ₹ 5,000 lakh is factored in the 6 months to 1 year bucket while the larger prepayment is taken into the 1 year to 3 year bucket. No prepayments have been assumed in the 0 to 6 months bucket on a conservative basis.

35. Capital to Risk Asset Ratio (CRAR)

(₹ in lakh)

PARTICULARS	As at March 31, 2017	As at March 31, 2016
CRAR (%)	23.01%	27.51%
CRAR - Tier I Capital (%)	22.72%	27.22%
CRAR - Tier II Capital (%)	0.29%	0.29%
Amount of Subordinated Debt raised as Tier II Capital	Nil	Nil
Amount raised by issue of Perpetual Debt Instruments	Nil	Nil

36. 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:

(₹ in lakh)

PARTICULARS	Amount Outstanding		Amount Overdue	
	31.03.17	31.03.16	31.03.17	31.03.16
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	45,323	41,343	-	-
- Unsecured	-	-	-	-
b) Deferred Credits	-	-	-	-
c) Term Loans	34,870	8,944	-	-
d) Inter-corporate loans and borrowing	6,412	28,136	-	-
e) Commercial Paper	31,773	7,337	-	-
f) Other loans	-	-	-	-
g) Loan from Bank	-	-	-	-
- Working Capital Demand Loan	-	-	-	-
- Overdraft	23,153	2,000	-	-

Asset Side:

(₹ in lakh)

PARTICULARS	Amount Outstanding	
	2016-17	2015-16
2) Break up of loans and advances including bills receivables (other than those included in (3) below)		
- Secured	198,915	122,252
- Unsecured	970	-
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	34	-
- Government Securities	-	-
- Others	-	-
b) Unquoted:		
- Shares: Equity	-	-
Preference	-	-
- Debentures and Bonds	-	-
- Units of Mutual Funds	-	-
- Government Securities	-	-
- Others	-	-

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

PARTICULARS	Amount net of provisions					
	Secured		Unsecured		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
a) Related parties						
i) Subsidiaries	-	-	-	-	-	-
ii) Companies in the same group	-	-	-	-	-	-
iii) Other related parties	-	-	-	-	-	-
b) Other than related parties	198,915	122,252	970	-	199,885	122,252
TOTAL	198,915	122,252	970	-	199,885	122,252

6) Investor group-wise classification of all investments (current and non-current) in shares and securities (both quoted and unquoted) (₹ in lakh)

PARTICULARS	Market Value/Break up or fair value or NAV		Book Value (Net of Provisions)	
	2016-17	2015-16	2016-17	2015-16
a) Related parties				
i) Subsidiaries	-	-	-	-
ii) Companies in the same group	-	-	-	-
iii) Other related Parties	-	-	-	-
b) Other than related parties	35	-	35	-
TOTAL	35	-	35	-

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 (₹ in lakh)

PARTICULARS	2016-17	2015-16
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	-	-

37 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 2015

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

(i) Rating Assigned to	Commercial Papers, Debentures & Bank Loan facility
(ii) Date of Rating	CRISIL : 2 nd March 2017 CARE : 23 rd March 2017
(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)
(v) Rating of products	
(a) Commercial Paper	CRISIL A1+
(b) Debentures	CRISIL AA+/Stable , CARE AA+
(c) Bank Loan Facility	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, 2017 is as follows:

- a) Undrawn Commitment given to the Borrower is ₹ 70,759 lakh (Loans sanctioned tenor more than 1 year ₹ 66,740 lakh) (Previous Year: ₹ 6,942 lakh)

(v) Provisions and Contingencies

(₹ In lakh)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss	2016-17	2015-16
Provisions for depreciation on investment	-	-
Provision towards NPA	-	-
Provision towards restructured standard assets	-	(37)
Provision made towards Income tax	1,806	1,114
Other provision and contingencies (with details)	-	-
Provision for standard assets	381	199
Total	2,187	1,276

(vi) Concentration of Advances & Exposures

(₹ In lakh)

Particulars	2016-17	2015-16
Total advances to twenty largest borrowers	121,831	94,316
Percentage of advances to twenty largest borrowers to total advances of the NBFC	61.0%	77.3%

- (vii) The Company has ₹ 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 and the group of borrower does not exceed the limit stipulated by the RBI Concentration norms applicable to NBFCs.
- (xiii) The Exposure to Unsecured Advances is ₹ 970 lakh (Previous Year Nil) constituting 0.49% of the Gross Loans and Advances.
- (xiv) Since the Company does not have significant uncertainties pending resolutions as at March 31, 2017, 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

(₹ In lakh)

	Particulars	2016-17	2015-16
(i)	Net NPAs to Net Advances (%)	0%	0%
(ii)	Movement of NPAs (Gross)		
	(a) Opening Balance	–	–
	(b) Additions during the year	–	295
	(c) Reductions during the year	0	(295)
	(d) Closing balance	–	–
(iii)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening Balance	–	–
	(b) Additions during the year	–	29
	(c) Write-off / write-back of excess provisions	0	(29)
	(d) Closing balance	–	–
(iv)	Movement of Net NPAs		
	(a) Opening Balance	–	–
	(b) Additions during the year	–	265
	(c) Reductions during the year	0	(265)
	(d) Closing balance	–	–

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

38. During the year, the Company changed its accounting policy with respect to amortisation of deferred revenue expenditure for share issue expenses. The Company now charges off the share issue expenses against amount standing to the credit of the Securities Premium Account. Prior to this change, the Company amortised the said share issue expenses over a period of 36 months from the month in which the expenses were incurred. The change in accounting policy is in accordance with the provisions of Section 52 of the Companies Act 2013, and would result in a more appropriate presentation of financial statements of the Company and for harmonisation of policy with Holding Company.

On account of the change in the accounting policy, the profit before tax of the company is higher by ₹ 76 lakh (net of taxes, as applicable) for the period year ended March 31, 2017 and deferred revenue expenditure is lower by ₹ 159 lakh.

39. The Company has made an incremental standard asset provision of ₹ 61 lakh being 0.35% (FY 15-16: 0.30%) of Standard Assets as of March 31, 2016, as specified by RBI Notification No.DNBR.009/ CGM(CDS)-2015 dated March 27, 2015.
40. The Company has reported frauds aggregating ₹ Nil (Previous year : ₹ Nil) based on management reporting to risk committee and to the RBI through prescribed returns.
41. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of Board of Directors

Vittaladas Leeladhar
(Chairman)

Praveen P. Kadle
(Director)

Pradeep C. Bandivadekar
(Director)

Nihar Shah
(Director)

Padmini Khare Kaicker
(Director)

Manish Chourasia
(Managing Director)

Behzad Bhesania
(Chief Financial Officer)

Sunil Raut
(Company Secretary)

Place : Mumbai
Date: April 26, 2017